
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

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

For the fiscal year ended April 2, 2023

OR

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

For the transition period from to

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission file number 001-38027

CANADA GOOSE HOLDINGS INC.
(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)
British Columbia

(Jurisdiction of incorporation or organization)
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(Name, telephone, email and/or facsimile number and address of Company contact person)
Securities registered or to be registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------------|-------------------|---|
| Subordinate voting shares | GOOS | New York Stock Exchange |

| Title of each class | Name of each exchange on which registered |
|---------------------------|---|
| Subordinate voting shares | New York Stock Exchange |

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

(Title of Class)
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:
None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the Annual Report: At April 2, 2023, 53,184,912 subordinate voting shares and 51,004,076 multiple voting shares were issued and outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933. Yes
 No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Note—checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those sections.

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act of 1934.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Securities Exchange Act of 1934.

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an Annual Report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

**Canada Goose Holdings Inc.
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INTRODUCTION

Unless otherwise indicated, all references in this Annual Report on Form 20-F to “Canada Goose,” “we,” “our,” “us,” “the company” or similar terms refer to Canada Goose Holdings Inc. and its consolidated subsidiaries. We publish our consolidated financial statements in Canadian dollars. In this Annual Report, unless otherwise specified, all monetary amounts are in Canadian dollars, all references to “\$,” “C\$,” “CDN\$,” “CAD\$,” and “dollars” mean Canadian dollars and all references to “US\$” and “USD” mean U.S. dollars.

This Annual Report on Form 20-F contains our audited consolidated financial statements and related notes for the years ended April 2, 2023, April 3, 2022 and March 28, 2021 (“Annual Financial Statements”). Our Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

Our fiscal year is a 52 or 53-week reporting cycle with the fiscal year ending on the Sunday closest to March 31. Each fiscal quarter is 13 weeks for a 52-week fiscal year. The additional week in a 53-week fiscal year is added to the third quarter. Fiscal 2022 is the first 53-week fiscal year, ending on April 3, 2022, and the additional week was added to the third quarter ended January 2, 2022. As described herein, certain comparative figures have been reclassified to conform with the fiscal 2022 presentation.

Unless otherwise indicated in this Annual Report, all references to: “fiscal 2020” are to the 52-week period ended March 29, 2020; “fiscal 2021” are to the 52-week period ended March 28, 2021; “fiscal 2022” are to the 53-week period ended April 3, 2022; and “fiscal 2023” are to the 52-week period ended April 2, 2023.

Trademarks and Service Marks

This Annual Report contains references to a number of trademarks which are our registered trademarks or trademarks for which we have pending applications or common law rights. Our major trademarks include the CANADA GOOSE word mark and the ARCTIC PROGRAM & DESIGN trademark (our disc logo consisting of the colour-inverse design of the North Pole and Arctic Ocean) as well as the BAFFIN word mark and BAFFIN Half Maple Leaf design trademark.

Solely for convenience, the trademarks, service marks and trade names referred to in this Annual Report are listed without the ®, (sm) and (TM) symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and trade names.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements. These statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, and other future conditions. Forward-looking statements can be identified by words such as “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “predict,” “project,” “target,” “potential,” “will,” “would,” “could,” “should,” “continue,” and other similar expressions, although not all forward-looking statements contain these identifying words. These forward-looking statements include all matters that are not historical facts. They appear in many places throughout this Annual Report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, business prospects, growth, strategies, expectations regarding industry trends and the size and growth rates of addressable markets, our business plan and our growth strategies, including plans for expansion to new markets and new products, expectations for seasonal trends, and the industry in which we operate.

Certain assumptions made in preparing the forward-looking statements contained in this Annual Report include:

- our ability to continue operating our business amid the societal, political and economic disruption caused by recent and ongoing geopolitical events, and the ongoing coronavirus pandemic (“COVID-19”);
- our ability to implement our growth strategies;
- our ability to maintain strong business relationships with our customers, suppliers, wholesalers and distributors;
- our ability to keep pace with changing consumer preferences;
- our ability to protect our intellectual property;
- our ability to adapt to changes to our business as a whole due to environmental, social and governance (“ESG”) considerations;
- the continued absence of material global supply chain disruptions to our business and ability to fulfill demand and maintain sufficient inventory levels, which we continue to monitor; and
- the absence of material adverse changes in our industry or the global economy.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe that these risks and uncertainties include, but are not limited to, those described in the “Risk Factors” section of this Annual Report and other risk factors described herein which include, but are not limited to, the following risks:

- we may not open retail stores or expand e-Commerce access on our planned timelines;
- we may be unable to maintain the strength of our brand or to expand our brand to new products and geographies;
- unanticipated changes in the effective tax rate or adverse outcomes from audit examinations of corporate income or other tax returns;

- our indebtedness may adversely affect our financial condition, and we may not be able to refinance or renegotiate such indebtedness on favourable or satisfactory terms;
- an economic downturn and general economic conditions (for example, inflation and rising interest rates) may further affect discretionary consumer spending;
- we may not be able to satisfy changing consumer preferences;
- global political events, including the impact of political disruptions and protests, which may cause business interruptions;
- our ability to procure high quality raw materials and certain finished goods globally;
- our ability to manage inventory and forecast our inventory need and to manage our production distribution networks. In anticipation of our expected growth and as an important hedge against inflation, we have built up our inventory to elevated levels. If our supply exceeds demand, we may be required to take certain actions to reduce inventory which could damage our brand;
- our ability to forecast our inventory needs and to manage our product distribution networks;
- we may not be able to protect or preserve our brand image and proprietary rights;
- the success of our business strategy;
- our ability to manage our exposure to data security and cyber security events;
- disruptions to manufacturing and distribution activities due to such factors as operational issues, disruptions in transportation logistic functions or labour shortages or disruptions;
- risks and global disruptions associated with geopolitical events and the COVID-19 pandemic, which may further affect general economic and operating conditions;
- potential disruptions in the U.S. banking ecosystem;
- fluctuations in raw material costs, interest rates and currency exchange rates; and
- we may be unable to maintain effective internal controls over financial reporting.

Although we base the forward-looking statements contained in this Annual Report on assumptions that we believe are reasonable, we caution you that actual results and developments (including our results of operations, financial condition and liquidity, and the development of the industry in which we operate) may differ materially from those made in or suggested by the forward-looking statements contained in this Annual Report. Additional impacts may arise that we are not aware of currently. The potential of such additional impacts intensifies the business and operating risks that we face, and should be considered when reading the forward-looking statements contained in this Annual Report. In addition, even if results and developments are consistent with the forward-looking statements contained in this Annual Report, those results and developments may not be indicative of results or developments in subsequent periods. As a result, any or all of our forward-looking statements in this Annual Report may prove to be inaccurate. We have included important factors in the cautionary statements included in this Annual Report on Form 20-F, particularly in Section 3.D of this Annual Report on Form 20-F titled "Risk Factors", that we believe could cause actual results or events to differ materially from the forward-looking statements that we make. No forward-looking statement is a guarantee of future results. Moreover, we operate in a highly competitive and rapidly changing environment in which new risks often emerge. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make.

You should read this Annual Report and the documents that we reference herein and have filed as exhibits hereto completely and with the understanding that our actual future results may be materially different from what we expect. The forward-looking statements contained herein are made as of the date of this Annual Report, and we do not assume any obligation to update any forward-looking statements except as required by applicable laws.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Risks Related to our Business

A downturn in the global economy, including as a result of recent geopolitical events and general economic conditions such as inflation will likely affect or has substantially affected and will likely continue to affect, consumer purchases of discretionary items, which could materially harm our sales, profitability and financial condition.

Our sales are significantly affected by changes in discretionary spending by consumers. Many factors outside our control influence and affect the level of consumer spending for discretionary items. These factors include actual and perceived economic conditions, interest and tax rates, inflation, energy prices, the availability of consumer credit, disposable consumer income, consumer indebtedness level, unemployment and consumer confidence in future economic conditions. Consumer purchases of discretionary items, such as our outerwear, tend to decline during recessionary periods when disposable income is lower. During our history, we have experienced recessionary periods, but we cannot predict the effect of future recessionary periods on our sales and profitability. A downturn in the economy in markets in which we sell our products or unfavourable changes related to interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, tax rates and policy, unemployment trends, energy prices, and other matters that influence the availability and cost of merchandise, consumer confidence or spending may materially harm our sales, profitability and financial condition.

Recent geopolitical events and general economic conditions, such as rising inflation and interest rates, has led to a slow-down in certain segments of the global economy and affected the amount of discretionary income available for certain consumers to purchase our products. If global economic and financial market conditions persist, our sales could decrease, and our financial condition and results of operations could be adversely affected. Unstable political conditions, civil unrest, armed conflicts or events of extreme violence, including the ongoing conflict and any escalation thereof between Russia and Ukraine and related economic and other retaliatory measures taken by Canada, the United States, the European Union and others, may

disrupt commerce globally and could negatively affect our business and results of operations. The risk of recession in one or several of the countries where we operate is growing, notably in light of the significant increase of interest and inflation rates, and could further have an adverse impact on our business and results of operations.

Our growth strategy continues to involve expansion of our Direct-to-Consumer (“DTC”) channel, including retail stores and e-Commerce, which may present risks and challenges.

Our business has continued to evolve from one in which we only distributed products on a wholesale basis for resale by others to a multi-channel distribution model. As of April 2, 2023, our DTC channel includes 57 national e-Commerce markets and 51 directly operated permanent retail stores across North America, Europe, and Asia Pacific. While store operations have largely resumed over fiscal 2022 and fiscal 2023 across our global store network, retail store traffic remains below pre-pandemic levels as at April 2, 2023. Our global DTC expansion has been the largest driver of operational and financial growth historically. We expect this to continue in the future.

Growing our e-Commerce platforms and number of retail stores is essential to our future strategy. This strategy has and will continue to require significant investment in cross-functional operations and management focus, along with investment in supporting technologies and retail store spaces. If we are unable to provide a user-friendly, convenient and consistent experience for our customers, our ability to compete and our results of operations could be adversely affected. In addition, if our e-Commerce platforms or retail store formats do not appeal to our customers, reliably function as designed, or maintain the privacy of customer data, or if we are unable to consistently meet our brand promise to our customers, we may experience a loss of customer confidence or lost sales, or be exposed to fraudulent purchases, which could adversely affect our reputation and results of operations.

To the extent our e-Commerce business grows, we will need an increasing amount of IT infrastructure to continue to satisfy consumer demand and expectations. If we fail to effectively scale and adapt our e-Commerce platform to accommodate increased consumer demand, our business may be subject to interruptions, delays or failures and consumer demand for our products and digital experiences could decline. In the event we fail to successfully respond to these risks, it might adversely affect sales and order flow in our e-Commerce business, as well as adversely impact our reputation and brand.

Furthermore, with our increasing retail footprint, lower profitability levels at new or existing retail stores will adversely affect our margins.

We are also subject to different and evolving local laws and regulatory requirements in the various jurisdictions in which we operate. In particular, we are subject to different and evolving laws and orders governing the operation and marketing of e-Commerce websites, as well as the collection, storage and use of information on consumers interacting with those websites. We may incur additional costs and operational challenges in complying with these laws, and differences in these laws may cause us to operate our businesses differently in different territories. If so, we may incur additional costs and may not fully realize the investment in our global DTC expansion.

Our business depends on our strong brand, and if we are not able to maintain and enhance our brand we may be unable to sell our products, which would adversely affect our business.

The Canada Goose name and brand image are integral to the growth of our business, and to the implementation of our strategies for expanding our business. We believe that the brand image we have developed has significantly contributed to the success of our business and is critical to maintaining and expanding our customer base. Maintaining and enhancing our brand may require us to make substantial investments in areas such as product design, store openings and operations, marketing, e-Commerce, community relations and employee training, and these investments may not be successful.

We anticipate that, as our business continues to expand into new markets and new product categories and as the market becomes increasingly competitive, maintaining and enhancing our brand may become difficult and expensive. Conversely, as we penetrate these new markets and our brand becomes more widely available, it could potentially detract from the appeal stemming from the scarcity of our brand. Our brand may also be adversely affected if our public image or reputation is tarnished by negative publicity. In addition, ineffective marketing, product diversion to unauthorized distribution channels, product defects, counterfeit products, unfair labour practices, and failure to protect the intellectual property rights in our brand are some of the potential threats to the strength of our brand, and those and other factors could rapidly and severely diminish consumer confidence in us. Maintaining and enhancing our brand will depend largely on our ability to be a leader in our industry and to continue to offer a range of high quality products to our customers, which we may not execute successfully. Any of these factors could harm our sales, profitability or financial condition.

A key element of our growth strategy is expansion of our product offerings into new product categories. We may be unsuccessful in designing products that meet our customers' expectations for our brand or that are attractive to new customers. If we are unable to anticipate customer preferences or industry changes, or if we are unable to modify our products on a timely basis or expand effectively into new product categories, we may lose customers or fail to gain new customers. Our ability to successfully implement our growth strategy may be affected by the global economic contraction, including as a result of ongoing geopolitical uncertainty and the rising inflationary pressures. As we expand into new geographic markets, consumers in these new markets may be less compelled by our brand image and may not be willing to pay a higher price to purchase our products as compared to traditional outerwear. Our operating results would also suffer if our investments and innovations do not anticipate the needs of our customers, are not appropriately timed with market opportunities or are not effectively brought to market.

Because our business is concentrated on a single, discretionary product category, outerwear, we are vulnerable to changes in consumer preferences that could harm our sales, profitability and financial condition.

In fiscal 2023, our main product category, outerwear represented the majority of our sales. Consumer preferences often change rapidly. Therefore, our business is substantially dependent on our ability to attract customers who are willing to pay a premium for our products. Any future shifts in consumer preferences away from spending for our products would also have a material adverse effect on our results of operations.

In addition, we believe that continued increases in sales of outerwear will largely depend on customers continuing to demand technical superiority from their products. If the number of customers demanding outerwear does not continue to increase, or if our customers are not convinced that our products are more functional or stylish than other outerwear alternatives, we

may not achieve the level of sales necessary to support new growth platforms and our ability to grow our business will be severely impaired.

Our indebtedness could adversely affect our financial condition.

As of April 2, 2023, we had \$238.4m of unused commitments under our Revolving Facility (as defined below) and no principal borrowings outstanding, \$396.3m of term loans under our Term Loan Facility (as defined below), and no amounts owing under the Mainland China Facilities (as defined below) for total indebtedness of \$396.3m. As at April 2, 2023, cash on hand was \$286.5m (April 3, 2022 - \$287.7m). We also generally experience significant fluctuations in our aggregate indebtedness and working capital over our operating cycle due to the seasonality in our business. Our debt could have important consequences, including:

- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements and increasing our cost of borrowing;
- requiring a portion of our cash flow to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flow available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- requiring the net cash proceeds of certain equity offerings to be used to prepay our debt as opposed to being applied for other purposes;
- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under our senior secured credit facilities, are at variable rates of interest; and
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete.

The credit agreements governing our senior secured credit facilities contain a number of restrictive covenants that impose operating and financial restrictions on us, including restrictions on our ability to incur certain liens, make investments and acquisitions, incur or guarantee additional indebtedness, pay dividends or make other distributions in respect of, or repurchase or redeem our shares, or enter into certain other types of contractual arrangements affecting our subsidiaries or indebtedness. In addition, the restrictive covenants in the credit agreement governing our Revolving Facility require us to maintain a minimum fixed charge coverage ratio if excess availability under our Revolving Facility falls below a specified threshold.

If we are unable to comply with these restrictions and covenants at times and to the extent they are applicable, including as a result of events beyond our control, we may risk an event of default under the credit facilities, which could accelerate the payment of any amounts then due, and limit our ability to incur future borrowings under the credit facilities, either of which could have a material adverse effect on our business.

Although the credit agreements governing our senior secured credit facilities contain restrictions on the incurrence of additional indebtedness, those restrictions are subject to a number of qualifications and exceptions and the additional indebtedness incurred in compliance with those restrictions could be substantial. We may also seek to amend or refinance one or more of our debt instruments to permit us to finance our growth strategy or improve the terms of our indebtedness.

We operate in a highly competitive market and the size and resources of some of our competitors may allow them to compete more effectively than we can, resulting in a loss of our market share and a decrease in our revenue and profitability.

The market for outerwear is highly fragmented. We compete against a wide range of brands and retailers. Many of our competitors have significant competitive advantages, including larger and broader customer bases, more established relationships with a broader set of suppliers, greater brand recognition, larger product offering, greater financial resources, more established research and development processes, a longer history of store development, greater marketing resources, more established distribution processes, and other resources which we do not have.

Our competitors may be able to achieve and maintain brand affinity and market share more quickly and effectively than we can. Our competitors may also be able to increase sales in their new and existing markets faster than we can by emphasizing different distribution channels than we can. If we fail to compete with such competitors, our business, financial condition and performance could be materially adversely affected.

If we are unable to manage our operations at our current size or to manage any future growth effectively, the pace of our growth may slow.

If our operations continue to grow, of which there can be no assurance, we will be required to continue to expand our sales and marketing, product development, manufacturing and distribution functions, to upgrade our management information systems and other processes, and to obtain more space for our expanding administrative support and other personnel. Continued or fluctuating growth could strain our resources, and we could experience operating difficulties, including difficulties in hiring, training and managing an increasing number of employees and manufacturing capacity to produce our products, and delays in production and shipments. These difficulties may result in the erosion of our brand image, divert the attention of management and key employees and impact financial and operational results. In order to continue to expand our DTC channel, we expect to add selling, general & administrative (“SG&A”) expenses and depreciation and amortization expenses to our cost base. These costs, which include lease commitments, headcount and capital assets, could result in decreased margins if we are unable to drive commensurate DTC revenue growth.

Our financial performance is subject to significant seasonality and variability, which could cause the price of our subordinate voting shares to decline.

Our business is affected by a number of factors common to our industry and by other factors specific to our business model, which drive seasonality and variability. Historically, key metrics, including those related to our growth, profitability and financial condition, have fluctuated significantly across fiscal periods. We expect this to continue in the future.

Consumer purchases of outerwear are heavily concentrated in the Fall / Winter season. As a result, the majority of our DTC revenue is recognized in the third and fourth fiscal quarter. Our wholesale revenue is weighted earlier in the second and third fiscal quarters, when most orders are shipped to wholesale partners in time for the Fall/Winter season. Our net income is typically negative in the first quarter and reduced or negative in the fourth quarter.

Guided by expected demand in both channels, we manufacture on a linear basis throughout the fiscal year, while adding capacity where relevant to our manufacturing network, resulting in the buildup and staging of inventory for future periods. These dynamics cause significant fluctuations in our working capital, cash conversion, and leverage throughout the fiscal year. At certain points in time, our inventory has increased at a significantly higher rate than our historical revenue growth in the same period.

Historical results, especially comparisons across fiscal quarters, should not be considered indicative of the results to be expected for any future periods. In addition to the seasonality of demand for our products, our financial performance is influenced by a number of factors which are difficult to predict and variable in nature. These include input cost volatility, the timing of consumer purchases and wholesale deliveries which very often shift between fiscal quarters, demand forecast accuracy, inventory availability and the evolution of our channel mix, as well as external trends in weather, traffic and discretionary consumer spending.

A number of other factors which are difficult to predict could also affect the seasonality or variability of our financial performance. Therefore, you should not rely on the results of a single fiscal quarter as an indication of our annual results or future performance.

If we fail to attract enough new customers, we may not be able to increase sales.

Our success depends, in part, on our ability to attract new customers. In order to expand our customer base, we must appeal to and attract consumers who identify with our brand and products. We have made significant investments in enhancing our brand and attracting new customers. We expect to continue to make significant investments to promote our current products to new customers and new products to current and new customers, including through our e-Commerce platforms and retail store presence. Such marketing investments can be expensive and may not result in increased sales. Further, as our brand becomes more widely known, we may not attract new customers as we have in the past. If we are unable to attract enough new customers, we may not be able to increase our sales.

Our sales and results of operations could be adversely affected by our decision to go fur-free.

In fiscal 2022, we announced that we were going fur-free and ceased manufacturing with fur at the end of 2022. As a result of this decision, we may lose some of our existing customers or they could choose to buy fewer products. We may also fail to attract enough existing or new customers to purchase our other fur-free products. Even if we expand our product offering and manufacture products that are attractive to our customers, there is no guarantee we will be able to fully convert our fur-product sales into fur-free product sales. If we are unable to replace fur product sales with fur-free sales, if we are unable to sell leftover inventory with fur and/or if we are required to write down inventory as a result of this decision, our sales and results from operations may be adversely affected.

Our business has been and may continue to be adversely affected by the global coronavirus outbreak.

Our global operations, and those of the third parties upon whom we rely, have experienced and may continue to experience disruptions from the outbreak of COVID-19. To date, they have included mandatory and elective shut-downs of retail and manufacturing operations, a decrease in domestic and international retail traffic, and a decrease in the capacity of our network, including in our facilities, due to distancing measures required, reductions in operating hours, limited occupancy levels, supply chain issues and labour disruptions, and other disruptions.

Although the effects of the COVID-19 health crisis are slowly dissipating and resulting in the lifting of some of the above mentioned measures, others have been kept in place and it is possible that additional costs and investments will be required in the future if past restrictions are reinstated or new regulations or restrictions are put in place if there are resurgences of the pandemic, including through subsequent waves or additional variants, or if there are other diseases that give rise to similar effects emerging.

Additional impacts may arise that we are not aware of currently. The potential of such additional impacts intensifies the business and operating risks that we face, and should be considered holistically with the other risks the business is facing, as described herein.

Our operations and business may be adversely affected by global climate trends.

There is increasing concern that a gradual rise in global average temperatures due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere will cause significant changes in weather patterns around the globe, an increase in the frequency, severity, and duration of extreme weather conditions and natural disasters, and water scarcity and poor water quality. Climate change may also exacerbate challenges relating to the availability and quality of water and raw materials, including those used in the production of our products, and may result in changes in regulations or consumer preferences, which could in turn affect our business, operating results and financial condition. For example, there has been increased focus by governmental and non-governmental organizations, consumers, customers, employees and other stakeholders on products that are sustainably made and other sustainability matters, including responsible sourcing and deforestation, the use of plastic, energy and water, the recyclability or recoverability of packaging and materials transparency, any of which may require us to incur increased costs for additional transparency, due diligence and reporting. These events could also compound adverse economic conditions and impact consumer confidence and discretionary spending. As a result, the effects of climate change are unpredictable and could have a long-term adverse impact on our financial condition, results of operations or cash flows.

Climate change related transition risks are also growing in many countries, as governmental bodies are enacting new legislation and regulations to reduce or mitigate the potential impacts of climate change. If we, our suppliers, or our manufacturers are required to comply with these laws and regulations, or if we choose to take voluntary steps to reduce or mitigate our impact on climate change, we may experience increases in energy, production, transportation, and raw material costs, capital expenditures, or insurance premiums and deductibles. Varied legislation and regulations across jurisdictions may also make it more challenging and affect the costs of compliance with such laws and regulations. Any assessment of the potential impact of future climate change legislation, regulations or industry standards, as well as any international treaties and accords, is uncertain given the wide scope of potential regulatory change.

A significant portion of our business is highly dependent on cold-weather seasons and patterns to generate consumer demand for our products. Consumer demand for our products may be negatively affected to the extent global climate patterns trend warmer, reducing typical patterns of cold-weather events or increasing weather volatility, which could have an adverse effect on our financial condition, results of operations or cash flows.

Our plans to improve and expand our product offerings may not be successful, and implementation of these plans may divert our operational, managerial and administrative resources, which could harm our competitive position and reduce our revenue and profitability.

In addition to our global DTC expansion plans, we are growing our business by expanding our product offerings outside down-filled jackets, including windwear, rainwear, apparel, fleece, accessories and footwear. The principal risks to our ability to successfully carry out our plans to expand our product offering include:

- the success of new products and new product lines will depend on market demand and there is a risk that new products and new product lines will not deliver expected results, which could negatively impact our future sales and results of operations;

- if our expanded product offerings fail to maintain and enhance our distinctive brand identity, our brand image may be diminished and our sales may decrease;
- implementation of these plans may divert management's attention from other aspects of our business and place a strain on our management, operational and financial resources, as well as our information systems; and
- incorporation of novel materials or features into our products may not be accepted by our customers or may be considered inferior to similar products offered by our competitors.

In addition, our ability to successfully carry out our plans to expand our product offerings may be affected by economic and competitive conditions, changes in consumer spending patterns (including reductions in discretionary consumer spending as a result of geopolitical events or general economic downturns) and changes in consumer preferences and styles. These plans could be abandoned, could cost more than anticipated and could divert resources from other areas of our business, any of which could negatively impact our competitive position and reduce our revenue and profitability.

Unexpected obstacles in new markets may limit our expansion opportunities and cause our business and growth to suffer.

Our growth strategy has led to our expansion into markets outside of North America, including in developing markets. There are varying regulatory environments and market practices in these regions, and such regulations may be unfamiliar to us and we may experience unexpected barriers. It may take us time to penetrate or successfully operate in any new market. In connection with our expansion efforts we may encounter obstacles, including cultural and linguistic differences, differences in regulatory environments, economic or governmental instability, labour practices and market practices, difficulties in keeping abreast of market, business and technical developments, and foreign customers' tastes and preferences. In developing markets, potential challenges include relatively higher risk of political instability, economic volatility, crime, corruption and social unrest. Such challenges may be exacerbated in many cases by uncertainties regarding how local law is applied and enforced, and with respect to judiciary and administrative mechanism. Furthermore, global events such as pandemics, the related governmental, private sector and individual and collective consumer responsive actions and any subsequent waves of outbreaks of COVID-19, has and could continue to reduce traffic, result in temporary or permanent closures of stores, offices, and factories, and could negatively impact the flow of goods. For example, in response to the ongoing COVID-19 pandemic, local and national governments in many countries have implemented regional quarantines and mandated the closure of nonessential businesses, which has halted traffic in certain markets.

We may also encounter difficulty expanding into new international markets because of limited brand recognition leading to delayed acceptance of our outerwear by customers in these new international markets. In the event we fail to develop our business in new international markets or experience disappointing growth or undertake inadequate management of risks outside of existing markets, this could harm our business and results of operations.

We rely on a limited number of third-party suppliers to provide high quality raw materials and are reliant on international shipping which could be disrupted and subject to increasing costs.

Our products require high quality raw materials, including polyester, nylon, blend fabrics and down. The price of raw materials depends on a wide variety of factors largely beyond the control of Canada Goose. A shortage, delay or interruption of supply for any reason, including by reason of a potential resurgence of the COVID-19 pandemic and global supply chain issues, could negatively impact our sales and have an adverse impact on our financial results.

In addition, while our suppliers, in turn, source from a number of sub-suppliers, we rely on a very small number of direct suppliers for certain raw materials. As a result, any disruption to these relationships could have an adverse effect on our business. Events that adversely affect our suppliers could impair our ability to obtain inventory in the quantities and at the quality that we require. Such events include difficulties or problems with our suppliers' businesses, finances, labour relations and availability, shipping, ability to import raw materials, increases in labour, fuel and raw material costs, production, weather trends, insurance and reputation, as well as natural disasters, public health emergencies or other catastrophic occurrences. Our supply of raw materials, for example, could be disrupted by the potential resurgence of the COVID-19 pandemic, and responsive actions such as border closures, restrictions on product shipments, and travel restrictions. A significant slowdown in the retail industry as a whole may also result in bankruptcies or permanent closures of some of our suppliers and other vendors. Furthermore, there can be no assurance that our suppliers will continue to provide fabrics and raw materials or provide products that are consistent with our standards. Finally, raw materials and shipping costs have and may continue to increase as a result of inflation, recent geopolitical uncertainty and supply chain issues. Any such increases could adversely impact our financial performance if we are unable to offset such increases with price increases on our products.

More generally, if we need to replace an existing supplier, additional supplies or additional manufacturing capacity may not be available when required on terms that are acceptable to us, or at all, and any new supplier may not meet our strict quality requirements. In the event we are required to find new sources of supply, we may encounter delays in production, inconsistencies in quality and added costs as a result of the time it takes to train our suppliers and manufacturers in our methods, products and quality control standards. Any delays, interruption or increased costs in the supply of our raw materials could have an adverse effect on our ability to meet customer demand for our products and result in lower sales and profitability both in the short and long-term.

We could experience significant disruptions in supply from our current sources and any disruptions of our supply chain could have a material adverse effect on our operating and financial results.

We generally do not enter into long-term formal written agreements with our suppliers, and typically transact business with our suppliers on an order-by-order basis. There can be no assurance that there will not be a disruption in the supply of raw materials and certain finished goods from current sources or, in the event of a disruption, that we would be able to locate alternative suppliers of materials or finished goods of comparable quality at an acceptable price, or at all. Identifying a suitable supplier is an involved process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labour and other ethical practices. Any delays, interruption or increased costs in the supply of fabric or manufacture of our products could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue and operating income both in the short and long-term.

In addition, while we have not been materially affected by the ongoing global supply chain disruptions in fiscal 2022 and fiscal 2023, any disruptions in our supply chain capabilities, including due to trade restrictions, political instability, severe weather and natural disasters, war, labour shortages, reduced freight availability and increased costs, port disruptions, rising inflationary pressures and other factors, could impair our ability to distribute or manufacture products. These factors are beyond our control and to the extent we are unable to mitigate the likelihood or potential impact of such events, there could be a material adverse effect on our operating and financial results.

Our business and results of operations could be harmed if we are unable to accurately forecast demand for our products.

To ensure adequate inventory supply, we forecast inventory needs, which are subject to seasonal and quarterly variations in consumer demand. If we fail to accurately forecast demand, we may experience excess inventory levels or a shortage of product. Our ability to forecast accurately has become increasingly important as we have expanded our DTC channel globally and could be affected by many factors outside of our control, including an increase or decrease in consumer demand for our products or for products of our competitors, in the event we fail to accurately forecast consumer acceptance of new products, product introductions by competitors, unanticipated changes in general market conditions and, therefore, consumer spending in the sector (for example, because of unexpected effects on inventory supply and consumer demand), and weakening of economic conditions or consumer confidence in future economic conditions. In our wholesale channel, a majority of orders delivered in a given fiscal year are received in the prior fiscal year, enabling us to manufacture inventory relative to a defined order book. In the DTC channel, we manufacture according to our forecasts of consumer demand. If we overestimate the demand for our products, we could face inventory levels in excess of demand, which could result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which would harm our gross margins and our brand management efforts. The potential for overestimation is expected to increase as a larger portion of our sales comes through our DTC channel, and as we expand our product offerings. If we underestimate the demand for our products, we may not be able to produce products to meet demand, and this could result in delays in the shipment of our products and a potential failure to capitalize on demand, as well as damage to our reputation and wholesale partner relationships. In addition, failures to accurately predict the level of demand for our products could harm our profitability and financial condition.

If we are unable to establish and protect our trademarks and other intellectual property rights, counterfeiters may produce copies of our products and such counterfeit products could damage our brand image.

We expect that there is a high likelihood that counterfeit products or other products infringing on our intellectual property rights will continue to emerge, seeking to benefit from the consumer demand for Canada Goose products. These counterfeit products do not provide the functionality of our products and we believe they are of substantially lower quality, and if customers are not able to differentiate between our products and counterfeit products, this could damage our brand image. In order to protect our brand, we devote significant resources to the registration and protection of our trademarks and to anti-counterfeiting efforts worldwide. We actively pursue entities involved in the trafficking and sale of counterfeit merchandise through legal action or other appropriate measures. In spite of our efforts, counterfeiting still occurs and, if we are unsuccessful in challenging a third-party's rights related to trademark, copyright or other intellectual property rights, this could adversely affect our future sales, financial condition and results of operations. We cannot guarantee that the actions we have taken to curb counterfeiting and protect our intellectual property will be adequate to protect the brand and prevent counterfeiting in the future or that we will be able to identify and pursue all counterfeiters who may seek to benefit from our brand.

Competitors have and will likely continue to attempt to imitate our products and technology and divert sales. If we are unable to protect or preserve our intellectual property rights, brand image and proprietary rights, our business may be harmed.

As our business has expanded, our competitors have imitated, and will likely continue to imitate, our product designs and branding, which could harm our business and results of operations. Competitors who manufacture products seeking to imitate our products could divert sales and dilute the value of our brand. We believe our trademarks, copyrights and other intellectual property rights are extremely important to our success and our competitive position.

However, enforcing rights to our intellectual property may be difficult and costly, and we may not be successful in stopping infringement of our intellectual property rights, particularly in foreign countries, which could make it easier for competitors to capture market share. Intellectual property rights necessary to protect our products and brand may also be unavailable or limited in certain countries. Furthermore, our efforts to enforce our trademarks, copyrights and other intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our trademark and other intellectual property rights. Continued sales of competing products by our competitors could harm our brand and adversely impact our business, financial condition and results of operations.

Labour-related matters, including labour disputes, may adversely affect our operations.

As of April 2, 2023, approximately 43% of our employees are members of labour unions, comprised of active employees at 7 of our 10 operated manufacturing and warehouse facilities (comprised of 8 manufacturing facilities, 1 warehouse facility and 1 Baffin manufacturing facility). The exposure to unionized labour in our workforce presents an increased risk of strikes and other labour disputes, and our ability to alter labour costs will be subject to collective bargaining, which could adversely affect our results of operations. In addition, potential labour disputes at independent factories where our goods are produced, shipping ports, or transportation carriers create risks for our business, particularly if a dispute results in work slowdowns, lockouts, strikes or other disruptions during our peak manufacturing, shipping and selling seasons. Any potential labour dispute, either in our own operations or in those of third parties, on whom we rely, could materially affect our costs, decrease our sales, harm our reputation or otherwise negatively affect our sales, profitability or financial condition.

The majority of our workforce is composed of manufacturing employees based in the provinces of Ontario, Manitoba and Québec, a sizeable portion of whom are paid minimum wage rates based on the applicable provincial minimum wage, as well as a number of other benefits including variable pay components. Many jurisdictions, including certain Canadian provinces, either have increased or plan to increase their minimum wage and other benefits requirements, which may materially increase our manufacturing costs. Minimum wage increases such as the foregoing may not only increase the wages of our minimum wage employees, but also the wages paid to our other hourly or salaried employees who, in recognition of their tenure, performance, responsibilities and other similar considerations, historically received a rate of pay exceeding the applicable minimum wage. Further, if we fail to pay such higher wages, we could suffer increased employee turnover. It is difficult to predict when such increases may take place and any such increase could have a material adverse effect on our business, financial condition, results of operations and prospects.

Further, the risks to our business due to a pandemic or other public health emergency, such as the recent COVID-19 pandemic, include risks to employee health and safety, prolonged restrictive measures put in place in order to control the crisis and limitations on travel, which may result in temporary shortages of staff or unavailability of certain employees or consultants with key expertise or knowledge of our business and, impact on workforce productivity.

We rely significantly on information technology systems for our distribution systems and other critical business functions, and are increasing our reliance on these functions as our DTC channel expands. Any failure, inadequacy, or interruption of those systems could harm our ability to operate our business effectively.

We rely on information systems to effectively manage all aspects of our business, including merchandise planning, manufacturing, allocation, distribution, sales and financial reporting. Our reliance on these systems, and their importance to our business, will continue to increase as we expand our DTC channel and global operations. We rely on a number of third parties to help us effectively manage these systems. If information systems we rely on fail to perform as expected, our business could be disrupted. The failure by us or our vendors to manage and operate our information technology systems as expected could disrupt our business, result in not providing adequate product, losing sales or market share, and reputational harm, causing our business to suffer. Any such failure or disruption could have a material adverse effect on our business.

Our information technology systems and vendors also may be vulnerable to damage or interruption from circumstances beyond our or their control, including fire, flood, natural disasters, systems failures, network or communications failures, power outages, public health emergencies, security breaches, cyber-attacks and terrorism. For example, we have implemented a hybrid work-from-home policy for our corporate workforce in North America and Europe. This increase in working remotely could increase our cyber security risk, create data accessibility concerns, and make us more susceptible to communication disruptions, any of which could adversely impact our business operations. We maintain disaster recovery procedures intended to mitigate the risks associated with such events, but there is no guarantee that these procedures will be adequate in any particular circumstance. As a result, such an event could materially disrupt, and have a material adverse effect on, our business.

A portion of our sales are to wholesale partners, directly and through distributors, and we depend on them to display and present our products to customers in our wholesale channel. Our failure or inadvertent failure to maintain and further develop our relationships with our wholesale partners could harm our business.

A portion of our sales are made to wholesale partners, either directly or indirectly, through distributors. Our wholesale partners service customers by stocking and displaying our products and explaining our product attributes. Our relationships with these partners are important to the authenticity of our brand and the marketing programs we continue to deploy.

If we fail to maintain and develop relationships with our wholesale partners, they could decide to emphasize products from our competitors, to redeploy their retail floor space to other product categories, or to take other actions that reduce their purchases of our products. We do not receive long-term purchase commitments from our wholesale partners, and confirmed orders received from our wholesale partners may be difficult to enforce. Factors that could affect our ability to maintain or expand our sales to these wholesale partners include: (a) failure to accurately identify the needs of our customers; (b) lack of customer acceptance of new products, product expansions or changes in products (including the ceasing of the use of fur in our products); (c) unwillingness of our wholesale partners and customers to attribute premium value to our new or existing products or product expansions relative to competing products; (d) failure to obtain shelf space from our wholesale partners; and (e) new, well-received product introductions by competitors. If we lose any of our wholesale partners, or if they reduce their purchases of our existing or new products, or their number of stores or operations are reduced, or they promote products of our competitors over ours, or they suffer financial difficulty or insolvency, our sales and profitability could be harmed. Financial difficulties experienced by our wholesale partners could further harm our business.

We cannot ensure that our wholesale partners will continue to purchase and carry our products in accordance with current practices or carry any new products that we develop. The recent decline in the overall retail sector, including disruptions related to COVID-19, has been challenging for our wholesale partners. Due to COVID-19 and the related reduction in available credit insurance, we increased the amount of risk we undertook with respect to collecting payments from our wholesale partners. Such conditions, among other things, have resulted, and in the future may result, in financial difficulties leading to restructurings, bankruptcies, liquidations and other unfavorable events for our wholesale partners and may cause such partners to reduce or discontinue orders of our products or be unable to pay us for products they have purchased from us. This has caused us to negotiate shortened payment terms and reduce credit limits in certain cases. If the overall retail environment continues to decline or if one or more of our wholesale partners is unable or unwilling to meet our payment terms, our business and results of operations could be harmed.

Our marketing programs, our e-Commerce initiatives and our collection, use and disclosure of transactional and personal information about our customers are governed by an evolving set of laws and enforcement trends and changes in those laws or trends. Our failure or inadvertent failure to comply with existing or future laws, could substantially harm our business and results of operations.

We collect, process, disclose, maintain and otherwise use data, including personal information about individuals, including data available to us through online activities and other customer interactions in our business. Our current and future marketing programs may depend on our ability to collect, maintain, disclose and otherwise use this information, and our ability to do so is subject to evolving and increasingly demanding international, U.S., Canadian, Chinese, European and other laws, including for example, the European Union's General Data Privacy Regulation, the California Consumer Privacy Act, Canada's Personal Information Protection and Electronic Documents Act and China's Personal Information Protection Law. These information and privacy laws require companies to satisfy new requirements regarding the handling of personal information, including its use, protection and the ability of persons whose data is stored to access, correct or delete such data about themselves. Failure to comply with such requirements could result in significant penalties. We strive to comply with all applicable laws and other legal obligations relating to privacy, data protection and customer protection, including those relating to the collection, use and disclosure of personal information for marketing purposes. It is possible, however, that these requirements may be inconsistent from one jurisdiction to another. They may conflict with other rules or inadvertently not be reflected by our practices, our employees' behaviour or our agreements with business partners. If so, we may suffer damage to our reputation and be subject to proceedings or actions against us by governmental entities or private parties, including a class of plaintiffs in the event of a class action. Any such proceeding or action could hurt our reputation, force us to spend significant amounts to defend our practices, distract our management or otherwise have an adverse effect on our business.

We post our privacy policies and practices concerning the collection, use and disclosure of personal information on our websites. Any failure by us to comply with our posted privacy policies or other privacy-related laws and regulations could result in proceedings which could potentially harm our business. In addition, certain of our marketing practices rely upon the sending of commercial electronic messages, including e-mails, to communicate with consumers. We may face risk if our use of commercial electronic messages is found to violate applicable laws and regulations. As information and privacy laws and anti-spam laws change, we may incur additional costs to ensure we remain in compliance. If information and data privacy laws and anti-spam laws become more restrictive at the international, federal, provincial or state levels, our compliance costs may increase, our ability to effectively engage customers via personalized

marketing may decrease, our investment in our e-Commerce platform may not be fully realized, our opportunities for growth may be curtailed by our compliance burden and our potential reputational harm or liability for breaches may increase.

Data security breaches and other cyber security events could result in disruption to our operations or financial losses and could negatively affect our reputation, credibility and business.

We and our service providers are subject to risks associated with data security breaches and other cyber security events. We collect, process, maintain and use personal information relating to our customers and employees. We also disclose personal information about consumers and employees to third party service providers, who help us with our business operations, including the operation of our e-Commerce site and the provision of various social media tools and websites we use as part of our marketing strategy. Any attempted or actual unauthorized disclosure of personal information could harm our reputation and credibility, reduce our e-Commerce sales, impair our ability to attract website visitors, reduce our ability to attract and retain customers and could result in litigation, including class action lawsuits, against us or the imposition of significant fines or penalties.

Our online activities, including our e-Commerce websites, may also be subject to denial of service or other forms of cyber attacks. While we have taken measures we believe are reasonable to protect against those types of attacks, those measures may not adequately protect our online activities from such attacks. If a denial of service attack or other cyber event were to affect our e-Commerce sites or other information technology systems, our business could be disrupted, we may lose sales or valuable data, and our reputation, results of operations and financial condition may be adversely affected. Additionally, new and evolving data protection legislation could impose new requirements such as shorter notification timeframes that could increase the risks associated with data security breaches.

We have procedures and technology in place designed to safeguard our customers' debit and credit cards and our customers' and employees' other personal information under our control, and we continue to devote significant resources to network security, backup and disaster recovery, and other security measures. Nevertheless, these security measures cannot provide absolute security or guarantee that we will be successful in preventing and responding to breaches, loss, theft, or unauthorized access, disclosure, copying, use, or modification of personal information under our control.

As consumers are gaining more data privacy awareness, in the future there may be new foreign, federal, provincial and state laws and legislative proposals addressing data privacy and security, as well as increased data protection obligations imposed on merchants by credit card issuers. As a result, we may become subject to more extensive requirements to protect the personal information that we collect, use and disclose, resulting in, for example, increased compliance costs.

A significant portion of our business functions operate out of our headquarters in Toronto. As a result, our business is vulnerable to disruptions due to local weather, economics and other factors.

Most of our significant business functions reside at our headquarters in Toronto, Canada. Events such as public health emergencies, including the recent COVID-19 pandemic, extreme local weather, natural disasters, transportation strikes, acts of terrorism, significant economic disruptions or unexpected damage to the facility have resulted and could result in an unexpected disruption to our business as a whole. If a disruption of this type should occur, our ability to conduct our business could be adversely affected or interrupted entirely and adversely affect our financial and operating results.

Our success is substantially dependent on the continued service of our senior management.

Our success is substantially dependent on the continued service of our senior management, including Dani Reiss, who is our Chairman and Chief Executive Officer. The loss of the services of our senior management could make it more difficult to successfully operate our business and achieve our business goals. We also may be unable to retain existing management, technical, sales and client support personnel that are critical to our success, which could result in harm to our customer and employee relationships, loss of key information, expertise or know-how and unanticipated recruitment and training costs.

We have not obtained key man life insurance policies on any members of our senior management team. As a result, we would not be protected against the associated financial loss if we were to lose the services of members of our senior management team.

Talent management, employee retention and experience are important factors in our success.

Our future success also depends on our ability to attract, develop, and retain talent with the necessary knowledge, skills and experience and establish a positive work culture to maintain operations and ensure we are competitive in our industry. Competition for experienced and well-qualified personnel is intense amidst a tight labour market with labour shortages and increased wage expectations. We, or the suppliers and service providers we rely on, may not be successful in attracting, hiring and retaining such personnel, which could impact our ability to remain competitive or operate efficiently and effectively. If we are unable to retain, hire, attract and motivate talented employees with the appropriate skill sets, or if changes to our organizational structure, operating results, or business model adversely affect morale or retention, we may not achieve our objectives and our results of operations could be adversely impacted.

We rely on payment cards to receive payments, and are subject to payment-related risks.

For our DTC sales, as well as for sales to certain wholesale partners, we accept a variety of payment methods, including credit cards, debit cards and electronic funds transfers. Accordingly, we are, and will continue to be, subject to significant and evolving regulations and compliance requirements relating to payment card processing. This includes laws governing the collection, processing and storage of sensitive consumer information, as well as industry requirements such as the Payment Card Industry Data Security Standard ("PCI-DSS"). These laws and obligations may require us to implement enhanced authentication and payment processes that could result in increased costs and liability, and reduce the ease of use of certain payment methods. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time. We rely on independent service providers for payment processing, including credit and debit cards. If these independent service providers become unwilling or unable to provide these services to us or if the cost of using these providers increases, our business could be harmed. We are also subject to payment card association operating rules and agreements, including PCI-DSS, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, or if our data security systems are breached or compromised, we may be liable for losses incurred by card issuing banks or consumers, subject to fines and higher transaction fees, lose our ability to accept credit or debit card payments from our consumers, or process electronic fund transfers or facilitate other types of payments. Any failure to comply could significantly harm our brand, reputation, business, and results of operations.

Increased scrutiny from investors and others regarding our environmental, social, governance, or sustainability responsibilities could result in additional costs or risks and adversely impact our reputation, employee retention, and willingness of customers and suppliers to do business with us.

Investor advocacy groups, certain institutional investors, investment funds, other market participants, stockholders, current and prospective employees, and customers have focused increasingly on the ESG or “sustainability” practices of companies, including those associated with climate change. These parties have placed increased importance on the implications of the social cost of their investments. If our ESG practices do not meet investor or other industry stakeholder expectations and standards, which continue to evolve, our brand, reputation and employee retention may be negatively impacted based on an assessment of our ESG practices. Any sustainability report which we publish or other sustainability disclosures we make may include our policies and practices on a variety of social and ethical matters, including corporate governance, environmental compliance, employee health and safety practices, human capital management, product quality, supply chain management, and workforce inclusion and diversity. For instance, we have ceased the use of fur in our products and, in fiscal 2022, we achieved certification under Responsible Down Standard, which stipulates that all down is a by-product of the poultry industry. Nonetheless, it is possible that stakeholders may not be satisfied with our ESG practices or the speed of their adoption. We could also incur additional costs and require additional resources to monitor, report, and comply with various ESG practices, including the integration of ESG into our financial reporting in due course. Further, our failure, or perceived failure, to meet the standards included in any sustainability disclosure could negatively impact our reputation, employee retention, and the willingness of our customers and suppliers to do business with us.

If our independent manufacturers or our suppliers fail to use ethical business practices and fail to comply with changing laws and regulations or our applicable guidelines, our brand image could be harmed due to negative publicity.

Our core values, which include developing the highest quality products while operating with integrity, are an important component of our brand image, which makes our reputation sensitive to allegations of unethical or improper business practices, whether real or perceived. We have no or limited control over our suppliers and manufacturers or their business practices. Accordingly, we cannot guarantee their compliance with our guidelines or the law. A lack of compliance could lead to reduced sales or recalls or damage to our brand or cause us to seek alternative suppliers, which could increase our costs and result in delayed delivery of our products, product shortages or other disruptions of our operations.

In addition, many of our products include materials that are heavily regulated in many jurisdictions. Certain jurisdictions in which we sell have various regulations related to manufacturing processes and the chemical content of our products, including their component parts. Monitoring compliance by our manufacturers and suppliers is complicated, and we are reliant on their compliance reporting in order to comply with regulations applicable to our products. This is further complicated by the fact that expectations of ethical business practices continually evolve and may be substantially more demanding than applicable legal requirements. Ethical business practices are also driven in part by legal developments and by diverse groups active in publicizing and organizing public responses to perceived ethical shortcomings. Accordingly, we cannot predict how such regulations or expectations might develop in the future and cannot be certain that our guidelines or current practices would satisfy all parties who are active in monitoring our products or other business practices worldwide.

Our current and future products may experience quality problems from time to time that can result in negative publicity, litigation, product recalls and warranty claims, which could result in decreased revenue and operating margin, and harm to our brand.

There can be no assurance we will be able to detect, prevent, or fix all defects that may affect our products. Failure to detect, prevent, or fix defects, or the occurrence of real or perceived quality, health or safety problems or material defects in our current and future products, could result in a variety of consequences, including a greater number of product returns than expected from customers and our wholesale partners, litigation, product recalls, and credit, warranty or other claims, among others, which could harm our brand, sales, profitability and financial condition. We stand behind every Canada Goose outerwear product with a warranty against defects with reasonable use, for the expected lifetime of the product. Because of this comprehensive warranty, quality problems could lead to increased warranty costs, and divert the attention of our manufacturing facilities. Such problems could hurt our premium brand image, which is critical to maintaining and expanding our business. Any negative publicity or lawsuits filed against us related to the perceived quality and safety of our products could harm our brand and decrease demand for our products.

Our business could be adversely affected by protestors or activists.

Our products include certain animal products, including goose and duck down in all of our outerwear and coyote fur on the hoods of some of our parkas, which has drawn the attention of animal welfare activists. As a result, we have been the target of protestors and activists in the past. While we ended the purchase of all fur at the end of 2021 and ceased manufacturing with fur at the end of 2022, we may continue to be targeted by protestors and activists in the future. We have been, and may in the future, also be impacted by widespread protests in any country or region that we trade.

Protestors can disrupt sales at our stores, cause or prolong store closures, and lead to property damage. Protestors can also use social media or other campaigns to sway public opinion against our products. In addition, such activism could influence laws or regulations applicable to the jurisdictions in which we operate, including laws and regulations related to the use of animal by-products. If any such activists are successful, our sales and results of operations may be adversely affected.

The cost of raw materials could increase our cost of goods sold and cause our results of operations and financial condition to suffer.

The raw materials used in our supply chain include synthetic fabrics and natural products, including blend fabrics, nylon, polyester and down. Significant price fluctuations, including as a result of inflation, or shortages in the cost of these raw materials may increase our cost of goods sold and cause our results of operations and financial condition to suffer.

Additionally, increasing costs of labour, freight and energy could increase our and our suppliers' cost of goods. If our suppliers are affected by increases in their costs of labour, freight and energy, (for example, because of rising global energy prices, increased global worker shortages impacting shipping and ports, truck driver shortages, increased congestion or other disruptions affecting the global distribution chain) they may attempt to pass these cost increases on to us. If we pay such increases, we may not be able to offset them through increases in our pricing, which could adversely affect our results of operation and financial condition.

The failure of financial institutions or transactional counterparties could adversely affect our business and financial condition.

We maintain, and our customers may maintain, cash deposits in accounts at financial institutions in the U.S. and Canada, among others. We regularly maintain deposits in U.S. or Canadian financial institutions which exceed the amount of insurance provided on such deposits by the Federal Deposit Insurance Corporation (“FDIC”), the National Credit Union Administration, or the Canada Deposit Insurance Corporation, as applicable. If one or more of the financial institutions in which we hold cash deposits fails, we could lose all or a portion of our uninsured cash balances and we may be unable to access our existing cash, cash equivalents and investments in a timely manner. If access to our cash accounts in the future is impaired, whether temporarily or otherwise, we may be unable to pay our operational expenses such as payroll or make other payments. For example, on March 10, 2023, the FDIC was appointed receiver of the Silicon Valley Bank (“SVB”), and SVB’s parent subsequently filed for bankruptcy. Since then, at least two additional banks were closed and taken over by the FDIC. Subsequent to the FDIC’s takeover of SVB, on March 19, 2023, UBS Group AG agreed to purchase Credit Suisse Group AG (“Credit Suisse”) in an effort to prevent Credit Suisse’s collapse. Our cash and cash equivalents are distributed across several large financial institutions, and our exposure to such banks was immaterial. However, if other banks and financial institutions wind down and liquidate, enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our existing cash, cash equivalents and investments may be threatened and could have a material adverse effect on our business and financial condition. Our customers and wholesale partners may face similar risks, and if their ability to access their cash or investments is hindered, their ability to make their payments to us in a timely manner may be adversely affected, which could have a material adverse effect on our business and financial condition.

Fluctuations in foreign currency exchange rates could harm our results of operations as well as the price of our subordinate voting shares.

The presentation currency for our consolidated financial statements is the Canadian dollar. Because we recognize sales in U.S. dollars, Euros, British pounds sterling, Swiss francs, Hong Kong dollars, Chinese yuan, and Japanese yen, if any of these currencies weakens against the Canadian dollar it would have a negative impact on our local operating results upon translation of those results into Canadian dollars for the purposes of financial statement consolidation. Although we engage in short-term hedging transactions for a portion of our foreign currency denominated cash flows to mitigate foreign exchange risks, depending upon changes in future currency rates, including those fluctuations derived from the broader impact on the global economy caused by rising inflationary pressures, rising interest rates and geopolitical uncertainty, such gains or losses could have a significant, and potentially adverse, effect on our results of operations. Foreign exchange variations have been significant in the past and current foreign exchange rates may not be indicative of future exchange rates. Significant variations in foreign exchange rates may also make hedging contracts ineffective for hedge accounting purposes in future periods.

Our earnings per share are reported in Canadian dollars, and accordingly may be translated into U.S. dollars by analysts or our investors. As a result, the perceived value of an investment in our subordinate voting shares to a U.S. shareholder will fluctuate as the U.S. dollar rises and falls against the Canadian dollar. As a result, U.S. and other shareholders seeking U.S. dollar total returns, including increases in the share price, are subject to foreign exchange risk as the U.S. dollar fluctuates in value against the Canadian dollar.

Political uncertainty and an increase in trade protectionism could have a material adverse effect on our business, results of operation and financial condition.

As a prominent Canadian brand, geopolitical events that involve Canada may have an impact on our business and share price. In addition, our brand and Canadian heritage may be detrimental to the company in the context of geopolitical disputes aimed at Canada or actors or situations with significant actual or perceived connection to Canada. We sell a significant portion of our products to customers outside of Canada and changes, potential changes or uncertainties in regulatory and economic conditions or laws and policies governing foreign trade, manufacturing, and development and investment in the territories and countries where we operate, could adversely affect our business and consolidated financial statements. Consumer sentiment in countries outside Canada may be affected by unforeseen factors leading to harm to our brand or may impact our business. Any potential or ongoing governmental action related to tariffs or international trade agreements has the potential to adversely impact demand for our products, our costs, customers, suppliers and/or the Canadian, U.S. or world economy or certain sectors thereof and, thus, to adversely impact our business.

We could be adversely affected by violations of the Canadian Corruption of Foreign Public Officials Act, the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery and anti-kickback laws.

We conduct our business in Canada and increasingly outside Canada, including the sourcing of an increasingly significant portion of our products from outside Canada. The Canadian Corruption of Foreign Public Officials Act, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other similar anti-bribery and anti-kickback laws and regulations generally prohibit companies and their intermediaries from making improper payments government officials for the purpose of obtaining or retaining business. While we take steps to ensure that our distributors, consultant and personnel comply with applicable law, we cannot assure you that we will be successful in preventing our employees or other agents from taking actions in violation of these laws or regulations. Such violations, or allegations of such violations, could disrupt our business and result in a material adverse effect on our financial condition, results of operations and cash flows.

We have been and may become involved in legal or regulatory proceedings and audits.

Litigation and other claims may arise in the ordinary course of our business and may include employee and client claims, commercial disputes involving business partners and clients, landlord-tenant disputes, intellectual property disputes, product-oriented allegations and personal injury claims. These claims can raise complex factual and legal issues that are subject to risks and uncertainties and could require significant management time. Moreover, our business requires compliance with many laws and regulations, including labour and employment, sales and other taxes, customs, and consumer protection laws and ordinances that regulate retailers generally and/or govern the importation, promotion and sale of merchandise, and the operation of stores and warehouse facilities. Failure to comply with these laws and regulations could subject us to lawsuits and other proceedings, and could also lead to damage awards, fines and penalties.

We have in the past and may become involved in legal proceedings or audits, including commercial, contractual, employment, tort and other litigation, and other government and agency investigations. The outcome of some of these legal proceedings, audits, and other contingencies could require us to take, or refrain from taking, actions that could harm our operations or require us to pay substantial amounts of money, harming our financial condition. Additionally, defending against these lawsuits and proceedings may be necessary, which could result in substantial costs and diversion of management's attention and resources, harming our

financial condition. There can be no assurance that any pending or future legal or regulatory proceedings and audits will not harm our business, financial condition and results of operations.

We are subject to many hazards and operational risks that can disrupt our business, some of which may not be insured or fully covered by insurance.

Our operations are subject to many hazards and operational risks inherent to our business, including: general business risks, product liability, false or misleading advertising claims, product recall and damage to third parties, our infrastructure or properties caused by fires, floods and other natural disasters, power losses, telecommunications failures, terrorist attacks, public health emergencies (such as the recent COVID-19 pandemic), cyber security events, human errors, political instability, social and labour unrest or war and similar events.

Our insurance coverage may exclude or may be inadequate to cover our liabilities related to such hazards or operational risks. In addition, we may not be able to maintain adequate insurance in the future at rates we consider reasonable and commercially justifiable, and insurance may not continue to be available on terms as favorable as our current arrangements. The occurrence of a significant uninsured claim, or a claim in excess of the insurance coverage limits maintained by us could harm our business, results of operations and financial condition.

Furthermore, our inability to successfully recover should we experience a disaster or other business continuity problem could cause material financial loss, loss of human capital, regulatory actions, reputational harm, or legal liability.

We may be subject to in-store and workplace health and safety liability, claims and penalties.

We are committed to protecting the health and well-being of our customers and employees in all of our stores and workplaces. We have workplace and in-store health and safety programs in place and have established policies and procedures aimed at ensuring compliance with applicable legislative requirements within our stores. Failure to comply with established policies and procedures or applicable legislative requirements could result in increased workplace or in-store injury-related liability and penalties. Any workplace or in-store injuries could lead to claims or litigation being brought against our company, which could adversely affect the reputation of our company and could have a material adverse effect on our business, operating results and financial condition. Although we maintain insurance policies we deem sufficient to address those situations, there is no guarantee a particular claim would be accepted by the insurer or that the insurance coverage would be sufficient.

Any failure to maintain effective internal control over financial reporting could have a material adverse effect on our ability to produce accurate and timely financial statements, which could harm our operating results, financial condition, and cash flows, our ability to operate our business and our reputation.

The process of designing and implementing effective internal controls is a continuous effort that requires us to anticipate and react to changes in our business and to expend resources to maintain a system of internal controls that is adequate to satisfy our reporting obligations as a public company. The measures we take may not be sufficient to satisfy our obligations as a public company and if we are unable to establish or maintain appropriate internal financial reporting controls and procedures, it could cause us to fail to meet our reporting obligations on a timely basis, result in material misstatements in our consolidated financial statements and harm our results of operations.

We cannot provide assurances that material weaknesses or significant deficiencies will not occur in the future and that we will be able to remediate such weaknesses or deficiencies in a timely manner, which could have a material adverse effect on our ability to produce accurate

and timely financial statements, which could harm our operating results, financial condition, and cash flows, our ability to operate our business and our reputation.

If we identify any material weakness in the future, it could negatively impact the company's ability to prepare its future financial statements in conformity with IFRS. If the company were unable to prepare its future financial statements in conformity with IFRS, we may be unable to report our financial results accurately, which could increase operating costs, trigger an event of default under our credit agreements and harm our business, including our investors' perception of our business, our share price and our ability to finance our operations.

Failure to maintain adequate financial and management processes and controls could lead to errors in our financial reporting, which could harm our business and cause a decline in our share price.

Reporting obligations as a public company and our anticipated growth have placed and are likely to continue to place a considerable strain on our financial and management systems, processes and controls, as well as on our personnel. In addition, we are required to document and test our internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act so that our management can certify the effectiveness of our internal controls. If any material weaknesses in our internal controls are identified in the future, we could be subject to regulatory scrutiny and a loss of public confidence, which could harm our business and cause a decline in our share price. In addition, if we do not maintain adequate financial and management personnel, processes and controls, we may not be able to accurately report our financial performance on a timely basis, which could cause a decline in our share price and harm our ability to raise capital. Failure to accurately report our financial performance on a timely basis could also jeopardize our continued listing on the Toronto Stock Exchange ("TSX"), the New York Stock Exchange ("NYSE") or any other exchange on which our subordinate voting shares may be listed. Delisting of our subordinate voting shares from any exchange would reduce the liquidity of the market for our subordinate voting shares, which would reduce the price of our subordinate voting shares and increase the volatility of our share price.

We do not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially adversely affected, which could also cause investors to lose confidence in our reported financial information, which in turn could result in a reduction in the trading price of the subordinate voting shares.

Risks Related to Our Subordinate Voting Shares

The dual-class structure contained in our articles has the effect of concentrating voting control and the ability to influence corporate matters with Bain Capital and our Chairman and Chief Executive Officer, who held our shares prior to our initial public offering.

Our multiple voting shares have 10 votes per share and our subordinate voting shares have 1 vote per share. As of April 2, 2023, shareholders who hold multiple voting shares (Bain Capital and our Chairman and Chief Executive Officer (including their respective affiliates)), together hold approximately 90.6% of the voting power of our outstanding voting shares and therefore have significant influence over our management and affairs and over all matters requiring shareholder approval, including the election of directors and significant corporate transactions.

In addition, because of the 10-to-1 voting ratio between our multiple voting shares and subordinate voting shares, the holders of our multiple voting shares will control a majority of the combined voting power of our voting shares even where the multiple voting shares represent a substantially reduced percentage of our total outstanding shares. The concentrated voting control of holders of our multiple voting shares limits the ability of holders of our subordinate voting shares to influence corporate matters for the foreseeable future, including the election of directors as well as with respect to decisions regarding amending of our share capital, creating and issuing additional classes of shares, making significant acquisitions, selling significant assets or parts of our business, merging with other companies and undertaking other significant transactions. As a result, holders of multiple voting shares will have the ability to influence or control many matters affecting us and actions may be taken that holders of our subordinate voting shares may not view as beneficial. The market price of our subordinate voting shares could be adversely affected due to the significant influence and voting power of the holders of multiple voting shares. Additionally, the significant voting interest of holders of multiple voting shares may discourage transactions involving a change of control, including transactions in which an investor, as a holder of the subordinate voting shares, might otherwise receive a premium for the subordinate voting shares over the then-current market price, or discourage competing proposals if a going private transaction is proposed by one or more holders of multiple voting shares.

Future transfers by holders of multiple voting shares, other than permitted transfers to such holders' respective affiliates or direct family members or to other permitted holders, will result in those shares automatically converting to subordinate voting shares, which will have the effect, over time, of increasing the relative voting power of those holders of multiple voting shares who retain their multiple voting shares.

Bain Capital is expected to continue to have significant influence over us in the future, including control over decisions that require the approval of shareholders, which could limit shareholders' ability to influence the outcome of matters submitted to shareholders for a vote.

We are currently controlled by Bain Capital. As of April 2, 2023, Bain Capital beneficially owned approximately 60.5% of our outstanding multiple voting shares, or approximately 54.8% of the combined voting power of our multiple voting and subordinate voting shares outstanding. In addition, our Chairman and Chief Executive Officer beneficially owns approximately 39.5% of our outstanding multiple voting shares, or approximately 35.7% of the combined voting power of our outstanding voting shares. As long as Bain Capital owns or controls at least a majority of our outstanding voting power, it will have the ability to exercise substantial control over all corporate actions requiring shareholder approval, irrespective of how our other shareholders may vote, including the election and removal of directors and the size of our board of directors, any amendment of our notice of articles and articles, or the approval of any merger or other significant corporate transaction, including a sale of substantially all of our assets. Even if its

ownership falls below 50% of the voting power of our outstanding voting shares, Bain Capital will continue to be able to strongly influence or effectively control our decisions. Bain Capital's multiple voting shares convert automatically to subordinate voting shares at the time that Bain Capital and its affiliates no longer beneficially own at least 15% of the outstanding subordinate voting shares and multiple voting shares on a non-diluted basis. Even once Bain Capital's multiple voting shares convert into subordinate voting shares we may continue to be a controlled company so long as an entity controlled by our Chairman and Chief Executive Officer continues to hold multiple voting shares.

Additionally, Bain Capital's interests may not align with the interests of our other shareholders. Bain Capital is in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. Bain Capital may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

We are a controlled company within the meaning of the NYSE listing rules and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. Our shareholders will not have the same protections afforded to shareholders of companies that are subject to such requirements.

We are a controlled company within the meaning of the corporate governance standards of the NYSE. Under these rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company is a controlled company and may elect not to comply with certain corporate governance requirements, including the requirements that:

- we have a compensation committee that is composed entirely of independent directors; and
- we have a nominating and governance committee that is composed entirely of independent directors.

As a foreign private issuer, we are exempt from certain U.S. securities law disclosure requirements that apply to a domestic U.S. issuer, which may limit the information publicly available to our shareholders.

As a foreign private issuer we are not required to comply with all of the periodic disclosure and current reporting requirements of the Securities Exchange Act of 1934, as amended ("Exchange Act") and therefore there may be less publicly available information about us than if we were a U.S. domestic issuer. For example, we are not subject to the proxy rules in the United States and disclosure with respect to our annual meetings and any special meeting of shareholders will be governed by Canadian requirements. In addition, our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions of Section 16 of the Exchange Act and the rules thereunder. Furthermore, as a foreign private issuer, we may take advantage of certain provisions in the NYSE listing rules that allow us to follow Canadian law for certain governance matters.

Our articles, and certain Canadian legislation contain provisions that may have the effect of delaying or preventing a change in control.

Certain provisions of our articles, together or separately, could discourage potential acquisition proposals, delay or prevent a change in control and limit the price that certain investors may be willing to pay for our subordinate voting shares. For instance, our articles contain provisions that establish certain advance notice procedures for nomination of candidates for election as directors at shareholders' meetings. A non-Canadian must file an application for review with the Minister responsible for the Investment Canada Act and obtain approval of the Minister prior to

acquiring control of a “Canadian business” within the meaning of the Investment Canada Act, where prescribed financial thresholds are exceeded. Furthermore, acquisitions of our subordinate voting shares and multiple voting shares may be reviewed pursuant to the Competition Act (Canada). This legislation permits the Commissioner of Competition, or Commissioner, to review any acquisition or establishment, directly or indirectly, including through the acquisition of shares, of control over or of a significant interest in us. Otherwise, there are no limitations either under the laws of Canada or British Columbia, or in our articles on the rights of non-Canadians to hold or vote our subordinate voting shares and multiple voting shares. Any of these provisions may discourage a potential acquirer from proposing or completing a transaction that may have otherwise presented a premium to our shareholders.

Because we are a corporation incorporated in British Columbia and some of our directors and officers are resident in Canada, it may be difficult for investors in the United States to enforce civil liabilities against us based solely upon the federal securities laws of the United States. Similarly, it may be difficult for Canadian investors to enforce civil liabilities against our directors and officers residing outside of Canada.

We are a corporation incorporated under the laws of British Columbia with our principal place of business in Toronto, Canada. Some of our directors and officers and the auditors or other experts named herein are residents of Canada and all or a substantial portion of our assets and those of such persons are located outside the United States. Consequently, it may be difficult for U.S. investors to effect service of process within the United States upon us or our directors or officers or such auditors who are not residents of the United States, or to realize in the United States upon judgments of courts of the United States predicated upon civil liabilities under the Securities Act. Investors should not assume that Canadian courts: (1) would enforce judgments of U.S. courts obtained in actions against us or such persons predicated upon the civil liability provisions of the U.S. federal securities laws or the securities or blue sky laws of any state within the United States or (2) would enforce, in original actions, liabilities against us or such persons predicated upon the U.S. federal securities laws or any such state securities or blue sky laws.

Similarly, some of our directors and officers are residents of countries other than Canada and all or a substantial portion of the assets of such persons are located outside Canada. As a result, it may be difficult for Canadian investors to initiate a lawsuit within Canada against these non-Canadian residents. In addition, it may not be possible for Canadian investors to collect from these non-Canadian residents judgments obtained in courts in Canada predicated on the civil liability provisions of securities legislation of certain of the provinces and territories of Canada. It may also be difficult for Canadian investors to succeed in a lawsuit in the United States, based solely on violations of Canadian securities laws.

Changes in tax laws and regulations or trade rules may impact our effective tax rate and may adversely affect our business, financial condition and operating results.

Changes in tax laws in any of the multiple jurisdictions in which we operate, or adverse outcomes from tax audits that we may be subject to in any of the jurisdictions in which we operate, could result in an unfavorable change in our effective tax rate, which could adversely affect our business, financial condition and operating results. For example, on December 20, 2021, the Organization for Economic Co-operation and Development (“OECD”) published model rules outlining a structure for a new 15% global minimum tax regime (the “Pillar Two Rules”). The OECD recommends that the Pillar Two Rules become effective for periods beginning on or after December 31, 2023, except for the “under-taxed profit rule” (“UTPR”), which is recommended to take effect for periods beginning on or after December 31, 2024. In March 2023, the Canadian federal budget reaffirmed Canada’s plans to introduce legislation that implements the Pillar Two Rules, including a minimum global tax rate for periods beginning on

or after December 31, 2023, and UTPR for periods beginning on or after December 31, 2024. The Council of the European Union formally adopted the Minimum Tax Directive (the “Directive”) on December 15, 2022, and requires European Union Member States to transpose the Directive into their domestic law by December 31, 2023. In March 2023, the Government of the United Kingdom published updated draft legislation in respect of its domestic implementation of the Pillar Two Rules. The proposed legislation will apply for accounting periods beginning on or after December 31, 2023, except for the UTPR, which will apply for accounting periods beginning on or after December 31, 2024. Several other countries have also initiated draft legislation to implement the Pillar Two Rules. As a result of these developments, the tax laws of certain countries in which we and our subsidiaries do business could change on a prospective or retroactive basis, and any such changes, including the adoption of the Pillar Two Rules, could affect our aggregate tax liability and effective tax rate in the future. Moreover, the current U.S. policy has introduced greater uncertainty with respect to tax and trade policies, tariffs and government regulations affecting trade between the United States and other countries. As a result of these developments, the tax laws of certain countries in which we and our affiliates do business could change on a prospective or retroactive basis, and any such changes, including the adoption of the global minimum tax rules, or other major developments in tax policy or trade relations could have a material adverse effect on our aggregate tax liability and effective tax rate in the future, as well as our growth opportunities, business and results of operations.

There can be no assurance that we will not be a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. Holders of our ordinary shares.

Under United States federal income tax laws, a non-U.S. corporation will be a passive foreign investment company (a “PFIC”) for any taxable year if either (1) at least 75% of its gross income for such year consists of certain types of “passive” income; or (2) at least 50% of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income. We do not believe that we were a PFIC in 2022, and we do not expect to be a PFIC in the foreseeable future. However, since the determination of whether we are a PFIC is a factual determination made annually based on all the facts and circumstances and thus is subject to change, and the principles and methodology used in determining whether a company is a PFIC are subject to interpretation, there can be no assurance given in this regard. Moreover, we cannot guarantee that the Internal Revenue Service, or IRS, will agree with our conclusion. Accordingly, we cannot assure you that we will not be treated as a PFIC for any taxable year or that the IRS will not take a position contrary to any position we take. United States holders of our subordinate voting shares are urged to consult their tax advisors concerning United States federal income tax consequences of holding our subordinate voting shares if we are considered to be a PFIC.

If we were to be or become a PFIC for any taxable year during which a U.S. Holder (as defined in “Item 10. Additional Information—E. Taxation.”) holds our subordinate voting shares, certain adverse U.S. federal income tax consequences could apply to such U.S. Holder. See “Item 10. Additional Information—E. Taxation—Passive Foreign Investment Company Considerations.”

Canada Goose Holdings Inc. is a holding company with no operations of its own and, as such, it depends on its subsidiary for cash to fund its operations and expenses, including future dividend payments, if any.

As a holding company, our principal source of cash flow is distributions from our main operating subsidiary, Canada Goose Inc. Therefore, our ability to fund and conduct our business, service our debt and pay dividends, if any, in the future will depend on the ability of our subsidiary to generate sufficient cash flow to make upstream cash distributions to us. Our subsidiary is a

separate legal entity, and although it is wholly-owned and controlled by us, it has no obligation to make any funds available to us, whether in the form of loans, dividends or otherwise. The ability of our subsidiary to distribute cash to us will also be subject to, among other things, restrictions that may be contained in our subsidiary agreements (as entered into from time to time), availability of sufficient funds in such subsidiary and applicable laws and regulatory restrictions. Claims of any creditors of our subsidiary generally will have priority as to the assets of such subsidiary over our claims and claims of our creditors and shareholders. To the extent the ability of our subsidiary to distribute dividends or other payments to us is limited in any way, our ability to fund and conduct our business, service our debt and pay dividends, if any, could be harmed.

If securities or industry analysts cease publishing research or reports about us, our business or our market, or if they change their recommendations regarding our subordinate voting shares adversely, the price and trading volume of our subordinate voting shares could decline.

The trading market for our subordinate voting shares is influenced by the research and reports that industry or securities analysts publish about us, our business, our market or our competitors. If any of the analysts who cover us or may cover us in the future change their recommendation regarding our subordinate voting shares adversely, or provide more favorable relative recommendations about our competitors, the price of our subordinate voting shares may decline. If any analyst who covers us or may cover us in the future were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the price or trading volume of our subordinate voting shares to decline.

Our constating documents permit us to issue an unlimited number of subordinate voting shares and multiple voting shares without additional shareholder approval.

We may, from time to time, issue additional subordinate voting shares in the future. Subject to the requirements of the NYSE and the TSX, we will not be required to obtain the approval of shareholders for the issuance of additional subordinate voting shares. Although the rules of the TSX generally prohibit us from issuing additional multiple voting shares, there may be certain circumstances where additional multiple voting shares may be issued, including upon receiving shareholder approval. Any further issuances of subordinate voting shares or multiple voting shares will result in immediate dilution to existing shareholders and may have an adverse effect on the value of their shareholdings. Additionally, any further issuances of multiple voting shares may significantly lessen the combined voting power of our subordinate voting shares due to the 10-to-1 voting ratio between our multiple voting shares and subordinate voting shares.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Overview

Founded in 1957 in a small warehouse in Toronto, Canada, Canada Goose is a lifestyle brand and a leading manufacturer of outerwear and apparel. Every collection is informed by the rugged demands of the Arctic, ensuring a legacy of functionality is embedded in every product from parkas and rainwear to apparel and accessories. Canada Goose is inspired by relentless innovation and uncompromised craftsmanship, recognized as a leader for its Made in Canada commitment.

Across all channels, Canada Goose is sold in 62 countries as of April 2, 2023. During our Fall / Winter 2022 season, we sold through over 1,500 wholesale points of distribution.

In December 2013, we partnered with Bain Capital through a sale of a 70% equity interest in our business (the "Acquisition"). In connection with such sale, Canada Goose Holdings Inc. was incorporated under the Business Corporations Act (British Columbia) (the "BCBCA") on

November 21, 2013. The initial public offering of our subordinate voting shares in the United States and Canada was completed on March 21, 2017.

In November 2018, we acquired the business of Baffin Inc. (“Baffin”), a Canadian designer and manufacturer of performance outdoor and industrial footwear. Field-tested and trusted in extreme cold weather conditions, Baffin products are predominantly sold through distributors and retailers in Canada and the United States. As a wholly-owned subsidiary, Baffin is managed and operated on a stand-alone basis, with distinct products, sales channels, and customers.

In 2020, Canada Goose announced HUMANATURE, its purpose platform that unites its sustainability and values-based initiatives.

In April 2022, we entered into an agreement to form a joint venture with Sazaby League, Ltd. to form a joint venture pursuant to which we acquired 50% of the issued and outstanding voting shares of the legal entity comprising the joint venture, Canada Goose Japan, K.K. (“CG Japan”). CG Japan markets, distributes and sells Canada Goose products in Japan. It also operates a permanent Canada Goose retail store in Tokyo, a national e-Commerce site, as well as wholesale points of distribution across the country.

Our principal office is located at 250 Bowie Avenue, Toronto, Ontario, Canada, M6E 4Y2 and our telephone number is (416) 780-9850. Our registered office is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8. Our website address is www.canadagoose.com. Information contained on, or accessible through, our website is not a part of this Annual Report and the inclusion of our website address in this Annual Report is an inactive textual reference. The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. Corporation Service Company, located at 251 Little Falls Drive, Wilmington, Delaware, is the company’s agent for service of process in the United States.

B. Growth Strategies

Our long-term growth strategy is based on the following three strategic growth pillars:

Accelerate Consumer-Focused Growth. While we believe our brand is loved and trusted globally, we have significant opportunity to grow lifetime value of our longstanding and new customers with a focus on women and Gen Z. Authentic storytelling and unique experiences, amplified by our global digital content and media strategy, are key strategies as we aim to intensify our customer relationship marketing (“CRM”) to build stronger connections with our clients and to bring new consumers to our brand. Investments in our CRM capabilities will also be important as we seek to offer a single view of the client, allowing us to personalize our engagement through all touchpoints.

Build our DTC Network. Since opening our first e-Commerce site in Canada in August of 2014, annual DTC revenue has grown to \$807.3m in fiscal 2023, which represents 66.3% of total revenue. DTC allows us to consistently reach consumers how and where they want to shop, through complementary digital and retail experiences, while building deeper relationships and realizing higher margins. We plan to continue the expansion of our retail footprint around the world while continuing to grow our digital presence, both through Omnichannel and online. We see opportunity in multiple new markets and expect to increase our DTC penetration within existing markets and will evolve our distribution structure in others.

Create and Expand Existing Categories, Rapidly. As a product-led, function-first brand, we expect to continue to evolve and expand our offering across styles, uses and climates by giving people new ways to experience Canada Goose as we seek to drive higher penetration and expand our geographic appeal. We intend to deliver year-round relevance consistent with

Canada Goose's position as a performance luxury lifestyle brand. While continuing the growth of all our categories including heavyweight and lightweight down, we are focusing on accelerating the growth of newer categories such as rainwear, apparel and footwear as well as the addition of further categories including eyewear, luggage and home.

Sourcing and Manufacturing

Uncompromised craftsmanship begins with sourcing the right raw materials. We use premium fabrics and finishings that are built to last.

In fiscal 2022, we achieved certification under the Responsible Down Standard ("RDS"). The RDS is an international, voluntary program that monitors the chain of custody for certified materials and ensures that RDS down standards are maintained throughout the entire supply chain. The RDS respects the Five Freedoms of animal welfare, prohibits live-plucking or force-feeding in the supply chain, and stipulates that all down is a by-product of the poultry industry.

As of April 2, 2023, we operate eight Canada Goose manufacturing facilities in Toronto, Winnipeg and Greater Montreal, one warehouse facility in Winnipeg and one Baffin manufacturing facility in Stoney Creek, Ontario. We also work with 12 Canadian subcontractors and 18 international manufacturing partners who offer specialized expertise, which provides us with flexibility to scale our production and effectively offer a broader range of product categories. We have been recognized by the Government of Canada for supporting the apparel manufacturing industry in Canada.

Intellectual Property

We own the trademarks used in connection with the marketing, distribution and sale of all of our products in the United States, Canada and in the other countries in which our products are sold. Our major trademarks include the CANADA GOOSE word mark and the ARCTIC PROGRAM & DESIGN trademark (our disc logo consisting of the colour-inverse design of the North Pole and Arctic Ocean). In addition to the registrations in Canada and the United States, our word mark and design are registered in other jurisdictions which cover approximately 70 countries. Furthermore, in certain jurisdictions we register as trademarks certain elements of our products, such as fabric, warmth categorization and style names such as our Snow Mantra parka.

We enforce our trademarks and we have taken several measures to protect our customers from counterfeiting activities. Since 2011, we have sewn a unique hologram, designed exclusively for us, into every jacket and accessory as proof of authenticity. Additionally, our website has a tool for potential online customers to verify the integrity of third party retailers that purport to sell our products. We are also active in enforcing rights on a global basis to our trademarks and taking action against counterfeiters, online and in physical stores.

Seasonality

Our business is seasonal in nature. See Item 5.A - "Operating and Financial Review and Prospects" - "Management's Discussion and Analysis of Financial Results" - "Factors Affecting our Performance" - "Seasonality" and Item 3.D - "Risk Factors" - "Risks Related to our Business" for a discussion.

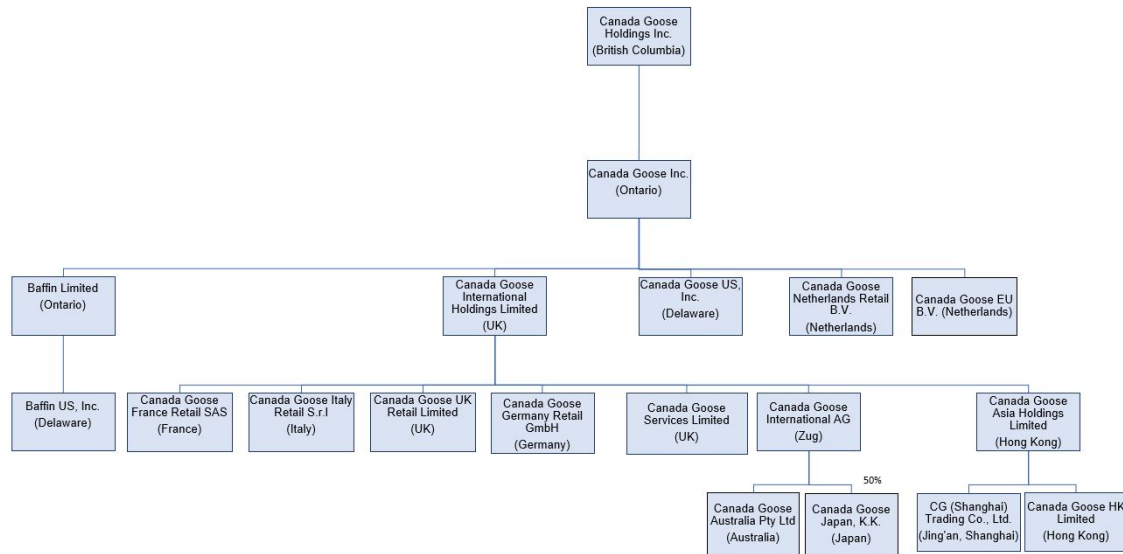
Government Regulation

In Canada and in the other jurisdictions in which we operate, we are subject to labour and employment laws, laws governing advertising, privacy and data security laws, safety regulations and other laws, including consumer protection regulations that apply to retailers and/or the promotion and sale of merchandise and the operation of stores and warehouse facilities. Our products sold outside of Canada are subject to tariffs, treaties and various trade agreements as well as laws affecting the importation of consumer goods. We monitor changes in these laws,

regulations, treaties and agreements, and believe that we are in material compliance with applicable laws.

C. Organizational Structure

The following chart reflects our organizational structure (including the jurisdiction of formation or incorporation of the various entities) as of May 18, 2023.



D. Property, Plants and Equipment

We maintain leased facilities for our corporate headquarters and to conduct our principal manufacturing and retail activities, which we believe are in good condition and working order.

As of April 2, 2023, we lease properties globally, which is comprised of (i) 51 permanent retail stores and 10 upcoming permanent retail stores around the world, (ii) 10 offices (two in Switzerland, three in Greater China, one in the United Kingdom, one in Japan, one in the United States and two in Canada, being our current office, showroom and manufacturing facility (the “Bowie Facility”) and our future head office location), (iii) eight additional manufacturing facilities in Canada (in addition to the Bowie Facility and including one manufacturing facility for Baffin), (iv) one warehouse facility in Canada and (v) one distribution centre in the United States. Our manufacturing and warehouse properties range in size from 50,000 to 190,000 square feet. We also occupy inventory space in the warehouses of several third party logistics providers in all of our primary regions.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

See below for Management’s Discussion & Analysis of Financial Conditions and Results of Operations.

CANADA GOOSE HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the fourth quarter and year ended April 2, 2023

The following Management's Discussion and Analysis ("MD&A") for Canada Goose Holdings Inc. ("us," "we," "our," "Canada Goose" or the "Company") is dated May 17, 2023 and provides information concerning our results of operations and financial condition for the fiscal year ended April 2, 2023 ("fiscal 2023"). You should read this MD&A together with our audited consolidated financial statements and the related notes for the year ended April 2, 2023 ("Annual Financial Statements"). Additional information about Canada Goose is available on our website at www.canadagoose.com, on the SEDAR website at www.sedar.com, and on the EDGAR section of the U.S. Securities and Exchange Commission (the "SEC") website at www.sec.gov, including this Annual Report on Form 20-F.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements. These statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, and other future conditions. Forward-looking statements can be identified by words such as "anticipate," "believe," "estimate," "expect," "forecast," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," and other similar expressions, although not all forward-looking statements contain these identifying words. These forward-looking statements include all matters that are not historical facts. They appear in many places throughout this MD&A and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, business prospects, growth, strategies, expectations regarding industry trends and the size and growth rates of addressable markets, our business plan and our growth strategies, including plans for expansion to new markets and new products, expectations for seasonal trends, and the industry in which we operate.

Certain assumptions made in preparing the forward-looking statements contained in this MD&A include:

- our ability to continue operating our business amid the societal, political and economic disruption caused by recent and ongoing geopolitical events, and the ongoing coronavirus pandemic ("COVID-19");
- our ability to implement our growth strategies;
- our ability to maintain strong business relationships with our customers, suppliers, wholesalers, and distributors;
- our ability to keep pace with changing consumer preferences;
- our ability to protect our intellectual property;
- our ability to adapt to changes to our business as a whole due to environmental, social and governance ("ESG") considerations;
- the continued absence of material global supply chain disruptions to our business, ability to fulfill demand and maintain sufficient inventory levels, which we continue to monitor; and

- the absence of material adverse changes in our industry or the global economy.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe that these risks and uncertainties include, but are not limited to, those described in the “Risk Factors” section of our Annual Report and other risk factors described herein, which include, but are not limited to, the following risks:

- we may not open retail stores or expand e-Commerce access on our planned timelines;
- we may be unable to maintain the strength of our brand or to expand our brand to new products and geographies;
- unanticipated changes in the effective tax rate or adverse outcomes from audit examinations of corporate income or other tax returns;
- our indebtedness may adversely affect our financial condition, and we may not be able to refinance or renegotiate such indebtedness on favourable or satisfactory terms;
- an economic downturn and general economic conditions (for example, inflation and rising interest rates) may further affect discretionary consumer spending;
- we may not be able to satisfy changing consumer preferences;
- global political events, including the impact of political disruptions and protests, which may cause business interruptions;
- our ability to procure high quality raw materials and certain finished goods globally;
- our ability to manage inventory and forecast our inventory need and to manage our production distribution networks. In anticipation of our expected growth and as an important hedge against inflation, we have built up our inventory to elevated levels. If our supply exceeds demand, we may be required to take certain actions to reduce inventory which could damage our brand;
- our ability to forecast our inventory needs and to manage our product distribution networks;
- we may not be able to protect or preserve our brand image and proprietary rights;
- the success of our business strategy;
- our ability to manage our exposure to data security and cyber security events;
- disruptions to manufacturing and distribution activities due factors such as operational issues, disruptions in transportation logistic functions or labour shortages or disruptions;
- risks and global disruptions associated with geopolitical events and the COVID-19 pandemic, which may further affect general economic and operating conditions;
- potential disruptions in the U.S. banking ecosystem;
- fluctuations in raw material costs, interest rates and currency exchange rates; and
- we may be unable to maintain effective internal controls over financial reporting.

Although we base the forward-looking statements contained in this MD&A on assumptions that we believe are reasonable, we caution you that actual results and developments (including our results of operations, financial condition and liquidity, and the development of the industry in which we operate) may differ materially from those made in or suggested by the forward-looking statements contained in this MD&A. Additional impacts may arise that we are not aware of currently. The potential of such additional impacts intensifies the business and operating risks which we face, and these should be considered when reading the forward-looking statements contained in this MD&A. In addition, even if results and developments are consistent with the forward-looking statements contained in this MD&A, those results and developments may not be indicative of results or developments in subsequent periods. As a result, any or all of our forward-looking statements in this MD&A may prove to be inaccurate. No forward-looking statement is a guarantee of future results. Moreover, we operate in a highly competitive and rapidly changing environment in which new risks often emerge. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make.

You should read this MD&A and the documents that we reference herein completely and with the understanding that our actual future results may be materially different from what we expect. The forward-looking statements contained herein are made as of the date of this MD&A, and we do not assume any obligation to update any forward-looking statements except as required by applicable laws.

BASIS OF PRESENTATION

The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and are presented in millions of Canadian dollars, except where otherwise indicated. Certain financial measures contained in this MD&A are non-IFRS financial measures and are discussed further under “Non-IFRS Financial Measures and Other Specified Financial Measures” below.

The Annual Financial Statements and the accompanying notes have been prepared using the accounting policies described in note 2 to the Annual Financial Statements.

All references to “\$”, “CAD” and “dollars” refer to Canadian dollars, “USD” refer to U.S. dollars, “GBP” refer to British pounds sterling, “EUR” refer to euros, “CHF” refer to Swiss francs, “CNY” refer to Chinese yuan, “RMB” refer to Chinese renminbi, “HKD” refer to Hong Kong dollars and “JPY” refers to Japanese yen unless otherwise indicated. Certain totals, subtotals and percentages throughout this MD&A may not reconcile due to rounding. This MD&A and the accompanying Annual Financial Statements are presented in millions of Canadian dollars except where otherwise indicated.

All references to “fiscal 2020” are to the Company’s fiscal year ended March 29, 2020; to “fiscal 2021” are to the Company’s fiscal year ended March 28, 2021; to “fiscal 2022” are to the Company’s fiscal year ended April 3, 2022; and to “fiscal 2023” are to the Company’s fiscal year ending April 2, 2023. Certain comparative figures have been reclassified to conform with the current year presentation.

The Company’s fiscal year is a 52 or 53-week reporting cycle with the fiscal year ending on the Sunday closest to March 31. Each fiscal quarter is 13 weeks for a 52-week fiscal year. The additional week in a 53-week fiscal year is added to the third quarter. Fiscal 2022 was the first 53-week fiscal year, ending on April 3, 2022, and the additional week was added to the third quarter ended January 2, 2022.

FACTORS AFFECTING OUR PERFORMANCE

We believe that our performance depends on many factors including those discussed below.

- *Growth in our DTC Channel.* We plan to continue executing our global strategy through retail and e-Commerce expansion, though the scale of such expansion may be delayed due to current global conditions.
- *COVID-19 pandemic.* COVID-19 may continue to impact the global economy and public health officials which may result in restrictions and recommended precautions to mitigate the spread of the virus. While restrictions have been lifted across all geographies, past restrictions may be reinstated, and additional restrictions may arise that we are not aware of currently. The potential of such reinstated or additional restrictions intensifies the business and operating risks that we face and will continue to be monitored.
- *New Products.* We intend to continue investing in innovation and the development and introduction of new products across styles, uses, and climates. This includes Canada Goose footwear and Baffin branded footwear through Baffin's own distinct sales channels.
- *Global political events and other disruptions.* We are conscious of risks related to social, economic, and political instability, including geopolitical tensions, regulatory matters, market volatility, and social unrest that are affecting consumer spending, international travel, credit markets, and foreign exchange in certain countries and travel corridors.

We remain concerned about the conflict in Ukraine and impact on human life for those affected. We continue to suspend all wholesale and e-Commerce sales to Russia, which represented less than 1% of total annual revenue in fiscal 2022.

We have been, and may in the future be, impacted by widespread protests and other disruptions. To the extent that such disruptions persist, we expect that operations and traffic at our retail stores may be impacted.

- *Inflationary environment.* Inflationary pressures may persist in future fiscal periods and may fluctuate materially between markets. Such pressures may, among other impacts globally, have an adverse effect on our ability to maintain current gross margin and SG&A expenses as a percentage of revenue. In addition, elevated interest rates may impact our business, including borrowing and other costs, and the markets in which we operate. We continue to monitor the current macroeconomic conditions; however to date these pressures have not materially impacted our operations.
- *Seasonality.* We experience seasonal fluctuations in our revenue and operating results and have historically realized a significant portion of our annual wholesale revenue during our second and third fiscal quarters, and our annual DTC revenue in our third and fourth fiscal quarters. We generated 78.9%, 82.5% and 86.8% of our annual wholesale revenue in the combined second and third fiscal quarters of fiscal 2023, fiscal 2022, and fiscal 2021, respectively. Additionally, we generated 83.9%, 85.0% and 89.3% of our annual DTC revenue in the combined third and fourth fiscal quarters of fiscal 2023, fiscal 2022, and fiscal 2021, respectively. Because of seasonal fluctuations in revenue and fixed costs associated with our business, particularly the headcount growth and premises costs associated with our expanding DTC channel, we typically experience negative and substantially reduced net income and adjusted EBIT¹ in the first and fourth quarters, respectively. As a result of our seasonality, changes that impact gross margin and adjusted EBIT¹ among others can have a disproportionate impact on the quarterly results when they are recorded in our off-peak revenue periods.

¹ *Adjusted EBIT is a non-IFRS measure. See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of these measures.*

Guided by expected demand and wholesale orders, we typically manufacture on a linear basis throughout the fiscal year. Net working capital requirements typically increase as inventory builds. We finance these needs through a combination of cash on hand and borrowings on the Revolving Facility (as defined below), the Mainland China Facilities (as defined below), and the Japan Facility (as defined below). Historically, cash flows from operations have been highest in the third and fourth fiscal quarters of the fiscal year due to revenue from the DTC channel and the collection of receivables from wholesale revenue earlier in the year.

- *Foreign Exchange.* We sell a significant portion of our products to customers outside of Canada, which exposes us to fluctuations in foreign currency exchange rates. In fiscal years 2023, 2022, and 2021, we generated 70.1%, 72.5% and 67.9%, respectively, of our revenue in currencies other than Canadian dollars. Accordingly, we are exposed to the effect of translating the results of our foreign operations into Canadian dollars. Most of our raw materials are sourced outside of Canada, primarily in U.S. dollars, and SG&A expenses are typically denominated in the currency of the country in which they are incurred. As a result, we are exposed to foreign currency exchange fluctuations on multiple currencies. As part of our risk management program, we have entered into foreign exchange derivative contracts to manage certain of our exposures to exchange rate fluctuations for future foreign currency transactions, which is intended to reduce the variability of our operating costs and future cash flows denominated in local currencies.

We are further exposed to translation and transaction risks associated with foreign currency exchange fluctuations on foreign currencies denominated principal and interest amounts payable on the Mainland China Facilities, the Japan Facility, the Revolving Facility, and the Term Loan Facility (as defined below). The Company has entered into foreign exchange forward contracts to hedge a portion of the exposure to foreign currency exchange on the principal amount of the Term Loan Facility.

See “Quantitative and Qualitative Disclosures about Market Risk - Foreign Exchange Risk” below.

The main foreign currency exchange rates that impact our business and operations as at and for the year ended April 2, 2023 and for the year ended April 3, 2022 are summarized below:

| Currency | Foreign currency exchange rate to \$1.00 CAD | | | | | |
|----------|--|--------|--------|--------|--------|---------------|
| | Fiscal 2023 | | | | | |
| | Average Rate | | | | | Closing Rate |
| | Q1 | Q2 | Q3 | Q4 | 2023 | April 2, 2023 |
| USD/CAD | 1.2765 | 1.3061 | 1.3580 | 1.3518 | 1.3231 | 1.3533 |
| EUR/CAD | 1.3590 | 1.3140 | 1.3864 | 1.4507 | 1.3775 | 1.4708 |
| GBP/CAD | 1.6031 | 1.5350 | 1.5953 | 1.6429 | 1.5941 | 1.6726 |
| CHF/CAD | 1.3232 | 1.3507 | 1.4095 | 1.4527 | 1.3840 | 1.4804 |
| CNY/CAD | 0.1932 | 0.1906 | 0.1909 | 0.1976 | 0.1931 | 0.1970 |
| HKD/CAD | 0.1627 | 0.1664 | 0.1736 | 0.1724 | 0.1688 | 0.1724 |
| JPY/CAD | 0.0098 | 0.0094 | 0.0096 | 0.0102 | 0.0098 | 0.0102 |

| Currency | Foreign currency exchange rate to \$1.00 CAD | | | | | |
|----------|--|--------|--------|--------|--------|---------------|
| | Fiscal 2022 | | | | | |
| | Average Rate | | | | | Closing Rate |
| | Q1 | Q2 | Q3 | Q4 | 2022 | April 3, 2022 |
| USD/CAD | 1.2280 | 1.2601 | 1.2600 | 1.2663 | 1.2536 | 1.2512 |
| EUR/CAD | 1.4804 | 1.4852 | 1.4409 | 1.4218 | 1.4571 | 1.3816 |
| GBP/CAD | 1.7170 | 1.7367 | 1.6991 | 1.6995 | 1.7131 | 1.6399 |
| CHF/CAD | 1.3485 | 1.3723 | 1.3669 | 1.3707 | 1.3646 | 1.3514 |
| CNY/CAD | 0.1902 | 0.1948 | 0.1971 | 0.1995 | 0.1954 | 0.1966 |
| HKD/CAD | 0.1581 | 0.1620 | 0.1618 | 0.1622 | 0.1610 | 0.1597 |

Source: Bank of Canada

BUSINESS DEVELOPMENTS

Business Combination

On April 4, 2022, the Company and a former distributor of the Company's products in Japan, Sazaby League, Ltd. ("Sazaby League"), entered into an agreement (the "Joint Venture Agreement") to form a joint venture (the "Japan Joint Venture") pursuant to which the Company acquired 50% of the issued and outstanding voting shares of the legal entity comprising the joint venture, Canada Goose Japan, K.K. ("CG Japan"). CG Japan was established to market, distribute and sell Canada Goose products, and to operate retail stores and e-Commerce in Japan. The Japan Joint Venture includes a permanent Canada Goose retail store in Tokyo, a national e-Commerce site, as well as wholesale points of distribution across the country. Total purchase consideration for the transaction was \$22.6m which comprises cash consideration of \$2.6m plus deferred contingent consideration with an estimated fair value of \$20.0m. As at April 2, 2023, the Company remeasured the contingent consideration resulting in an estimated fair value of \$16.8m.

CG Japan's results of operations have been consolidated with those of the Company from the date of the formation of the Japan Joint Venture. Prior to the establishment of CG Japan, the Company sold its products to the former distributor. The majority of sales historically occurred in the first and second quarters and were recorded in the Wholesale operating segment. Going forward, it is expected that CG Japan's revenue and results of operations will be aligned to our respective operating segments and are expected to occur more in line with the seasonality of the Company's Wholesale and DTC segments, which is expected to have an impact on the timing of the revenue we recognize in Japan.

In connection with the business combination, the Joint Venture Agreement includes a put option that allows the non-controlling shareholder to sell its 50% interest to the Company within six months after certain circumstances constituting a "put option trigger" event occurs. If the put option is not exercised during such six-month period the put option will expire. As at April 4, 2022, the fair value of the put option held in Japanese yen by the non-controlling shareholder was recorded in other long-term liabilities in the amount of JPY2,076.4m (\$21.2m). The Company recorded an increase of JPY1,079.9m (\$10.9m, excluding translation losses of less than \$0.1m) on the remeasurement of the put option liability during the year ended April 2, 2023 resulting in a balance of JPY3,156.3m (\$32.1m). For the year ended April 2, 2023, the loss on the fair value remeasurement was recorded within net interest, finance and other costs in the consolidated statements of income.

Transformation Program

During the fourth quarter ended April 2, 2023, the Company announced its Transformation Program. This multi-phase program will work to increase operational efficiencies by optimizing production and procurement, developing people and resources, and focusing on our consumers to allow sustainable growth, profitability and long term value.

SEGMENTS

Our reporting segments align with our sales channels: DTC, Wholesale, and Other. We measure each reportable operating segment's performance based on revenue and operating income. As at April 2, 2023, our DTC segment includes sales to customers through our 57 national e-Commerce markets and 51 directly operated permanent retail stores across North America, Europe, and Asia Pacific. Through our Wholesale segment, we sell to a mix of retailers and international distributors, who are partners that have partial or full exclusive territory rights to sell our products to a particular market through their own DTC channels or local wholesalers. The Other segment comprises sales and costs not directly allocated to the DTC or Wholesale segments, such as sales to employees, friends and family sales, and SG&A expenses.

SUMMARY OF FINANCIAL PERFORMANCE

The following table summarizes results of operations for the years ended April 2, 2023, April 3, 2022 and March 28, 2021 and the fourth quarters ended April 2, 2023 and April 3, 2022, and expresses the percentage relationship to revenues of certain financial statement captions. Basis points ("bps") expresses the changes between percentages. See "Results of Operations" for additional details and for the comparison discussions between the years ended April 2, 2023 and April 3, 2022.

For the comparison discussions between the years ended April 3, 2022 and March 28, 2021, please see Item 5. "Operating and Financial Review and Prospects" of our Annual Report on Form 20-F for the year ended April 3, 2022, filed with Canadian securities commissions on SEDAR and with the SEC on May 19, 2022, which is hereby incorporated by reference.

| CAD \$ millions (except per share data) | For the year ended | | | Fourth quarter ended | |
|--|--------------------|---------------|----------------|----------------------|---------------|
| | April 2, 2023 | April 3, 2022 | March 28, 2021 | April 2, 2023 | April 3, 2022 |
| Statement of Operations data: | | | | | |
| Revenue | 1,217.0 | 1,098.4 | 903.7 | 293.2 | 223.1 |
| Gross profit | 815.2 | 733.6 | 554.0 | 190.3 | 154.1 |
| Gross margin | 67.0 % | 66.8 % | 61.3 % | 64.9 % | 69.1 % |
| Operating income | 135.5 | 156.7 | 117.0 | 17.2 | 0.9 |
| Net income (loss) | 68.9 | 94.6 | 70.3 | (10.0) | (9.1) |
| Net income (loss) attributable to shareholders of the Company | 72.7 | 94.6 | 70.3 | (3.1) | (9.1) |
| Earnings (loss) per share attributable to shareholders of the Company | | | | | |
| Basic | \$ 0.69 | \$ 0.87 | \$ 0.64 | \$ (0.03) | \$ (0.09) |
| Diluted | \$ 0.69 | \$ 0.87 | \$ 0.63 | \$ (0.03) | \$ (0.09) |

| CAD \$ millions | April 2, 2023 | April 3, 2022 | March 28, 2021 |
|----------------------------------|---------------|---------------|----------------|
| Financial Position: | | | |
| Cash | 286.5 | 287.7 | 477.9 |
| Net working capital ¹ | 328.0 | 255.4 | 202.1 |
| Total assets | 1,590.0 | 1,340.6 | 1,478.5 |
| Total non-current liabilities | 760.1 | 631.2 | 638.8 |
| Equity | 477.5 | 427.9 | 577.6 |

¹ See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of these measures and a reconciliation to the nearest IFRS measure.

COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

DTC revenue consists of sales through our e-Commerce operations and retail stores. DTC revenue is recognized upon delivery of the goods to the customer and when consideration is received, net of an estimated provision for sales returns.

Wholesale revenue comprises sales to third party resellers, which includes retailers and distributors of our products. Wholesale revenue from the sale of goods, net of an estimated provision for sales returns, discounts, and allowances, is recognized when control of the goods has been transferred to the reseller, which, depending on the terms of the agreement with the reseller, occurs when the products have been shipped to the reseller, are picked up from our third party warehouse, or arrive at the reseller's facilities.

Other revenue comprises of sales that do not occur through DTC or Wholesale segments, including sales to employees, friends and family sales, and in fiscal 2021, sales of personal protective equipment ("PPE") to federal, provincial, and local health authorities.

Gross Profit

Gross profit is our revenue less cost of sales. Cost of sales comprises the cost of manufacturing our products and goods purchased from other manufacturers, including raw materials, direct labour, and overhead, plus freight, duties, and non-refundable taxes incurred in delivering the goods to distribution centres managed by third parties or to our retail stores. Cost of sales also includes depreciation on our manufacturing right-of-use assets and plant assets as well as inventory provisions, and allowances related to obsolescence and shrinkage. The primary drivers of our cost of sales are the costs of raw materials (which are sourced in both Canadian dollars and U.S. dollars), manufacturing labour rates, and the allocation of overhead. Gross margin measures our gross profit as a percentage of revenue.

SG&A Expenses

SG&A expenses consist of selling costs to support our customer relationships and to deliver our products to our e-Commerce customers, retail stores, and wholesale partners. It also includes our marketing and brand investment activities and the corporate infrastructure required to support our ongoing operations, as well as depreciation and amortization other than on manufacturing right-of-use assets and plant assets. Foreign exchange gains and losses are recorded in SG&A expenses and comprise the translation of assets and liabilities denominated in currencies other than the functional currency of the Company or its subsidiaries, including cash balances, a portion of our Revolving Facility, the Term Loan Facility, the Mainland China Facilities, the Japan Facility, mark-to-market adjustments on derivative contracts, gains or losses associated with our term loan hedges, and realized gains and losses on settlement of foreign currency denominated assets and liabilities.

Selling costs, other than headcount-related costs, generally correlate to revenue timing and would typically experience similar seasonal trends. As a percentage of sales, we expect these selling costs to change as our business evolves. This change has been and is expected to be primarily driven by the expansion of our DTC segment, including the investment required to support e-Commerce sites and retail stores. Retail store costs are mostly fixed and are incurred throughout the year.

General and administrative expenses represent costs incurred in our corporate offices, primarily related to marketing, personnel costs (including salaries, variable incentive compensation, benefits, and share-based compensation), technology support, and other professional service costs. We have invested considerably in this area to support the growing volume and complexity of our business and anticipate continuing to do so in the future.

Depreciation and amortization represent the economic benefit incurred in using the Company's property, plant and equipment, intangible assets, and right-of-use assets. We expect depreciation and amortization to increase, primarily driven by the expansion of our DTC segment and information technology-related expenditures to support growth.

Operating Income

Operating income is our gross profit less SG&A expenses. Operating margin measures our operating income as a percentage of revenue.

Net Interest, Finance and Other Costs

Net interest, finance and other costs represents interest expense on our borrowings including the Revolving Facility, the Term Loan Facility, the Mainland China Facilities, the Japan Facility, and lease liabilities, as well as standby fees and other financing costs, net of interest income. Net interest, finance and other costs also includes the fair value remeasurements of the contingent consideration and put option liability related to the Joint Venture Agreement.

Income Taxes

We are subject to income taxes in the jurisdictions in which we operate and, consequently, income tax expense is a function of the allocation of taxable income by jurisdiction and the various activities that impact the timing of taxable events.

On December 20, 2021, the Organization for Economic Co-operation and Development ("OECD") published model rules outlining a structure for a new 15% global minimum tax regime (the "Pillar Two Rules"). The OECD recommends that the Pillar Two Rules become effective for periods beginning on or after December 31, 2023, except for the "under-taxed profit rule" ("UTPR"), which is recommended to take effect for periods beginning on or after December 31, 2024. In March 2023, the Canadian federal budget reaffirmed Canada's plans to introduce legislation that implements the Pillar Two Rules, including a minimum global tax rate for periods beginning on or after December 31, 2023, and UTPR for periods beginning on or after December 31, 2024. The Council of the European Union formally adopted the Minimum Tax Directive (the "Directive") on December 15, 2022, and requires European Union Member States to transpose the Directive into their domestic law by December 31, 2023. In March 2023, the Government of the United Kingdom published updated draft legislation in respect of its domestic implementation of the Pillar Two Rules. The proposed legislation will apply for accounting periods beginning on or after December 31, 2023, except for the UTPR, which will apply for accounting periods beginning on or after December 31, 2024. Several other countries have also initiated draft legislation to implement the Pillar Two Rules. As a result of these developments, the tax laws of certain countries in which we and our subsidiaries do business could change on a prospective or retroactive basis, and any such changes, including the adoption of the Pillar Two Rules, could affect our aggregate tax liability and effective tax rate in the future.

RESULTS OF OPERATIONS

For the year ended April 2, 2023 compared to the year ended April 3, 2022

The following table summarizes results of operations and expresses the percentage relationship to revenue of certain financial statement captions. Basis points ("bps") expresses the changes between percentages.

| CAD \$ millions (except share and per share data) | For the year ended | | \$ Change | % Change |
|---|--------------------|------------------|--------------|-------------|
| | April 2, 2023 | April 3, 2022 | | |
| Statement of Income data: | | | | |
| Revenue | 1,217.0 | 1,098.4 | 118.6 | 10.8 % |
| Cost of sales | 401.8 | 364.8 | (37.0) | (10.1) % |
| Gross profit | 815.2 | 733.6 | 81.6 | 11.1 % |
| <i>Gross margin</i> | 67.0 % | 66.8 % | | 20 bps |
| SG&A expenses | 679.7 | 576.9 | (102.8) | (17.8) % |
| <i>SG&A expenses as % of revenue</i> | 55.9 % | 52.5 % | | (340) bps |
| Operating income | 135.5 | 156.7 | (21.2) | (13.5) % |
| <i>Operating margin</i> | 11.1 % | 14.3 % | | (320) bps |
| Net interest, finance and other costs | 42.0 | 39.0 | (3.0) | (7.7) % |
| Income before income taxes | 93.5 | 117.7 | (24.2) | (20.6) % |
| Income tax expense | 24.6 | 23.1 | (1.5) | (6.5) % |
| <i>Effective tax rate</i> | 26.3 % | 19.6 % | | (670) bps |
| Net income | 68.9 | 94.6 | (25.7) | (27.2) % |
| Net loss attributable to non-controlling interest | (3.8) | — | (3.8) | 100.0 % |
| Net income attributable to shareholders of the Company | 72.7 | 94.6 | (21.9) | (23.2) % |
| Weighted average number of shares outstanding | | | | |
| Basic | 105,058,643 | 108,296,802 | | |
| Diluted | 105,622,312 | 109,154,721 | | |
| Earnings per share attributable to shareholders of the Company | | | | |
| Basic | \$ 0.69 | \$ 0.87 | (0.18) | (20.7) % |
| Diluted | \$ 0.69 | \$ 0.87 | (0.18) | (20.7) % |

Revenue

Revenue for the year ended April 2, 2023 increased by \$118.6m, or 10.8%, to \$1,217.0m from \$1,098.4m for the year ended April 3, 2022. Revenue generated from our DTC channel represented 66.3% of total revenue for the year ended April 2, 2023 compared to 67.4% for the year ended April 3, 2022. On a constant currency¹ basis, revenue increased by 10.9% year ended April 2, 2023 compared to the year ended April 3, 2022. The strength of the US dollar compared to the Canadian dollar in the period was outweighed by depreciation of the pound sterling and euro relative to the Canadian dollar.

| CAD \$ millions | For the year ended | | \$ Change | | | % Change | |
|-----------------|--------------------|---------------|-------------|-------------------------|-----------------------------------|-------------|-----------------------------------|
| | April 2, 2023 | April 3, 2022 | As reported | Foreign exchange impact | In constant currency ¹ | As reported | In constant currency ¹ |
| DTC | 807.3 | 740.4 | 66.9 | (3.3) | 63.6 | 9.0 % | 8.6 % |
| Wholesale | 373.8 | 348.5 | 25.3 | 4.3 | 29.6 | 7.3 % | 8.5 % |
| Other | 35.9 | 9.5 | 26.4 | — | 26.4 | 277.9 % | 277.9 % |
| Total revenue | 1,217.0 | 1,098.4 | 118.6 | 1.0 | 119.6 | 10.8 % | 10.9 % |

¹ Constant currency revenue is a non-IFRS financial measure. See “Non-IFRS Financial Measures and Other Specified Financial Measures” for a description of this measure.

Impact of Additional Week on Fiscal 2022 Revenue

The year ended April 3, 2022 was our first 53-week fiscal year and as such included an additional week. To explain the impact of the additional week in fiscal 2022, and to facilitate comparison of the results for the year ended April 2, 2023, the below presents revenue excluding the first week of fiscal 2022 (“Additional Week”), to more closely align calendar periods and the number of trading days therein.

| | For the year ended | | | | \$ Change | | | % Change | |
|---------------|--------------------|---------------|-----------------|---|---------------------------|-------------------------|-----------------------------------|---------------------------|-----------------------------------|
| | April 2, 2023 | April 3, 2022 | Additional Week | April 3, 2022 (Excluding Additional Week) | Excluding Additional Week | Foreign exchange impact | In constant currency ¹ | Excluding Additional Week | In constant currency ¹ |
| DTC | 807.3 | 740.4 | (2.7) | 737.7 | 69.6 | (3.3) | 66.3 | 9.4 % | 9.0 % |
| Wholesale | 373.8 | 348.5 | (0.6) | 347.9 | 25.9 | 4.3 | 30.2 | 7.4 % | 8.7 % |
| Other | 35.9 | 9.5 | — | 9.5 | 26.4 | — | 26.4 | 277.9 % | 277.9 % |
| Total revenue | 1,217.0 | 1,098.4 | (3.3) | 1,095.1 | 121.9 | 1.0 | 122.9 | 11.1 % | 11.2 % |

¹ Constant currency revenue is a non-IFRS financial measure. See “Non-IFRS Financial Measures and Other Specified Financial Measures” for a description of this measure.

DTC

Revenue from our DTC segment for the year ended April 2, 2023 was \$807.3m compared to \$740.4m for the year ended April 3, 2022. The increase of \$66.9m or 9.0% was attributable largely to continued retail expansion and comparative period new store openings operating for the full duration of the year ended April 2, 2023. During the year ended April 2, 2023, we opened 10 permanent stores compared to 13 permanent stores during the year ended April 3, 2022 and ended the period with 51 permanent stores compared to 41 permanent stores at the end of the comparative period. We saw a shift back to retail stores with consumers returning to in-person shopping and shifting away from e-Commerce. DTC comparable sales growth² experienced a decline of (2.6)%, although this was positive when excluding Mainland China. During the year ended April 2, 2023, we were negatively impacted by COVID-19 related restrictions in the Asia

Pacific region particularly in Mainland China, which resulted in store closures, reduced hours, and significantly lower retail traffic, which were not prevalent in the comparative period.

² DTC comparable sales growth is a supplementary financial measure. See “Non-IFRS Financial Measures and Other Specified Financial Measures” for a description of this measure.

Wholesale

Revenue from our Wholesale segment for the year ended April 2, 2023 was \$373.8m compared to \$348.5m for the year ended April 3, 2022. The increase of \$25.3m or 7.3% was attributable to an increase in order value globally relative to the comparative period.

Other

Revenue from our Other segment for the year ended April 2, 2023 was \$35.9m compared to \$9.5m for the year ended April 3, 2022. The increase of \$26.4m or 277.9% was attributable to higher product availability to employees, friends and family.

Revenue by geography

| CAD \$ millions | For the year ended | | As reported | Foreign exchange impact | \$ Change | | % Change | |
|-------------------|--------------------|---------------|-------------|-------------------------|-----------------------------------|-------------|-----------------------------------|--|
| | April 2, 2023 | April 3, 2022 | | | In constant currency ² | As reported | In constant currency ² | |
| Canada | 241.0 | 213.1 | 27.9 | — | 27.9 | 13.1 % | 13.1 % | |
| United States | 340.2 | 305.9 | 34.3 | (12.0) | 22.3 | 11.2 % | 7.3 % | |
| Asia Pacific | 354.2 | 327.1 | 27.1 | 4.5 | 31.6 | 8.3 % | 9.7 % | |
| EMEA ¹ | 281.6 | 252.3 | 29.3 | 8.5 | 37.8 | 11.6 % | 15.0 % | |
| Total revenue | 1,217.0 | 1,098.4 | 118.6 | 1.0 | 119.6 | 10.8 % | 10.9 % | |

¹ EMEA comprises Europe, the Middle East, Africa, and Latin America.

² Constant currency revenue is a non-IFRS financial measure. See “Non-IFRS Financial Measures and Other Specified Financial Measures” for a description of this measure.

Impact of Additional Week on Fiscal 2022 Revenue

As described above, to explain the impact of the additional week in fiscal 2022 and to facilitate comparison of the results for the year ended April 2, 2023, the below presents revenue excluding the Additional Week, to more closely align calendar periods and the number of trading days therein.

| | For the year ended | | | | Excluding Additional Week | Foreign exchange impact | \$ Change | | % Change | |
|-------------------|--------------------|---------------|-----------------|---|---------------------------|-------------------------|-----------------------------------|---------------------------|-----------------------------------|--|
| | April 2, 2023 | April 3, 2022 | Additional Week | April 3, 2022 (Excluding Additional Week) | | | In constant currency ² | Excluding Additional Week | In constant currency ² | |
| Canada | 241.0 | 213.1 | (1.1) | 212.0 | 29.0 | — | 29.0 | 13.7 % | 13.7 % | |
| United States | 340.2 | 305.9 | (0.7) | 305.2 | 35.0 | (12.0) | 23.0 | 11.5 % | 7.5 % | |
| Asia Pacific | 354.2 | 327.1 | (0.9) | 326.2 | 28.0 | 4.5 | 32.5 | 8.6 % | 10.0 % | |
| EMEA ¹ | 281.6 | 252.3 | (0.6) | 251.7 | 29.9 | 8.5 | 38.4 | 11.9 % | 15.3 % | |
| Total revenue | 1,217.0 | 1,098.4 | (3.3) | 1,095.1 | 121.9 | 1.0 | 122.9 | 11.1 % | 11.2 % | |

¹ EMEA comprises Europe, the Middle East, Africa, and Latin America.

² Constant currency revenue is a non-IFRS financial measure. See “Non-IFRS Financial Measures and Other Specified Financial Measures” for a description of these measures.

Revenue increased across all regions during the year ended April 2, 2023 compared to the comparative period. Increases in Canada can largely be attributed to growth within the existing store network replacing e-Commerce business as consumers return to experiential shopping. Revenue increases in EMEA were attributable to regained momentum within existing stores, and an increase in order book value within the Wholesale segment. Asia Pacific results were positively impacted by revenue growth in the Japanese market due to the impact of incorporating the Japan Joint Venture and the retail expansion and e-Commerce growth in the market as well as retail expansion in Greater China. This was partially offset by decreased revenue in the existing store network in Mainland China due to COVID-19 related restrictions. Revenue growth in the United States was attributable to retail expansion and comparative period new store openings operating for the full duration of the year ended April 2, 2023.

Gross Profit

Gross profit and gross margin for the year ended April 2, 2023 were \$815.2m and 67.0%, respectively, compared to \$733.6m and 66.8%, respectively, for the year ended April 3, 2022. The increase in gross profit of \$81.6m was attributable to higher revenue as noted above and gross margin expansion. Gross margin in the current period has been favourably impacted by pricing, partially offset by an increase in obsolete raw material inventory provisioning and the unfavourable impact of the fair value adjustments for inventory acquisition related to the Japan Joint Venture.

| CAD \$ millions | For the year ended | | | | \$ Change | Change in bps |
|--------------------|--------------------|---------------|------------------|---------------|--------------|------------------|
| | April 2, 2023 | | April 3, 2022 | | | |
| | Gross profit | Gross margin | Gross profit | Gross margin | | |
| DTC | 616.2 | 76.3 % | 563.0 | 76.0 % | 53.2 | 30 bps |
| Wholesale | 185.7 | 49.7 % | 166.5 | 47.8 % | 19.2 | 190 bps |
| Other | 13.3 | 37.0 % | 4.1 | 43.2 % | 9.2 | (620) bps |
| Total gross profit | <u>815.2</u> | <u>67.0 %</u> | <u>733.6</u> | <u>66.8 %</u> | <u>81.6</u> | <u>20 bps</u> |

DTC

Gross profit in our DTC segment was \$616.2m for the year ended April 2, 2023 compared to \$563.0m for the year ended April 3, 2022. The increase of \$53.2m in gross profit was attributable to higher revenues as noted above and gross margin expansion. The gross margin was 76.3% for the year ended April 2, 2023, an increase of 30 bps compared to 76.0% in the comparative period. During the year ended April 2, 2023, gross margin was favourably impacted by pricing (+180 bps) and lower product costs (+30 bps) largely driven by normalized efficiencies in our manufacturing facilities. This was partially offset by increases in obsolete raw material inventory provisioning (-100 bps), the unfavourable impact of the fair value adjustment for inventory acquired through the Japan Joint Venture (-50 bps) and higher freight and duty costs (-20 bps).

Wholesale

Gross profit in our Wholesale segment was \$185.7m for the year ended April 2, 2023 compared to \$166.5m for the year ended April 3, 2022. The increase in gross profit of \$19.2m was attributable to higher revenues as noted above. The gross margin was 49.7% for the year ended April 2, 2023, an increase of 190 bps compared to 47.8% in the comparative period. During the year ended April 2, 2023, gross margin benefited from pricing (+280 bps), channel mix (+110 bps) from the conversion of Japan distributor sales to regular wholesale arrangements due to the Japan Joint Venture, favourable product mix due to the sale of higher margin parkas (+90

bps) within the product category and lower product costs (+50 bps) largely driven by normalized efficiencies in our manufacturing facilities. This was partially offset by increases in raw materials inventory provisions (-180 bps), the unfavourable impact of the fair value adjustment for inventory acquired through the Japan Joint Venture (-100 bps) and higher freight and duty costs (-60 bps).

Other

Gross profit in our Other segment was \$13.3m for the year ended April 2, 2023 compared to gross profit of \$4.1m for the year ended April 3, 2022, an increase of \$9.2m. The increase in gross profit is driven by the increase in employee sales and friends and family sales as noted above.

SG&A Expenses

SG&A expenses were \$679.7m for the year ended April 2, 2023 compared to \$576.9m for the year ended April 3, 2022. The increase in SG&A expenses of \$102.8m or 17.8% was attributable to \$27.3m in higher costs related to opening new stores and running stores at full capacity except in Mainland China, \$19.4m of unfavourable foreign exchange fluctuations related to the Term Loan Facility and working capital, net of hedge impacts, \$15.1m of incremental personnel costs, \$8.5m of investment in technology for business growth, \$7.9m of higher costs in strategic initiatives, and \$4.5m of incremental marketing investment to drive brand awareness and support our growth. The increase was partially offset by \$6.7m of lower impairment charges recognized from the comparative period.

| CAD \$ millions | For the year ended | | | | | |
|---------------------|--------------------|----------------------|---------------|----------------------|-----------|----------|
| | April 2, 2023 | | April 3, 2022 | | \$ Change | % Change |
| | Reported | % of segment revenue | Reported | % of segment revenue | | |
| DTC | 256.8 | 31.8 % | 229.9 | 31.1 % | (26.9) | (11.7)% |
| Wholesale | 67.1 | 18.0 % | 55.3 | 15.9 % | (11.8) | (21.3)% |
| Other | 355.8 | — | 291.7 | — | (64.1) | (22.0)% |
| Total SG&A expenses | 679.7 | 55.9 % | 576.9 | 52.5 % | (102.8) | (17.8)% |

Depreciation and amortization, included above, was \$99.4m for the year ended April 2, 2023 compared to \$81.1m for the year ended April 3, 2022, an increase of \$18.3m which is attributable to continued retail expansion and head office transition.

DTC

SG&A expenses in our DTC segment for the year ended April 2, 2023 were \$256.8m, or 31.8% of segment revenue, compared to \$229.9m, or 31.1% of segment revenue, for the year ended April 3, 2022. The increase of \$26.9m or 11.7% was due to \$27.3m of costs associated with the expansion of the retail network as well as running stores at full capacity except for Mainland China. The increase was partially offset by \$6.7m of lower impairment charges recognized from the comparative period. Additionally, there were \$2.2m of lower e-Commerce costs. COVID-19 related temporary store closure costs of \$3.2m were recognized in the year ended April 2, 2023 compared to \$0.2m in the comparative period.

Wholesale

SG&A expenses in our Wholesale segment for the year ended April 2, 2023 were \$67.1m compared to \$55.3m for the year ended April 3, 2022. The increase of \$11.8m or 21.3% was attributable to \$8.0m of incremental freight and warehouse costs driven by higher volumes and \$4.9m of higher operating costs.

Other

SG&A expenses in our Other segment, which include unallocated corporate expenses, were \$355.8m for the year ended April 2, 2023 compared to \$291.7m for the year ended April 3, 2022. The increase of \$64.1m or 22.0% was attributable to \$19.4m of unfavourable foreign exchange fluctuations related to the Term Loan Facility and working capital, net of hedge impacts. The increase was also attributable to \$15.1m of incremental personnel costs driven by headcount, \$8.5m of investment in information technology to support business growth, \$7.9m of higher fees in support of strategic activities including the Transformation Program and costs associated with the Japan Joint Venture, \$4.5m of incremental investment in marketing, and \$2.8m of donations to the United Nations for Ukrainian refugees.

Operating Income and Margin

Operating income and operating margin were \$135.5m and 11.1%, respectively, for the year ended April 2, 2023 compared to \$156.7m and 14.3%, respectively, for the year ended April 3, 2022. The decrease in operating income of \$21.2m and operating margin of (320) bps was attributable to higher operating costs, partially offset by higher gross profit as discussed above.

| CAD \$ millions | April 2, 2023 | | For the year ended April 3, 2022 | | \$ Change | Change in bps |
|------------------------|-------------------------|------------------|----------------------------------|------------------|---------------|------------------|
| | Operating income (loss) | Operating margin | Operating income (loss) | Operating margin | | |
| DTC | 359.4 | 44.5 % | 333.1 | 45.0 % | 26.3 | (50) bps |
| Wholesale | 118.6 | 31.7 % | 111.2 | 31.9 % | 7.4 | (20) bps |
| Other | (342.5) | — | (287.6) | — | (54.9) | — |
| Total operating income | <u>135.5</u> | <u>11.1 %</u> | <u>156.7</u> | <u>14.3 %</u> | <u>(21.2)</u> | <u>(320) bps</u> |

DTC

DTC segment operating income and operating margin were \$359.4m and 44.5% for the year ended April 2, 2023 compared to \$333.1m and 45.0% for the year ended April 3, 2022. The increase in operating income of \$26.3m was attributable to increased revenue through network expansion and lower impairment. The decrease in operating margin of (50) bps was attributable to cost deleverage due to a decline in DTC comparable sales growth, as described above, and new store opening costs including stores expected to open early in fiscal 2024. COVID-19 related temporary store closure costs of \$3.2m were recognized in the year ended April 2, 2023 compared to \$0.2m in the comparative period.

Wholesale

Wholesale segment operating income and operating margin were \$118.6m and 31.7% for the year ended April 2, 2023 compared to \$111.2m and 31.9% for the year ended April 3, 2022. The increase in operating income of \$7.4m was attributable to a higher segment revenue and gross profit, partially offset by higher SG&A expenses, particularly freight, as discussed above.

Other

Other segment operating loss was \$342.5m for the year ended April 2, 2023 compared to \$287.6m for the year ended April 3, 2022. The increase in operating loss of \$54.9m was attributable to higher SG&A expenses as described above.

Net Interest, Finance and Other Costs

Net interest, finance and other costs were \$42.0m for the year ended April 2, 2023 compared to \$39.0m for the year ended April 3, 2022. The increase of \$3.0m or 7.7% was attributable to the net loss of \$8.0m on the fair value remeasurement of the put option liability (liability increase of \$10.9m, including translation losses of less than \$0.1m) and the contingent consideration (liability reduction of \$3.2m, including translation gains of \$0.3m) related to the Joint Venture Agreement. The increase was also impacted by \$2.5m of higher interest related to principal payments on lease liabilities, and \$1.6m of higher interest charges and financing fees due to higher gross borrowings during the period on our facilities from the comparative period. In the comparative period, we incurred accelerated amortization costs of \$9.5m related to the refinancing of our Term Loan Facility.

Income Taxes

Income tax expense was \$24.6m for the year ended April 2, 2023 compared to \$23.1m for the year ended April 3, 2022. For the year ended April 2, 2023, the effective and statutory tax rates were 26.3% and 25.3%, respectively, compared to 19.6% and 25.4% for the year ended April 3, 2022, respectively. Given our global operations, the effective tax rate is largely impacted by our profit or loss in taxable jurisdictions relative to the applicable tax rates. The rate was also impacted year over year by the non-deductible remeasurement of the contingent consideration and put option liability associated with the Japan Joint Venture.

Net Income

Net income for the year ended April 2, 2023 was \$68.9m compared to \$94.6m for the year ended April 3, 2022, driven by the factors described above.

For the fourth quarter ended April 2, 2023 compared to the fourth quarter ended April 3, 2022

The following table summarizes results of operations and expresses the percentage relationship to revenues of certain financial statement captions. Basis points (“bps”) expresses the changes between percentages.

| CAD \$ millions (except share and per share data) | Fourth quarter ended | | \$ Change | % Change |
|---|----------------------|------------------|--------------|-------------|
| | April 2, 2023 | April 3, 2022 | | |
| Statement of loss data: | | | | |
| Revenue | 293.2 | 223.1 | 70.1 | 31.4 % |
| Cost of sales | 102.9 | 69.0 | (33.9) | (49.1) % |
| Gross profit | 190.3 | 154.1 | 36.2 | 23.5 % |
| <i>Gross margin</i> | 64.9 % | 69.1 % | | (420) bps |
| SG&A expenses | 173.1 | 153.2 | (19.9) | (13.0) % |
| <i>SG&A expenses as % of revenue</i> | 59.0 % | 68.7 % | | 970 bps |
| Operating income | 17.2 | 0.9 | 16.3 | 1,811.1 % |
| <i>Operating margin</i> | 5.9 % | 0.4 % | | 550 bps |
| Net interest, finance and other costs | 21.8 | 7.0 | (14.8) | (211.4) % |
| Loss before income taxes | (4.6) | (6.1) | 1.5 | 24.6 % |
| Income tax expense | 5.4 | 3.0 | (2.4) | (80.0) % |
| <i>Effective tax rate</i> | (117.4)% | (49.2)% | | (6,820) bps |
| Net loss | (10.0) | (9.1) | (0.9) | (9.9) % |
| Net loss attributable to non-controlling interest | (6.9) | — | (6.9) | (100.0) % |
| Net loss attributable to shareholders of the Company | (3.1) | (9.1) | 6.0 | 65.9 % |
| Weighted average number of shares outstanding | | | | |
| Basic | 104,519,045 | 106,133,970 | | |
| Diluted ¹ | 104,519,045 | 106,133,970 | | |
| Loss per share attributable to shareholders of the Company | | | | |
| Basic | \$ (0.03) | \$ (0.09) | \$ 0.06 | 66.7 % |
| Diluted | \$ (0.03) | \$ (0.09) | \$ 0.06 | 66.7 % |

¹ Subordinate voting shares issuable on exercise of stock options are not treated as dilutive if including them would decrease the loss per share. Accordingly, 643,505 potentially dilutive shares have been excluded from the calculation of diluted loss per share for the fourth quarter ended April 2, 2023, compared to 564,433 for the fourth quarter ended April 3, 2022.

Revenue

Revenue for the fourth quarter ended April 2, 2023 was \$293.2m, an increase of \$70.1m, or 31.4%, from \$223.1m for the fourth quarter ended April 3, 2022. Revenue generated from our DTC channel represented 77.6% of total revenue for the fourth quarter ended April 2, 2023 compared to 83.2% for the fourth quarter ended April 3, 2022. On a constant currency¹ basis, revenue increased by 30.1% for the fourth quarter ended April 2, 2023 compared to the fourth quarter ended April 3, 2022.

| CAD \$ millions | Fourth quarter ended | | As reported | Foreign exchange impact | \$ Change | | % Change | |
|-----------------|----------------------|---------------|-------------|-------------------------|-----------------------------------|-------------|-----------------------------------|--|
| | April 2, 2023 | April 3, 2022 | | | In constant currency ¹ | As reported | In constant currency ¹ | |
| DTC | 227.5 | 185.6 | 41.9 | (1.9) | 40.0 | 22.6 % | 21.6 % | |
| Wholesale | 45.5 | 34.9 | 10.6 | (1.1) | 9.5 | 30.4 % | 27.2 % | |
| Other | 20.2 | 2.6 | 17.6 | — | 17.6 | 676.9 % | 676.9 % | |
| Total revenue | 293.2 | 223.1 | 70.1 | (3.0) | 67.1 | 31.4 % | 30.1 % | |

¹ Constant currency revenue is a non-IFRS financial measure. See “Non-IFRS Financial Measures and Other Specified Financial Measures” for a description of these measures.

DTC

Revenue from our DTC segment was \$227.5m for the fourth quarter ended April 2, 2023 compared to \$185.6m for the fourth quarter ended April 3, 2022. The increase of \$41.9m or 22.6% was attributable largely to continued retail store expansion, and improved growth and performance within our existing stores network. We ended the fourth quarter ended April 2, 2023, with 51 permanent stores compared to 41 permanent stores in the fourth quarter ended April 3, 2022. DTC comparable sales growth¹ was 6.9%, driven by growth within the existing store network more than offsetting lower e-Commerce business as consumers return to experiential shopping.

¹ DTC comparable sales growth is a supplementary financial measure. See “Non-IFRS Financial Measures and Other Specified Financial Measures” for a description of this measure.

Wholesale

Revenue from our Wholesale segment was \$45.5m for the fourth quarter ended April 2, 2023 compared to \$34.9m for the fourth quarter ended April 3, 2022. The increase of \$10.6m or 30.4% was attributable to an increase in order value globally and an increased volume of shipments from prior quarters being realized in this quarter relative to the comparative quarter.

Other

Revenue from our Other segment was \$20.2m for the fourth quarter ended April 2, 2023 compared to \$2.6m for the fourth quarter ended April 3, 2022. The increase was attributable to higher product availability to employees, friends and family.

Revenue by geography

| CAD \$ millions | Fourth quarter ended | | As reported | Foreign exchange impact | \$ Change | | % Change | |
|-------------------|----------------------|---------------|-------------|-------------------------|-----------------------------------|-----------------------------------|-------------|-----------------------------------|
| | April 2, 2023 | April 3, 2022 | | | In constant currency ² | In constant currency ² | As reported | In constant currency ² |
| Canada | 55.2 | 39.1 | 16.1 | — | 16.1 | 41.2 % | 41.2 % | |
| United States | 67.5 | 70.7 | (3.2) | (2.4) | (5.6) | (4.5)% | (7.9)% | |
| Asia Pacific | 114.1 | 69.0 | 45.1 | 0.8 | 45.9 | 65.4 % | 66.5 % | |
| EMEA ¹ | 56.4 | 44.3 | 12.1 | (1.4) | 10.7 | 27.3 % | 24.2 % | |
| Total revenue | 293.2 | 223.1 | 70.1 | (3.0) | 67.1 | 31.4 % | 30.1 % | |

¹ EMEA comprises Europe, the Middle East, Africa, and Latin America.

² Constant currency revenue is a non-IFRS financial measure. See “Non-IFRS Financial Measures and Other Specified Financial Measures” for a description of these measures.

Revenue increased in Canada, EMEA and Asia Pacific for the fourth quarter ended April 2, 2023 compared to the comparative quarter resulting from an increase in DTC revenue. Re-opening in Asia Pacific after lifting of COVID-19 restrictions and strong growth in both channels in EMEA positively impacted results. Revenue decline in the United States amid a challenging macro-economic backdrop was partially offset by retail expansion and consumers returning to experiential shopping.

Gross Profit

Gross profit and gross margin for the fourth quarter ended April 2, 2023 were \$190.3m and 64.9%, respectively, compared to \$154.1m and 69.1%, respectively, for the fourth quarter ended April 3, 2022. The increase in gross profit of \$36.2m was attributable to higher revenue, partially offset by margin decline. Gross margin in the current quarter was unfavourably impacted by increased obsolete raw material inventory provisioning, higher product costs and the unfavourable impact of the fair value adjustment for inventory acquired through the Japan Joint Venture, partially offset by pricing.

| CAD \$ millions | Fourth quarter ended | | Gross profit | Gross margin | \$ Change | Change in bps |
|--------------------|----------------------|---------------|--------------|--------------|-----------|---------------|
| | April 2, 2023 | April 3, 2022 | | | | |
| DTC | 166.8 | 141.2 | 73.3 % | 76.1 % | 25.6 | (280)bps |
| Wholesale | 16.2 | 11.9 | 35.6 % | 34.1 % | 4.3 | 150 bps |
| Other | 7.3 | 1.0 | 36.1 % | 38.5 % | 6.3 | (240)bps |
| Total gross profit | 190.3 | 154.1 | 64.9 % | 69.1 % | 36.2 | (420)bps |

DTC

Gross profit in our DTC segment was \$166.8m for the fourth quarter ended April 2, 2023 compared to \$141.2m for the fourth quarter ended April 3, 2022. The gross margin was 73.3% for the fourth quarter ended April 2, 2023, a decrease of 280 bps compared to 76.1% in the comparative quarter. During the fourth quarter ended April 2, 2023, gross margin was primarily impacted by increases in raw materials inventory provisioning (-330 bps), higher product costs (-90 bps) and the unfavourable impact of the fair value adjustment for inventory acquired through the Japan Joint Venture (-30 bps), partially offset by pricing (+170 bps).

Wholesale

Gross profit in our Wholesale segment was \$16.2m for the fourth quarter ended April 2, 2023 compared to \$11.9m for the fourth quarter ended April 3, 2022. The increase of \$4.3m in gross profit was attributable to higher revenues and margin rate expansion as noted above. The gross margin was 35.6% for the fourth quarter ended April 2, 2023, an increase of +150 bps compared to 34.1% in the comparative quarter. During the fourth quarter ended April 2, 2023, gross margin was favourably impacted by product mix (+960 bps) from the increased sale of higher margin parkas within the parka product category and pricing (+330 bps), partially offset by increased inventory provisioning (-810 bps), the unfavourable impact of the fair value adjustment for inventory acquired through the Japan Joint Venture (-150 bps), higher product costs (-120 bps), and channel mix due to a higher proportion of distributor sales (-40 bps).

Other

Gross profit in our Other segment was \$7.3m respectively, for the fourth quarter ended April 2, 2023 compared to gross profit of \$1.0m for the fourth quarter ended April 3, 2022, an increase of \$6.3m driven by the increase in employee sales and friends and family sales.

SG&A Expenses

SG&A expenses were \$173.1m for the fourth quarter ended April 2, 2023 compared to \$153.2m for the fourth quarter ended April 3, 2022. The increase of \$19.9m or 13.0% was attributable to \$11.4m in higher costs related to opening new stores, \$6.8m of incremental personnel costs driven by headcount, and \$4.5m of higher fees in support of strategic activities including the Transformation Program and costs associated with the Japan Joint Venture. The increase was partially offset by \$6.7m of lower impairment charges recognized from the comparative quarter.

| CAD \$ millions | Fourth quarter ended | | | | | |
|---------------------|----------------------|----------------------|---------------|----------------------|-----------|----------|
| | April 2, 2023 | | April 3, 2022 | | \$ Change | % Change |
| | Reported | % of segment revenue | Reported | % of segment revenue | | |
| DTC | 72.8 | 32.0 % | 68.3 | 36.8 % | (4.5) | (6.6)% |
| Wholesale | 16.1 | 35.4 % | 13.7 | 39.3 % | (2.4) | (17.5)% |
| Other | 84.2 | — | 71.2 | — | (13.0) | (18.3)% |
| Total SG&A expenses | 173.1 | 59.0 % | 153.2 | 68.7 % | (19.9) | (13.0)% |

Depreciation and amortization, included above, was \$27.3m for the fourth quarter ended April 2, 2023 compared to \$21.6m for the fourth quarter ended April 3, 2022, an increase of \$5.7m of which was attributable to continued retail expansion.

DTC

SG&A expenses in our DTC segment for the fourth quarter ended April 2, 2023 were \$72.8m, or 32.0% of segment revenue, compared to \$68.3m, or 36.8% of segment revenue, for the fourth quarter ended April 3, 2022. The increase of \$4.5m or 6.6% was primarily due to \$11.4m of higher costs associated with the expansion of the retail network. The increase was partially offset by \$6.7m of lower impairment charges recognized than in the comparative quarter. Additionally, there were \$2.6m of lower e-Commerce costs. There were no COVID-19 related temporary store closure costs in the fourth quarter ended April 2, 2023 or the comparative quarter.

Wholesale

SG&A expenses in our Wholesale segment for the fourth quarter ended April 2, 2023 were \$16.1m, or 35.4% of segment revenue, compared to \$13.7m, or 39.3% of segment revenue, for the fourth quarter ended April 3, 2022. The increase of \$2.4m or 17.5% was attributable to \$1.2m of incremental freight and warehouse costs driven by higher volumes and \$1.3m of higher other operating costs.

Other

SG&A expenses in our Other segment, which include unallocated corporate expenses, were \$84.2m for the fourth quarter ended April 2, 2023 compared to \$71.2m for the fourth quarter ended April 3, 2022. The increase of \$13.0m or 18.3% was attributable to \$6.8m of incremental personnel costs driven by headcount, \$4.5m of higher fees in support of strategic activities including the Transformation Program and costs associated with the Japan Joint Venture, and \$1.2m of unfavourable foreign exchange fluctuations related to the Term Loan Facility and working capital, net of hedge impacts. The increase was partially offset by \$0.9m of lower marketing activities from the comparative quarter.

Operating Income and Margin

Operating income and operating margin were \$17.2m and 5.9% for the fourth quarter ended April 2, 2023 compared to operating income and operating margin of \$0.9m and 0.4% the fourth quarter ended April 3, 2022. The increase in operating income of \$16.3m and operating margin of 550 bps were attributable to higher gross profit, partially offset by higher operating costs noted above.

| CAD \$ millions | April 2, 2023 | | Fourth quarter ended April 3, 2022 | | \$ Change | Change in bps |
|------------------------|-------------------------|------------------|------------------------------------|------------------|-------------|----------------|
| | Operating income (loss) | Operating margin | Operating income (loss) | Operating margin | | |
| DTC | 94.0 | 41.3 % | 72.9 | 39.3 % | 21.1 | 200 bps |
| Wholesale | 0.1 | 0.2 % | (1.8) | (5.2)% | 1.9 | 540 bps |
| Other | (76.9) | — | (70.2) | — | (6.7) | — |
| Total operating income | <u>17.2</u> | <u>5.9 %</u> | <u>0.9</u> | <u>0.4 %</u> | <u>16.3</u> | <u>550 bps</u> |

DTC

DTC segment operating income and operating margin were \$94.0m and 41.3% for the fourth quarter ended April 2, 2023 compared to \$72.9m and 39.3% for the fourth quarter ended April 3, 2022. The increase in operating income of \$21.1m and increase in operating margin of 200 bps were attributable to higher sales, partially offset by costs associated with the expansion of the retail network. There were no COVID-19 related temporary store closure costs in the fourth quarter ended April 2, 2023 or in the comparative quarter.

Wholesale

Wholesale segment operating income and operating margin were \$0.1m and 0.2%, respectively, for the fourth quarter ended April 2, 2023 compared to operating loss of \$1.8m and (5.2)% for the fourth quarter ended April 3, 2022. The increase in operating income of \$1.9m and increase in operating margin of 540 bps were attributable to improved segment revenue and gross profit, partially offset by higher SG&A expenses as discussed above.

Other

Other segment operating loss was \$76.9m for the fourth quarter ended April 2, 2023 compared to \$70.2m for the fourth quarter ended April 3, 2022. The increase in operating loss of \$6.7m was attributable to higher SG&A expenses as discussed above.

Net Interest, Finance and Other Costs

Net interest, finance and other costs were \$21.8m for the fourth quarter ended April 2, 2023 compared to \$7.0m for the fourth quarter ended April 3, 2022. The increase of \$14.8m or 211.4% was driven by the net loss of \$12.7m on the fair value remeasurement of the put option liability (liability increase of \$9.3m, including translation gains of \$0.4m) and the contingent consideration (liability increase of \$2.8m, including translation gains of \$0.2m) related to the Joint Venture Agreement. The increase was also impacted by \$1.3m of higher interest related to principal payments on lease liabilities, and \$0.7m of higher interest charges and financing fees due to higher gross borrowings during the period on our facilities from the comparative quarter.

Income Taxes

Income tax expense was \$5.4m for the fourth quarter ended April 2, 2023 compared to \$3.0m for the fourth quarter ended April 3, 2022. For the fourth quarter ended April 2, 2023, the effective and statutory tax rates were (117.4)% and 25.4%, respectively, compared to (49.2)% and 25.4% for the fourth quarter ended April 3, 2022. Given our global operations, the effective tax rate is largely impacted by our profit or loss in taxable jurisdictions relative to the applicable tax rates. The non-deductible remeasurement of the contingent consideration and put option liability associated with the Japan Joint Venture contributed to an increase in net tax expense during a quarter of overall loss compared to prior year.

Net Loss

Net loss for the fourth quarter ended April 2, 2023 was \$10.0m compared to \$9.1m for the fourth quarter ended April 3, 2022, driven by the factors described above.

QUARTERLY FINANCIAL INFORMATION

The following is a summary of selected consolidated financial information for each of the eight most recently completed quarters:

| CAD \$ millions (except per share data) | Revenue | | | | % of fiscal year revenue | Net (loss) income attributable to shareholders of the Company | (Loss) earnings per share attributable to shareholders of the Company | | Operating income (loss) | Adjusted EBIT ¹ | Adjusted net income (loss) per diluted share attributable to shareholders of the Company ¹ |
|---|---------|-----------|-------|-------|-----------------------------|--|--|---------|----------------------------|-------------------------------|--|
| | DTC | Wholesale | Other | Total | | | Basic | Diluted | | | |
| Fiscal 2023 | | | | | | | | | | | |
| Fourth Quarter | 227.5 | 45.5 | 20.2 | 293.2 | 24.1 % | (3.1) \$ | (0.03) \$ | (0.03) | 17.2 | 27.6 \$ | 0.14 |
| Third Quarter | 450.2 | 114.4 | 12.1 | 576.7 | 47.4 % | 134.9 \$ | 1.28 \$ | 1.28 | 194.3 | 197.1 \$ | 1.27 |
| Second Quarter | 94.8 | 180.7 | 1.7 | 277.2 | 22.8 % | 3.3 \$ | 0.03 \$ | 0.03 | 4.7 | 26.3 \$ | 0.19 |
| First Quarter | 34.8 | 33.2 | 1.9 | 69.9 | 5.7 % | (62.4) \$ | (0.59) \$ | (0.59) | (80.7) | (75.9) \$ | (0.56) |
| Fiscal 2022 | | | | | | | | | | | |
| Fourth Quarter | 185.6 | 34.9 | 2.6 | 223.1 | 20.3 % | (9.1) \$ | (0.09) \$ | (0.09) | 0.9 | 12.4 \$ | 0.04 |
| Third Quarter | 443.7 | 138.4 | 4.0 | 586.1 | 53.4 % | 151.3 \$ | 1.42 \$ | 1.40 | 205.0 | 205.0 \$ | 1.40 |
| Second Quarter | 82.0 | 149.1 | 1.8 | 232.9 | 21.2 % | 9.9 \$ | 0.09 \$ | 0.09 | 12.6 | 16.2 \$ | 0.12 |
| First Quarter | 29.1 | 26.1 | 1.1 | 56.3 | 5.1 % | (57.5) \$ | (0.52) \$ | (0.52) | (61.8) | (62.3) \$ | (0.47) |

¹ See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of these measures and a reconciliation to the nearest IFRS measure.

Revenue in our Wholesale segment is highest in our second and third quarters as we fulfill wholesale customer orders in time for the Fall and Winter retail seasons, and, in our DTC segment, in the third and fourth quarters. Our net income is typically negative in the first quarter and negative or reduced in the fourth quarter as we invest ahead of our peak season.

Revenue

Over the last eight quarters, revenue has been impacted by the following:

- COVID-19 beginning in the fourth quarter of fiscal 2020;
- the formation of the Japan Joint Venture on April 4, 2022;
- timing of store openings;
- launch and expansion of international e-Commerce sites;
- timing and extent of SG&A, including demand generation activities;
- increased manufacturing flexibility with higher in-house production, which has an impact on the timing of wholesale order shipments and customer demand;
- timing of end-consumer purchasing in the DTC segment and the availability of new products;
- successful execution of global pricing strategy;
- shift in mix of revenue from wholesale to DTC, which has impacted the seasonality of our financial performance;
- shift in geographic mix of sales to increase sales outside of Canada, where average unit retail pricing is generally higher;
- fluctuation of foreign currencies relative to the Canadian dollar; and

- the extra week in fiscal 2022.

Net (Loss) Income

Over the last eight quarters, net (loss) income has been affected by the following factors:

- impact of the items affecting revenue, as discussed above;
- increase and timing of our investment in brand, marketing, and administrative support as well as increased investment in property, plant, and equipment and intangible assets to support growth initiatives;
- increase in fixed SG&A costs associated with our business, particularly the headcount growth and premises costs associated with our expanding DTC channel, resulting in negative and reduced net income in our seasonally low-revenue first and fourth quarters, respectively;
- impact of foreign exchange;
- fluctuations in average cost of borrowings to address growing net working capital requirements and higher seasonal borrowings in the first and second quarters of each fiscal year to address the seasonal nature of revenue;
- pre-store opening costs incurred, timing of leases signed, and opening of stores;
- the nature and timing of transaction costs in connection with the Japan Joint Venture and amendments to long-term debt agreements;
- the proportion of taxable income in non-Canadian jurisdictions and changes to rates and tax legislation in those jurisdictions;
- increased freight costs, limitations on shipping and other disruptions in the transportation and shipping infrastructure; and
- the introduction of the Transformation Program in the fourth quarter of fiscal 2023.

NON-IFRS FINANCIAL MEASURES AND OTHER SPECIFIED FINANCIAL MEASURES

The Company uses certain financial measures that are “non-IFRS financial measures”, including adjusted EBIT, adjusted EBITDA, adjusted net income, constant currency revenue, net debt, net working capital, and free operating cash flow, certain financial measures that are “non-IFRS ratios”, including adjusted EBIT margin, adjusted net income per basic and diluted share attributable to shareholders of the Company, net debt leverage, and net working capital turnover, as well as DTC comparable sales growth which is a supplementary financial measure, in each case in this document and other documents. These financial measures are employed by the Company to measure its operating and economic performance and to assist in business decision-making, as well as providing key performance information to senior management. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors and analysts use this information to evaluate the Company's operating and financial performance and its financial position. These financial measures are not defined under IFRS nor do they replace or supersede any standardized measure under IFRS. Other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

| CAD \$ millions (except per share data) | For the year ended | | Fourth quarter ended | |
|---|--------------------|---------------|----------------------|---------------|
| | April 2, 2023 | April 3, 2022 | April 2, 2023 | April 3, 2022 |
| Adjusted EBIT | 175.1 | 171.3 | 27.6 | 12.4 |
| Adjusted EBIT margin | 14.4 % | 15.6 % | 9.4 % | 5.6 % |
| Adjusted EBITDA | 276.7 | 266.9 | 56.0 | 38.2 |
| Adjusted net income attributable to shareholders of the Company | 110.7 | 116.7 | 14.7 | 4.0 |
| Adjusted net income per basic share attributable to shareholders of the Company | \$ 1.05 | \$ 1.08 | \$ 0.14 | \$ 0.04 |
| Adjusted net income per diluted share attributable to shareholders of the Company | \$ 1.05 | \$ 1.07 | \$ 0.14 | \$ 0.04 |
| Free operating cash flow | 8.8 | 67.5 | (34.6) | (49.0) |

| CAD \$ millions | April 2, 2023 | April 3, 2022 |
|---------------------|---------------|---------------|
| Net debt | (468.1) | (333.8) |
| Net working capital | 328.0 | 255.4 |

Adjusted EBIT, adjusted EBIT margin, adjusted EBITDA, adjusted net income attributable to shareholders of the Company, and adjusted net income per basic and diluted share attributable to shareholders of the Company

These measures exclude the impact of certain non-cash items and certain other adjustments related to events that are non-recurring or unusual in nature, including COVID-19, that we believe are not otherwise reflective of our ongoing operations and that make comparisons of underlying financial performance between periods difficult. We use, and believe that certain investors and analysts use, this information to evaluate our core financial and operating performance for business planning purposes, as well as to analyze how our business operates in, or responds to, swings in economic cycles or to other events that impact the apparel industry.

For the years ended April 2, 2023 and April 3, 2022, we believe that identifying certain costs directly resulting from the impact of COVID-19 and excluding these amounts from our calculation of the non-IFRS financial measures described above helps management and investors assess the impact of COVID-19 on our business as well as our general economic

performance during the period. For the year ended April 2, 2023, these primarily comprised of temporary store closure costs including depreciation and interest expenses. These were partially offset by rent concessions recognized during the period.

Constant currency revenue

Constant currency revenue is calculated by translating the prior year reported amounts into comparable amounts using a single foreign exchange rate for each currency calculated based on the current period exchange rates. We use, and believe that certain investors and analysts use, this information to assess how our business and geographic segments performed excluding the effects of foreign currency exchange rate fluctuations. See the Revenue section of the “Results of Operations” for a reconciliation of reported revenue and revenue on a constant currency basis.

Net debt and net debt leverage

We define net debt as cash less total borrowings and lease liabilities, and net debt leverage as the ratio of net debt to adjusted EBITDA, measured on a spot basis. We use, and believe that certain investors and analysts use, these non-IFRS measures to determine the Company’s financial leverage and ability to meet its debt obligations. See “Financial Condition, Liquidity and Capital Resources - Indebtedness” below for a table providing the calculation of net debt and discussion of net debt leverage.

Net working capital

We define net working capital as current assets, net of cash, minus current liabilities, excluding the short-term borrowings and current portion of lease liabilities. We use, and believe that certain investors and analysts use, this information to assess the Company’s liquidity and management of net working capital resources. See “Financial Condition, Liquidity and Capital Resources” below for a table providing the calculation of net working capital.

Free operating cash flow

We define free operating cash flow as net cash flows from (used in) operating activities plus net cash flows from (used in) investing activities, minus principal payments on lease liabilities. We use, and believe that certain investors and analysts use, this information to assess the Company’s financial leverage and cash available for repayment of borrowings and other financing activities and as an indicator of operational financial performance. See “Cash Flows” below for a table providing the calculation of free operating cash flow.

DTC comparable sales growth

DTC comparable sales growth is a supplementary financial measure defined as sales on a constant currency basis from e-Commerce sites and stores which have been operating for one full year (12 successive fiscal months). The measure excludes store sales from both periods for the specific trading days when the stores were closed, whether those closures occurred in the current period or the comparative period.

The tables below reconcile net income to adjusted EBIT, adjusted EBITDA and adjusted net income for the periods indicated. Adjusted EBIT margin is equal to adjusted EBIT for the period presented as a percentage of revenue for the same period.

Beginning with the third quarter of fiscal 2023, we no longer include pre-store opening costs in the reconciliation of net income to adjusted EBIT, adjusted EBITDA and adjusted net income attributable to shareholders of the Company, as we believe these costs are a part of our operating base as we accelerate store openings. Comparable periods have been restated to reflect this change.

| CAD \$ millions | For the year ended | | Fourth quarter ended | |
|--|--------------------|------------------|----------------------|------------------|
| | April 2, 2023 | April 3, 2022 | April 2, 2023 | April 3, 2022 |
| Net income (loss) | 68.9 | 94.6 | (10.0) | (9.1) |
| <i>Add (deduct) the impact of:</i> | | | | |
| Income tax expense | 24.6 | 23.1 | 5.4 | 3.0 |
| Net interest, finance and other costs | 42.0 | 39.0 | 21.8 | 7.0 |
| Operating income | 135.5 | 156.7 | 17.2 | 0.9 |
| Unrealized foreign exchange loss on Term Loan Facility (a) | 12.1 | 2.7 | 0.4 | 1.1 |
| Net temporary store closure costs (b) | 3.2 | 0.2 | — | — |
| Head office transition costs (d) | 6.7 | — | 2.0 | — |
| Japan Joint Venture costs (f) | 10.2 | 0.7 | 1.9 | 0.7 |
| Impairment losses (g) | 1.0 | 7.7 | 1.0 | 7.7 |
| Strategic initiatives (h) | 4.1 | — | 4.1 | — |
| Legal proceeding costs (i) | 2.2 | 2.9 | — | 1.9 |
| Other (m) | 0.1 | 0.4 | 1.0 | 0.1 |
| Total adjustments | 39.6 | 14.6 | 10.4 | 11.5 |
| Adjusted EBIT | 175.1 | 171.3 | 27.6 | 12.4 |
| <i>Adjusted EBIT margin</i> | 14.4 % | 15.6 % | 9.4 % | 5.6 % |

| CAD \$ millions | For the year ended | | Fourth quarter ended | |
|--|--------------------|------------------|----------------------|------------------|
| | April 2, 2023 | April 3, 2022 | April 2, 2023 | April 3, 2022 |
| Net income (loss) | 68.9 | 94.6 | (10.0) | (9.1) |
| <i>Add (deduct) the impact of:</i> | | | | |
| Income tax expense | 24.6 | 23.1 | 5.4 | 3.0 |
| Net interest, finance and other costs | 42.0 | 39.0 | 21.8 | 7.0 |
| Operating income | 135.5 | 156.7 | 17.2 | 0.9 |
| Unrealized foreign exchange loss on Term Loan Facility (a) | 12.1 | 2.7 | 0.4 | 1.1 |
| Net temporary store closure costs (b) | 3.2 | 0.2 | — | — |
| Head office transition costs (d) | 6.7 | — | 2.0 | — |
| Japan Joint Venture costs (f) | 10.2 | 0.7 | 1.9 | 0.7 |
| Impairment losses (g) | 1.0 | 7.7 | 1.0 | 7.7 |
| Strategic initiatives (h) | 4.1 | — | 4.1 | — |
| Legal proceeding costs (i) | 2.2 | 2.9 | — | 1.9 |
| Net depreciation and amortization (o) | 101.6 | 95.6 | 28.4 | 25.8 |
| Other (m) | 0.1 | 0.4 | 1.0 | 0.1 |
| Total adjustments | 141.2 | 110.2 | 38.8 | 37.3 |
| Adjusted EBITDA | 276.7 | 266.9 | 56.0 | 38.2 |

| CAD \$ millions | For the year ended | | Fourth quarter ended | |
|--|--------------------|---------------|----------------------|---------------|
| | April 2, 2023 | April 3, 2022 | April 2, 2023 | April 3, 2022 |
| Net income (loss) | 68.9 | 94.6 | (10.0) | (9.1) |
| <i>Add (deduct) the impact of:</i> | | | | |
| Unrealized foreign exchange loss on Term Loan Facility (a) | 12.1 | 2.7 | 0.4 | 1.1 |
| Net temporary store closure costs (b) (c) | 3.3 | 0.2 | — | — |
| Head office transition costs (d) (e) | 8.3 | — | 2.4 | — |
| Japan Joint Venture costs (f) | 10.2 | 0.7 | 1.9 | 0.7 |
| Japan Joint Venture remeasurement loss on contingent consideration and put option (l) | 8.0 | — | 12.7 | — |
| Impairment losses (g) | 1.0 | 7.7 | 1.0 | 7.7 |
| Strategic initiatives (h) | 4.1 | — | 4.1 | — |
| Legal proceeding costs (i) | 2.2 | 2.9 | — | 1.9 |
| Deferred tax adjustment (j) | 3.7 | 4.5 | 3.7 | 4.5 |
| Acceleration of unamortized costs on Term Loan Facility Repricing (k) | — | 9.5 | — | — |
| Other (m) | 0.1 | 0.4 | 1.0 | 0.1 |
| Total adjustments | 53.0 | 28.6 | 27.2 | 16.0 |
| Tax effect of adjustments | (6.5) | (6.5) | (2.2) | (2.9) |
| Adjusted net income | 115.4 | 116.7 | 15.0 | 4.0 |
| Adjusted net income attributable to non-controlling interest (n) | (4.7) | — | (0.3) | — |
| Adjusted net income attributable to shareholders of the Company | 110.7 | 116.7 | 14.7 | 4.0 |
| Weighted average number of diluted shares outstanding | 105,622,312 | 109,154,721 | 104,519,045 | 106,133,970 |
| Adjusted net income per diluted share attributable to shareholders of the Company | 1.05 | 1.07 | 0.14 | 0.04 |

(a) Unrealized gains and losses on the translation of the Term Loan Facility from USD to CAD, net of the effect of derivative transactions entered into to hedge a portion of the exposure to foreign currency exchange risk all of which are included in SG&A expenses.

(b) Net temporary store closure costs of \$nil and \$3.2m were incurred in the fourth quarter and year ended April 2, 2023, respectively (fourth quarter and year ended April 3, 2022 - \$nil and \$0.2m, respectively).

(c) Net temporary store closure costs incurred in (b) as well as \$nil and \$0.1m of interest expense on lease liabilities for temporary store closures for the fourth quarter and year ended April 2, 2023, respectively (fourth quarter and year ended April 3, 2022 - \$nil and less than \$0.1m, respectively).

(d) Costs incurred for the corporate head office transition, including depreciation on right-of-use assets.

(e) Corporate head office transition costs incurred in (d) as well as \$0.4m and \$1.6m of interest expense on lease liabilities for the fourth quarter and year ended April 2, 2023, respectively (fourth quarter and year ended April 3, 2022 - \$nil and \$nil, respectively).

- (f) Costs incurred in connection with the establishment of the Japan Joint Venture. This is driven by the impact of gross margin that would otherwise have been recognized on the sale of inventory recorded at net realizable value less costs to sell, as well as other costs of establishing the Japan Joint Venture.
- (g) Impairment losses for non-financial retail assets recorded as the result of the annual impairment assessment.
- (h) Relates to engagement fees incurred in connection with our Transformation Program.
- (i) Costs for legal proceeding fees including for the defence of class action lawsuits.
- (j) Deferred tax adjustment recorded as the result of Swiss tax reform in Canada Goose International AG.
- (k) Non-cash unamortized costs accelerated in connection with the repricing amendment for the Term Loan Facility entered into on April 9, 2021.
- (l) Changes to the fair value remeasurement of the contingent consideration and put option liability related to the Japan Joint Venture. The Company recorded a loss of \$3.0m and a gain of \$(2.9)m during the fourth quarter and year ended April 2, 2023, respectively, on the fair value remeasurement of the contingent consideration. A fair value loss on remeasurement of \$9.7m and \$10.9m has been recorded during the fourth quarter and year ended April 2, 2023, respectively, on the fair value remeasurement of the put option liability. These gains and losses are included in net interest, finance and other costs within the statements of income.
- (m) Costs related to the transition of logistics agencies, restructuring costs related to the company's manufacturing facilities, rent abatements received as well as individually immaterial items.
- (n) Calculated as net loss attributable to non-controlling interest within the statements of income of \$6.9m and \$3.8m less \$(7.2)m and \$(8.5)m for the gross margin adjustment and the put option liability and contingent consideration revaluation related to the non-controlling interest within the Japan Joint Venture for the fourth quarter and year ended April 2, 2023, respectively.
- (o) Adjusted EBITDA is calculated as adjusted EBIT plus depreciation and amortization as determined in accordance with IFRS, less the depreciation impact for temporary store closures (b), and corporate head office transition costs (d). Depreciation and amortization includes depreciation on right-of-use assets under IFRS 16, *Leases*.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Condition

The following table represents our net working capital¹ position as at April 2, 2023 and April 3, 2022:

| CAD \$ millions | April 2, 2023 | April 3, 2022 | \$ Change | % Change |
|--|---------------------|---------------------|--------------------|----------------------|
| Current assets | 863.2 | 762.3 | 100.9 | 13.2 % |
| Deduct: Cash | (286.5) | (287.7) | 1.2 | (0.4)% |
| Current assets, net of cash | <u>576.7</u> | <u>474.6</u> | <u>102.1</u> | <u>21.5 %</u> |
| Current liabilities | 352.4 | 281.5 | 70.9 | 25.2 % |
| <i>Deduct the impact of:</i> | | | | |
| Short-term borrowings | (27.6) | (3.8) | (23.8) | 626.3 % |
| Current portion of lease liabilities | (76.1) | (58.5) | (17.6) | 30.1 % |
| Current liabilities, net of short-term borrowings and current portion of lease liabilities | <u>248.7</u> | <u>219.2</u> | <u>29.5</u> | <u>13.5 %</u> |
| Net working capital ¹ | <u><u>328.0</u></u> | <u><u>255.4</u></u> | <u><u>72.6</u></u> | <u><u>28.4 %</u></u> |

¹ See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of these measures.

As at April 2, 2023, we had \$328.0m of net working capital compared to \$255.4m of net working capital as at April 3, 2022. The \$72.6m increase, or 28.4%, was attributable to a \$79.3m increase in inventory. During the year, domestic production levels gradually returned to pre-pandemic manufacturing levels and earlier acquisition of offshore production further mitigated supply chain risks. Higher inventory levels are attributable to lower than expected sales in the Asia Pacific region due to ongoing COVID-19 disruptions for most of fiscal 2023 and production planning. Inventory of \$27.3m was acquired through the Japan Joint Venture, and the inventory level is \$19.2m as at April 2, 2023. We monitor the levels of inventory in each of our sales channels and across geographic regions and aim to align with demand that we forecast in each region. Net working capital as a percentage of revenue was 31.9% in the year ended April 2, 2023 and 25.3% in the comparative year.

Cash Flows

The following table summarizes the Company's consolidated statement of cash flows for the year ended April 2, 2023 compared to the year ended April 3, 2022, and for the fourth quarter ended April 2, 2023 compared to the fourth quarter ended April 3, 2022.

| CAD \$ millions | For the year ended | | | Fourth quarter ended | | |
|---|--------------------|---------------|-----------|----------------------|---------------|-----------|
| | April 2, 2023 | April 3, 2022 | \$ Change | April 2, 2023 | April 3, 2022 | \$ Change |
| Total cash from (used in): | | | | | | |
| Operating activities | 116.3 | 151.6 | (35.3) | 7.0 | (22.6) | 29.6 |
| Investing activities | (45.3) | (37.2) | (8.1) | (23.9) | (12.3) | (11.6) |
| Financing activities | (80.7) | (298.2) | 217.5 | (45.4) | (80.5) | 35.1 |
| Effects of foreign currency exchange rate changes on cash | 8.5 | (6.4) | 14.9 | 4.6 | (4.5) | 9.1 |
| (Decrease) increase in cash | (1.2) | (190.2) | 189.0 | (57.7) | (119.9) | 62.2 |
| Cash, beginning of period | 287.7 | 477.9 | (190.2) | 344.2 | 407.6 | (63.4) |
| Cash, end of period | 286.5 | 287.7 | (1.2) | 286.5 | 287.7 | (1.2) |
| Free operating cash flow ¹ | 8.8 | 67.5 | (58.7) | (34.6) | (49.0) | 14.4 |

¹ See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of this measure and "Free operating cash flow" for a reconciliation to the nearest IFRS measure.

Cash Requirements

Our primary need for liquidity is to fund net working capital, capital expenditures, debt services, and general corporate requirements of our business. Our primary source of liquidity to meet our cash requirements is cash generated from operating activities over our annual operating cycle. We also utilize the Mainland China Facilities, the Japan Facility, the Revolving Facility, as defined below, and the Trade accounts receivable factoring program to provide short-term liquidity and to have funds available for net working capital. Our ability to fund our operations, invest in planned capital expenditures, meet debt obligations, and repay or refinance indebtedness depends on our future operating performance and cash flows, which are subject, but not limited to, prevailing economic, financial, and business conditions, some of which are beyond our control. Cash generated from operating activities is significantly impacted by the seasonality of our business. Historically, cash flows from operating activities have been highest in the third and fourth fiscal quarters of the fiscal year due to revenue from the DTC segment and the collection of receivables from wholesale revenue earlier in the year.

Cash flows from operating activities

Cash flows from operating activities were \$116.3m for the year ended April 2, 2023 compared to \$151.6m for the year ended April 3, 2022. The decrease in cash from operating activities of \$35.3m was largely driven by lower net income and higher income taxes paid of \$11.8m.

Cash flows from operating activities was \$7.0m for the fourth quarter ended April 2, 2023 compared to cash flows used in operating activities of \$22.6m for the fourth quarter ended April 3, 2022. The increase in cash from operating activities of \$29.6m was driven by higher sales and increased accounts payable of \$19.6m driven by the \$20.0m liability to our designated broker under the automatic share purchase plan ("ASPP") in connection with the Normal Course Issuer Bid ("NCIB").

Cash flows used in investing activities

Cash flows used in investing activities were \$45.3m for the year ended April 2, 2023 compared to \$37.2m for the year ended April 3, 2022. The increase in cash flows used in investing activities of \$8.1m was due to higher spend on capital investments for our continued retail expansion due to an increase in the number of stores in the year, offset by cash consolidated with the Japan Joint Venture.

Cash flows used in investing activities were \$23.9m for the fourth quarter ended April 2, 2023 compared to cash flows used in investing activities of \$12.3m for the fourth quarter ended April 3, 2022. The increase in cash flows used in investing activities of \$11.6m was primarily due to higher spend on capital investments driven by an increased store network and costs associated with the later stages of completion of the new head office.

Cash flows used in financing activities

Cash flows used in financing activities were \$80.7m for the year ended April 2, 2023 compared to \$298.2m for the year ended April 3, 2022. The decrease in cash flows used in financing activities of \$217.5m was driven by \$226.5m of higher payments for purchase of subordinate voting shares that were cancelled related to the NCIB in the comparative year and increased borrowing on the Mainland China Facilities of \$9.8m. The decrease was partially offset by increased principal payments of \$15.3m on lease liabilities arising from the store network expansion.

Cash flows used in financing activities were \$45.4m for the fourth quarter ended April 2, 2023 compared to \$80.5m for the fourth quarter ended April 3, 2022. The decrease in cash flows used in financing activities of \$35.1m was largely driven by \$55.3m of higher payments for purchase of subordinate voting shares that were cancelled related to the NCIB in the comparative quarter and the settlement of the term loan derivative contracts of \$8.6m in the current quarter. The decrease was partially offset by repayments on the Japan Facility of \$18.8m and Mainland China Facilities of \$5.9m.

Free operating cash flow¹

The table below reconciles the cash flows from (used in) operating and investing activities, principal payments on lease liabilities to free operating cash flow.

| CAD \$ millions | For the year ended | | | Fourth quarter ended | | |
|---|--------------------|---------------|---------------|----------------------|---------------|-------------|
| | April 2, 2023 | April 3, 2022 | \$ Change | April 2, 2023 | April 3, 2022 | \$ Change |
| Total cash from (used in): | | | | | | |
| Operating activities | 116.3 | 151.6 | (35.3) | 7.0 | (22.6) | 29.6 |
| Investing activities | (45.3) | (37.2) | (8.1) | (23.9) | (12.3) | (11.6) |
| <i>Deduct the impact of:</i> | | | | | | |
| Principal payments on lease liabilities | (62.2) | (46.9) | (15.3) | (17.7) | (14.1) | (3.6) |
| Free operating cash flow¹ | 8.8 | 67.5 | (58.7) | (34.6) | (49.0) | 14.4 |

¹ See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of this measure.

Free operating cash flow decreased to \$8.8m for the year ended April 2, 2023 from \$67.5m for the year ended April 3, 2022 due to lower net income, higher investment in retail expansion, and higher principal payments on lease liabilities.

Free operating cash flow increased to \$(34.6)m for the fourth quarter ended April 2, 2023 from \$(49.0)m for the fourth quarter ended April 3, 2022 due to higher sales and recognition of the

liability under the ASPP, as described above. This was partially offset by higher investment in retail expansion and higher principal paid on lease liabilities.

Indebtedness

The following table presents our net debt¹ as of April 2, 2023 and April 3, 2022.

| CAD \$ millions | April 2, 2023 | April 3, 2022 | \$ Change |
|---------------------------|--------------------------|--------------------------|----------------------|
| Cash | 286.5 | 287.7 | (1.2) |
| Mainland China Facilities | (9.8) | — | (9.8) |
| Japan Facility | (13.7) | — | (13.7) |
| Term Loan Facility | (396.3) | (370.8) | (25.5) |
| Lease liabilities | (334.8) | (250.7) | (84.1) |
| Net debt ¹ | <u>(468.1)</u> | <u>(333.8)</u> | <u>(134.3)</u> |

¹ See “Non-IFRS Financial Measures and Other Specified Financial Measures” for a description of this measure.

As at April 2, 2023, net debt was \$468.1m compared to \$333.8m as at April 3, 2022. The increase of \$134.3m was driven by an increase in the borrowings on the Company’s debt facilities and an increase of \$84.1m in lease liabilities. Net debt leverage¹ as at April 2, 2023 was 1.7 times adjusted EBITDA.

Amendments to borrowings

As of June 30, 2023, LIBOR rates will cease to be published for U.S Dollars. As a result, the Company must transition U.S dollar contracts currently applying LIBOR to the Secured Overnight Financing Rate published by the Federal Reserve Bank of New York (“SOFR”). This includes the Revolving Facility, the Term Loan Facility and the interest rate swaps. See “Changes in Accounting Policies” for a description of the IBOR Reform.

Subsequent to the year ended April 2, 2023, on May 15, 2023, the Company entered into a further amendment to the Revolving Facility and the Term Loan Facility. Following the amendment, the Revolving Facility has multiple interest rate charge options that are based on the Canadian prime rate, Banker’s Acceptance rate, the lenders’ Alternate Base Rate, European Base Rate, SOFR rate, or EURIBOR rate plus an applicable margin, with interest payable the earlier of quarterly or at the end of the then current interest period (whichever is earlier). The Revolving Facility now matures on May 15, 2028. Following the amendment, the Term Loan Facility has an interest rate of SOFR plus a an applicable margin of 3.50% payable quarterly in arrears and SOFR may not be less than 0.75%.

Revolving Facility

The Company has an agreement with a syndicate of lenders for a senior secured asset-based revolving credit facility (“Revolving Facility”) in the amount of \$467.5m, with an increase in commitments to \$517.5m during the peak season (June 1 - November 30). The Revolving Facility matures on June 3, 2024. Amounts owing under the Revolving Facility may be borrowed, repaid and re-borrowed for general corporate purposes. The Company has pledged substantially all of its assets as collateral for the Revolving Facility. The Revolving Facility contains financial and non-financial covenants which could impact the Company’s ability to draw funds.

As at April 2, 2023, the Company had repaid all principal amounts owing on the Revolving Facility (April 3, 2022 - \$nil). As at April 2, 2023, no interest and administrative fees remain outstanding (April 3, 2022 - \$0.5m). Deferred financing charges in the amounts of \$0.5m

(April 3, 2022 - \$0.9m), were included in other long-term liabilities. As at and during the year ended April 2, 2023, the Company was in compliance with all covenants.

The Company had unused borrowing capacity available under the Revolving Facility of \$238.4m as at April 2, 2023 (April 3, 2022 - \$191.8m).

As at April 2, 2023, the Company had letters of credit outstanding under the Revolving Facility of \$1.8m (April 3, 2022 - \$4.6m).

Term Loan Facility

The Company has a senior secured loan agreement ("Term Loan Facility") with a syndicate of lenders that is secured on a split collateral basis alongside the Revolving Facility. The Term Loan Facility has an aggregate principal amount of USD300.0m, with quarterly repayments of USD0.75m on the principal amount and a maturity date of October 7, 2027. Moreover, the Term Loan Facility has an interest rate of LIBOR plus an applicable margin of 3.50%, payable quarterly in arrears and LIBOR may not be less than 0.75%. The Company incurred transaction costs of \$0.9m related to the Term Loan Facility which are being amortized using the effective interest rate method over the term to maturity.

Voluntary prepayments of amounts owing under the Term Loan Facility may be made at any time without premium or penalty but once repaid may not be reborrowed. The Company has pledged substantially all of its assets as collateral for the Term Loan Facility. The Term Loan Facility contains financial and non-financial covenants which could impact the Company's ability to draw funds. As at and during the year ended April 2, 2023, the Company was in compliance with all covenants.

As the Term Loan Facility is denominated in U.S. dollars, the Company remeasures the outstanding balance in Canadian dollars at each balance sheet date. As at April 2, 2023, we had \$396.3m (USD293.3m) aggregate principal amount outstanding under the Term Loan Facility (April 3, 2022 - \$370.8m (USD296.3m)). The difference in amounts in these periods is the result of the change in the CAD:USD exchange rate.

Mainland China Facilities

A subsidiary of the Company in Mainland China has two uncommitted loan facilities in the aggregate amount of RMB 310.0m (\$61.0m) ("Mainland China Facilities"). The term of each draw on the loans is one, three or six months or such other period as agreed upon and shall not exceed twelve months (including any extension or rollover). The interest rate on each facility is equal to loan prime rate of 1 year, plus 0.15% per annum, and payable at one, three or six months, depending on the term of each draw. Proceeds drawn on the Mainland China Facilities are being used to support working capital requirements and buildup of inventory for peak season sales. As at April 2, 2023, the Company had \$9.8m (RMB50.0m) owing on the Mainland China Facilities (April 3, 2022 - \$nil (RMBnil)).

Japan Facility

A subsidiary of the Company in Japan has a loan facility in the aggregate amount of JPY4,000.0m (\$40.7m) ("Japan Facility") with a floating interest rate of JBA TIBOR plus an applicable margin of 0.3%. The term of the facility is twelve months and each draw on the facility is payable within the term. Proceeds drawn on the Japan Facility are being used to support buildup of inventory for peak season sales. As at April 2, 2023, the Company had \$13.7m (JPY1,350.0m) owing on the Japan Facility.

Short-term Borrowings

As at April 2, 2023, the Company has short-term borrowings in the amount of \$27.6m. Short-term borrowings include \$9.8m (April 3, 2022 - \$nil) owing on the Mainland China Facilities, \$13.7m (April 3, 2022 - \$nil) owing on the Japan Facility, and \$4.1m (April 3, 2022 - \$3.8m) for the current portion of the quarterly principal repayments on the term loan. Short-term borrowings are all due within the next 12 months.

Lease Liabilities

The Company had \$334.8m (April 3, 2022 - \$250.7m) of lease liabilities as at April 2, 2023, of which \$76.1m (April 3, 2022 - \$58.5m) are due within one year. Lease liabilities represent the discounted amount of future payments under leases for right-of-use assets.

Normal Course Issuer Bid

Share capital transactions for the year ended April 2, 2023

During the year ended April 2, 2023, the Company has renewed its NCIB in relation to its subordinate voting shares. The Company is authorized to make purchases under the NCIB from November 22, 2022 to November 21, 2023, in accordance with the requirements of the Toronto Stock Exchange (the "TSX"). The Board of Directors of the Company has authorized the Company to repurchase up to 5,421,685 subordinate voting shares, representing approximately 10.0% of the issued and outstanding subordinate voting shares as at November 10, 2022. Purchases will be made by means of open market transactions on both the TSX and the New York Stock Exchange (the "NYSE"), or alternative trading systems, if eligible, and will conform to their regulations. Under the NCIB, the Company is allowed to repurchase daily, through the facilities of the TSX, a maximum of 86,637 subordinate voting shares, representing 25% of the average daily trading volume, as calculated per the TSX rules for the six-month period starting on May 1, 2022 and ending on October 31, 2022. A copy of the Company's notice of intention to commence a NCIB through the facilities of the TSX may be obtained, without charge, by contacting the Company. The Company believes that the purchase of its subordinate voting shares under the NCIB is an appropriate and desirable use of available excess cash.

In connection with the NCIB, the Company also entered an ASPP under which a designated broker may purchase subordinate voting shares under the NCIB during the regularly scheduled quarterly trading blackout periods of the Company. The repurchases made under the ASPP will be made in accordance with certain purchasing parameters and will continue until the earlier of the date in which the Company has purchased the maximum value of subordinate voting shares pursuant to the ASPP or upon the date of expiry of the NCIB.

For the year ended April 2, 2023, the Company purchased 1,152,802 subordinate voting shares for cancellation for total cash consideration of \$27.9m, of which \$1.2m was payable to the designated broker as at the period end. The amount to purchase the subordinate voting shares has been charged to share capital, with the remaining \$25.4m charged to retained earnings. Of the 1,152,802 subordinate voting shares purchased, 821,622 were purchased under the ASPP for total cash consideration of \$20.0m.

For the fourth quarter ended April 2, 2023, the Company purchased 407,421 subordinate voting shares for cancellation for total cash consideration of \$10.0m. The amount to purchase the subordinate voting shares has been charged to share capital, with the remaining \$9.2m charged to retained earnings.

A liability representing the maximum amount that the Company could be required to pay the designated broker under the ASPP was \$20.0m as at April 2, 2023. The amount was charged to contributed surplus. Subsequent to the year ended April 2, 2023, the Company purchased an

additional 250,100 subordinate voting shares for cancellation for total cash consideration of \$6.2m under the ASPP and the remaining liability to the designated broker is \$nil.

Share capital transactions for the year ended April 3, 2022

The Company previously maintained another NCIB in relation to its subordinate voting shares. The Company was authorized to make purchases from August 20, 2021 to August 19, 2022, in accordance with the requirements of the TSX. The Board of Directors of the Company had authorized the Company to repurchase up to 5,943,239 subordinate voting shares, representing approximately 10.0% of the issued and outstanding subordinate voting shares as at August 6, 2021. Purchases were made during the validity of such NCIB by means of open market transactions on the TSX, the NYSE and one Canadian alternative trading system.

For the year ended April 3, 2022, the Company purchased 5,636,763 subordinate voting shares for cancellation for total cash consideration of \$253.2m. The amount to purchase the subordinate voting shares has been charged to share capital, with the remaining \$241.3m charged to retained earnings.

For the fourth quarter ended April 3, 2022, the Company purchased 1,771,627 subordinate voting shares for cancellation for total cash consideration of \$65.9m. The amount to purchase the subordinate voting shares has been charged to share capital, with the remaining \$62.0m charged to retained earnings.

Capital Management

The Company manages its capital and capital structure, which the objectives of safeguarding sufficient net working capital¹ over the annual operating cycle and providing sufficient financial resources to grow operations to meet long-term consumer demand. The Board of Directors of the Company monitors the Company's capital management on a regular basis. We will continually assess the adequacy of the Company's capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and risk characteristics of the business.

¹ See "Non-IFRS Financial Measures and Other Specified Financial Measures" for a description of these measures.

Contractual Obligations

The following table summarizes certain significant contractual obligations and other obligations of the Company, as at April 2, 2023:

| CAD \$ millions | 2024 | 2025 | 2026 | 2027 | 2028 | Thereafter | Total |
|--|--------------|--------------|-------------|-------------|--------------|-------------------|----------------|
| Accounts payable and accrued liabilities | 195.6 | — | — | — | — | — | 195.6 |
| Mainland China Facilities | 9.8 | — | — | — | — | — | 9.8 |
| Japan Facility | 13.7 | — | — | — | — | — | 13.7 |
| Term Loan Facility | 4.1 | 4.1 | 4.1 | 4.1 | 379.9 | — | 396.3 |
| Interest commitments relating to borrowings ¹ | 34.7 | 34.3 | 34.3 | 34.3 | 17.2 | — | 154.8 |
| Lease obligations | 85.3 | 78.2 | 60.6 | 51.7 | 37.5 | 102.0 | 415.3 |
| Pension obligation | — | — | — | — | — | 1.6 | 1.6 |
| Total contractual obligations | 343.2 | 116.6 | 99.0 | 90.1 | 434.6 | 103.6 | 1,187.1 |

¹ Interest commitments are calculated based on the loan balance and the interest rate payable on the Mainland China Facilities, the Japan Facility, and the term loan of 3.30%, 0.33%, and 8.66% respectively, as at April 2, 2023.

As at April 2, 2023, we had additional liabilities which included provisions for warranty, sales returns, asset retirement obligations, deferred income tax liabilities, as well as the put option liability and the contingent consideration on the Japan Joint Venture. These liabilities have not been included in the table above as the timing and amount of future payments under such arrangements are uncertain.

OFF-BALANCE SHEET ARRANGEMENTS

The Company uses off-balance sheet arrangements including letters of credit and guarantees in connection with certain obligations, including leases. In Europe, a subsidiary of the Company also entered into an agreement to factor, on a limited recourse basis, certain of its trade accounts receivable up to a limit of EUR20.0m in exchange for advanced funding equal to 100% of the principal value of the invoice. See the “Credit risk” section of this MD&A for additional details on the Trade accounts receivable factoring program. Other than those items disclosed here and elsewhere in this MD&A and our financial statements, we did not have any material off-balance sheet arrangements or commitments as at April 2, 2023.

Letter of guarantee facility

On April 14, 2020, Canada Goose Inc. entered into a letter of guarantee facility in the amount of \$10.0m. Letters of guarantee are available for terms of up to twelve months and will be charged a fee equal to 1.2% per annum calculated against the face amount and over the term of the guarantee. Amounts issued on the facility will be used to finance working capital requirements of Canada Goose Inc. through letters of guarantee, standby letters of credit, performance bonds, counter guarantees, counter standby letters of credit, or similar credits. The Company immediately reimburses the issuing bank for amounts drawn on issued letters of guarantees. As at April 2, 2023, the Company had \$6.4m outstanding.

In addition, a subsidiary of the Company in Mainland China entered into letters of guarantee and as at April 2, 2023 the amount outstanding was \$9.5m. Amounts will be used to support retail operations of such subsidiaries through letters of guarantee, standby letters of credit, performance bonds, counter guarantees, counter standby letters of credit, or similar credits.

OUTSTANDING SHARE CAPITAL

Canada Goose is a publicly traded company and the subordinate voting shares are listed on the New York Stock Exchange (NYSE: GOOS) and on the Toronto Stock Exchange (TSX: GOOS). As at May 11, 2023, there were 52,934,812 subordinate voting shares issued and outstanding, and 51,004,076 multiple voting shares issued and outstanding.

As at May 11, 2023, there were 3,946,682 options and 311,262 restricted share units outstanding under the Company’s equity incentive plans, of which 1,476,107 options were vested as of such date. Each option is exercisable for one subordinate voting share. We expect that vested restricted share units will be paid at settlement through the issuance of one subordinate voting share per restricted share unit.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks arising from transactions in the normal course of our business. Such risk is principally associated with credit risk, foreign exchange risk and interest rate risk.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Credit risk arises from the possibility that certain parties will be unable to discharge their obligations. The Company manages its credit risk through a combination of third party credit insurance and internal house risk. Credit insurance is provided by a third party for customers and is subject to continuous monitoring of the credit worthiness of the Company's customers. Insurance covers a specific amount of revenue, which may be less than the Company's total revenue with a specific customer. The Company has an agreement with a third party who has insured the risk of loss for up to 90% of trade accounts receivable from certain designated customers subject to a total deductible of \$0.1m, to a maximum of \$30.0m per year. As at April 2, 2023, trade accounts receivable totaling approximately \$10.3m (April 3, 2022 - \$8.1m) were insured subject to the policy cap. Complementary to third party insurance, the Company establishes payment terms with customers to mitigate credit risk and continues to closely monitor its accounts receivable credit risk exposure.

Within CG Japan, the Company has an agreement with a third party who has insured the risk of loss for up to 45% of trade accounts receivable for certain designated customers for a maximum of JPY450.0m per annum subject to a deductible of 10% and applicable to accounts with receivables over JPY100k. As at April 3, 2022, trade accounts receivable totalling approximately \$0.7m (JPY72.8m) were insured subject to the policy cap.

Customer deposits are received in advance from certain customers for seasonal orders to further mitigate credit risk, and applied to reduce accounts receivable when goods are shipped. As at April 2, 2023, customer deposits of \$0.2m (April 3, 2022 - \$0.2m) were included in accounts payable and accrued liabilities.

The aging of trade receivables was as follows:

| CAD \$ millions | Total | Current | Past due | | |
|---------------------------|-------------|-------------|------------|------------|-------------|
| | | | ≤ 30 days | 31-60 days | ≥ 61 days |
| | \$ | \$ | \$ | \$ | \$ |
| Trade accounts receivable | 30.4 | 22.2 | 4.4 | 1.1 | 2.7 |
| Credit card receivables | 2.5 | 2.5 | — | — | — |
| Other receivables | 19.5 | 18.9 | 0.5 | — | 0.1 |
| April 2, 2023 | 52.4 | 43.6 | 4.9 | 1.1 | 2.8 |
| Trade accounts receivable | 22.0 | 14.4 | 2.8 | 2.1 | 2.7 |
| Credit card receivables | 2.5 | 2.5 | — | — | — |
| Other receivables | 19.3 | 9.5 | — | — | 9.8 |
| April 3, 2022 | 43.8 | 26.4 | 2.8 | 2.1 | 12.5 |

Trade accounts receivable factoring program

A subsidiary of the Company in Europe has an agreement to factor, on a limited recourse basis, certain of its trade accounts receivable up to a limit of EUR20.0m in exchange for advanced funding equal to 100% of the principal value of the invoice.

For the year ended April 2, 2023, the Company received total cash proceeds from the sale of trade accounts receivable with carrying values of \$45.7m which were derecognized from the Company's statement of financial position (April 3, 2022 - \$26.6m). Fees of \$0.3m were incurred during the year ended April 2, 2023 (April 3, 2022 - less than \$0.1m) and included in net interest, finance and other costs in the statements of income. As at April 2, 2023, the outstanding amount of trade accounts receivable derecognized from the Company's statement of financial position, but which the Company continued to service, was \$1.1m (April 3, 2022 - \$2.0m).

Foreign exchange risk

Foreign exchange risk in operating cash flows

Our Annual Financial Statements are expressed in Canadian dollars, but a substantial portion of the Company's revenues, purchases, and expenses are denominated in foreign currencies, primarily U.S. dollars, euros, British pounds sterling, Swiss francs, Chinese yuan, Hong Kong dollars, and since the establishment of the Japan Joint Venture on April 4, 2022, Japanese yen. Furthermore, as our business in Greater China grows, transactions in Chinese yuan and Hong Kong dollar are expected to increase. Net monetary assets denominated in currencies other than Canadian dollars that are held in entities with Canadian dollar functional currency are translated into Canadian dollars at the foreign currency exchange rate in effect at the balance sheet date. Revenues and expenses of all foreign operations are translated into Canadian dollars at the foreign currency exchange rates that approximate the rates in effect at the dates when such items are recognized. As a result, we are exposed to foreign currency translation gains and losses. Appreciating foreign currencies relative to the Canadian dollar, to the extent they are not hedged, will positively impact operating income and net income by increasing our revenue, while depreciating foreign currencies relative to the Canadian dollar will have the opposite impact.

We are also exposed to fluctuations in the prices of U.S. dollar and euro denominated purchases as a result of changes in U.S. dollar or euro exchange rates. A depreciating Canadian dollar relative to the U.S. dollar or euro will negatively impact operating income and net income by increasing our costs of raw materials, while an appreciating Canadian dollar relative to the U.S. dollar or euro will have the opposite impact.

The Company has entered into forward foreign exchange contracts to reduce the foreign exchange risk to fluctuations in the U.S. dollar, euro, British pound sterling, Swiss franc, Chinese yuan, Hong Kong dollar, Swedish krona and Japanese yen exchange rates for revenues and purchases. Certain forward foreign exchange contracts were designated at inception and accounted for as cash flow hedges. During the fourth quarter of fiscal 2023, the Company completed executing the operating hedge program for the fiscal year ending March 31, 2024.

The Company recognized the following unrealized losses in the fair value of derivatives designated as cash flow hedges in other comprehensive income:

| CAD \$ millions | For the year ended | | | | Fourth quarter ended | | | |
|---|--------------------|--------------|---------------|-------------|----------------------|--------------|---------------|-------------|
| | April 2, 2023 | | April 3, 2022 | | April 2, 2023 | | April 3, 2022 | |
| | Net loss | Tax recovery | Net loss | Tax expense | Net loss | Tax recovery | Net loss | Tax expense |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Forward foreign exchange contracts designated as cash flow hedges | (3.7) | 0.9 | (4.5) | (0.1) | (0.7) | 0.1 | (0.2) | (0.4) |

The Company reclassified the following losses and gains from other comprehensive income on derivatives designated as cash flow hedges to locations in the consolidated financial statements described below:

| CAD \$ millions | For the year ended | | Fourth quarter ended | |
|---|--------------------|---------------|----------------------|---------------|
| | April 2, 2023 | April 3, 2022 | April 2, 2023 | April 3, 2022 |
| Loss (gain) from other comprehensive income | \$ | \$ | \$ | \$ |
| Forward foreign exchange contracts designated as cash flow hedges | | | | |
| Revenue | 5.5 | 3.9 | 1.5 | 1.9 |
| SG&A expenses | 0.1 | (0.4) | (0.2) | (0.2) |
| Inventory | 0.8 | (0.9) | 0.8 | (0.1) |

For the fourth quarter and year ended April 2, 2023, unrealized gains of \$0.2m and \$4.5m, respectively (fourth quarter and year ended April 3, 2022 - unrealized gains of \$4.3m and \$4.7m, respectively) on forward exchange contracts that were not treated as hedges were recognized in SG&A expenses in the statements of income.

Foreign currency forward exchange contracts outstanding as at April 2, 2023 related to operating cash flows were:

| (in millions) | Aggregate Amounts | | Currency |
|---|-------------------|---------|-------------------------|
| Forward contract to purchase Canadian dollars | USD | 146.7 | U.S. dollars |
| | € | 187.5 | euros |
| | ¥ | 2,055.6 | Japanese yen |
| Forward contract to sell Canadian dollars | USD | 77.9 | U.S. dollars |
| | € | 94.7 | euros |
| Forward contract to purchase euros | CNY | 878.9 | Chinese yuan |
| | £ | 41.6 | British pounds sterling |
| | HKD | 106.1 | Hong Kong dollars |
| | CHF | 1.2 | Swiss francs |
| Forward contract to sell euros | CHF | 10.9 | Swiss francs |
| | £ | 9.2 | British pounds sterling |
| | CNY | 193.2 | Chinese yuan |
| | HKD | 118.7 | Hong Kong dollars |

Foreign exchange risk on borrowings

Amounts available for borrowing under part of our Revolving Facility are denominated in U.S. dollars. As at April 2, 2023, there were no principal amounts owing under the Revolving Facility.

Amounts available for borrowing under the Term Loan Facility are denominated in U.S. dollars. Based on our outstanding balances of \$396.3m (USD293.3m) under the Term Loan Facility as at April 2, 2023, a \$0.01 depreciation in the value of the Canadian dollar compared to the U.S. dollar would have resulted in a decrease in our pre-tax income of \$2.9m solely as a result of that exchange rate fluctuation's effect on the debt.

The Company enters into derivative transactions to hedge a portion of its exposure to interest rate risk and foreign currency exchange risk related to principal and interest payments on the Term Loan Facility denominated in U.S. dollars. The Company also entered into a five-year forward exchange contract by selling \$368.5m and receiving USD270.0m as measured on the trade date, to fix the foreign exchange risk on a portion of the Term Loan Facility.

The Company recognized the following unrealized gains and losses in the fair value of derivatives designed as hedging instruments in other comprehensive income:

| CAD \$ millions | For the year ended | | | | Fourth quarter ended | | | |
|--------------------------------------|--------------------|-------------|---------------|-------------|----------------------|--------------|---------------|-------------|
| | April 2, 2023 | | April 3, 2022 | | April 2, 2023 | | April 3, 2022 | |
| | Net gain | Tax expense | Net gain | Tax expense | Net loss | Tax recovery | Net gain | Tax expense |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Swaps designated as cash flow hedges | 4.1 | (0.8) | 13.2 | (4.5) | (3.4) | 1.8 | 11.5 | (3.9) |

The Company reclassified the following losses and gains from other comprehensive income on derivatives designated as hedging instruments to SG&A expenses:

| CAD \$ millions | For the year ended | | Fourth quarter ended | |
|---|--------------------|---------------|----------------------|---------------|
| | April 2, 2023 | April 3, 2022 | April 2, 2023 | April 3, 2022 |
| | \$ | \$ | \$ | \$ |
| Loss (gain) from other comprehensive income | | | | |
| Swaps designated as cash flow hedges | 0.5 | 0.9 | (0.1) | 0.2 |

For the fourth quarter and year ended April 2, 2023, an unrealized loss of \$1.3m and an unrealized gain of \$17.5m, respectively (fourth quarter and year ended April 3, 2022 - unrealized losses of \$4.9m and \$4.6m, respectively) in the fair value of the long-dated forward exchange contract related to a portion of the term loan facility were recognized in SG&A expenses in the statements of income.

Interest rate risk

The Company is exposed to interest rate risk related to the effect of interest rate changes on the borrowings outstanding under the Mainland China Facilities, Japan Facility, and the Term Loan Facility, which currently bear interest rates at 3.30%, 0.33%, and 8.66%.

The Company entered into five-year interest rate swaps by fixing the LIBOR component of its interest rate at 0.95% on notional debt of USD270.0m. The swaps terminate on December 31, 2025. Subsequent to the Repricing Amendment, the applicable interest rate on the interest rate swaps is 4.45%. The interest rate swaps were designated at inception and accounted for as cash flow hedges.

On March 17, 2023 the Company chose to de-designate and unwind a interest rate swap with a notional amount of USD90.0m and recognized a new interest rate swap effective on March 31, 2023 for the same notional amount. The remaining swaps will continue to have an applicable interest rate of 4.45%. The new swap contract hedges interest rate risk associated with the Company's 3-month USD-LIBOR interest payments using a pay fixed/receive float interest rate swap to eliminate variability in the USD-LIBOR swap rate. As a result of the termination, the Company received cash settlement of USD6.3m (\$8.6m) for this contract.

Interest rate risk on the Term Loan Facility is partially mitigated by interest rate swap hedges. The impact on future interest expense as a result of future changes in interest rates will depend largely on the gross amount of borrowings at that time.

Based on the weighted average amount of outstanding borrowings, a 1.00% increase in the average interest rate during the year ended April 2, 2023 would have increased interest expense as follows:

| | April 2, 2023 | Year ended April 3, 2022 |
|---------------------------|------------------|--------------------------------|
| | \$ | \$ |
| Mainland China Facilities | 0.1 | 0.1 |
| Japan Facility | 0.3 | — |
| Term Loan Facility | 3.9 | 3.7 |

RELATED PARTY TRANSACTIONS

The Company enters into transactions from time to time with its principal shareholders and organizations affiliated with members of the Board of Directors by incurring expenses for business services. During the year ended April 2, 2023, the Company had transactions with related parties of \$1.3m (April 3, 2022 - \$1.7m, March 28, 2021 - \$1.2m) from companies related to certain shareholders. Net balances owing to related parties as at April 2, 2023 were \$0.4m (April 3, 2022 - \$0.3m).

A lease liability due to the previous controlling shareholder of the acquired Baffin Inc. business (the "Baffin Vendor") for leased premises was \$3.1m as at April 2, 2023 (April 3, 2022 - \$3.8m). During the year ended April 2, 2023, the Company paid principal and interest on the lease liability, net of rent concessions, and other operating costs to entities affiliated with the Baffin Vendor totaling \$1.4m (April 3, 2022 - \$1.4m, March 28, 2021 - \$1.2m). No amounts were owing to Baffin entities as at April 2, 2023 and April 3, 2022.

Lease liabilities due to the non-controlling shareholder of the Japan Joint Venture, Sazaby League, for leased premises, was \$2.7m as at April 2, 2023. During the year ended April 2, 2023, the Company incurred principal and interest on lease liabilities, royalty fees, and other operating costs to Sazaby League totalling \$5.9m. Balances owing to Sazaby League as at April 2, 2023 were \$0.2m.

Pursuant to the Joint Venture Agreement, during the year ended April 2, 2023 the Company sold inventory of \$11.9m to Sazaby League for repurchase by the Japan Joint Venture for inventory fulfillment. There was no outstanding receivable from Sazaby League as at April 2, 2023. During the year ended April 2, 2023, the Japan Joint Venture repurchased \$11.9m of inventory from Sazaby League. The Japan Joint Venture had no amounts owing to Sazaby League as at April 2, 2023. These transactions were measured based on pricing established through the Joint Venture Agreement at market terms and were not recognized as sales transactions.

During the year ended April 2, 2023, the Japan Joint Venture sold inventory of \$1.7m to companies wholly owned by Sazaby League. As at April 2, 2023, the Japan Joint Venture recognized a trade receivable of \$0.1m from these companies.

For a discussion of additional related party transactions, see *"Item 7B. Major Shareholders and Related Party Transactions — Related Party Transactions"*.

Terms and conditions of transactions with related parties

Transactions with related parties are conducted on terms pursuant to an approved agreement, or are approved by the Board of Directors of the Company.

Key management compensation

Key management consists of the Board of Directors, the Chairman and Chief Executive Officer and the executives who report directly to the Chairman and Chief Executive Officer.

| CAD \$ millions | April 2, 2023 | April 3, 2022 |
|------------------------------|--------------------------|--------------------------|
| Short term employee benefits | 10.1 | 12.5 |
| Long term employee benefits | 0.1 | 0.1 |
| Share-based compensation | 11.2 | 11.5 |
| Compensation expense | 21.4 | 24.1 |

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our Annual Financial Statements have been prepared in accordance with IFRS as issued by the IASB. The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. While our significant accounting policies are more fully described in the notes to our Annual Financial Statements, we believe that the following accounting policies and estimates are critical to our business operations and understanding our financial results.

The following are the accounting policies subject to judgments and key sources of estimation uncertainty that we believe could have the most significant impact on the amounts recognized in the Annual Financial Statements.

Revenue recognition. Revenue comprises DTC, Wholesale, and Other segment revenues. Revenue is measured at the amount of consideration to which the Company expects to be entitled in exchange for the sale of goods in the ordinary course of the Company's activities. Revenue is presented net of sales tax, estimated returns, sales allowances, and discounts. The Company recognizes revenue when the Company has agreed terms with its customers, the contractual rights and payment terms have been identified, the contract has commercial substance, it is probable that consideration will be collected by the Company, and when control of the goods is transferred to the customer have been met.

It is the Company's policy to sell merchandise through the DTC segment with a limited right to return, typically within 30 days. Accumulated experience is used to estimate and provide for such returns.

Inventories. Inventories are carried at the lower of cost and net realizable value which requires us to use estimates related to fluctuations in obsolescence, shrinkage, future retail prices, seasonality and costs necessary to sell the inventory.

We periodically review our inventories and make provisions as necessary to appropriately value obsolete or damaged raw materials and finished goods. In addition, as part of inventory valuations, we accrue for inventory shrinkage for lost or stolen items based on historical trends from actual physical inventory counts.

Leases. We exercise judgment when contracts are entered into that may give rise to a right-of-use asset that would be accounted for as a lease. Judgment is required in determining the appropriate lease term on a lease by lease basis. We consider all facts and circumstances that create an economic incentive to exercise a renewal option or to not exercise a termination option at inception and over the term of the lease, including investments in major leaseholds, operating performance, and changed circumstances. The periods covered by renewal or termination options are only included in the lease term if we are reasonably certain to exercise that option. Changes in the economic environment or changes in the retail industry may impact the assessment of the lease term.

We determine the present value of future lease payments by estimating the incremental borrowing rate specific to each leased asset or portfolio of leased assets. We determine the incremental borrowing rate of each leased asset or portfolio of leased assets by incorporating our creditworthiness, the security, term, and value of the underlying leased asset, and the economic environment in which the leased asset operates. The incremental borrowing rates are subject to change mainly due to macroeconomic changes in the environment.

Impairment of non-financial assets (goodwill, intangible assets, property, plant and equipment, and right-of-use assets). We are required to use judgment in determining the grouping of assets to identify their cash generating units (“CGU”) for the purposes of testing non-financial assets for impairment. Judgment is further required to determine appropriate groupings of CGUs for the level at which goodwill and intangible assets are tested for impairment. For the purpose of goodwill and intangible assets impairment testing, CGUs are grouped at the lowest level at which goodwill and intangible assets are monitored for internal management purposes. Judgment is also applied in allocating the carrying amount of assets to CGUs. In addition, judgment is used to determine whether a triggering event has occurred requiring an impairment test to be completed.

In determining the recoverable amount of a CGU or a group of CGUs, various estimates are employed. We determine value-in-use by using estimates including projected future revenues, earnings, working capital, and capital investment consistent with strategic plans presented to the Board of Directors of the Company. Discount rates are consistent with external industry information reflecting the risk associated with the specific cash flows.

Income and other taxes. Current and deferred income taxes are recognized in the statements of income, except when it relates to a business combination, or items recognized in equity or in other comprehensive income. Application of judgment is required regarding the classification of transactions and in assessing probable outcomes of claimed deductions including expectations about future operating results, the timing and reversal of temporary differences and possible audits of income tax and other tax filings by the tax authorities in the various jurisdictions in which the Company operates.

Warranty. The critical assumptions and estimates used in determining the warranty provision at the statement of financial position date are: the number of jackets expected to require repair or replacement; the proportion to be repaired versus replaced; the period in which the warranty claim is expected to occur; the cost of repair; the cost to replace a jacket; and the risk-free rate used to discount the provision to present value. We review our inputs to this estimate on an annual basis to ensure the provision reflects the most current information regarding our products.

CHANGES IN ACCOUNTING POLICIES

Summary of accounting policies adopted

Non-controlling interest

In connection with the Japan Joint Venture, a non-controlling interest accounting policy was adopted. Transactions with non-controlling interests are treated as transactions with equity owners of the Company. Changes in the Company's ownership interest of CG Japan are accounted for as equity transactions.

Financial instruments

In connection with the Japan Joint Venture, the Company established a financial liability for the put option in respect of non-controlling interests based on the present value of the amount expected to be paid to the non-controlling shareholder if exercised. Subsequently, the put option liability is adjusted to reflect changes in the present value of the amount that could be required to be paid at each reporting date, with fluctuations being recorded within the statement of loss, until it is exercised or expires. The put option is measured at amortized cost and the fair value of the put option is classified as Level 3 within IFRS 13, *Fair value measurement*.

Standards issued and not yet adopted

Certain new standards, amendments, and interpretations to existing IFRS standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments, and interpretations is provided below.

In January 2020, the IASB issued an amendment to IAS 1, *Presentation of Financial Statements* to clarify its requirements for the presentation of liabilities in the statement of financial position. The limited scope amendment affected only the presentation of liabilities in the statement of financial position and not the amount or timing of its recognition. The amendment clarified that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specified that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. It also introduced a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. On October 31, 2022, the IASB issued *Non-Current Liabilities with Covenants* (Amendments to IAS 1). These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendment is effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted. The Company is assessing the potential impact of the amendment.

Standards issued and adopted

Interest Rate Benchmark Reform

In August 2020, the IASB issued "Interest Rate Benchmark Reform – Phase II (amendments to IFRS 9, *Financial Instruments*; IFRS 7, *Financial Instruments: Disclosures*; IAS 39, *Financial Instruments: Recognition and Measurement*; IFRS 4, *Insurance Contracts* and IFRS 16, *Leases*)", which addresses issues that affect financial reporting once an existing benchmark rate is replaced with an alternative rate and provides specific disclosure requirements. The amendments introduce a practical expedient for modifications required by the Interbank Offer Rate ("IBOR") reform. The amendments relate to the modification of financial instruments where the basis for determining the contractual cash flows changes as a result of the IBOR reform, allowing for prospective application of the alternative rate. A similar practical expedient exists for

lessee accounting under IFRS 16. It also relates to the application of hedge accounting, which is not discontinued solely because of the IBOR reform. Hedging relationships, including formal designation and documentation, must be amended to reflect modifications to the hedged item, however, the practical expedient allows the hedge relationship to continue, although additional ineffectiveness may be required. The amendments were effective for annual reporting periods beginning on or after January 1, 2021. A broader market-wide initiative is underway to transition the various IBOR based on rates in use to alternative reference rates. The Company's term loan facility at a net book value of \$395.7m, is impacted by the IBOR reform. As such, the reformed IFRS guidance has been adopted, however, accounting under the adopted standard will take place once IBOR related arrangements are modified, which constitutes as an accounting event. As no accounting events have occurred to date, the Company has determined there is no financial reporting impact as of April 2, 2023. The Company is in discussions with its lenders and is currently determining if any modifications will meet the requirements for the application of the practical expedient.

SUBSEQUENT EVENTS

Subsequent to the year ended April 2, 2023, on May 15, 2023, the Company entered into a further amendment to the Revolving Facility and the Term Loan Facility. Following the amendment, the Revolving Facility has multiple interest rate charge options that are based on the Canadian prime rate, Banker's Acceptance rate, the lenders' Alternate Base Rate, European Base Rate, SOFR rate, or EURIBOR rate plus an applicable margin, with interest payable the earlier of quarterly or at the end of the then current interest period (whichever is earlier). The Revolving Facility now matures on May 15, 2028. Following the amendment, the Term Loan Facility has an interest rate of SOFR plus a an applicable margin of 3.50% payable quarterly in arrears and SOFR may not be less than 0.75%.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Management, including the CEO and CFO, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act). Based on that evaluation, the CEO and CFO concluded that such disclosure controls and procedures were effective as at April 2, 2023 to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the CEO and the CFO and effected by the Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. The Company's internal control over financial reporting includes policies and procedures that:

- Pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that the receipts and expenditures of the Company are made only in accordance with authorizations of management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the assets of the Company that could have a material effect on the consolidated financial statements.

Management of the Company, under the supervision and with the participation of the CEO and CFO, conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of April 2, 2023, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - Integrated Framework (2013) ("COSO 2013"). Based on evaluation performed, management concluded that, as of April 2, 2023, the Company's internal control over financial reporting was effective.

Deloitte LLP, our independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of April 2, 2023.

Limitations of Controls and Procedures

There has been no change in the Company's internal control over financial reporting during the year ended April 2, 2023 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Management's projections of any evaluation of the effectiveness of internal control over financial reporting as to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth certain information relating to our directors and executive officers as of May 5, 2023. The business address for our directors and officers is c/o Canada Goose Holdings Inc., 250 Bowie Ave, Toronto, Ontario, Canada M6E 4Y2.

| Name | Age | Position |
|----------------------|------------|--|
| Dani Reiss | 49 | Chairman and Chief Executive Officer and Director |
| Jonathan Sinclair | 61 | Executive Vice President and Chief Financial Officer |
| Matt Blonder | 45 | Executive Vice President and Chief Digital Officer |
| Daniel Binder | 59 | Chief Transformation Officer and Executive Vice President, Sales Operations & Planning |
| Ana Mihaljevic | 42 | President, North America & Head of Global Stores |
| Jessica Johannson | 50 | Chief Human Resources Officer |
| David Forrest | 43 | General Counsel |
| Carrie Baker | 47 | President |
| John Moran | 60 | Chief Operating Officer |
| Neil Bowden | 42 | Deputy Chief Financial Officer |
| Patrick Bourke | 39 | Senior Vice President, Strategy & Corporate Development |
| Paul Hubner | 62 | President and Chief Executive Officer, Baffin Limited |
| Joshua Bekenstein | 64 | Director |
| Jodi Butts | 50 | Director |
| Maureen Chiquet | 60 | Director |
| Ryan Cotton | 44 | Director |
| John Davison | 64 | Director |
| Stephen Gunn | 68 | Director |
| Jean-Marc Huët | 54 | Director |
| Michael D. Armstrong | 50 | Director |
| Belinda Wong | 52 | Director |

Dani Reiss C.M., OOnt (Member of the Order of Canada and the Order of Ontario), Chairman and Chief Executive Officer and Director

Mr. Reiss joined the company in 1997 and has transformed the small outerwear manufacturer founded by his grandfather into a global performance luxury lifestyle brand, while upholding our renowned functionality and authenticity. He has worked in almost every area of the company and successfully developed our international sales channels prior to assuming the role of President and Chief Executive Officer in 2001. In March 2022, he was named Chairman and Chief Executive Officer of the company, bringing leadership and operational experience to Canada Goose and our board of directors. Mr. Reiss received a Bachelor of Arts from University of Toronto.

Jonathan Sinclair, Executive Vice President and Chief Financial Officer

Mr. Sinclair joined the company in June 2018 as Executive Vice President and Chief Financial Officer. Prior to joining the company, Mr. Sinclair served as Chief Financial Officer and Executive Vice President of Business Operations at Jimmy Choo PLC from June 2014 to May 2018, Chief Operating Officer at Vertu from June 2013 to June 2014, Chief Operating Officer at Jimmy Choo from December 2008 to May 2013, and Group Finance Director at Pentland Brands Plc from November 2003 to December 2008. He brings more than 20 years of global financial and operational experience to his role. Mr. Sinclair received a Bachelor of Arts from Loughborough University of Technology.

Matt Blonder, Executive Vice President and Chief Digital Officer

Mr. Blonder joined the company in March 2023 as Executive Vice President and Chief Digital Officer. Prior to joining the company, Mr. Blonder served as President of Global E-commerce at Wolverine Worldwide from January 2021 to March 2023, where he oversaw the digital and e-commerce strategy across the company's portfolio of brands, and Chief Digital Officer at Reebok from August 2017 to January 2021. Prior to that, he held various e-commerce and digital marketing leadership roles across a variety of industries, including positions at Barnes & Noble, Inc. and Toys "R" Us. He brings over 20 years of experience in e-commerce, digital experience, marketing, merchandising, social and omnichannel to his role. Mr. Blonder received a Bachelor of Arts in Psychology, with secondary areas of emphasis in Business and Anthropology, from Washington University in St. Louis.

Daniel Binder, Chief Transformation Officer and Executive Vice President, Sales Operations & Planning

Mr. Binder joined the company in March 2023 as Chief Transformation Officer and Executive Vice President, Sales Operations & Planning. Prior to joining our team, Mr. Binder spent 18 years at DFS, a division of LVMH, most recently serving as President of Global Retail Planning & Allocation, Supply Chain and Digital Transformation. Prior to that, he held a number of senior roles at Macy's. Mr. Binder brings nearly 40 years of global retail expertise to his role, leading high-performing teams with intense focus on business process, performance improvement and organizational design. Mr. Binder received a Bachelor of Science from the University of Michigan.

Ana Mihaljevic, President, North America & Head of Global Stores

Ms. Mihaljevic joined the company in April 2015 as Vice President of Planning and became Vice President of Planning and Sales Operations in April 2016, Senior Vice President of Planning and Sales Operations in April 2017, Chief Commercial Officer in April 2019, President, North America and Executive Vice President, Sales Operations & Planning in March 2022 and President, North America and Head of Global Stores in April 2023. Prior to joining the company, Ms. Mihaljevic served as the Director of Business Planning at Marc Jacobs International, a designer apparel company and a brand in the LVMH portfolio, from March 2013 to March 2015, the Director of Sales and Planning at Jones Apparel Group, a women's apparel company, from May 2011 to March 2013, and as an Account Executive at Ralph Lauren from April 2008 to May 2011. Ms. Mihaljevic received a Bachelor in Commerce (Honours) from Queen's University.

Jessica Johannson, Chief Human Resources Officer

Ms. Johannson joined the company in November 2022 as Chief Human Resources Officer. Prior to joining our team, she served as the Chief People Officer at Tucows Inc., an Internet services and telecommunications company, from May 2019 to October 2022 and Vice President, People from January 2017 to April 2019. Prior to that, Ms. Johannson served in progressively senior human resources roles across a wide range of industries at companies such as Capgemini Canada Inc., Brookfield Renewable Energy Group and Johnson Controls. Ms. Johannson received a Bachelor of Commerce from the Asper School of Business at the University of Manitoba, with a double major in Human Resources and Marketing.

David Forrest, General Counsel

Mr. Forrest joined the company in May 2014 as Director, Legal and was named Senior Director, Legal in May 2015, Vice President, Legal in October 2016, Senior Vice President, General Counsel in April 2017 and General Counsel in March 2022. Prior to joining the company, Mr. Forrest served as the General Counsel and Corporate Secretary of Thomas Cook North America from May 2012 to May 2014, prior to which he practiced law at Osler, Hoskin & Harcourt LLP, from August 2006 until May 2012. Mr. Forrest received a Bachelor of Laws (with distinction) from Western University in 2006 and a Honours Bachelor of Arts, Applied Economics from Queen's University in 2002.

Carrie Baker, President

Ms. Baker joined the company in May 2012 as the Vice President of Communications and was named Chief of Staff and Senior Vice President in January 2017, Executive Vice President, Chief of Staff in April 2018, President, North America in June 2020 and President in March 2022. Prior to joining the company Ms. Baker spent 12 years at High Road Communications, a North American communications agency, from May 2000 to April 2012, serving most recently as Senior Vice President. In 2019, Ms. Baker was named WXN Top 100 Most Powerful Women Canada. She currently serves on the Board of Directors of Trillium Health Partners Foundation. Ms. Baker received a Bachelor of Arts from the University of Western Ontario.

John Moran, Chief Operating Officer

Mr. Moran joined the company in November 2014 as Vice President of Manufacturing and was named Senior Vice President, Manufacturing and Supply Chain in January 2017, Executive Vice President, Manufacturing and Supply Chain in April 2018 and Chief Operating Officer in March 2022. Prior to joining the company, Mr. Moran served as Chief Operating Officer at Smith & Vandiver Corp. in 2014 and as Vice President, Operations from October 2003 to March 2011 and later Chief Operating Officer from April 2011 to April 2013 at Robert Talbott Inc. in Monterey, California, a renowned producer of men's and women's luxury apparel. Throughout his time with Robert Talbott Inc., Mr. Moran's responsibilities ranged from strategic planning and business development to sales, sourcing, manufacturing, distribution and finance. Prior to his time with Robert Talbott Inc., Mr. Moran was employed full-time with Gitman Brothers Shirt Company, based in Ashland, Pennsylvania, from 1984 to October 2003 holding positions of varying levels of responsibility in manufacturing, distribution and finance. At the time of his departure in October 2003 he held the position of Chief Operating Officer.

Neil Bowden, Deputy Chief Financial Officer

Mr. Bowden joined the company in June 2016 as Director of Finance and was named Vice President, Corporate Controller in September 2018, Senior Vice President, Group Finance in October 2019, and Deputy Chief Financial Officer in April 2023. Prior to joining the company, his career at KPMG spanned more than a decade in both Toronto and Chicago, where he audited public companies in the Consumer Markets practice. Mr. Bowden has served as a member of the Board of Directors of the Daily Bread Food Bank for over eight years. Mr. Bowden is a Chartered Professional Accountant and holds a Bachelor of Commerce from Queen's University.

Patrick Bourke, Senior Vice President, Strategy & Corporate Development

Mr. Bourke joined the company in October 2017 as Senior Director, Strategy and was named Vice President, Strategy & Investor Relations in April 2020 and Senior Vice President, Strategy & Corporate Development in April 2023. Prior to joining the company, Mr. Bourke spent 10 years in the investment banking industry, where he advised on equity, debt and M&A transactions for corporate and private equity clients. Mr. Bourke received a Bachelor of Arts, Business Administration (Honors) from Ivey Business School at Western University and a Masters of Science, Corporate Finance from the Stockholm School of Economics.

Paul Hubner, President and Chief Executive Officer, Baffin Limited

Mr. Hubner is the founder of Baffin, an industry-leading designer and manufacturer of performance outdoor and industrial footwear, and currently serves as President and Chief Executive Officer. With more than 30 years of footwear construction and design expertise and senior management experience, he has led the expansion and growth of the brand since 1997. Prior to founding Baffin, Mr. Hubner worked at Deloitte as a Certified Management Accountant. He graduated from McMaster University with a Bachelor of Commerce Degree.

Joshua Bekenstein, Director

Mr. Bekenstein has served as a member of our board of directors since December 2013. He is a Senior Advisor of Bain Capital. Prior to joining Bain Capital, in 1984, Mr. Bekenstein spent two years at Bain & Company, Inc., where he was involved with companies in a variety of industries. Mr. Bekenstein serves as a director of BRP Inc., Dollarama Inc. and Bright Horizons Family Solutions Inc. He previously served as a member of the board of directors of The Gymboree Corporation, Burlington Stores, Inc., Waters Corporation and The Michaels Companies, Inc. Mr. Bekenstein received a Bachelor of Arts from Yale University and a Master of Business Administration from Harvard Business School. Mr. Bekenstein provides strong executive and business operations skills to our board of directors and valuable experience gained from previous and current board service.

Jodi Butts, Director

Ms. Butts has served as a member of our board of directors since November 2017. She is currently a Senior Governance Consultant with WATSON Advisors Inc. and serves as a board member of Tilray Inc., Dot Health Inc., and chairs the board of directors of Pharmala Inc. and The Walrus Foundation. She also holds several board advisory roles, including with Bayshore Home Healthcare and the Canadian Centre for the Purpose of the Corporation. She received a Bachelor of Laws from the University of Toronto where she also received her Master of Arts in Canadian History.

Maureen Chiquet, Director

Ms. Chiquet has served as a member of our board of directors since August 2017. Ms. Chiquet began her career in marketing at L'Oreal Paris in 1985, started working at The Gap in 1988, where she helped launch and build the Old Navy brand, and served as President of Banana Republic in 2002 prior to becoming Chief Operating Officer and President of U.S. Operations of Chanel in 2003. In 2007, Ms. Chiquet became Chanel's first Global Chief Executive Officer. She left Chanel in 2016. Ms. Chiquet served as a Trustee to the New York Academy of Art. Ms. Chiquet also served as a Trustee to the Yale Corporation and was a fellow of Yale University, where she received a Bachelor of Arts in literature. She serves as the chairwoman of the board of Golden Goose as well as on the board of directors of Credo, and previously served as a non-executive director of the board of MatchesFashion. Ms. Chiquet provides strong executive, product, marketing and business operations skills to the board of directors.

Ryan Cotton, Director

Mr. Cotton has served as a member of our board of directors since December 2013. He joined Bain Capital in 2003, and is currently a Partner. Prior to joining Bain Capital, Mr. Cotton was a consultant at Bain & Company from 2001 to 2003. Mr. Cotton serves as a director of Maesa, Varsity Brands, Virgin Australia, Virgin Voyages, and City Year New York. He previously served as a member of the board of directors of Blue Nile, Advantage Solutions, Inc., Apple Leisure Group, International Market Centers, Inc., Daymon Worldwide, TOMS Shoes, Sundial Brands and The Michaels Companies, Inc. Mr. Cotton received a bachelor's degree from Princeton University and a Master of Business Administration from the Stanford Graduate School of Business. Mr. Cotton provides strong executive and business operations skills to our board of directors and valuable experience gained from previous and current board service.

John Davison, Director

Mr. Davison has served as a member of our board of directors since May 2017. Mr. Davison was most recently the President and Chief Executive Officer of Four Seasons Holdings Inc. ("Four Seasons") from 2019 to 2022, the luxury hotel and resort management company, where he oversaw all aspects of the company's global portfolio of hotels, resorts and branded residences. Initially joining Four Seasons as Senior Vice President, Project Financing in 2002, Mr. Davison later served as Executive Vice President and Chief Financial Officer from 2005 to 2019. Prior to joining Four Seasons, Mr. Davison spent four years as a member of the Audit and Business Investigations Practices at KPMG in Toronto, followed by 14 years at IMAX Corporation from 1987 to 2001, ultimately holding the position of President, Chief Operating Officer and Chief Financial Officer. Currently he also serves on the boards of IMAX China Holding, Inc., Four Seasons and FreshBooks. Mr. Davison has been a Chartered Professional Accountant since 1986, and a Chartered Business Valuator since 1988. He received a Bachelor of Commerce from the University of Toronto. Mr. Davison provides strong executive and business operations skills to our board of directors.

Stephen Gunn, Director

Mr. Gunn has served as a member of our board of directors since February 2017. He previously served as a Co-Chair of Sleep Country Canada Inc. (“Sleep Country”). He co-founded Sleep Country in 1994 and served as its Chair and Chief Executive Officer from 1997 to 2014. Prior to founding Sleep Country, Mr. Gunn was a management consultant with McKinsey & Company from 1981 to 1987 and then co-founded and was President of Kenrick Capital, a private equity firm. Mr. Gunn serves as the Chair of the board of directors of Dollarama Inc. Mr. Gunn previously served as a member of the board of directors of Recipe Unlimited Corporation (formerly Cara Operations Limited) from 2013 to 2022 and Golf Town Canada Inc. from 2008 to 2019. He received a Bachelor of Electrical Engineering from Queens University and a Master of Business Administration from the University of Western Ontario. Mr. Gunn provides strong executive and business operations skills to our board of directors and valuable experience gained from previous and current board service.

Jean-Marc Huët, Director

Mr. Huët has served as a member of our board of directors since February 2017. He serves as the Chairman of Heineken N.V., the Chairman of Vermaat, a catering business owned by Bridgepoint Capital, and as a board member of Picnic, a grocery delivery company in Europe. Mr. Huët served as a member of the advisory board of Bridgepoint Capital from January 2019 to December 2021, a director of Formula One from 2012 to January 2017, and an Executive Director and Chief Financial Officer of Unilever N.V. from 2010 to 2015. Mr. Huët was also formerly Executive Vice President and Chief Financial Officer of Bristol-Myers Squibb Company from 2008 to 2009 and Chief Financial Officer of Royal Numico N.V. from 2003 to 2007. Prior to that, he worked at Goldman Sachs. He received a A.B. from Dartmouth College and an M.B.A. from INSEAD. Mr. Huët provides strong executive, consumer and financial expertise to our board of directors and valuable experience gained from previous and current board service.

Michael D. Armstrong, Director

Mr. Armstrong has served as a member of our board of directors since January 2021. He is a global media expert as well as a business development and operations executive. He is currently Executive Vice President, Worldwide Television Licensing & Operations at ViacomCBS, Global Distribution Group, and has spent most of his career developing and launching revenue generating brands around the world. Mr. Armstrong previously served as General Manager of BET Networks, and was Executive Vice President and General Manager, Revenue and Emerging Brands at Viacom International Media Networks. He is on the board of the Greater Los Angeles Zoo Association and INSPIRATO, and is a member of the Board of Trustees at his alma mater Hampton University. In addition, Mr. Armstrong is a member of the Advisory Board of the Los Angeles Kings and serves as an ambassador for the LA Opera. He previously chaired the boards of Dance Theatre of Harlem and the National Association for Multi-Ethnicity in Communications (NAMIC). He is also a member of the International Academy of Television Arts & Sciences and received an MBA at the University of Chicago Booth School of Business. Mr. Armstrong provides strong executive and business operations skills to our board of directors.

Belinda Wong, Director

Ms. Wong has served as a member of our board of directors since March 2022. She is currently the Chairwoman and Chief Executive Officer of Starbucks China, where she is responsible for delivering a holistic, long-term strategy for Starbucks China. She is also a member of the Starbucks global executive leadership team, contributing more than 20 years of field knowledge and leadership in the Asia Pacific region. She serves as an Independent Non-Executive Director for Hysan Development Company and Television Broadcasts Limited. Ms. Wong also serves on the Faculty Advisory Board for her alma mater, the University of British Columbia's Sauder School of Business, where she received a Bachelor of Commerce degree with a major in finance. Ms. Wong provides strong executive and business operation skills to our board of directors.

B. Compensation

Board of Director Compensation

Only the company's independent directors, Messrs. Armstrong, Davison, Gunn and Huët and Mmes. Chiquet, Butts and Wong received compensation in respect of fiscal 2023 for their service on our board of directors. Messrs. Reiss, Bekenstein and Cotton do not receive any compensation as directors of the company. Mr. Reiss' compensation for serving as Chairman and Chief Executive Officer is included with that of the other named executive officers. Canada Goose does not compensate representatives of Bain Capital for their service on our board. The following table sets forth information concerning the compensation paid by the company to Messrs. Davison, Armstrong, Gunn and Huët and Mmes. Chiquet, Butts and Wong in respect of fiscal 2023:

| Name | Fees Earned or Paid in Cash (\$) ⁽¹⁾ | Stock Awards (\$) ⁽²⁾ | Option Awards (\$) ⁽³⁾ | Total (\$) |
|----------------------|--|---|--|-------------------|
| John Davison | 132,310 | 31,661 | 94,966 | 258,937 |
| Stephen Gunn | 132,310 | 31,661 | 94,966 | 258,937 |
| Jean-Marc Huët | 129,554 | 31,661 | 94,966 | 256,181 |
| Maureen Chiquet | 142,233 | 31,661 | 94,966 | 268,860 |
| Jodi Butts | 135,618 | 31,661 | 94,966 | 262,245 |
| Michael D. Armstrong | 135,618 | 31,661 | 94,966 | 262,245 |
| Belinda Wong | 99,233 | 34,199 | 102,562 | 235,994 |

(1) Compensation paid in U.S. dollars converted at an exchange rate of US\$1.00 to \$1.32 which is an average rate determined in accordance with the company's policies based on exchange rates available as at the applicable payment dates for the fiscal year.

(2) Amount shown reflects the grant date fair value of restricted share unit ("RSU") awards granted to Messrs. Davison, Gunn, Huët and Armstrong and Mmes. Chiquet, Butts and Wong in fiscal 2023. The value was determined in accordance with IFRS 2 "Share-based Payment".

- (3) Amount shown reflects the grant date fair value of options to purchase subordinate voting shares granted to Messrs. Davison, Gunn, Huët and Armstrong and Mmes. Chiquet, Butts and Wong in fiscal 2023. The value was determined in accordance with IFRS 2 “Share-based Payment”.

As compensation for service on our board of directors, the Company pays each of its independent directors US\$75,000 per year (the “Board Retainer”). In addition, independent directors who serve as members of committees of our board of directors are paid an additional US\$12,500 per year for their committee service. Mr. Armstrong is paid US\$15,000 per year for his service as the Chair of the Environmental and Social Committee. Mr. Davison is paid US\$25,000 per year for his service as the Chair of the Audit Committee. Ms. Butts is paid US\$15,000 per year for her service as the Chair of the Nominating & Governance Committee. Ms. Chiquet, who as Lead Director of our board of directors is paid US\$20,000 per year for her service as Lead Director.

On May 31, 2022, (i) each of Messrs. Davison, Gunn, Huët and Armstrong and Mmes. Butts and Chiquet was granted an award of 12,089 options to purchase our subordinate voting shares (“Options”) under the Omnibus Plan and (ii) Ms. Wong was granted an award of 13,056 Options under the Omnibus Plan. The Options are subject to time-based vesting of one-fourth on each of the first, second, third and fourth anniversaries of the grant date. The Options have an exercise price of \$24.64 per share and expire on May 31, 2032.

On May 31, 2022, (i) each of Messrs. Davison, Gunn, Huët and Armstrong and Mmes. Butts and Chiquet was granted an award of 1,285 RSUs under the Omnibus Plan and (ii) Ms. Wong was granted an award of 1,388 RSUs under the Omnibus Plan. The RSUs are subject to time-based vesting of one-third on each of the first, second and third anniversaries of the grant date.

Executive Compensation

Components of Executive Compensation

Each year, the compensation committee of our board of directors is responsible for determining our executive compensation framework, which consisted of the following elements for fiscal 2023: (i) base salary; (ii) annual bonus; (iii) equity-based long-term incentives; and (iv) employee benefits and other compensation.

Named Executive Officers

The following tables and discussion relate to the compensation paid to or earned by our Chairman and Chief Executive Officer, Dani Reiss; our Executive Vice President and Chief Financial Officer, Jonathan Sinclair; and our three most highly compensated executive officers (other than Messrs. Reiss and Sinclair) who were serving as executive officers on the last day of fiscal 2023. They are Michael (Woody) Blackford, our Chief Product Officer; Paul Cadman, our President, Asia-Pacific; and Carrie Baker, our President. Messrs. Reiss, Sinclair, Blackford and Cadman and Ms. Baker are referred to collectively in this Annual Report as our named executive officers. After fiscal 2023, the Company announced changes to its leadership team in order to align management with its recently unveiled five-year strategic growth plan. As a result of such changes, Mr. Cadman and Ms. Brook are not considered executive officers as of the date of this Annual Report.

The following table sets forth information about certain compensation awarded to, earned by, or paid to our named executive officers in respect of fiscal 2023:

| Name and principal position | Salary (\$) ⁽¹⁾ | Bonus (\$) ⁽²⁾ | Stock awards (\$) ⁽³⁾ | Option awards (\$) ⁽⁴⁾ | All other compensation (\$) ⁽⁵⁾ | Total compensation (\$) |
|--|----------------------------|---------------------------|----------------------------------|-----------------------------------|--|-------------------------|
| Dani Reiss, Chairman and Chief Executive Officer | 1,350,462 | — | 1,349,999 | 4,050,003 | 98,058 | 6,848,522 |
| Jonathan Sinclair, Executive Vice President and Chief Financial Officer ⁽⁶⁾ | 738,865 | — | 185,581 | 556,755 | 37,536 | 1,518,737 |
| Michael (Woody) Blackford, Chief Product Officer | 669,575 | — | 133,889 | 401,702 | 16,864 | 1,222,030 |
| Paul Cadman, President, Asia-Pacific ⁽⁷⁾ | 282,065 | — | 574,583 | 272,046 | 268,075 | 1,396,769 |
| Carrie Baker, President | 525,481 | — | 131,252 | 393,752 | 18,389 | 1,068,874 |

- (1) Amounts shown reflect the salaries earned by the named executive officers in fiscal 2023.
- (2) No bonuses were earned by Messrs. Reiss, Sinclair, Blackford and Cadman and Ms. Baker in respect of fiscal 2023 (see “Bonus” below).
- (3) Amounts shown reflect the grant date fair value of RSU awards granted to Messrs. Reiss, Sinclair, Blackford and Cadman and Ms. Baker in fiscal 2023. The value was determined in accordance with IFRS 2 “Share-based Payment”.
- (4) Amounts shown reflect the grant date fair value of Options granted to Messrs. Reiss, Sinclair, Blackford and Cadman and Ms. Baker in fiscal 2023. The values were determined in accordance with IFRS 2 “Share-based Payment”.
- (5) For more detail on the amounts included in this column, see “All Other Compensation - Benefits and Perquisites” below.
- (6) Salary paid in pounds sterling converted at an exchange rate of GBP1.00 to \$1.59 which is an average rate determined in accordance with the company’s policies based on exchange rates available as at the applicable payment dates for the fiscal year.
- (7) Salary paid in Hong Kong dollars converted at an exchange rate of HKD1.00 to \$0.17 which is an average rate determined in accordance with the company’s policies based on exchange rates available as at the applicable payment dates for the fiscal year. Certain amounts under “All other compensation” paid in Hong Kong dollars converted at the same exchange rate of HKD1.00 to \$0.17.

Base Salary

Base salaries provide our named executive officers with a fixed amount of compensation each year. Base salary levels are established based on a range of factors, including peer company compensation, the executive’s role, responsibilities and prior experience and the overall market demand for the executive. Mr. Reiss’ annual base salary is \$1,350,000, Mr. Sinclair’s annual base salary is GBP463,500, Mr. Blackford’s annual base salary is \$669,500, Mr. Cadman’s annual base salary is HKD2,500,000 and Ms. Baker’s annual base salary is \$525,000.

Bonus

Each named executive officer is eligible to receive an annual bonus pursuant to his or her employment agreement and in accordance with the bonus plan of the Company. As reflected in the compensation table above, none of the named executive officers received bonuses in fiscal 2023 as a result of the Company not achieving its applicable EBIT targets for fiscal 2023.

For fiscal 2023, Mr. Reiss was eligible to earn a target annual bonus equal to 150% of his base salary (“Reiss Bonus Target”), based on achievement of the fiscal 2023 global EBIT target (the “Global EBIT Target”). The payout of Mr. Reiss’s bonus is eligible to be earned at 100% of the Reiss Bonus Target upon achievement of 100% of Global EBIT Target. Achievement of EBIT above 100% of Global EBIT Target would have resulted in Mr. Reiss’s bonus being earned at 100% of Reiss Bonus Target plus 8% of the Reiss Bonus Target for each 1% over the Global EBIT Target.

Messrs. Sinclair, Blackford and Ms. Baker were eligible to earn annual bonuses for fiscal 2023 targeted at 45% (Mr. Sinclair and Ms. Baker) or 40% (Messrs. Blackford and Cadman), of base salary. For Messrs. Sinclair and Blackford and Ms. Baker, target EBIT for purposes of our fiscal 2023 annual bonus plan was determined the same as for Mr. Reiss (being the Global EBIT Target). For Mr. Cadman, target EBIT for purposes of our fiscal 2023 annual bonus plan was determined half on achievement of a regional EBIT target and half on achievement of the Global EBIT Target. Achievement above the applicable target EBIT and outstanding performance can result in bonus being earned above 100% of target annual bonus. Achievement of EBIT above 100% of target would have resulted in each named executive officer’s (other than Mr. Reiss) bonus being earned at 100% of target, plus 4% of target for each 1% over target EBIT.

Executive Employment Agreements

We have entered into an employment agreement with each of our named executive officers. The terms of the agreements are as follows.

Compensation and Bonus Opportunities

Under his amended and restated employment agreement, effective March 9, 2017, Mr. Reiss is entitled to an annual base salary of \$1,000,000, subject to annual review and increase by our board of directors. Mr. Reiss is also eligible for an annual incentive bonus, which under his employment agreement is targeted at 75% of his annual base salary, and which has subsequently increased to 150% of his annual base salary. The employment agreement also provides for an annual equity grant to Mr. Reiss under our long-term equity incentive plan.

Under his employment agreement, effective August 13, 2021, Mr. Sinclair is entitled to an annual base salary of GBP450,000, subject to annual review. Mr. Sinclair is also eligible for an annual incentive bonus targeted at 45% of his annual base salary. Mr. Sinclair’s employment agreement also provides for an annual equity grant to Mr. Sinclair under our long-term equity incentive plan, equal to 100% of his annual base salary. The employment agreement further provides for certain benefits and perquisites, as described below under “All Other Compensation - Benefits and Perquisites”.

Under his employment agreement, dated as of May 14, 2019, Mr. Blackford is entitled to an annual base salary of \$650,000, subject to annual review. Mr. Blackford is also eligible for an annual incentive bonus targeted at 40% of his annual base salary. The employment agreement also provided for a signing bonus in the form of a (i) gross cash amount of \$325,000 to be paid to Mr. Blackford on his start date and (ii) a grant of stock options with a 10 year term, valued at

\$162,500 and vesting in four equal annual installments and a grant of restricted stock units valued at \$162,500 and vesting over three equal annual installments. Mr. Blackford's employment agreement also provides for an annual equity grant to Mr. Blackford under our long-term equity incentive plan, equal to 80% of his annual base salary. The employment agreement further provides for certain benefits and perquisites, as described below under "All Other Compensation - Benefits and Perquisites".

Under his employment agreement, July 27, 2021, Mr. Cadman is entitled to an annual base salary of HK2,500,000, subject to annual review. Mr. Cadman is also eligible for an annual incentive bonus targeted at 40% of his annual base salary. Mr. Cadman's employment agreement also provides for an annual equity grant to Mr. Cadman under our long-term equity incentive plan, equal to 80% of his annual base salary. The employment agreement also provided for a signing bonus in the form of a grant of stock options with a 10 year term, valued at \$156,675 and vesting in four equal annual installments and a grant of restricted stock units valued at \$52,225 and vesting over three equal annual installments. In connection with Mr. Cadman's residency in Hong Kong, Mr. Cadman's employment agreement further provides for certain benefits and perquisites, as described below under "All Other Compensation - Benefits and Perquisites".

Under her employment agreement, effective April 1, 2022, Ms. Baker is entitled to an annual base salary of \$525,000, subject to annual review. Ms. Baker is also eligible to participate in our annual bonus plan, with an annual incentive bonus targeted at 45% of her annual base salary. Ms. Baker's employment agreement also provides for an annual equity grant to Ms. Baker under our long-term equity incentive plan, equal to 100% of her annual base salary. The employment agreement further provides for certain benefits and perquisites, as described below under "All Other Compensation - Benefits and Perquisites".

Severance

If Mr. Reiss's employment were terminated by us without cause or he resigned for good reason, he would be entitled to (i) a severance amount representing two times his annual base salary plus two times the average amount of the annual bonus earned by Mr. Reiss in the two complete fiscal years preceding the date of his termination of employment, (ii) a pro rata bonus amount for the year in which the termination occurs, based on the actual bonus amount paid in the prior year and (iii) continued participation in our benefit plans for a period of 24 months following the date of termination of employment.

If Mr. Sinclair's employment were terminated by us without cause, he would be entitled to twelve months' notice, or pay in lieu of notice and benefit continuation for twelve months following such termination of employment.

If Mr. Blackford's employment were terminated by us without cause, he would be entitled to eight months' notice, or pay in lieu of notice and benefit continuation for eight months following such termination of employment.

If Mr. Cadman's employment were terminated by us without cause, he would be entitled to six months' notice, or pay in lieu of notice and benefit continuation for six months following such termination of employment.

If Ms. Baker's employment were terminated by us without cause, she would be entitled to ten months' notice, or pay in lieu of notice and benefit continuation for ten months following such termination of employment.

Equity-Based Compensation

May 31, 2022, Messrs. Reiss, Sinclair, Blackford and Cadman and Ms. Baker were granted 515,559, 70,874, 51,136, 34,631 and 50,124 Options, respectively. One-fourth of each Option award will vest on each of May 31, 2023, May 31, 2024, May 31, 2025 and May 31, 2026, subject to the executive's continued employment with us through the applicable vesting date.

May 31, 2022, Messrs. Reiss, Sinclair, Blackford and Cadman and Ms. Baker were granted 54,791, 7,532, 5,434, 23,320 and 5,327 RSUs, respectively. One-third of these RSUs vest on each of May 31, 2023, May 31, 2024 and May 31, 2025, subject to the executive's continued employment with us through the applicable vesting date.

The following table sets forth information regarding equity awards held by our named executive officers as of April 2, 2023:

| Name | Number of securities underlying unexercised options (#) exercisable | Number of securities underlying unexercised options (#) unexercisable | Equity incentive plan awards: | | Option exercise price (\$) | Option expiration date | Number of shares of stock that have not vested (#) | Market value of shares of stock that have not vested (\$) |
|---|---|---|--|---|----------------------------|------------------------|--|---|
| | | | Number of securities underlying unexercised options (#) unearned | Number of securities underlying unexercised options (#) | | | | |
| Dani Reiss ⁽¹⁾⁽²⁾ | 72,297 | — | — | — | 83.53 | 6/26/2028 | — | — |
| | 143,489 | 47,830 | — | — | 63.03 | 4/3/2029 | — | — |
| | 87,522 | 175,044 | — | — | 33.97 | 6/12/2030 | — | — |
| | 125,000 | 125,000 | — | — | 50.00 | 6/12/2030 | — | — |
| | 64,226 | 192,679 | — | — | 48.93 | 6/2/2031 | — | — |
| | — | 515,559 | — | — | 24.64 | 5/31/2032 | — | — |
| | — | — | — | — | — | — | 10,560 | 274,454 |
| | — | — | — | — | — | — | 42,684 | 1,109,357 |
| — | — | — | — | — | — | 54,791 | 1,424,018 | |
| Jonathan Sinclair ⁽³⁾⁽⁴⁾ | 35,396 | — | — | — | 83.53 | 6/26/2028 | — | — |
| | 23,981 | 7,994 | — | — | 63.03 | 4/3/2029 | — | — |
| | 20,810 | 35,354 | — | — | 33.97 | 6/12/2030 | — | — |
| | 10,169 | 30,508 | — | — | 48.93 | 6/2/2031 | — | — |
| | — | 70,874 | — | — | 24.64 | 5/31/2032 | — | — |
| | — | — | — | — | — | — | 1,911 | 49,667 |
| | — | — | — | — | — | — | 5,116 | 132,965 |
| — | — | — | — | — | — | 7,532 | — | |
| Michael (Woody) Blackford ⁽⁵⁾⁽⁶⁾ | 5,715 | 2,858 | — | — | 46.38 | 11/22/2029 | — | — |
| | 15,694 | 19,694 | — | — | 33.97 | 6/12/2030 | — | — |
| | 6,788 | 20,365 | — | — | 48.93 | 6/2/2031 | — | — |
| | — | 51,136 | — | — | 24.64 | 5/31/2032 | — | — |
| | — | — | — | — | — | — | 1,276 | 33,163 |
| | — | — | — | — | — | — | 3,598 | 93,512 |
| — | — | — | — | — | — | 5,434 | 141,230 | |

| | | | | | | | |
|---------------------------------|--------|--------|---|-------|-----------|---------|---------|
| Paul Cadman ⁽⁷⁾⁽⁸⁾ | 791 | 264 | — | 45.34 | 6/7/2029 | — | — |
| | 946 | 948 | — | 33.97 | 6/12/2030 | — | — |
| | 393 | 1,179 | — | 48.93 | 6/2/2031 | — | — |
| | 2,761 | 8,284 | — | 48.21 | 8/30/2031 | — | — |
| | — | 34,631 | — | 24.64 | 5/31/2032 | — | — |
| | — | — | — | — | — | 62 | 1,611 |
| | — | — | — | — | — | 103 | 2,677 |
| | — | — | — | — | — | 722 | 18,765 |
| Carrie Baker ⁽⁹⁾⁽¹⁰⁾ | — | — | — | — | — | 23,320 | 606,087 |
| | 15,434 | — | — | 0.02 | 4/17/2024 | — | — |
| | 3,289 | — | — | 30.73 | 6/1/2027 | — | — |
| | 7,953 | — | — | 83.53 | 6/26/2028 | — | — |
| | 10,887 | 3,630 | — | 63.03 | 4/3/2029 | — | — |
| | 13,419 | 13,420 | — | 33.97 | 6/12/2030 | — | — |
| | 4,177 | 12,532 | — | 48.93 | 6/2/2031 | — | — |
| | — | 50,124 | — | 24.64 | 5/31/2032 | — | — |
| | — | — | — | — | — | 785 | 20,402 |
| | — | — | — | — | — | 2,214 | 57,542 |
| — | — | — | — | — | 5,327 | 138,449 | |

- (1) Mr. Reiss was granted 105,263 Options on June 1, 2017, 72,297 Options on June 26, 2018, 191,319 Options on April 3, 2019, 600,088 options on June 12, 2020, 256,905 Options on June 2, 2021 and 515,559 Options on May 31, 2022. His Options are subject to time-based vesting of one-fourth on each of the first, second, third and fourth anniversaries of the respective grant dates.
- (2) Mr. Reiss was granted 31,680 RSUs on June 12, 2020, 64,025 RSUs on June 2, 2021 and 54,791 RSUs on May 31, 2022. His RSUs are subject to time-based vesting of one-third on each of the first, second and third anniversaries of the grant date. The market value of Mr. Reiss' RSUs was calculated by multiplying the number of RSUs subject to his award by \$25.99 which was the closing price of our subordinate voting shares on the TSX on March 31, 2023, the last trading day of fiscal 2023.
- (3) Mr. Sinclair was granted 35,396 Options on June 26, 2018, 31,975 Options on April 3, 2019, 70,706 Options on June 12, 2020, 40,677 Options on June 2, 2021 and 70,874 Options on May 31, 2022. His Options are subject to time-based vesting of one-fourth on each of the first, second, third and fourth anniversaries of the grant date.
- (4) Mr. Sinclair was granted 10,650 RSUs on July 5, 2018, 5,733 RSUs on June 12, 2020, 7,674 RSUs on June 2, 2021 and 7,532 RSUs on May 31, 2022. His RSUs are subject to time-based vesting of one-third on each of the first, second and third anniversaries of the grant date. The market value of Mr. Sinclair's RSUs was calculated by multiplying the number of RSUs subject to his award by \$25.99 which was the closing price of our subordinate voting shares on the TSX on March 31, 2023, the last trading day of fiscal 2023.
- (5) Mr. Blackford was granted 11,430 Options on November 22, 2019, 39,388 Options on June 12, 2020, 27,153 Options on June 2, 2021 and 51,136 Options on May 31, 2022. These Options are subject to time-based vesting of one-fourth on each of the first, second, third and fourth anniversaries of the grant date.

- (6) Mr. Blackford was granted 3,503 RSUs on November 22, 2019, 3,827 RSUs on June 12, 2020, 5,397 RSUs on June 2, 2021 and 5,434 RSUs on May 31, 2022. His RSUs are subject to time-based vesting of one-third on each of the first, second and third anniversaries of the grant date. The market value of Mr. Blackford's RSUs was calculated by multiplying the number of RSUs subject to his award by \$25.99 which was the closing price of our subordinate voting shares on the TSX on March 31, 2023, the last trading day of fiscal 2023.
- (7) Mr. Cadman was granted 1,055 Options on June 7, 2019, 1,894 Options on June 12, 2020, 1,572 Options on June 2, 2021, 11,045 Options on August 30, 2021 and 34,631 Options on May 31, 2022. These Options are subject to time-based vesting of one-fourth on each of the first, second, third and fourth anniversaries of the grant date.
- (8) Mr. Cadman was granted 184 RSUs on June 12, 2020, 154 RSUs on June 2, 2021, 1,083 RSUs on August 30, 2021, and 23,320 RSUs on May 31, 2022. His RSUs are subject to time-based vesting of one-third on each of the first, second and third anniversaries of the grant date. The market value of Mr. Cadman's RSUs was calculated by multiplying the number of RSUs subject to his award by \$25.99 which was the closing price of our subordinate voting shares on the TSX on March 31, 2023, the last trading day of fiscal 2023.
- (9) Ms. Baker was granted 168,712 options to purchase Class B Common Shares and 253,067 options to purchase Class A Junior Preferred Shares on April 17, 2014, which options were exchanged for 228,252 Options in connection with the Recapitalization. One third of these Options are subject to time-based vesting of 40% on the second anniversary of the grant date and 20% on each anniversary of the grant date thereafter (the "Baker Time-Based Options"). The remaining two-thirds of her Options are subject to both time-based and performance-based vesting with the performance metrics reflecting a multiple of Bain Capital's return on its investment in us (the "Baker Performance-Based Options"). The Baker Performance-Based Options are subject to the same time-based vesting schedule as the Baker Time-Based Options and, as of April 2, 2023, the performance metrics applicable to the Baker Performance-Based Options had been achieved. The Baker Time-Based Options and the time-vesting component of the Baker Performance-Based Options, to the extent then unvested, will accelerate in full upon a change of control.
- Ms. Baker was also granted 3,289 Options on June 1, 2017, 7,953 Options on June 26, 2018, 14,517 Options on April 3, 2019, 26,839 options on June 12, 2020, 16,709 Options on June 2, 2021 and 50,124 Options on May 31, 2022. Her Options are subject to time-based vesting of one-fourth on each of the first, second, third and fourth anniversaries of the respective grant dates.
- (10) Ms. Baker was granted 2,355 RSUs on June 12, 2020, 3,321 RSUs on June 2, 2021 and 5,327 RSUs on May 31, 2022. Her RSUs are subject to time-based vesting of one-third on each of the first, second and third anniversaries of the grant date. The market value of Ms. Baker's RSUs was calculated by multiplying the number of RSUs subject to her award by \$25.99 which was the closing price of our subordinate voting shares on the TSX on March 31, 2023, the last trading day of fiscal 2023.

All Other Compensation - Benefits and Perquisites

Our full-time employees, including our named executive officers, are eligible to participate in our health and welfare benefit plans, which include medical, dental, vision, basic and dependent life, supplemental life, accidental death, dismemberment and specific loss, long-term disability, and optional critical illness insurance. Employees are also eligible to receive continuing education support and to participate in our employee purchase program, which allows employees to purchase a specified number of jackets and accessories at 50% of the manufacturer's suggested retail price. Our named executive officers participate in these plans on a slightly better basis than other salaried employees, including in some instances with slightly lower deductibles, better cost-sharing rates and the ability to purchase supplemental health coverage. Our named executive officers are also entitled to complimentary jackets each calendar year.

Our named executive officers received additional benefits and perquisites pursuant to the terms of their employment with us including, for Mr. Cadman with respect to benefits and perquisites related to their overseas assignments. In fiscal 2023, (1) each of our named executive officers received company-paid personal insurance premiums, and Messrs. Reiss, Sinclair and Blackford and Ms. Baker also received supplemental health coverage; (2) each of our named executive officers received complimentary jackets and/or products; (3) Mr. Cadman received housing allowances and tax gross-ups related to such allowances; and (5) Messrs. Reiss and Cadman received board retainer fees for their service as directors of Canada Goose International AG.

Retirement Plans

In fiscal 2023, none of our named executive officers participated in the Group Retirement Savings Plan for the Employees of Canada Goose Inc. (referred to as the RSP), a broad-based registered defined contribution plan offered to all of our full-time Canada-based employees. In fiscal 2023, we did not make any contributions to the Deferred Profit Sharing Plan for the Employees of Canada Goose Inc. on behalf of our named executive officers and we did not otherwise set aside or accrue any amounts for pension, retirement or similar benefits for our named executive officers pursuant to retirement plans sponsored by the company. We do not sponsor or maintain any qualified or non-qualified defined benefit plans or supplemental executive retirement plans.

C. Board Practices

Composition of our Board of Directors

Under our articles, our board of directors consists of a number of directors as determined from time to time by the directors. Our board of directors is currently comprised of ten directors. Our articles provide that a director may be removed with or without cause by a resolution passed by a special majority comprised of 66 $\frac{2}{3}$ % of the votes cast by shareholders present in person or by proxy at a meeting and who are entitled to vote. The directors are elected by the shareholders at each annual general meeting of shareholders, and all directors hold office for a term expiring at the close of the next annual shareholders meeting or until their respective successors are elected or appointed. Our board of directors is led by Dani Reiss, as Chairman. Mr. Reiss is not considered to be an independent director as he is also our Chief Executive Officer. Ms. Chiquet is not considered to be an independent director as she recently entered into a consulting agreement with the Company on April 24, 2023, whereby she will be receiving a compensation in excess of \$75,000 per year for consultancy services to the Company and its management.

The Chairman and Chief Executive Officer responsibility is, among other things, to effectively manage the affairs of the board of directors in accordance with corporate governance guidelines. The Chairman and Chief Executive Officer is also responsible for the general direction and management of the business and affairs of the company within the authority limitations delegated by the board of directors, focused on meeting the corporate goals and objectives approved by the board of directors. Under the BCBCA and our articles, between annual general meetings of our shareholders, the directors may appoint one or more additional directors, but the number of additional directors may not at any time exceed one-third of the number of current directors who were elected or appointed other than as additional directors.

Director Term Limits and Other Mechanisms of Board Renewal

Our board of directors has not adopted director term limits, a retirement policy for its directors or other automatic mechanisms of board renewal. Rather than adopting formal term limits, mandatory age-related retirement policies and other mechanisms of board renewal, the nominating and governance committee of our board of directors develop appropriate qualifications and criteria for our board of directors as a whole and for individual directors. In accordance with its mandate, the nominating and governance committee oversees a process for the assessment of our board of directors, each committee and individual director regarding his, her or its effectiveness and contribution, and also reports evaluation results to our board of directors at least annually. It is further the responsibility of the nominating and governance committee to develop a succession plan for the board of directors, including maintaining a list of qualified candidates for director positions. The company is not in the practice of providing any severance benefits to directors upon termination of service.

Board Committees

Each of our board committees operates under its own written charter adopted by our board of directors.

Audit Committee

Our audit committee is composed of Mr. Davison, Mr. Gunn and Mr. Huët, with Mr. Davison serving as chairperson of the committee. Our board of directors has determined that Mr. Gunn, Mr. Davison and Mr. Huët meet the independence requirements under the rules of the NYSE, the BCBCA and under Rule 10A-3 of the Exchange Act. Our board of directors has determined that Mr. Davison is an “audit committee financial expert” within the meaning of the SEC’s regulations and applicable Listing Rules of the NYSE.

Our audit committee reviews and approves the scope of the annual audits of our financial statements, reviews our internal control over financial reporting, recommends to the board of directors the appointment of our independent auditors, reviews and approves any non-audit services performed by the independent auditors, reviews the findings and recommendations of the internal and independent auditors and periodically reviews major accounting policies.

Compensation Committee

Our compensation committee is composed of Mr. Cotton, Mr. Armstrong and Ms. Chiquet, with Mr. Cotton serving as chairperson of the committee. Its primary purpose, with respect to compensation, is to assist our board of directors in fulfilling its oversight responsibilities and to make recommendations to our board of directors with respect to the compensation of our directors and executive officers.

Nominating and Governance Committee

Our nominating and governance committee is composed of Mr. Bekenstein, Mr. Gunn, Mr. Reiss, and Ms. Butts, with Ms. Butts serving as chairperson of the committee. The nominating and governance committee's primary responsibilities are to develop and recommend to the board of directors criteria for board and committee membership and recommend to the board of directors the persons to be nominated for election as directors and to each of the committees of the board of directors. The nominating and governance committee also reviews and makes recommendations in respect of the company's corporate governance principles and practices and associated disclosure.

Environmental and Social Committee

Our environmental and social committee is composed of Mr. Armstrong, Mr. Cotton, and Ms. Butts, with Mr. Armstrong serving as the chairperson of the committee. The environmental and social committee's primary responsibilities are to provide oversight of the company's ongoing commitment to environmental and social policies, plans and programs to ensure a comprehensive environmental, social and governance program.

D. Employees

As of April 2, 2023, April 3, 2022, and March 28, 2021, we had 4,760 4,353, and 3,590 employees, including both full-time and part-time employees however excluding those on leave. The number of employees by function as of the end of the period for our fiscal years ended April 2, 2023, April 3, 2022, and March 28, 2021 was as follows:

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|------------------------|--------------|--------------|--------------|
| By Function: | | | |
| Canadian manufacturing | 2,964 | 2,872 | 2,489 |
| Selling and retail | 881 | 742 | 557 |
| Corporate head offices | 915 | 739 | 544 |
| Total | <u>4,760</u> | <u>4,353</u> | <u>3,590</u> |

As of April 3, 2022, the company has 249 employees on leave including 1 employee whose leave is related to COVID-19 and 248 employees who are on leave for maternity, medical, disability and/or unpaid leave. The increase in the number of selling and retail employees was primarily due to the opening of our new retail stores in fiscal 2023. We also had a greater number of employees at our corporate head offices in fiscal 2023 to support the continued growth of our business.

E. Share Ownership

See Item 6.B. - "Compensation" and Item 7 - "Major Shareholders and Related Party Transactions."

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders.

Security Ownership

The following table sets forth information relating to the beneficial ownership of our shares as of May 5, 2023, by:

- each person or group who is known by us to own beneficially more than 5% of our subordinate voting shares;
- each of our directors; and
- each of our named executive officers.

Beneficial ownership is determined in accordance with SEC rules. The information is not necessarily indicative of beneficial ownership for any other purpose. In general, under these rules a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares voting power or investment power with respect to such security. A person is also deemed to be a beneficial owner of a security if that person has the right to acquire beneficial ownership of such security within 60 days. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares held by that person.

The percentage of voting shares beneficially owned is computed on the basis of 52,934,812 subordinate voting shares and 51,004,076 multiple voting shares outstanding as of May 5, 2023.

| Name and address of beneficial owner | Subordinate Voting Shares | | Multiple Voting Shares | |
|---|---------------------------|----------------------|------------------------|----------------------|
| | Number of shares | Percentage of shares | Number of shares | Percentage of shares |
| 5% shareholders: | | | | |
| ArrowMark Colorado Holdings, LLC ⁽¹⁾ | 3,144,398 | 5.9 % | — | — % |
| Entities affiliated with Bain Capital Investors, LLC ⁽²⁾ | — | — | 30,873,742 | 60.5 % |
| Dani Reiss ⁽³⁾ | 946,864 | 1.8 % | 20,130,334 | 39.5 % |
| FMR ⁽⁴⁾ | 4,074,863 | 7.8 % | — | — |
| Goldman Sachs ⁽⁵⁾ | 3,409,138 | 6.4 % | — | — |
| Morgan Stanley ⁽⁶⁾ | 7,041,452 | 13.2 % | — | — |
| Named executive officers and directors: | | | | |
| Joshua Bekenstein ⁽⁶⁾ | — | — % | — | — |
| Jodi Butts | 45,361 | * | — | — |
| Maureen Chiquet | 65,305 | * | — | — |
| Ryan Cotton ⁽⁶⁾ | — | — % | — | — |
| Stephen Gunn | 79,678 | * | — | — |
| Jean-Marc Huët | 80,183 | * | — | — |
| John Davison | 54,698 | * | — | — |
| Michael D. Armstrong | 7,572 | * | — | — |
| Belinda Wong | 3,727 | * | — | — |
| Jonathan Sinclair | 150,893 | * | — | — |
| Michael (Woody) Blackford | 62,502 | * | — | — |
| Carrie Baker | 69,948 | * | — | — |
| Paul Cadman | 26,372 | * | — | — |

* Less than 1%

- (1) Based on information obtained from Schedule 13G filed by ArrowMark Colorado Holdings, LLC (“ArrowMark”) on February 15, 2023. According to that report, ArrowMark possesses sole power to vote or to direct the voting of 3,144,398 of such shares and possesses shared power to vote or to direct the voting of none of such shares and possesses shared power to dispose or to direct the disposition of none of such shares and possesses sole power to dispose or to direct the disposition of 3,144,398 of such shares. In addition, according to that report, ArrowMark’s business address is 100 Fillmore Street, Suite 325, Denver, Colorado 80206.
- (2) Includes 20,073,742 multiple voting shares registered in the name of Bain Capital Integral Investors 2008, L.P. (“Integral 2008”) and 10,800,000 Multiple Voting Shares registered in the name of BCPE Fund X Goose Borrower, L.P. (together with Integral 2008, the “Bain Capital Entities”). Bain Capital Investors, LLC (“BCI”) is the ultimate general partner of each of the Bain Capital Entities. As a result, BCI may be deemed to exercise voting and dispositive power with respect to the shares held by the Bain Capital Entities. Voting and investment decisions with respect to the shares held by the Bain Capital Entities are made by the managing directors of BCI, of whom there are three or more and none of whom individually has the power to direct such

decisions. The address of each of the Bain Capital Entities is c/o Bain Capital Private Equity, LP, 200 Clarendon Street, Boston, Massachusetts 02116.

- (3) Includes multiple voting shares registered in the name of DTR LLC, an entity indirectly controlled by Dani Reiss.
- (4) Based on information obtained from Schedule 13G/A filed by FMR LLC and its affiliates (“FMR”) on February 9, 2023. According to that report, FMR possesses sole power to vote or to direct the voting of 4,074,855 of such shares and possesses shared power to vote or to direct the voting of none of such shares and possesses sole power to dispose or to direct the disposition of 4,074,863 of such shares and possesses shared power to dispose or to direct the disposition of none of such shares. In addition, according to that report, FMR’s business address is 245 Summer Street., Boston, MA 02210.
- (5) Based on information obtained from Schedule 13G filed by Goldman Sachs and its affiliates (“Goldman Sachs”) on February 7, 2023. According to that report, Goldman Sachs possesses sole power to vote or to direct the voting of none of such shares and possesses shared power to vote or to direct the voting of 3,409,088 of such shares and possesses sole power to dispose or to direct the disposition of none of such shares and possesses shared power to dispose or to direct the disposition of 3,409,138 of such shares. In addition, according to that report, Goldman Sachs’ business address is 200 West Street, New York, NY 10282.
- (6) Based on information obtained from Schedule 13G/A filed by Morgan Stanley and its affiliates (“Morgan Stanley”) on February 8, 2023. According to that report, Morgan Stanley possesses sole power to vote or to direct the voting of none of such shares and possesses shared power to vote or to direct the voting of 6,426,483 of such shares and possesses sole power to dispose or to direct the disposition of none of such shares and possesses shared power to dispose or to direct the disposition of 7,041,452 of such shares. In addition, according to that report, Morgan Stanley’s business address is 1585 Broadway New York, NY 10036.
- (7) Does not include shares held by the Bain Capital Entities. Each of Messrs. Cotton and Bekenstein is a Managing Director of BCI and as a result may be deemed to share beneficial ownership of the shares held by the Bain Capital Entities. The address for Messrs. Cotton and Bekenstein is c/o Bain Capital Private Equity, LP, 200 Clarendon Street, Boston, Massachusetts 02116.

Significant Changes in Ownership

We are not aware of significant changes in ownership of our multiple voting shares and subordinate voting shares during fiscal 2023.

Voting Rights

Holders of our multiple voting shares are entitled to 10 votes per multiple voting share and holders of subordinate voting shares held in the United States (and outside the United States) are entitled to one vote per subordinate voting share on all matters upon which holders of shares are entitled to vote.

U.S. Shareholders. On April 2, 2023, we had 3 registered shareholders with addresses in the United States (which may include addresses of investment managers holding securities on behalf of non-U.S. beneficial owners) holding approximately 20,242,749 subordinate voting shares. Residents of the United States may beneficially own subordinate voting shares or multiple voting shares registered in the names of non-residents of the United States, and non-U.S. residents may beneficially own subordinate voting shares or multiple voting shares registered in the names of U.S. residents.

Controlled Company

We are currently controlled by Bain Capital. As of April 2, 2023, Bain Capital indirectly beneficially owns approximately 60.5% of our outstanding multiple voting shares, or approximately 54.8% of the combined voting power of our multiple voting and subordinate voting shares outstanding.

B. Related Party Transactions

Investor Rights Agreement

In connection with our IPO, we entered into an Investor Rights Agreement with Bain Capital and DTR LLC, an entity indirectly controlled by our Chairman and Chief Executive Officer (the "Investor Rights Agreement").

The following is a summary of certain registration rights and nomination rights of our principal shareholders (including their permitted affiliates and transferees) under the Investor Rights Agreement, which summary is not intended to be complete. The following discussion is qualified in its entirety by the full text of the Investor Rights Agreement.

Registration Rights

Pursuant to the Investor Rights Agreement, Bain Capital is entitled to certain demand registration rights which enable it to require us to file a registration statement and/or a Canadian prospectus and otherwise assist with public offerings of subordinate voting shares (including subordinate voting shares issuable upon conversion of multiple voting shares) under the Securities Act and applicable Canadian securities laws, in accordance with the terms and conditions of the Investor Rights Agreement. DTR LLC is entitled to similar demand registration rights at such time as Bain Capital no longer holds securities subject to registration rights, as well as certain incidental registration rights in connection with demand registrations initiated by Bain Capital, and each of Bain Capital and DTR LLC is entitled to certain "piggy-back" registration rights in the event that we propose to register securities as part of a public offering.

We are entitled to postpone or suspend a registration request for a period of up to 60 days during any 12-month period where such registration request would require us to make any adverse disclosure. In addition, in connection with an underwritten offering, the number of securities to be registered thereunder may be limited, for marketing reasons, based on the opinion of the managing underwriter or underwriters for such offering.

All costs and expenses associated with any demand registration or "piggy-back" registration will be borne by us other than underwriting discounts, commissions and transfer taxes, if any, attributable to the sale of the subordinate voting shares (including following the conversion of multiple voting shares) by the applicable selling shareholder. We will also be required to provide indemnification and contribution for the benefit of Bain Capital and DTR LLC and their

respective affiliates and representatives in connection with any demand registration or “piggy-back” registration.

Nomination Rights

Pursuant to the Investor Rights Agreement, Bain Capital is entitled to designate 50% of our directors (rounding up to the next whole number) and will continue to be entitled to designate such percentage of our directors for so long as it holds at least 40% of the number of subordinate voting shares and multiple voting shares outstanding, provided that this percentage will be reduced (i) to the greater of one director or 30% of our directors (rounding up to the next whole number) once Bain Capital holds less than 40% of the subordinate voting shares and multiple voting shares outstanding, (ii) to the greater of one director or 10% of our directors (rounding up to the next whole number) once Bain Capital holds less than 20% of the subordinate voting shares and multiple voting shares outstanding, and (iii) to none once Bain Capital holds less than 5% of the subordinate voting shares and multiple voting shares outstanding. DTR LLC is entitled to designate one director for as long as it holds 5% or more of the subordinate voting shares and multiple voting shares outstanding.

The nomination rights contained in the Investor Rights Agreement provide that Bain Capital and DTR LLC, at the relevant time, will cast all votes to which they are entitled to elect directors designated in accordance with the terms and conditions of the Investor Rights Agreement.

Other Related Party Transactions

During fiscal 2023, the company contributed approximately \$0.8m to Polar Bears International (PBI), a charitable organization for which our Chairman and Chief Executive Officer, Dani Reiss, serves as a board member. The company also paid the Baffin vendor and related entities, which continue to be controlled by Paul Hubner, a member of management of the company, approximately \$1.4m for lease costs associated with the Baffin manufacturing facility and other operating costs.

In addition, during fiscal 2020, affiliates of Bain Capital acquired a majority interest in Kantar Group. Since the acquisition, the company incurred fees of approximately \$0.6m related to consulting services provided by Kantar Group and its related entities.

Interest of Management and Others in Material Transactions

Except as set out above or described elsewhere in this Annual Report, there are no material interests, direct or indirect, of any of our directors or executive officers, any shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of any class or series of our outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date in this Annual Report that has materially affected or is reasonably expected to materially affect us or any of our subsidiaries.

Indebtedness of Directors, Executive Officers and Employees

Except as set out above or described elsewhere in this Annual Report, as of the date of this Annual Report, none of our directors, executive officers, employees, former directors, former executive officers or former employees or any of our subsidiaries, and none of their respective associates, is indebted to us or any of our subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or

understanding provided by us or any of our subsidiaries, except, as the case may be, for routine indebtedness as defined under applicable securities legislations.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Financial Statements and Other Financial Information

See Item 18. — “Financial Statements.”

A.7 Legal Proceedings

From time to time, we may be subject to legal or regulatory proceedings and claims in the ordinary course of business, including proceedings to protect our intellectual property rights. As part of our monitoring program for our intellectual property rights, from time to time we file lawsuits for acts of trademark counterfeiting, trademark infringement, trademark dilution, patent infringement or breach of other state or foreign laws. These actions often result in seizure of counterfeit merchandise and negotiated settlements with defendants. Defendants sometime raise the invalidity or unenforceability of our proprietary rights as affirmative defenses or counterclaims.

A.8 Dividend Policy

Our board of directors does not currently intend to pay dividends on our subordinate voting shares or multiple voting shares. We currently intend to retain any future earnings to fund business development and growth, and we do not expect to pay any dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors that our board of directors may deem relevant. Currently, the provisions of our senior secured credit facilities place certain limitations on the amount of cash dividends that our main operating subsidiary can pay.

B. Significant Changes

We have not experienced any significant changes since the date of our Annual Financial Statements included in this Annual Report.

ITEM 9. THE OFFER AND LISTING

Not applicable except for Item 9.A.4 and Item 9.C.

Our subordinate voting shares have been listed on both the New York Stock Exchange and the Toronto Stock Exchange since March 16, 2017 under the symbol “GOOS.”

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Notice of Articles and Articles

The following is a summary of certain important provisions of our articles and certain related sections of the BCBCA. Please note that this is only a summary and is not intended to be exhaustive. This summary is subject to, and is qualified in its entirety by reference to, the provisions of our articles and the BCBCA.

Stated Objects or Purposes

Our articles do not contain stated objects or purposes and do not place any limitations on the business that we may carry on.

Directors

Power to vote on matters in which a director is materially interested. Under the BCBCA a director who has a material interest in a contract or transaction, whether made or proposed, that is material to us, must disclose such interest to us, subject to certain exceptions such as if the contract or transaction: (i) is an arrangement by way of security granted by us for money loaned to, or obligations undertaken by, the director for our benefit or for one of our affiliates' benefit; (ii) relates to an indemnity or insurance permitted under the BCBCA; (iii) relates to the remuneration of the director in his or her capacity as director, officer, employee or agent of our company or of one of our affiliates; (iv) relates to a loan to our company while the director is the guarantor of some or all of the loan; or (v) is with a corporation that is affiliated with us while the director is also a director or senior officer of that corporation or an affiliate of that corporation.

A director who holds such disclosable interest in respect of any material contract or transaction into which we have entered or propose to enter may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with certain other relevant provisions of the BCBCA regarding conflicts of interest.

Directors' power to determine the remuneration of directors. The remuneration of our directors, if any, may be determined by our directors subject to our articles. The remuneration may be in addition to any salary or other remuneration paid to any of our employees (including executive officers) who are also directors.

Number of shares required to be owned by a director. Neither our articles nor the BCBCA provide that a director is required to hold any of our shares as a qualification for holding his or her office. Our board of directors has discretion to prescribe minimum share ownership requirements for directors. To align the economic interests of directors with those of our shareholders, directors are granted share-based compensation on an annual basis for their services and are further encouraged to purchase securities of the company. Moreover, the company has adopted director share ownership guidelines for non-executive directors, which are set at two times (2x) each director's annual retainer, such ownership requirement to be progressively achieved over a period of five years from each director's appointment to the board of directors. The director share ownership requirement can be satisfied through the ownership of shares directly owned, vested in-the-money stock options and restricted share units.

Issuance of Additional Multiple Voting Shares

The rules of the TSX generally prohibit us from issuing additional multiple voting shares, however there may be certain circumstances where additional multiple voting shares may be issued, including upon receiving shareholder approval. Notably, approval is not required in

connection with a subdivision or consolidation on a pro rata basis as between the subordinate voting shares and the multiple voting shares.

Subdivision or Consolidation

No subdivision or consolidation of the subordinate voting shares or the multiple voting shares may be carried out unless, at the same time, the multiple voting shares or the subordinate voting shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis.

Certain Amendments and Change of Control

In addition to any other voting right or power to which the holders of subordinate voting shares shall be entitled by law or regulation or other provisions of our articles from time to time in effect, but subject to the provisions of our articles, holders of subordinate voting shares shall be entitled to vote separately as a class, in addition to any other vote of our shareholders that may be required, in respect of any alteration, repeal or amendment of our articles which would adversely affect the rights or special rights of the holders of subordinate voting shares or affect the holders of subordinate voting shares and multiple voting shares differently, on a per share basis, including an amendment to our articles that provides that any multiple voting shares sold or transferred to a Person that is not a Permitted Holder shall be automatically converted into subordinate voting shares.

Pursuant to our articles, holders of subordinate voting shares and multiple voting shares will be treated equally and identically, on a per share basis, in certain change of control transactions that require approval of our shareholders under the BCBCA, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of our subordinate voting shares and multiple voting shares, each voting separately as a class.

Our articles do not otherwise contain any change of control limitations with respect to a merger, acquisition or corporate restructuring that involves us.

Shareholder Meetings

Subject to applicable stock exchange requirements, we must hold a general meeting of our shareholders at least once every calendar year at a time and place determined by our board of directors, provided that the meeting must not be held later than 15 months after the preceding annual general meeting. A meeting of our shareholders may be held anywhere in or outside British Columbia.

A notice to convene a meeting, specifying the date, time and location of the meeting, and, where a meeting is to consider special business, the general nature of the special business must be sent to each shareholder entitled to attend the meeting and to each director not less than 21 days and no more than 60 days prior to the meeting, although, as a result of applicable securities laws, the minimum time for notice is effectively longer in most circumstances. Under the BCBCA, shareholders entitled to notice of a meeting may waive or reduce the period of notice for that meeting, provided applicable securities laws are met. The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any person entitled to notice does not invalidate any proceedings at that meeting.

A quorum for meetings of shareholders is present if shareholders who, in the aggregate, hold at least 25% of the issued shares plus at least a majority of multiple voting shares entitled to be voted at the meeting are present in person or represented by proxy. If a quorum is not present

within one-half hour from the time set for the holding of any meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place, unless the meeting was requisitioned by shareholders, in which case the meeting is dissolved.

Holders of our subordinate voting shares and multiple voting shares are entitled to attend and vote at meetings of our shareholders except meetings at which only holders of a particular class are entitled to vote. Except as otherwise provided with respect to any particular series of preferred shares, and except as otherwise required by law, the holders of our preferred shares are not entitled as a class to receive notice of, or to attend or vote at any meetings of our shareholders. Our directors, our officers, our auditor and any other persons invited by our chairman or directors or with the consent of those at the meeting are entitled to attend any meeting of our shareholders but will not be counted in the quorum or be entitled to vote at the meeting unless he or she is a shareholder or proxyholder entitled to vote at the meeting.

Shareholder Proposals and Advance Notice Procedures

Under the BCBCA, qualified shareholders holding shares that constitute (i) at least one percent (1%) of our issued voting shares or (ii) have a fair market value in excess of C\$2,000 may make proposals for matters to be considered at the annual general meeting of shareholders. Such proposals must be sent to us in advance of any proposed meeting by delivering a timely written notice in proper form to our registered office in accordance with the requirements of the BCBCA. The notice must include information on the business the shareholder intends to bring before the meeting. To be a qualified shareholder, a shareholder must currently be and have been a registered or beneficial owner of at least one share of the company for at least two years before the date of signing the proposal.

We have included certain advance notice provisions with respect to the election of our directors in our articles (the "Advance Notice Provisions"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of board nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide us notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of shareholders (including annual and special meetings), not less than 30 days prior to the date of the meeting of shareholders; provided, that if the first public announcement of the date of the meeting of shareholders (the "Notice Date") is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101-*Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

These provisions could have the effect of delaying until the next shareholder meeting the nomination of certain persons for director that are favored by the holders of a majority of our outstanding voting securities.

Take-Over Bid Protection

Under applicable securities laws in Canada, an offer to purchase multiple voting shares would not necessarily require that an offer be made to purchase subordinate voting shares. In accordance with the rules of the TSX designed to ensure that, in the event of a take-over bid, the holders of subordinate voting shares will be entitled to participate on an equal footing with holders of multiple voting shares, the holders of multiple voting shares have entered into a customary coattail agreement with us and a trustee (the "Coattail Agreement"). The Coattail Agreement contains provisions customary for dual-class, TSX-listed corporations designed to prevent transactions that otherwise would deprive the holders of subordinate voting shares of rights under applicable securities laws in Canada to which they would have been entitled if the multiple voting shares had been subordinate voting shares.

The undertakings in the Coattail Agreement do not apply to prevent a sale by the holders of multiple voting shares (including applicable transferees from time to time) if concurrently an offer is made to purchase subordinate voting shares that:

- (a) offers a price per subordinate voting share at least as high as the highest price per share to be paid pursuant to the take-over bid for the multiple voting shares;
- (b) provides that the percentage of outstanding subordinate voting shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of multiple voting shares to be sold (exclusive of multiple voting shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);
- (c) has no condition attached other than the right not to take up and pay for subordinate voting shares tendered if no shares are purchased pursuant to the offer for multiple voting shares; and
- (d) is in all other material respects identical to the offer for multiple voting shares.

In addition, the Coattail Agreement does not prevent the transfer of multiple voting shares to Permitted Holders, provided such transfer is not or would not have been subject to the requirements to make a take-over bid (if the vendor or transferee were in Canada) or constitutes or would be exempt from certain requirements applicable to take-over bids under applicable securities laws in Canada. The conversion of multiple voting shares into subordinate voting shares, whether or not such subordinate voting shares are subsequently sold, would not constitute a disposition of multiple voting shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any sale of multiple voting shares by a holder of multiple voting shares party to the Coattail Agreement is conditional upon the transferee becoming a party to the Coattail Agreement, to the extent such transferred multiple voting shares are not automatically converted into subordinate voting shares in accordance with our articles.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the subordinate voting shares. The obligation of the trustee to take such action is conditional on us or holders of the subordinate voting shares providing such funds and indemnity as the trustee may reasonably require. No holder of subordinate voting shares will have the right, other than through the

trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding subordinate voting shares and reasonable funds and indemnity have been provided to the trustee.

Other than in respect of non-material amendments and waivers that do not adversely affect the interests of holders of subordinate voting shares, the Coattail Agreement provides that, among other things, it may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the TSX and any other applicable securities regulatory authority in Canada; and (b) the approval of at least two-thirds of the votes cast by holders of subordinate voting shares represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to subordinate voting shares held by the holders of multiple voting shares or their affiliates and related parties and any persons who have an agreement to purchase multiple voting shares on terms which would constitute a sale or disposition for purposes of the Coattail Agreement, other than as permitted thereby.

No provision of the Coattail Agreement limits the rights of any holders of subordinate voting shares under applicable law.

Forum Selection

We have included a forum selection provision in our articles that provides that, unless we consent in writing to the selection of an alternative forum, the Superior Court of Justice of the Province of Ontario, Canada and the appellate courts therefrom, will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the BCBCA or our articles; or (iv) any action or proceeding asserting a claim otherwise related to the relationships among us, our affiliates and their respective shareholders, directors and/or officers, but excluding claims related to our business or such affiliates. The forum selection provision also provides that our securityholders are deemed to have consented to personal jurisdiction of the provincial and federal courts located in the Province of Ontario and to service of process on their counsel in any foreign action initiated in violation of the foregoing provisions.

Limitation of Liability and Indemnification

Under the BCBCA, a company may indemnify: (i) a current or former director or officer of that company; (ii) a current or former director or officer of another corporation if, at the time such individual held such office, the corporation was an affiliate of the company, or if such individual held such office at the company's request; or (iii) an individual who, at the request of the company, held, or holds, an equivalent position in another entity (an "indemnifiable person") against all costs, charges and expenses, and all eligible penalties, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal, administrative or other legal proceeding or investigative action (whether current, threatened, pending or completed) in which he or she is involved because of that person's position as an indemnifiable person, unless: (i) the individual did not act honestly and in good faith with a view to the best interests of such company or the other entity, as the case may be; or (ii) in the case of a proceeding other than a civil proceeding, the individual did not have reasonable grounds for believing that the individual's conduct was lawful. A company cannot

indemnify an indemnifiable person if it is prohibited from doing so under its articles or by applicable law. A company may pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an indemnifiable person in respect of that proceeding only if the indemnifiable person has provided an undertaking that, if it is ultimately determined that the payment of expenses was prohibited, the indemnifiable person will repay any amounts advanced. Subject to the aforementioned prohibitions on indemnification, a company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by an indemnifiable person in respect of such eligible proceeding if such indemnifiable person has not been reimbursed for such expenses, and was wholly successful, on the merits or otherwise, in the outcome of such eligible proceeding or was substantially successful on the merits in the outcome of such eligible proceeding. On application from an indemnifiable person or the company, a court may make any order the court considers appropriate in respect of an eligible proceeding, including the indemnification of penalties imposed or expenses incurred in any such proceedings and the enforcement of an indemnification agreement. As permitted by the BCBCA, our articles require us to indemnify our directors, officers, former directors or officers (and such individual's respective heirs and legal representatives) and permit us to indemnify any person to the extent permitted by the BCBCA.

C. Material Contracts

The following is a summary of each material contract, other than material contracts entered into in the ordinary course of business, to which we are a party, for the two years immediately preceding the date of this Annual Report:

Employment Agreements

See Item 6.B. — “Directors, Senior Management and Employees” — “Compensation” — “Employment Agreements and Arrangements with Directors and Related Parties”.

Revolving Facility Credit Agreement

On June 3, 2016, Canada Goose Holdings Inc. and its wholly-owned subsidiaries, Canada Goose Inc. and Canada Goose International AG, entered into a senior secured asset-based revolving facility (the “Revolving Facility”), with Canadian Imperial Bank of Commerce, as administrative agent, and certain financial institutions as lenders. A copy of the Revolving Facility Credit Agreement is included as Exhibit 10.3 to the company’s Registration Statement on Form F-1, as amended (File No. 333-216078), filed with the SEC on February 15, 2017, and is incorporated by reference herein. As amended through the date hereof, the amended revolving facility consists of the existing revolving facility with a reduced commitment in the amount of \$417.5m with a seasonal increase of up to \$467.5m during the peak season (being June 1 through November 30), and a first-in, last-out (“FILO”) revolving facility in the amount of \$50.0m. Borrowings under the existing Revolving Facility were transferred to the FILO Revolving Facility on the transaction date and future amounts will be drawn in priority of the FILO Revolving Facility. Amounts drawn on the FILO revolving facility are subject to an interest rate charge that is 2.00% higher than the existing revolving facility. The FILO revolving facility matured on May 25, 2021 and upon maturity, the credit commitments on the existing revolving facility were restored. On May 15, 2023, the Company entered into an amendment to the Revolving Facility. Following the amendment, the Revolving Facility has multiple interest rate charge options that are based on the Canadian prime rate, Banker's Acceptance rate, the lenders' Alternate Base Rate, European Base Rate, SOFR rate, or EURIBOR rate plus an

applicable margin, with interest payable the earlier of quarterly or at the end of the then current interest period (whichever is earlier) and the term has been extended to May 15, 2028, which was previously expiring on June 3, 2024.

Term Loan Credit Agreement

On December 2, 2016, Canada Goose Holdings Inc. and Canada Goose Inc. entered into a senior secured term loan facility (the “Term Loan Facility”), with Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent, and certain financial institutions as lenders. A copy of the Term Loan Credit Agreement is included as Exhibit 10.4 to the company’s Registration Statement on Form F-1, as amended (File No. 333-216078), filed with the SEC on February 15, 2017, and is incorporated by reference herein.

On August 15, 2017, the company entered into an amendment (the “2017 Term Loan Amendment”) to the Term Loan Facility. The 2017 Term Loan Amendment was executed in connection with the syndication of the outstanding term loans by the existing term loan lenders and, among other things: (i) added a provision whereby the company would be required to pay a 1% prepayment premium on any prepayment of the term loans made in connection with a “Repricing Transaction” (as defined in the 2017 Term Loan Amendment) or in connection with an amendment that constitutes a Repricing Transaction, in each case, within six months from August 15, 2017 and (ii) reset the “most-favored nation” protection in favor of the term loan lenders in the incremental facilities provisions of the Term Loan Facility, whereby if the company were to issue additional term loans under such incremental facilities provisions within 18 months from August 15, 2017 and the all-in yield on such additional term loans were to exceed the all-in-yield on the existing term loans by more than 50 basis points, the all-in-yield on such existing term loans would be increased so that the all-in-yield of the additional term loans does not exceed the all-in-yield on the existing term loans by more than 50 basis points. As further amended through the date hereof, the maturity date for the Term Loan Facility is October 7, 2027.

On April 9, 2021, the company entered into an amendment (the “2021 Term Loan Amendment”) to the Term Loan Facility. The term loans issued in connection with the 2021 Term Loan Amendment (the “2021 Refinancing Term Loans”) were used, in part, to refinance in full all of the existing term loans outstanding under the Term Loan Facility. The interest rates for the 2021 Refinancing Term Loans are LIBOR plus an applicable margin of 3.50%, payable quarterly in arrears.

On May 9, 2023, the Company entered into an amendment to the Term Loan Facility (the “2023 Term Loan Amendment”). The interest rates for the 2023 Term Loan Amendment are SOFR plus an applicable margin of 3.50% payable quarterly in arrears, and SOFR may not be less than 0.75%.

Indemnification Agreements

We have entered into indemnification agreements with our directors and executive officers pursuant to which we have agreed to indemnify them against a number of liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or executive officer of the company. A copy of the Form of Indemnification Agreement is included as Exhibit 10.28 to the company’s Registration Statement on Form F-1, as amended (File No. 333-216078), filed with the SEC on February 15, 2017, and is incorporated by reference herein.

D. Exchange Controls

We are not aware of any governmental laws, decrees, regulations or other legislation in Canada that restrict the export or import of capital, including the availability of cash and cash equivalents for use by our affiliated companies, or that affect the remittance of dividends, interest or other payments to non-resident holders of our securities. Any remittances of dividends to residents of the United States and to other non-resident holders are, however, subject to withholding tax. See Item 10.E. - "Taxation".

E. Taxation

Subject to the limitations and qualifications stated herein, this discussion sets forth certain material U.S. federal income tax considerations relating to the ownership and disposition by U.S. Holders (as defined below) of the subordinate voting shares. The discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect. This summary applies only to U.S. Holders and does not address tax consequences to a non-U.S. Holder (as defined below) holding our subordinate voting shares.

This discussion of a U.S. Holder's tax consequences addresses only those persons that hold our subordinate voting shares as capital assets and does not address the tax consequences to any special class of holders, including without limitation, holders (directly, indirectly or constructively) of 10% or more of our equity (based on voting power or value), dealers in securities or currencies, banks, tax-exempt organizations, insurance companies, financial institutions, broker-dealers, regulated investment companies, real estate investment trusts, traders in securities that elect the mark-to-market method of accounting for their securities holdings, persons that hold securities that are a hedge or that are hedged against currency or interest rate risks or that are part of a straddle, conversion or "integrated" transaction, U.S. expatriates, partnerships or other pass-through entities for U.S. federal income tax purposes and U.S. Holders whose functional currency for U.S. federal income tax purposes is not the U.S. dollar. This discussion does not address the effect of the U.S. federal alternative minimum tax, U.S. federal estate and gift tax, the 3.8% Medicare contribution tax on net investment income or any state, local or non-U.S. tax laws on a holder of subordinate voting shares.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of subordinate voting shares that is for U.S. federal income tax purposes: (a) an individual who is a citizen or resident of the United States; (b) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (d) a trust (i) if a court within the United States can exercise primary supervision over its administration, and one or more U.S. persons have the authority to control all of the substantial decisions of that trust, or (ii) that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person. The term "non-U.S. Holder" means any beneficial owner of our subordinate voting shares that is not a U.S. Holder, a partnership (or an entity or arrangement that is treated as a partnership or other pass-through entity for U.S. federal income tax purposes) or a person holding our subordinate voting shares through such an entity or arrangement.

If a partnership or an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes holds our subordinate voting shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partners in partnerships that hold our subordinate voting shares should consult their own tax advisors.

You are urged to consult your own independent tax advisor regarding the specific U.S. federal, state, local and non-U.S. income and other tax considerations relating to the ownership and disposition of our subordinate voting shares.

Cash Dividends and Other Distributions

As described in Item 8.A.8 above, we currently intend to retain any future earnings to fund business development and growth, and we do not expect to pay any dividends in the foreseeable future. However, to the extent there are any distributions made with respect to our subordinate voting shares, subject to the passive foreign investment company, or "PFIC," rules discussed below, a U.S. Holder generally will be required to treat distributions received with respect to its subordinate voting shares (including the amount of Canadian taxes withheld, if any) as dividend income to the extent of our current or accumulated earnings and profits (computed using U.S. federal income tax principles), with the excess treated as a non-taxable return of capital to the extent of the holder's adjusted tax basis in its subordinate voting shares and, thereafter, as capital gain recognized on a sale or exchange of such subordinate voting shares. There can be no assurance that we will maintain calculations of our earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution with respect to our subordinate voting shares will constitute ordinary dividend income. Dividends paid on the subordinate voting shares will not be eligible for the dividends received deduction allowed to U.S. corporations.

Dividends paid to a non-corporate U.S. Holder by a "qualified foreign corporation" may be subject to reduced rates of taxation if certain holding period and other requirements are met. A qualified foreign corporation generally includes a foreign corporation (other than a PFIC) if (i) its shares are readily tradable on an established securities market in the United States or (ii) it is eligible for benefits under a comprehensive U.S. income tax treaty that includes an exchange of information program and which the U.S. Treasury Department has determined is satisfactory for these purposes. U.S. Holders should consult their own tax advisors regarding the availability of the reduced tax rate on dividends in light of their particular circumstances.

Non-corporate U.S. Holders will not be eligible for reduced rates of taxation on any dividends received from us if we are a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year.

Special rules may apply to any "extraordinary dividend," which is generally a dividend paid by us in an amount that is equal to or in excess of ten percent of a U.S. Holder's adjusted tax basis (or fair market value in certain circumstances) in a share of our subordinate voting shares. If we pay an "extraordinary dividend" on our subordinate voting shares that is treated as "qualified dividend income," then any loss derived by a non-corporate U.S. Holder from the sale or exchange of such subordinate voting shares will be treated as long-term capital loss to the extent of such dividend.

Distributions paid in a currency other than U.S. dollars will be included in a U.S. Holder's gross income in a U.S. dollar amount based on the spot exchange rate in effect on the date of actual or constructive receipt, whether or not the payment is converted into U.S. dollars at that time. The U.S. Holder will have a tax basis in such currency equal to such U.S. dollar amount, and

any gain or loss recognized upon a subsequent sale or conversion of the foreign currency for a different U.S. dollar amount will be U.S. source ordinary income or loss. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend income.

A U.S. Holder who pays (whether directly or through withholding) Canadian taxes with respect to dividends paid on our subordinate voting shares may be entitled to receive either a deduction or a foreign tax credit for such Canadian taxes paid. Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." In addition, this limitation is calculated separately with respect to specific categories of income. Dividends paid by us generally will constitute "foreign source" income and generally will be categorized as "passive category income." However, if 50% or more of our equity (based on voting power or value) is treated as held by U.S. persons, we will be treated as a "United States-owned foreign corporation," in which case dividends may be treated for foreign tax credit limitation purposes as "foreign source" income to the extent attributable to our non-U.S. source earnings and profits and as "U.S. source" income to the extent attributable to our U.S. source earnings and profits. Because the foreign tax credit rules are complex, in the event we pay a dividend subject to Canadian dividend withholding tax, each U.S. Holder should consult its own tax advisor regarding the foreign tax credit rules.

Sale or Disposition of Subordinate Voting Shares

A U.S. Holder generally will recognize gain or loss on the taxable sale or exchange of its subordinate voting shares in an amount equal to the difference between the U.S. dollar amount realized on such sale or exchange (determined in the case of subordinate voting shares sold or exchanged for currencies other than U.S. dollars by reference to the spot exchange rate in effect on the date of the sale or exchange or, if the subordinate voting shares sold or exchanged are traded on an established securities market and the U.S. Holder is a cash basis taxpayer or an electing accrual basis taxpayer, the spot exchange rate in effect on the settlement date) and the U.S. Holder's adjusted tax basis in the subordinate voting shares determined in U.S. dollars. The initial tax basis of the subordinate voting shares to a U.S. Holder will be the U.S. Holder's U.S. dollar purchase price for the subordinate voting shares (determined by reference to the spot exchange rate in effect on the date of the purchase, or if the subordinate voting shares purchased are traded on an established securities market and the U.S. Holder is a cash basis taxpayer or an electing accrual basis taxpayer, the spot exchange rate in effect on the settlement date).

Assuming we are not a PFIC and have not been treated as a PFIC during a U.S. Holder's holding period for our subordinate voting shares, such gain or loss will be capital gain or loss and will be long-term gain or loss if the subordinate voting shares have been held for more than one year. Under current law, long-term capital gains of non-corporate U.S. Holders generally are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Capital gain or loss, if any, recognized by a U.S. Holder generally will be treated as U.S. source income or loss for U.S. foreign tax credit purposes. U.S. Holders are encouraged to consult their own tax advisors regarding the availability of the U.S. foreign tax credit in their particular circumstances.

Passive Foreign Investment Company Considerations

Status as a PFIC

The rules governing PFICs can have adverse tax effects on U.S. Holders. We generally will be classified as a PFIC for U.S. federal income tax purposes if, for any taxable year, either: (1) 75% or more of our gross income consists of certain types of passive income, or (2) the average value (determined on a quarterly basis), of our assets that produce, or are held for the production of, passive income is 50% or more of the value of all of our assets.

Passive income generally includes dividends, interest, rents and royalties (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. If a non-U.S. corporation owns at least 25% by value of the stock of another corporation, the non-U.S. corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation and as receiving directly its proportionate share of the other corporation's income.

Additionally, if we are classified as a PFIC in any taxable year with respect to which a U.S. Holder owns subordinate voting shares, we generally would continue to be treated as a PFIC with respect to such U.S. Holder in all succeeding taxable years, regardless of whether we continue to meet the tests described above.

We do not believe that we were a PFIC in 2022, and we do not anticipate becoming a PFIC in the foreseeable future. Notwithstanding the foregoing, the determination of whether we are a PFIC is made annually and depends on the particular facts and circumstances (such as the valuation of our assets, including goodwill and other intangible assets) and may also be affected by the application of the PFIC rules, which are subject to differing interpretations. No assurance can be provided that we are not currently a PFIC or that we will not become a PFIC in any future taxable year. U.S. Holders should consult their own tax advisors regarding our potential PFIC status.

U.S. federal income tax treatment of a shareholder of a PFIC

If we are classified as a PFIC for any taxable year during which a U.S. Holder owns subordinate voting shares, the U.S. Holder, absent certain elections (including the mark-to-market and QEF elections described below), generally will be subject to adverse rules (regardless of whether we continue to be classified as a PFIC) with respect to (i) any "excess distributions" (generally, any distributions received by the U.S. Holder on its subordinate voting shares in a taxable year that are greater than 125% of the average annual distributions received by the U.S. Holder in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for its subordinate voting shares) and (ii) any gain realized on the sale or other disposition, including a pledge, of its subordinate voting shares.

Under these adverse rules (a) the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which we are classified as a PFIC will be taxed as ordinary income and (c) the amount allocated to each other taxable year during the U.S. Holder's holding period in which we were classified as a PFIC (i) will be subject to tax at the highest rate of tax in effect for the applicable category of taxpayer for that year and (ii) will be subject to an interest charge at a statutory rate with respect to the resulting tax attributable to each such other taxable year. In addition, if a U.S. Holder dies while owning the subordinate voting shares, the U.S. Holder's successor would be ineligible to receive a step-up in the tax basis of such shares.

If we are a PFIC for any taxable year during a U.S. Holder's holding period for our subordinate voting shares and any of our non-United States subsidiaries or other corporate entities in which we directly or indirectly own equity interests is also a PFIC, the U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of each such non-United States entity classified as a PFIC (each such entity, a lower-tier PFIC) for purposes of the application of these rules. U.S. Holders should consult their tax advisor regarding the application of the PFIC rules to any of our lower tier PFICs.

PFIC "mark-to-market" election

In certain circumstances, a U.S. Holder can avoid certain of the adverse rules described above by making a mark-to-market election with respect to its subordinate voting shares, provided that the subordinate voting shares are "marketable." Subordinate voting shares will be marketable if they are "regularly traded" on a "qualified exchange" or other market within the meaning of applicable U.S. Treasury Regulations. The NYSE is a "qualified exchange." U.S. Holders should consult their own tax advisors with respect to such rules.

A U.S. Holder that makes a mark-to-market election must include in gross income, as ordinary income, for each taxable year that we are a PFIC an amount equal to the excess, if any, of the fair market value of the U.S. Holder's subordinate voting shares at the close of the taxable year over the U.S. Holder's adjusted tax basis in its subordinate voting shares. An electing U.S. Holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder's adjusted tax basis in its subordinate voting shares over the fair market value of its subordinate voting shares at the close of the taxable year, but this deduction is allowable only to the extent of any net mark-to-market gains previously included in income. A U.S. Holder that makes a mark-to-market election generally will adjust such U.S. Holder's tax basis in its subordinate voting shares to reflect the amount included in gross income or allowed as a deduction because of such mark-to-market election. Gains from an actual sale or other disposition of subordinate voting shares in a year in which we are a PFIC will be treated as ordinary income, and any losses incurred on a sale or other disposition of subordinate voting shares will be treated as ordinary losses to the extent of any net mark-to-market gains previously included in income.

If we are classified as a PFIC for any taxable year in which a U.S. Holder owns subordinate voting shares but before a mark-to-market election is made, the adverse PFIC rules described above will apply to any mark-to market gain recognized in the year the election is made. Otherwise, a mark-to-market election will be effective for the taxable year for which the election is made and all subsequent taxable years. The election cannot be revoked without the consent of the Internal Revenue Service ("IRS") unless the subordinate voting shares cease to be marketable, in which case the election is automatically terminated.

A mark-to-market election is not permitted for the shares of any of our subsidiaries that are also classified as PFICs. Prospective investors should consult their own tax advisors regarding the availability of, and the procedure for making, a mark-to-market election.

PFIC "QEF" election

In some cases, a shareholder of a PFIC can avoid the interest charge and the other adverse PFIC consequences described above by obtaining certain information from such PFIC and by making a QEF election to be taxed currently on its share of the PFIC's undistributed income. We do not, however, expect to provide the information regarding our income that would be necessary in order for a U.S. Holder to make a QEF election with respect to subordinate voting shares if we are classified as a PFIC.

PFIC information reporting requirements

If we are a PFIC in any year, a U.S. Holder of subordinate voting shares in such year will be required to file an annual information return on IRS Form 8621 regarding distributions received on such subordinate voting shares and any gain realized on disposition of such subordinate voting shares. In addition, if we are a PFIC, a U.S. Holder will generally be required to file an annual information return with the IRS (also on IRS Form 8621, which PFIC shareholders are required to file with their U.S. federal income tax or information return) relating to their ownership of subordinate voting shares.

NO ASSURANCE CAN BE GIVEN THAT WE ARE NOT CURRENTLY A PFIC OR THAT WE WILL NOT BECOME A PFIC IN THE FUTURE. U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE OPERATION OF THE PFIC RULES AND RELATED REPORTING REQUIREMENTS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE ADVISABILITY OF MAKING ANY ELECTION THAT MAY BE AVAILABLE.

Reporting Requirements and Backup Withholding

Information reporting to the U.S. Internal Revenue Service generally will be required with respect to payments on the subordinate voting shares and proceeds of the sale, exchange or redemption of the subordinate voting shares paid within the United States or through certain U.S.-related financial intermediaries to holders that are U.S. taxpayers, other than exempt recipients. A “backup” withholding tax may apply to those payments if such holder fails to provide a taxpayer identification number to the paying agent or fails to certify that no loss of exemption from backup withholding has occurred (or if such holder otherwise fails to establish an exemption). We or the applicable paying agent will withhold on a distribution if required by applicable law. The amounts withheld under the backup withholding rules are not an additional tax and may be refunded, or credited against the holder’s U.S. federal income tax liability, if any, provided the required information is timely furnished to the IRS.

Canadian Tax Implications for Non-Canadian Holders

The following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “Tax Act”) generally applicable to the holding and disposition of subordinate voting shares by a beneficial owner. This summary only applies to such a holder who, for the purposes of the Tax Act and at all relevant times: (1) is not, and is not deemed to be, resident in Canada for purposes of any applicable income tax treaty or convention; (2) deals at arm’s length with us; (3) is not affiliated with us; (4) does not use or hold, and is not deemed to use or hold, subordinate voting shares in a business carried on in Canada; (5) has not entered into, with respect to the subordinate voting shares, a “derivative forward agreement” as that term is defined in the Tax Act and (6) holds the subordinate voting shares as capital property (a “Non-Canadian Holder”). Special rules, which are not discussed in this summary, may apply to a Non-Canadian Holder that is an insurer carrying on an insurance business in Canada and elsewhere or that is an “authorized foreign bank” as that term is defined in the Tax Act.

This summary is based on the current provisions of the Tax Act, and an understanding of the current administrative policies of the Canada Revenue Agency (“CRA”) published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the Canada-United States Tax Convention (1980), as amended (the “Canada-U.S. Tax Treaty”) publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Proposed Amendments”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, you should consult your own tax advisor with respect to your particular circumstances. Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the subordinate voting shares must be converted into Canadian dollars based on the exchange rates as determined in accordance with the Tax Act. The amount of any dividends required to be included in the income of, and capital gains or capital losses realized by, a Non-Canadian Holder may be affected by fluctuations in the Canadian exchange rate.

Dividends

Dividends paid or credited on the subordinate voting shares or deemed to be paid or credited on the subordinate voting shares to a Non-Canadian Holder will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Canadian Holder is entitled under any applicable income tax convention between Canada and the country in which the Non-Canadian Holder is resident. For example, under the Canada-U.S. Tax Treaty, where dividends on the subordinate voting shares are considered to be paid to or derived by a Non-Canadian Holder that is a beneficial owner of the dividends and is a U.S. resident for the purposes of, and is entitled to benefits of, the Canada-U.S. Tax Treaty, the applicable rate of Canadian withholding tax is generally reduced to 15%. A disposition of subordinate voting shares to us may in certain circumstances result in a deemed dividend.

Dispositions

A Non-Canadian Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition or deemed disposition of a subordinate voting share, unless, at the time of disposition, the subordinate voting shares are “taxable Canadian property” to the Non-Canadian Holder for purposes of the Tax Act and the Non-Canadian Holder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Canadian Holder is resident.

Generally, the subordinate voting shares will not constitute “taxable Canadian property” to a Non-Canadian Holder at a particular time provided that the subordinate voting shares are listed at that time on a “designated stock exchange” (as defined in the Tax Act), which includes the NYSE and the TSX, unless at any particular time during the 60-month period that ends at that time (i) one or any combination of (a) the Non-Canadian Holder, (b) persons with whom the Non-Canadian Holder does not deal at arm’s length, and (c) partnerships in which the Non-

Canadian Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships, has owned 25% or more of the issued shares of any class or series of our capital stock, and (ii) more than 50% of the fair market value of the subordinate voting shares was derived, directly or indirectly, from one or any combination of : (i) real or immoveable property situated in Canada, (ii) “Canadian resource properties” (as defined in the Tax Act), (iii) “timber resource properties” (as defined in the Tax Act) and (iv) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing whether or not the property exists. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, subordinate voting shares could be deemed to be “taxable Canadian property.” Non-Canadian Holders whose subordinate voting shares may constitute “taxable Canadian property” should consult their own tax advisors.

THE ABOVE DISCUSSION DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. YOU ARE STRONGLY URGED TO CONSULT YOUR OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO YOU OF AN INVESTMENT IN THE SUBORDINATE VOTING SHARES.

F. Dividends and Payment Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

You may request a copy of this Annual Report and the related exhibits, and any other report, at no cost, by writing to us at 250 Bowie Ave, Toronto, Ontario, Canada, M6E 4Y2 or calling us at (416) 780-9850. Copies of our financial statements and other continuous disclosure documents required under applicable securities legislation are available for viewing on SEDAR at www.sedar.com. All of the documents referred to are in English.

We are subject to the informational requirements of the Exchange Act and are required to file reports and other information with the SEC. The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system.

We also make available on our website’s investor relations page, free of charge, our Annual Report and the text of our reports on Form 6-K, including any amendments to these reports, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. The information contained on our website is not incorporated by reference in this Annual Report.

I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Please see Item 5.F — “Operating and Financial Review and Prospects” — “Quantitative and Qualitative Disclosures About Market Risk”.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

A. – D. Material Modifications to the Rights of Security Holders

None.

E. Use of Proceeds

None.

ITEM 15. CONTROLS AND PROCEDURES

A. – D.

See Item 5. - “Operating and Financial Review and Prospects” - “Management’s Discussion and Analysis of Financial Condition and Results of Operations” - “Disclosure Controls and Procedures”, and “Management’s Annual Report on Internal Control over Financial Reporting”.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our audit committee is comprised of Messrs. Stephen Gunn, John Davison and Jean-Marc Huët, with Mr. Davison serving as chairman of the committee. Messrs. Gunn, Davison and Huët each meet the independence requirements under the rules of the New York Stock Exchange and under Rule 10A-3 under the Exchange Act. We have determined that Mr. Davison is an “audit committee financial expert” within the meaning of Item 407 of Regulation S-K. For information relating to qualifications and experience of each audit committee member, see Item 6 - “Directors, Senior Management and Employees”.

ITEM 16B. CODE OF ETHICS

Our board of directors has adopted a code of ethics applicable our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. This code is intended to qualify as a “code of ethics” within the meaning of the applicable rules of the SEC. Our code of ethics is available on our website at <https://investor.canadagoose.com/corporate-governance/governance-overview>. Information contained on, or that can be accessed through, our website is not incorporated by reference into this Annual Report.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Principal Accountant Fees and Services

The following table summarizes the fees charged by Deloitte LLP (PCAOB ID No. 1208) for certain services rendered to our company during fiscal 2023 and fiscal 2022.

| CAD \$ millions | For the year ended | |
|-----------------------------------|--------------------|---------------|
| | April 2, 2023 | April 3, 2022 |
| Audit fees ⁽¹⁾ | 3.7 | 3.8 |
| Audit-related fees ⁽²⁾ | 0.2 | 0.2 |
| Tax fees ⁽³⁾ | 2.7 | 2.3 |
| All other fees ⁽⁴⁾ | 0.2 | 0.2 |
| Total | 6.8 | 6.5 |

- (1) “Audit fees” means the aggregate fees billed in each of the fiscal years for professional services rendered by Deloitte LLP for the audit of our annual financial statements and review of our interim financial statements.
- (2) “Audit-related fees” includes assurance and related services reasonably related to the financial statement audit and not included in audit services.
- (3) “Tax fees” means the aggregate fees billed in each of the fiscal years for professional services rendered by Deloitte LLP for tax compliance and tax advice.
- (4) “All other fees” includes the aggregate fees billed in each of the fiscal years for non-audit services rendered which were not listed above.

Audit Committee Pre-Approval Policies and Procedures

Our audit committee reviews and pre-approves the scope and the cost of audit services related to us and permissible non-audit services performed by the independent auditors, other than those for *de minimis* services which are approved by the audit committee prior to the completion of the audit. All of the services related to our company provided by Deloitte LLP listed above have been pre-approved by the audit committee.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

The listing rules of the NYSE (the “NYSE Listing Rules”), include certain accommodations in the corporate governance requirements that allow foreign private issuers, such as us, to follow “home country” corporate governance practices in lieu of the otherwise applicable corporate governance standards of the NYSE. The application of such exceptions requires that we disclose any significant ways that our corporate governance practices differ from the NYSE Listing Rules that we do not follow. We are currently a “controlled company” as defined in the NYSE Listing Rules. Upon ceasing to be a “controlled company”, as a foreign private issuer, we intend to continue to follow Canadian corporate governance practices and TSX rules in lieu of the corporate governance requirements of the NYSE in respect of the following:

- the requirement under Section 303A.01 of the NYSE Listing Rules that a majority of the board be comprised of independent directors;
- the requirement under Section 303A.04 of the NYSE Listing Rules that director nominees be selected or recommended for selection by a nominations committee comprised solely of independent directors and to post the charter for that committee on our investor website;
- the requirement under Section 303A.05 of the NYSE Listing Rules to have a compensation committee that is comprised solely of independent directors and to post the charter for that committee on our investor website;
- the requirement under Section 303A.08 of the NYSE Listing Rules that shareholders be given the opportunity to vote on all equity-compensation plans and material revisions thereto; and
- the requirement under Section 303A.09 of the NYSE Listing Rules to have a set of corporate governance guidelines and to disclose such guidelines on our investor website.

The NYSE Listing Rules generally require that a listed company’s articles provide for a quorum for any meeting of the holders of the company’s voting shares that is sufficiently high to ensure a representative vote. Pursuant to the NYSE Listing Rules, the company, as a foreign private issuer, has elected to comply with practices that are permitted under Canadian securities laws in lieu of the provisions of NYSE. The company’s articles provide that a quorum of shareholders shall be shareholders present in person or represented by proxy who, together, hold not less than 25% of the issued shares plus at least a majority of multiple voting shares entitled to be voted at the meeting. We may in the future decide to use other foreign private issuer exemptions with respect to some of the other NYSE Listing Rules. Following the company’s home country governance practices, as opposed to the requirements that would otherwise apply to a company listed on the NYSE, may provide less protection than is accorded to investors under the NYSE Listing Rules applicable to U.S. domestic issuers.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS.

See Item 18. — “Financial Statements”.

ITEM 18. FINANCIAL STATEMENTS.

Our Annual Financial Statements are included at the end of this Annual Report.

ITEM 19. EXHIBITS

EXHIBIT INDEX

| | |
|------|---|
| 1.1 | <u>Articles of Canada Goose Holdings Inc. (incorporated by reference to Exhibit 1.1 to our Annual Report on Form 20-F (file no. 001-38027) filed with the SEC on June 6, 2017).</u> |
| 2.1 | <u>Form of Share Certificate for Subordinate Voting Shares (incorporated by reference to Exhibit 4.1 to our Registration Statement on Form F-1 (file no. 333-216078) filed with the SEC on March 1, 2017).</u> |
| 2.2 | <u>Description of Securities (incorporated by reference to Exhibit 2.2 to our Annual Report on Form 20-F (file no. 001-38027) filed with the SEC on May 13, 2021).</u> |
| 4.1 | <u>Investor Rights Agreement by and among Canada Goose Holdings Inc. and certain shareholders of Canada Goose Holdings Inc. (incorporated by reference to Exhibit 10.1 to our Registration Statement on Form F-1 (file no. 333-216078) filed with the SEC on March 10, 2017).</u> |
| 4.2 | <u>Coattail Agreement, between Canada Goose Holdings Inc., certain shareholders of Canada Goose Holdings Inc. and Computershare Trust Company of Canada (incorporated by reference to Exhibit 4.2 to our Annual Report on Form 20-F (file no. 001-38027) filed with the SEC on June 6, 2017).</u> |
| 4.3 | <u>Conformed Copy of Credit Agreement dated December 2, 2016, by and among Canada Goose Holdings Inc., Canada Goose Inc. and Credit Suisse AG, Cayman Islands Branch.</u> |
| 4.4 | <u>Conformed Copy of Third Amended and Restated Credit Agreement dated May 15, 2023 between Canada Goose Holdings Inc., Canada Goose Inc., Canada Goose International AG, and Canadian Imperial Bank of Commerce.</u> |
| 4.5 | <u>Canada Goose Holdings Inc. Amended and Restated Stock Option Plan (incorporated by reference to Exhibit 4.17 to our Annual Report on Form 20-F (file no. 001-38027) filed with the SEC on June 6, 2017).</u> |
| 4.6 | <u>Canada Goose Holdings Inc. Omnibus Incentive Plan (incorporated by reference to Exhibit 4.16 to our Annual Report on Form 20-F (file no. 001-38027) filed with the SEC on May 13, 2021).</u> |
| 4.7 | <u>Form of Option Agreement under the Omnibus Incentive Plan (incorporated by reference to Exhibit 10.19 to our Registration Statement on Form F-1 (file no. 333-216078) filed with the SEC on March 1, 2017).</u> |
| 4.8 | <u>Board Director's Agreement dated September 17, 2015, by and between Canada Goose International AG and Daniel Reiss (incorporated by reference to Exhibit 10.21 to our Registration Statement on Form F-1 (file no. 333-216078) filed with the SEC on February 15, 2017).</u> |
| 4.9 | <u>Canada Goose Holdings Inc. Employee Share Purchase Plan (incorporated by reference to Exhibit 4.28 to our Annual Report on Form 20-F (file no. 001-38027) filed with the SEC on June 6, 2017).</u> |
| 4.10 | <u>Form of Indemnification Agreement for Directors and Officers (incorporated by reference to Exhibit 10.28 to our Registration statement on Form F-1 (file no. 333-216078) filed with the SEC on February 15, 2017).</u> |
| 8.1 | <u>Subsidiaries of Canada Goose Holdings Inc.</u> |
| 12.1 | <u>Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.</u> |
| 12.2 | <u>Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.</u> |
| 13.1 | <u>Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u> |
| 13.2 | <u>Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u> |
| 15.1 | <u>Consent of Deloitte LLP</u> |

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on annual report on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Canada Goose Holdings Inc.

By: _____ /s/ Jonathan Sinclair
Name: Jonathan Sinclair
Title: *Executive Vice President and Chief Financial Officer*

Date: May 17, 2023

Canada Goose Holdings Inc.

Annual Consolidated Financial Statements

April 2, 2023

F-1

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Canada Goose Holdings Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Canada Goose Holdings Inc. and subsidiaries (the "Company") as of April 2, 2023 and April 3, 2022, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended April 2, 2023, and the related notes and the schedule of Condensed Financial Information of Canada Goose Holdings Inc. (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of April 2, 2023 and April 3, 2022 and its financial performance and its cash flows for each of the three years in the period ended April 2, 2023, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of April 2, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 17, 2023, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgements. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which it relates.

Inventory Obsolescence— Refer to Notes 2k, 3 and 10 to the financial statements

Critical Audit Matter Description

Inventory comprises raw materials, work-in-process and finished goods and is carried at the lower of cost and net realizable value. In estimating net realizable value, the Company uses estimates related to fluctuations in inventory levels, planned production, customer behaviour, obsolescence, future selling prices, seasonality and costs necessary to sell the inventory. As a result of management's analysis, included in inventory are provisions for obsolete inventory.

Given the importance of inventory to the Company's operations and the judgement involved in determining net realizable value related to finished goods inventory, specifically estimated future revenue (future selling prices and product demand); our audit procedures involved a high degree of auditor judgement and an increased extent of audit effort.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the future revenue used in determining net realizable value related to finished good inventory included the following, among others:

- Evaluated the effectiveness of controls, including those related to management's process for developing the estimates used in the determination of net realizable value and the provisions for obsolete inventory.
- Analyzed inventory levels and revenue to evaluate the completeness of management's identified population of inventory with obsolescence exposure.
- Performed a retrospective review on the prior year estimated future revenue and compared it to current year activity to evaluate management's ability to accurately estimate the net realizable value.
- Evaluated the reasonableness of future selling prices and product demand by:
 - Comparing future selling price assumptions to historical trends and recent transactions.
 - Assessing management's merchandising strategy to evaluate the reasonableness of management's assumptions relating to the expected impact on overall product demand.
 - Considering industry trends and evidence obtained in other areas of the audit.

Business Combination – Refer to Notes 2(e)(r) and 5 to the financial statements

Critical Audit Matter Description

On April 4, 2022, the Company and Sazaby League, Ltd. entered into an agreement to form a joint venture, Canada Goose Japan, K.K. ("CG Japan"). Management performed an analysis and determined that the Company has control over CG Japan. Once it was established that control existed, the Company accounted for the business combination using the acquisition method of accounting and recognized the assets acquired and the liabilities assumed at fair value, including an intangible asset for customer lists. The Company also accounted for a contingent consideration of \$20 million. In addition, the joint venture agreement includes a put option that allows Sazaby to sell its 50% interest to the Company within six months after certain circumstances constituting a "put option trigger" event occurs. Management recorded a financial liability representing the present value of the put option at the date of the transaction. In determining the present value of the put option liability, management was required to make assumptions around future cash flows and the appropriate discount rate.

Several estimates and assumptions were made by management in the determination of whether the Company controlled CG Japan, of the accounting treatment for the put option, and of the discount rate used to value the intangible assets, the contingent consideration and the put option. Auditing these elements required a high degree of auditor judgment and an increased extent of audit effort, including the use of various specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the elements above included the following, among others:

- Evaluated the effectiveness of controls over management's process for determining the basis of accounting for CG Japan and over the determination of the discount rate used to value the intangible assets, the contingent consideration and the put option;
- With the assistance of technical accounting specialists, evaluated the reasonableness of management's judgments in the determination that control existed and in the accounting treatment for the put option by:
 - Reviewing the joint venture and other related agreements and;
 - Evaluating management's conclusions against accounting guidance;
- With the assistance of fair value specialists, evaluated the reasonableness of the discount rate used to value the intangible assets, the contingent consideration and the put option by comparing the Company's discount rate to external data related to rates of return based on stages of enterprise development.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
May 17, 2023

We have served as the Company's auditor since fiscal 2010.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Canada Goose Holdings Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Canada Goose Holdings Inc. and subsidiaries (the “Company”) as of April 2, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of April 2, 2023, based on criteria established in *Internal Control-Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended April 2, 2023, of the Company and our report dated May 17, 2023, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
May 17, 2023

Consolidated Statements of Income
(in millions of Canadian dollars, except per share amounts)

| | Notes | Year ended | | |
|---|------------|------------------|------------------|-------------------|
| | | April 2, 2023 | April 3, 2022 | March 28, 2021 |
| | | \$ | \$ | \$ |
| Revenue | 6 | 1,217.0 | 1,098.4 | 903.7 |
| Cost of sales | 10 | 401.8 | 364.8 | 349.7 |
| Gross profit | | 815.2 | 733.6 | 554.0 |
| Selling, general & administrative expenses | 11, 12, 13 | 679.7 | 576.9 | 437.0 |
| Operating income | | 135.5 | 156.7 | 117.0 |
| Net interest, finance and other costs | 17 | 42.0 | 39.0 | 30.9 |
| Income before income taxes | | 93.5 | 117.7 | 86.1 |
| Income tax expense | 7 | 24.6 | 23.1 | 15.8 |
| Net income | | 68.9 | 94.6 | 70.3 |
| Attributable to: | | | | |
| Shareholders of the Company | | 72.7 | 94.6 | 70.3 |
| Non-controlling interest | | (3.8) | — | — |
| Net income | | 68.9 | 94.6 | 70.3 |
| Earnings per share attributable to shareholders of the Company | | | | |
| Basic | 8 | \$ 0.69 | \$ 0.87 | \$ 0.64 |
| Diluted | 8 | \$ 0.69 | \$ 0.87 | \$ 0.63 |

The accompanying notes to the consolidated financial statements are an integral part of these financial statements.

Consolidated Statements of Comprehensive Income
(in millions of Canadian dollars, except per share amounts)

| | Notes | Year ended | | |
|---|-------|------------------|------------------|-------------------|
| | | April 2, 2023 | April 3, 2022 | March 28, 2021 |
| | | \$ | \$ | \$ |
| Net income | | 68.9 | 94.6 | 70.3 |
| Other comprehensive income (loss) | | | | |
| Items that will not be reclassified to earnings, net of tax: | | | | |
| Actuarial gain on post-employment obligation | | 0.6 | 0.1 | 0.7 |
| Items that may be reclassified to earnings, net of tax: | | | | |
| Cumulative translation adjustment gain (loss) | | 16.1 | (25.5) | (12.3) |
| Net gain (loss) on derivatives designated as cash flow hedges | 22 | 0.4 | 8.7 | (1.2) |
| Reclassification of net loss on cash flow hedges to income | 22 | 6.0 | 4.7 | 7.3 |
| Net gain on derivatives designated as a net investment hedge | 22 | — | — | 0.2 |
| Other comprehensive income (loss) | | 23.1 | (12.0) | (5.3) |
| Comprehensive income | | 92.0 | 82.6 | 65.0 |
| Attributable to: | | | | |
| Shareholders of the Company | | 95.7 | 82.6 | 65.0 |
| Non-controlling interest | | (3.7) | — | — |
| Comprehensive income | | 92.0 | 82.6 | 65.0 |

The accompanying notes to the consolidated financial statements are an integral part of these financial statements.

Consolidated Statements of Financial Position
(in millions of Canadian dollars)

| | Notes | April 2, 2023 | April 3, 2022 |
|--|--------|------------------|------------------|
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash | 5 | 286.5 | 287.7 |
| Trade receivables | 9 | 50.9 | 42.7 |
| Inventories | 5, 10 | 472.6 | 393.3 |
| Income taxes receivable | 7 | 0.9 | 1.1 |
| Other current assets | 5, 21 | 52.3 | 37.5 |
| Total current assets | | 863.2 | 762.3 |
| Deferred income taxes | 7 | 67.5 | 53.2 |
| Property, plant and equipment | 5, 11 | 156.0 | 114.2 |
| Intangible assets | 5, 12 | 135.1 | 122.2 |
| Right-of-use assets | 5, 13 | 291.8 | 215.2 |
| Goodwill | 5, 14 | 63.9 | 53.1 |
| Other long-term assets | 21 | 12.5 | 20.4 |
| Total assets | | 1,590.0 | 1,340.6 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 15, 21 | 195.6 | 176.2 |
| Provisions | 16 | 21.6 | 18.5 |
| Income taxes payable | 7 | 31.5 | 24.5 |
| Short-term borrowings | 5, 17 | 27.6 | 3.8 |
| Current portion of lease liabilities | 5, 13 | 76.1 | 58.5 |
| Total current liabilities | | 352.4 | 281.5 |
| Provisions | 5, 16 | 36.5 | 31.3 |
| Deferred income taxes | 7 | 16.4 | 15.8 |
| Term loan | 17 | 391.6 | 366.2 |
| Lease liabilities | 5, 13 | 258.7 | 192.2 |
| Other long-term liabilities | 5, 21 | 56.9 | 25.7 |
| Total liabilities | | 1,112.5 | 912.7 |
| Equity | | | |
| | 18 | | |
| Equity attributable to shareholders of the Company | | 469.5 | 427.9 |
| Non-controlling interests | | 8.0 | — |
| Total equity | | 477.5 | 427.9 |
| Total liabilities and equity | | 1,590.0 | 1,340.6 |

The accompanying notes to the consolidated financial statements are an integral part of these financial statements.

Consolidated Statements of Changes in Equity
(in millions of Canadian dollars)

| | Notes | Share capital | | | Contributed surplus | Retained earnings | Accumulated other comprehensive income (loss) | Total attributable to shareholders | Non-controlling interest | Total |
|--|-------|------------------------|---------------------------|--------|---------------------|-------------------|---|------------------------------------|--------------------------|---------|
| | | Multiple voting shares | Subordinate voting shares | Total | | | | | | |
| | | \$ | \$ | \$ | | | | | | |
| Balance at March 29, 2020 | | 1.4 | 113.3 | 114.7 | 15.7 | 366.8 | 0.1 | 497.3 | — | 497.3 |
| Issuance of shares | 18 | — | 5.8 | 5.8 | (1.8) | — | — | 4.0 | — | 4.0 |
| Net income | | — | — | — | — | 70.3 | — | 70.3 | — | 70.3 |
| Other comprehensive loss | | — | — | — | — | — | (5.3) | (5.3) | — | (5.3) |
| Share-based payment | 19 | — | — | — | 11.3 | — | — | 11.3 | — | 11.3 |
| Balance at March 28, 2021 | | 1.4 | 119.1 | 120.5 | 25.2 | 437.1 | (5.2) | 577.6 | — | 577.6 |
| Normal course issuer bid purchase of subordinate voting shares | 18 | — | (11.9) | (11.9) | — | (241.3) | — | (253.2) | — | (253.2) |
| Issuance of shares | 18 | — | 9.9 | 9.9 | (2.8) | — | — | 7.1 | — | 7.1 |
| Net income | | — | — | — | — | 94.6 | — | 94.6 | — | 94.6 |
| Other comprehensive loss | | — | — | — | — | — | (12.0) | (12.0) | — | (12.0) |
| Share-based payment | 19 | — | — | — | 14.0 | — | — | 14.0 | — | 14.0 |
| Deferred tax on share-based payment | | — | — | — | (0.2) | — | — | (0.2) | — | (0.2) |
| Balance at April 3, 2022 | | 1.4 | 117.1 | 118.5 | 36.2 | 290.4 | (17.2) | 427.9 | — | 427.9 |
| Non-controlling interest on business combination | 5 | — | — | — | — | — | — | — | 11.7 | 11.7 |
| Put option for non-controlling interest | 5 | — | — | — | — | (21.2) | — | (21.2) | — | (21.2) |
| Normal course issuer bid purchase of subordinate voting shares | 18 | — | (2.4) | (2.4) | — | (24.3) | — | (26.7) | — | (26.7) |
| Normal course issuer bid purchase of subordinate voting shares held for cancellation | 18 | — | (0.1) | (0.1) | — | (1.1) | — | (1.2) | — | (1.2) |
| Liability to broker under automatic share purchase plan | 18 | — | — | — | (20.0) | — | — | (20.0) | — | (20.0) |
| Issuance of shares | 18 | — | 2.7 | 2.7 | (2.7) | — | — | — | — | — |
| Net income | | — | — | — | — | 72.7 | — | 72.7 | (3.8) | 68.9 |
| Other comprehensive income | | — | — | — | — | — | 23.0 | 23.0 | 0.1 | 23.1 |
| Share-based payment | 19 | — | — | — | 15.0 | — | — | 15.0 | — | 15.0 |
| Balance at April 2, 2023 | | 1.4 | 117.3 | 118.7 | 28.5 | 316.5 | 5.8 | 469.5 | 8.0 | 477.5 |

The accompanying notes to the consolidated financial statements are an integral part of these financial statements.

Consolidated Statements of Cash Flows
(in millions of Canadian dollars)

| | Notes | Year ended | | |
|--|------------|------------------|------------------|-------------------|
| | | April 2, 2023 | April 3, 2022 | March 28, 2021 |
| | | \$ | \$ | \$ |
| Operating activities | | | | |
| Net income | | 68.9 | 94.6 | 70.3 |
| Items not affecting cash: | | | | |
| Depreciation and amortization | 11, 12, 13 | 109.1 | 95.8 | 77.4 |
| Income tax expense | 7 | 24.6 | 23.1 | 15.8 |
| Interest expense | 17 | 34.0 | 38.1 | 26.7 |
| Foreign exchange loss | | 0.3 | 9.0 | 9.0 |
| Acceleration of unamortized costs on debt extinguishment | 17 | — | 9.5 | 1.1 |
| Impairment losses | 11, 13 | 1.0 | 7.7 | — |
| (Gain) loss on disposal of assets | | (0.1) | 0.1 | 0.3 |
| Share-based payment | 19 | 15.0 | 14.0 | 11.3 |
| Remeasurement of put option | 5 | 10.9 | — | — |
| Remeasurement of contingent consideration | 5 | (2.9) | — | — |
| | | 260.8 | 291.9 | 211.9 |
| Changes in non-cash operating items | 23 | (75.4) | (82.8) | 104.5 |
| Income taxes paid | | (37.0) | (25.2) | (6.8) |
| Interest paid | | (32.1) | (32.3) | (21.0) |
| Net cash from operating activities | | 116.3 | 151.6 | 288.6 |
| Investing activities | | | | |
| Purchase of property, plant and equipment | 11 | (45.2) | (34.5) | (26.9) |
| Investment in intangible assets | 12 | (2.2) | (1.5) | — |
| Initial direct costs of right-of-use assets | 13 | (0.7) | (1.2) | — |
| Net cash inflow from business combination | 5 | 2.8 | — | — |
| Net cash used in investing activities | | (45.3) | (37.2) | (26.9) |
| Financing activities | | | | |
| Mainland China Facilities borrowings | 17 | 9.8 | — | — |
| Japan Facility repayments | 5, 17 | (5.7) | — | — |
| Term loan repayments | 17 | (4.0) | (4.7) | — |
| Term loan borrowings | 17 | — | — | 247.5 |
| Revolving facility (repayments) borrowings | 17 | (0.5) | 0.5 | — |
| Transaction costs on financing activities | 17 | — | (1.0) | (10.8) |
| Subordinate voting shares purchased and cancelled under NCIB | 18 | (26.7) | (253.2) | — |
| Principal payments on lease liabilities | 13 | (62.2) | (46.9) | (38.8) |
| Settlement of term loan derivative contracts | 22 | 8.6 | — | (4.9) |
| Issuance of shares | 19 | — | 7.1 | 4.0 |
| Net cash (used in) from financing activities | | (80.7) | (298.2) | 197.0 |
| Effects of foreign currency exchange rate changes on cash | | 8.5 | (6.4) | (12.5) |
| (Decrease) increase in cash | | (1.2) | (190.2) | 446.2 |
| Cash, beginning of period | | 287.7 | 477.9 | 31.7 |
| Cash, end of period | | 286.5 | 287.7 | 477.9 |

The accompanying notes to the consolidated financial statements are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

April 2, 2023

(in millions of Canadian dollars, except share and per share data)

Note 1. The Company

Organization

Canada Goose Holdings Inc. and its subsidiaries (the “Company”) design, manufacture, and sell performance luxury apparel for men, women, youth, children, and babies. The Company’s product offerings include various styles of parkas, lightweight down jackets, rainwear, windwear, apparel, fleece, footwear, and accessories for the fall, winter, and spring seasons. The Company’s head office is located at 250 Bowie Avenue, Toronto, Canada M6E 4Y2. The use of the terms “Canada Goose”, “we”, “us” and “our” throughout these notes to the consolidated financial statements refer to the Company.

Canada Goose is a public company listed on the Toronto Stock Exchange and the New York Stock Exchange under the trading symbol “GOOS”. The principal shareholders of the Company are investment funds advised by Bain Capital LP and its affiliates (“Bain Capital”), and DTR LLC, (“DTR”), an entity indirectly controlled by the Chairman and Chief Executive Officer of the Company. The principal shareholders hold multiple voting shares representing 49.0% of the total shares outstanding as at April 2, 2023, or 90.6% of the combined voting power of the total voting shares outstanding. Subordinate voting shares that trade on public markets represent 51.0% of the total shares outstanding as at April 2, 2023, or 9.4% of the combined voting power of the total voting shares outstanding.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were authorized for issuance by the Company’s Board of Directors on May 17, 2023.

Fiscal year

The Company's fiscal year is a 52 or 53-week reporting cycle with the fiscal year ending on the Sunday closest to March 31. Each fiscal quarter is 13 weeks for a 52-week fiscal year. The additional week in a 53-week fiscal year is added to the third quarter. Fiscal 2022 was the first 53-week fiscal year, which ended on April 3, 2022.

Operating segments

The Company classifies its business in three operating and reportable segments: Direct-to-Consumer (“DTC”), Wholesale, and Other. The DTC segment comprises sales through country-specific e-Commerce platforms and our Company-owned retail stores located in luxury shopping locations.

The Wholesale segment comprises sales made to a mix of retailers and international distributors, who are partners that have exclusive rights to an entire market.

Notes to the Consolidated Financial Statements

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The Other segment comprises sales and costs that do not occur through the DTC or Wholesale segments, such as sales to employees, friends and family sales, and selling, general, and administrative ("SG&A") expenses. The Other segment includes the cost of marketing expenditures to build brand awareness across all segments, corporate costs in support of manufacturing operations, other corporate costs, and foreign exchange gains and losses not specifically associated with DTC or Wholesale segment operations.

Within the Other segment, comparative information for fiscal 2021 also includes sales of personal protective equipment ("PPE") in response to the novel coronavirus pandemic ("COVID-19") along with costs incurred as a consequence of COVID-19 including overhead costs resulting from the temporary closure of our manufacturing facilities.

Seasonality

Our business is seasonal, and we have historically realized a significant portion of our wholesale revenue and operating income in the second and third quarters of the fiscal year and DTC revenue and operating income in the third and fourth quarters of the fiscal year. Thus, lower-than-expected revenue in these periods could have an adverse impact on our annual operating results.

Cash flows from operating activities are typically highest in the third and fourth quarters of the fiscal year due to revenue from the DTC segment and the collection of trade receivables from wholesale revenue earlier in the year. Working capital requirements typically increase as inventory builds.

COVID-19 pandemic

COVID-19 may continue to impact the global economy, which may result in restrictions and recommended precautions to mitigate the spread of the virus. While restrictions have been lifted across all geographies, additional restrictions may arise that we are not aware of currently.

Note 2. Significant accounting policies

(a) Basis of presentation

The consolidated financial statements are presented in Canadian dollars, the Company's functional and presentation currency.

These consolidated financial statements have been prepared on the historical cost basis except for the following items, which are recorded at fair value:

- financial instruments, including derivative financial instruments, at fair value in other comprehensive income and through profit or loss as described in note 21, and
- initial recognition of assets acquired and liabilities assumed in a business combination.

Certain comparative figures have been reclassified to conform with the current year presentation.

Notes to the Consolidated Financial Statements
April 2, 2023

(in millions of Canadian dollars, except share and per share data)

(b) Principles of consolidation

The consolidated financial statements include the accounts of Canada Goose Holdings Inc. and its subsidiaries. All intercompany transactions and balances have been eliminated.

(c) Foreign currency translation and transactions

The functional currency of each of the Company's subsidiaries is the currency of the primary economic environment in which each entity operates. The assets and liabilities of subsidiaries whose functional currency is not the Canadian dollar are translated into the functional currency of the Company using the exchange rate at the reporting date. Revenues and expenses are translated at exchange rates prevailing at the transaction date. The resulting foreign exchange translation differences are recorded as a currency translation adjustment in other comprehensive income.

Foreign currency transactions are translated into the functional currency of each of the Company's subsidiaries using the exchange rates prevailing at the date of the transactions or valuation when items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the changes at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of income in SG&A expenses, except when included in other comprehensive income for qualifying cash flow and net investment hedges.

Functional currency of subsidiary

Each entity within the Company determines its functional currency based on the primary economic environment in which the entity operates. Once an entity's functional currency is determined, it is not changed unless there is a change to the underlying transactions, events, and conditions that determine the entity's primary economic environment.

(d) Revenue recognition

Revenue comprises DTC, Wholesale and Other segment revenues. Revenue is measured at the amount of consideration to which the Company expects to be entitled in exchange for the sale of goods in the ordinary course of the Company's activities. Revenue is presented net of sales tax, estimated returns, sales allowances, and discounts. The Company recognizes revenue when the Company has agreed terms with its customers, the contractual rights and payment terms have been identified, the contract has commercial substance, it is probable that consideration will be collected by the Company, and when control of the goods is transferred to the customer.

It is the Company's policy to sell merchandise through the DTC channel with a limited right of return, typically within 30 days. Accumulated experience is used to estimate and provide for such returns.

Notes to the Consolidated Financial Statements

April 2, 2023

(in millions of Canadian dollars, except share and per share data)

(e) Business combination

Acquisitions of businesses are accounted for using the acquisition method as of the acquisition date, which is the date when control is transferred to the Company. The consideration transferred in a business combination is measured at fair value, calculated as the sum of the acquisition date fair values of the assets transferred, liabilities incurred by the Company, and the equity interests issued by the Company in exchange for control of the acquiree. Transaction costs that the Company incurs in connection with a business combination are recognized in the statements of income as incurred.

Goodwill is measured as the excess of the sum of the fair value of the consideration transferred over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred in a business combination includes contingent consideration, the contingent consideration is measured at its acquisition date fair value. Contingent consideration is remeasured at subsequent reporting dates at its fair value, and the resulting gain or loss recognized in the statements of income.

(f) Non-controlling interest

Non-controlling interest is measured based on the proportionate share of the acquiree's identifiable net assets. Transactions with non-controlling interests are treated as transactions with equity owners of the Company. Changes in the Company's ownership interest are accounted for as equity transactions.

(g) Earnings per share

Basic earnings per share is calculated by dividing net income attributable to ordinary equity holders by the weighted average number of multiple and subordinate voting shares outstanding during the year.

Diluted earnings per share is calculated by dividing net income attributable to ordinary equity holders of the Company by the weighted average number of multiple and subordinate voting shares outstanding during the year plus the weighted average number of subordinate shares that would be issued on the exercise of stock options and settlement of restricted share units ("RSUs").

(h) Income taxes

Current and deferred income taxes are recognized in the statements of income, except when it relates to a business combination, or items recognized in equity or in other comprehensive income.

Current income tax

Current income tax is the expected income tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to income tax payable in respect of previous years.

Notes to the Consolidated Financial Statements
April 2, 2023

(in millions of Canadian dollars, except share and per share data)

Deferred income tax

Deferred income tax is provided using the liability method for temporary differences at the reporting date between the income tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax is measured using enacted or substantively enacted income tax rates expected to apply in the years in which those temporary differences are expected to be recovered or settled. A deferred tax asset is recognized for unused income tax losses and credits to the extent that it is probable that future taxable income will be available against which they can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred tax relates to the same taxable entity and the same taxation authority.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

(i) Cash

Cash consists of cash and cash equivalents, including cash on hand, deposits in banks, and short-term deposits with maturities of less than three months. The Company uses the indirect method of reporting cash flows from operating activities.

(j) Trade receivables

Trade receivables, including credit card receivables, consist of amounts owing on product sales where we have extended credit to customers, and are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less expected credit loss and sales allowances. The allowance for expected credit losses is recorded against trade receivables and is based on historical experience.

Notes to the Consolidated Financial Statements
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(in millions of Canadian dollars, except share and per share data)

(k) Inventories

Raw materials, work-in-process, and finished goods are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. The cost of work-in-process and finished goods inventories include the cost of raw materials and an applicable share of the cost of labour and fixed and variable production overhead costs, including the depreciation of property, plant and equipment used in the production of finished goods, design costs, and other costs incurred to bring the inventories to their present location and condition.

The Company estimates net realizable value as the amount at which inventories are expected to be sold, taking into consideration fluctuations in selling prices due to seasonality, less estimated costs necessary to complete the sale.

Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage, or declining selling prices. Inventory is adjusted to reflect estimated loss ("shrinkage") incurred since the last inventory count. Shrinkage is based on historical experience. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in realizable value, the amount of the write-down previously recorded is reversed.

Storage costs, indirect administrative overhead and certain selling costs related to inventories are expensed in the period that these costs are incurred.

(l) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset, including costs incurred to prepare the asset for its intended use and capitalized borrowing costs, when the recognition criteria are met. The commencement date for capitalization of costs occurs when the Company first incurs expenditures for the qualifying assets and undertakes the required activities to prepare the assets for their intended use.

Property, plant and equipment assets are depreciated on a straight-line basis over their estimated useful lives when the assets are available for use. When significant parts of a fixed asset have different useful lives, they are accounted for as separate components and depreciated separately. Depreciation methods and useful lives are reviewed annually and are adjusted for prospectively, if appropriate. Estimated useful lives are as follows:

| Asset Category | Estimated Useful Life |
|---------------------------------|--|
| Plant equipment (except moulds) | 10 years |
| Footwear moulds | 5 years |
| Computer equipment | 3 years |
| Leasehold improvements | Lesser of the lease term or useful life of the asset |
| Show displays | 5 years |
| Furniture and fixtures | 5 to 10 years |

Notes to the Consolidated Financial Statements
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(in millions of Canadian dollars, except share and per share data)

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the statements of income when the asset is derecognized.

The cost of repairs and maintenance of property, plant and equipment is expensed as incurred and recognized in the statements of income.

Property, plant and equipment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset is then tested for impairment by comparing its recoverable amount to its carrying value. Impairment losses are recorded in the statements of income.

(m) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets with finite lives are carried at cost less any accumulated amortization and any accumulated impairment losses.

An internally generated intangible asset is recorded for product development costs which are included within intellectual property. Product development costs are incurred in the design, production and testing of new products where the technical feasibility of commercial manufacturing and sale of the product has been demonstrated. With continued emphasis on DTC expansion, effective the first quarter of fiscal 2021, any new or incremental product development costs were recognized in SG&A expenses in the statements of income as they more closely support current selling and marketing activities. Those product development costs included in existing inventory and intangible assets will continue to be recognized within the cost of sales and all product development costs have been amortized. As at April 3, 2022, all product development costs have been fully amortized.

The useful lives of intangible assets are assessed as either finite or indefinite.

| Asset Category | Estimated Useful Life |
|-----------------------|------------------------------|
| Brand name | Indefinite |
| Domain name | Indefinite |
| Software | 5 to 7 years |
| Intellectual property | 1 to 8 years |
| Customer lists | 10 years |
| Distribution rights | 10 years |

Intangible assets with indefinite useful lives consists of the Canada Goose and Baffin brand names and domain name, which were acquired as part of an acquisition and were recorded at their estimated fair value. The brand names and domain name are considered to have an indefinite life based on a history of revenue and cash flow performance, and the intent and ability of the Company to support the brand with spending to maintain its value for the foreseeable future. The brand names and domain name are tested at least annually for impairment, at the cash-generating unit ("CGU")

Notes to the Consolidated Financial Statements

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(in millions of Canadian dollars, except share and per share data)

level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Intangible assets with finite lives are amortized over the useful economic life on a straight-line basis. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statements of income over the asset's estimated useful life.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use. Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are included in the statements of income when the asset is derecognized.

Intangible assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset is then tested for impairment by comparing its recoverable amount to its carrying value. Any resulting impairment loss is recorded in the statements of income.

(n) Leases

The Company recognizes a right-of-use asset and a lease liability based on the present value of the future lease payments at the commencement date. The commencement date is when the lessor makes the leased asset available for use by the Company, typically the possession date. The discount rate used in the present value calculation for lease payments is the incremental borrowing rate, if the rate implicit in the lease is not readily determinable, for each leased asset or portfolio of leased assets with similar characteristics by reference to the Company's creditworthiness, the security, term and value of the underlying leased asset, and the economic environment in which the leased asset operates. The lease term is determined as the non-cancellable periods of a lease, together with periods covered by a renewal option if the Company is reasonably certain to exercise that option and a termination option if the Company is reasonably certain not to exercise that option.

Leases of low-value assets and short-term leases are not included in the calculation of lease liabilities. These lease expenses are recognized in cost of sales or SG&A expenses on a straight-line or other systematic basis.

Lease liabilities

Lease liabilities are measured at the present value of future lease payments, discounted using the Company's incremental borrowing rates, and include the fixed payments, variable lease payments that depend on an index or a rate, less any lease incentives receivable. Subsequent to initial measurement, the Company measures lease liabilities at amortized cost using the effective interest rate method. Lease liabilities are remeasured when there are changes to the lease payments, lease term, assessment of

Notes to the Consolidated Financial Statements

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(in millions of Canadian dollars, except share and per share data)

an option to purchase the underlying asset, expected residual value guarantee, or future lease payments due to a change in the index or rate tied to the payment.

Right-of-use assets

Right-of-use assets are measured at the initial amount of the lease liabilities, lease payments made at or before the commencement date less any lease incentives received, initial direct costs, if any, and decommissioning costs to restore the site to the condition required by the terms and conditions of the lease, and net of accumulated impairment losses. Subsequent to initial measurement, the Company applies the cost model to the right-of-use assets and measures the asset at cost less any accumulated depreciation, accumulated impairment losses in accordance with IAS 36, and any remeasurements of the lease liabilities. Assets are depreciated from the commencement date on a straight-line basis over the earlier of the end of the assets' useful lives or the end of the lease terms.

Right-of-use assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset is then tested for impairment by comparing its recoverable amount to its carrying value. Impairment losses are recorded in the statements of income.

(o) Goodwill

Goodwill represents the difference between the purchase price of an acquired business and the Company's share of the net identifiable assets acquired and liabilities assumed and any contingent liabilities assumed. It is initially recorded at cost and subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to CGUs based on the lowest level within the entity in which the goodwill is monitored for internal management purposes. The allocation is made to the CGUs that are expected to benefit from the business combination in which the goodwill arose. Any potential impairment of goodwill is identified by comparing the recoverable amount of a CGU to its carrying value. An impairment loss is recognized if the carrying amount of CGU exceeds its recoverable amount. Any loss identified is first applied to reduce the carrying amount of goodwill allocated to the CGU, and then to reduce the carrying amounts of the remaining assets in the CGU on a pro-rata basis. The Company tests goodwill for impairment annually at the reporting date.

The recoverable amount of a CGU is the higher of the estimated fair value less costs of disposal or value-in-use of the CGU. In assessing value-in-use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company has determined that the goodwill contributes to the cash flows of eleven CGUs (April 3, 2022 - ten CGUs). The increase in CGUs from the comparative period is attributable to the recognition of the Japan Joint Venture which represents an additional CGU. No other changes were made to the existing CGUs from the previous year. See "Note 5. Business combination" for more details.

Notes to the Consolidated Financial Statements
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(in millions of Canadian dollars, except share and per share data)

(p) Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statements of income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized in the statements of income.

The provision for warranty returns relates to the Company's obligation for defective goods sold to customers that have yet to be returned for exchange or repair. Accruals for warranty returns are estimated on the basis of historical returns and are recorded so as to allocate them to the same period the corresponding revenue is recognized.

(q) Employee future benefits

The Company sponsors a defined benefit pension plan membership, which is limited to certain employees of Canada Goose International AG and other subsidiaries who reside in Switzerland.

The measurement date for the defined benefit pension plan is April 2, 2023, the reporting date. The obligation associated with the Company's defined benefit pension plan is actuarially valued using the projected unit credit method and management's best estimate of the discount rate, future salary increases, mortality rates and retirement rates. Assets are measured at fair value. The obligation in excess of plan assets is recorded as a liability. All actuarial gains or losses, net of tax, are recognized immediately through other comprehensive income.

(r) Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Company uses valuation techniques that it believes are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

There was no change in the valuation techniques applied to financial instruments during all periods presented. The following table describes the valuation techniques used in the determination of the fair values of financial instruments:

| Type | Valuation Approach |
|---|---|
| Cash, trade receivables, accounts payable and accrued liabilities | The carrying amount approximates fair value due to the short term maturity of these instruments. |
| Derivatives (included in other current assets, other long-term assets, accounts payable and accrued liabilities or other long-term liabilities) | Specific valuation techniques used to value derivative financial instruments include: - quoted market prices or dealer quotes for similar instruments; - observable market information as well as valuations determined by external valuers with experience in the financial markets. |
| Revolving facility, term loan, Mainland China Facilities, and Japan Facility | The fair value is based on the present value of contractual cash flows, discounted at the Company's current incremental borrowing rate for similar types of borrowing arrangements or, where applicable, market rates. |
| Put option liability | The fair value is based on the present value of the amount expected to be paid to the non-controlling shareholder if the put option is exercised. Subsequent changes in the present value of the amount that could be required to be paid at each reporting date are recorded with the statements of income until the put option is exercised or expires. |
| Contingent consideration | The fair value of the applicable contingent consideration is determined based on the estimated financial outcome and the resulting expected contingent consideration to be paid, discounted using an appropriate rate. Subsequent changes in the fair value is recognized in the statements of income. |

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(s) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below.

i) Non-derivative financial assets

Non-derivative financial assets include cash and trade receivables which are measured at amortized cost. The Company initially recognizes receivables and deposits on the date that they are originated. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

ii) Non-derivative financial liabilities

Non-derivative financial liabilities include accounts payable, accrued liabilities, the revolving facility, the term loan, the Mainland China Facilities (as defined below) and the Japan Facility (as defined below). The Company initially recognizes debt instruments on the date that they are originated. All other financial liabilities are recognized initially on the trade date on which the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

In respect of non-controlling interests, a financial liability is recognized for the put option based on the present value of the amount expected to be paid to the non-controlling shareholder if exercised. Subsequently, the put option liability is adjusted to reflect changes in the present value of the amount that could be required to be paid at each reporting date, with fluctuations being recorded within the statements of income, until it is exercised or expires. The put option is measured at fair value through profit or loss.

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iii) Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument. When a derivative financial instrument, including an embedded derivative, is not designated and effective in a qualifying hedge relationship, all changes in its fair value are recognized immediately in the statements of income; attributable transaction costs are recognized in the statements of income as incurred. The Company does not use derivatives for trading or speculative purposes.

Embedded derivatives are separated from a host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related.

iv) Hedge accounting

The Company is exposed to the risk of currency fluctuations and has entered into currency derivative contracts to hedge its exposure on the basis of planned transactions. Where hedge accounting is applied, the criteria are documented at the inception of the hedge and updated at each reporting date. The Company documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking the hedging transactions. The Company also documents its assessment, at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The fair value of a hedging derivative is classified as a current asset or liability when the maturity of the hedged item is less than twelve months, and as a non-current asset or liability when the maturity of the hedged item is more than twelve months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized, net of tax, in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statements of income. Amounts accumulated in other comprehensive income are transferred to the statements of income in the periods when the hedged item affects net income. When a forecasted transaction that is hedged results in the recognition of a non-financial asset or liability, such as inventory, the amounts are included in the measurement of the cost of the related asset or liability. The deferred amounts are ultimately recognized in the statements of income.

Hedges of net investments are accounted for similarly to cash flow hedges, with unrealized gains and losses recognized, net of tax, in other comprehensive income. Amounts included in other comprehensive income are transferred to the statements of income in the period when the foreign operation is disposed of or sold.

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(t) Share-based payments

Share-based payments are valued based on the grant date fair value of these awards and the Company records compensation expense over the corresponding service period. The fair value of the share-based payments is determined using acceptable valuation techniques.

The Company has issued stock options to purchase subordinate voting shares and RSUs under its equity incentive plans, prior to the public offering on March 21, 2017 (the “Legacy Plan”) and subsequently (the “Omnibus Plan”). All Legacy Plan options have fully vested or been cancelled prior to the year ended April 2, 2023. Under the terms of the Omnibus Plan, options are granted to certain executives of the Company with vesting, generally over four years, contingent upon meeting the service conditions of the Omnibus Plan. The compensation expense related to the options and RSUs is recognized ratably over the requisite service period, provided it is probable that the vesting conditions will be achieved and the occurrence of the exit event, if applicable, is probable.

Note 3. Significant accounting judgments, estimates, and assumptions

The preparation of the consolidated financial statements requires management to make estimates and judgments in applying the Company’s accounting policies that affect the reported amounts and disclosures made in the consolidated financial statements and accompanying notes.

Estimates and assumptions are used mainly in determining the measurement of balances recognized or disclosed in the consolidated financial statements and are based on a set of underlying data that may include management’s historical experience, knowledge of current events and conditions and other factors that are believed to be reasonable under the circumstances. Management continually evaluates the estimates and judgments it uses. These estimates and judgments have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in making these estimates and judgments in these financial statements.

The following are the accounting policies subject to judgments and key sources of estimation uncertainty that the Company believes could have the most significant impact on the amounts recognized in the consolidated financial statements.

Functional currency

Judgments Made in Relation to Accounting Policies Applied: The Company assesses the relevant factors related to the primary economic environment in which its entities operate to determine the functional currency. Where the assessment of primary indicators is mixed, management assesses the secondary indicators, including the relationship between the foreign operations and reporting entity.

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Income and other taxes

Key Sources of Estimation: In determining the recoverable amount of deferred tax assets, the Company forecasts future taxable income by legal entity and the period in which the income occurs to ensure that sufficient taxable income exists to utilize the attributes. Inputs to those projections are Board-approved financial forecasts and statutory tax rates.

Judgments Made in Relation to Accounting Policies Applied: The calculation of current and deferred income taxes requires management to make certain judgments regarding the tax rules in jurisdictions where the Company performs activities. Application of judgments is required regarding the classification of transactions and in assessing probable outcomes of claimed deductions including expectations about future operating results, the timing and reversal of temporary differences and possible audits of income tax and other tax filings by the tax authorities.

Trade receivables

Key Sources of Estimation: The Company has a significant number of customers which minimizes the concentration of credit risk. The Company does not have any customers which account for more than 10% of sales or accounts receivable. Ongoing estimates are made relating to the ability to collect our accounts receivable and maintain an allowance for estimated credit losses resulting from the inability of our customers to make required payments. In determining the amount of expected credit losses, the Company considers the historical level of credit losses and makes judgments about the creditworthiness of significant customers based on ongoing credit evaluations.

Inventories

Key Sources of Estimation: Inventories are carried at the lower of cost and net realizable value. In estimating net realizable value, the Company uses estimates related to fluctuations in inventory levels, planned production, customer behaviour, obsolescence, future selling prices, seasonality and costs necessary to sell the inventory. Inventory is adjusted to reflect shrinkage incurred since the last inventory count. Shrinkage is based on historical experience.

Leases

Judgments Made in Relation to Accounting Policies Applied: The Company exercises judgment when contracts are entered into that may give rise to a right-of-use asset that would be accounted for as a lease. Judgment is required in determining the appropriate lease term on a lease by lease basis. The Company considers all facts and circumstances that create an economic incentive to exercise a renewal option or to not exercise a termination option at inception and over the term of the lease, including investments in major leaseholds, operating performance, and changed circumstances. The periods covered by renewal or termination options are only included in the lease term if the Company is reasonably certain to exercise that option. Changes in the economic environment or changes in the retail industry may impact the assessment of the lease term and any changes in the estimate of lease terms may have a material impact on the Company's statement of financial position.

Key Sources of Estimation: The critical assumptions and estimates used in determining the present value of future lease payments require the Company to estimate the incremental borrowing rate specific to each leased asset or portfolio of leased assets. Management determines the incremental borrowing rate of each leased asset or portfolio of leased assets by

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incorporating the Company's creditworthiness, the security, term, and value of the underlying leased asset, and the economic environment in which the leased asset operates. The incremental borrowing rates are subject to change mainly due to macroeconomic changes in the environment.

Impairment of non-financial assets (goodwill, intangible assets, property, plant & equipment, and right-of-use assets)

Judgments Made in Relation to Accounting Policies Applied: Management is required to use judgment in determining the grouping of assets to identify their CGUs for the purposes of testing non-financial assets for impairment. Judgment is further required to determine appropriate groupings of CGUs for the level at which goodwill and intangible assets are tested for impairment. For the purpose of goodwill and intangible assets impairment testing, CGUs are grouped at the lowest level at which goodwill and intangible assets are monitored for internal management purposes. Judgment is also applied in allocating the carrying amount of assets to CGUs. In addition, judgment is used to determine whether a triggering event has occurred requiring an impairment test to be completed. The Company has concluded that it has eleven CGUs (April 3, 2022 - ten CGUs) and tests goodwill and intangible assets for impairment on that basis.

Key Sources of Estimation: In determining the recoverable amount of a CGU or a group of CGUs, various estimates are employed. The Company determines value-in-use by using estimates including projected future revenues, margins, costs, and capital investment consistent with strategic plans presented to the Board of Directors. Fair value less costs of disposal are estimated with reference to observable market transactions. Discount rates are consistent with external industry information reflecting the risk associated with the Company and its cash flows.

Warranty

Key Sources of Estimation: The critical assumptions and estimates used in determining the warranty provision at the statement of financial position date are: the number of jackets expected to require repair or replacement; the proportion to be repaired versus replaced; the period in which the warranty claim is expected to occur; the cost to repair a jacket; the cost to replace a jacket, and the risk-free rate used to discount the provision to present value.

Financial instruments

Key Sources of Estimation: The critical assumptions and estimates used in determining the fair value of financial instruments are: equity prices; future interest rates; the relative creditworthiness of the Company to its counterparties; estimated future cash flows; discount rates, and volatility utilized in option valuations.

Share-based payments

Key Sources of Estimation: Compensation expense for share-based compensation granted is measured at the fair value at the grant date using the Black Scholes option pricing model for the year ended April 2, 2023; prior to the public offering, the Company used the Monte Carlo valuation model to measure the fair value of options granted. The critical assumptions used under both of these option valuation models at the grant date are: stock price valuation; exercise price; risk-free interest rate; expected time to exercise in years; expected dividend yield, and volatility.

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Consolidation

Judgments Made in Relation to Accounting Policies Applied: The Company uses judgment in determining the entities that it controls and therefore consolidates. The Company controls an entity when the Company has the existing rights that give it the current ability to direct the activities that significantly affect the entity's returns. Judgment is applied in determining whether the Company controls the entities in which it does not have full ownership rights. Most often, judgment involves reviewing contractual rights to determine if rights are participating (giving power over the entity) or protective rights (protecting the Company's interest without giving it power).

Note 4. Changes in accounting policies

Standards issued and not yet adopted

Certain new standards, amendments, and interpretations to existing IFRS standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments, and interpretations is provided below.

In January 2020, the IASB issued an amendment to IAS 1, *Presentation of Financial Statements* to clarify its requirements for the presentation of liabilities in the statement of financial position. The limited scope amendment affected only the presentation of liabilities in the statement of financial position and not the amount or timing of its recognition. The amendment clarified that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specified that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. It also introduced a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. On October 31, 2022, the IASB issued *Non-Current Liabilities with Covenants* (Amendments to IAS 1). These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendment is effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted. The Company is assessing the potential impact of the amendment.

In February 2021, the IASB issued narrow-scope amendments to IAS 1, *Presentation of Financial Statements*, IFRS Practice Statement 2, *Making Materiality Judgements* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments are effective for annual periods beginning on or after January 1, 2023, although earlier application is permitted. The amendments will require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarify how to distinguish changes in accounting policies from changes in accounting estimates. The Company is currently assessing the impacts of the amended standards.

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Standards issued and adopted

Interest Rate Benchmark Reform

In August 2020, the IASB issued “Interest Rate Benchmark Reform – Phase II (amendments to IFRS 9, *Financial Instruments*; IFRS 7, *Financial Instruments: Disclosures*; IAS 39, *Financial Instruments: Recognition and Measurement*; IFRS 4, *Insurance Contracts* and IFRS 16, *Leases*)”, which addresses issues that affect financial reporting once an existing benchmark rate is replaced with an alternative rate and provides specific disclosure requirements. The amendments introduce a practical expedient for modifications required by the Interbank Offer Rate (“IBOR”) reform. The amendments relate to the modification of financial instruments where the basis for determining the contractual cash flows changes as a result of the IBOR reform, allowing for prospective application of the alternative rate. A similar practical expedient exists for lessee accounting under IFRS 16. It also relates to the application of hedge accounting, which is not discontinued solely because of the IBOR reform. Hedging relationships, including formal designation and documentation, must be amended to reflect modifications to the hedged item, however, the practical expedient allows the hedge relationship to continue, although additional ineffectiveness may be required.

Note 5. Business combination

The Company and a former distributor of the Company's products in Japan, Sazaby League, Ltd. (“Sazaby League”), entered into an agreement (the “Joint Venture Agreement”) to form a joint venture (the “Japan Joint Venture”) pursuant to which the Company acquired 50% of the issued and outstanding voting shares of the legal entity comprising the joint venture, Canada Goose Japan, K.K. (“CG Japan”), on April 4, 2022. CG Japan was established to market, distribute and sell Canada Goose products, and to operate retail stores and e-Commerce in Japan.

Prior to the establishment of CG Japan, the Company sold its products to Sazaby League. The majority of sales historically occurred in the first and second quarters and were recorded in the Wholesale operating segment. Subsequent to the transaction, the Company has consolidated the results of CG Japan and revenue and results of operations will be aligned to the respective operating segments and are expected to occur more in line with the seasonality of the Company's Wholesale and DTC segments.

Management performed an analysis under IFRS 10, *Consolidated Financial Statements* and since the Company has the power to direct the relevant activities of CG Japan, is exposed to variable returns, and can use its power to influence those returns, management determined that the Company has control over CG Japan for accounting purposes. In addition, management performed an analysis under IFRS 3, *Business Combinations* and has determined that the Company is the acquirer of CG Japan. Management determined that the assets and processes acquired comprised a business and therefore, accounted for the transaction as a business combination using the acquisition method of accounting. Under the acquisition method, assets and liabilities of the acquiree are recorded at their fair values.

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The Company paid cash consideration to CG Japan of JPY250.0m (\$2.6m) plus deferred contingent consideration to the non-controlling shareholder with an estimated fair value of JPY1,958.9m (\$20.0m) resulting in total consideration of JPY2,208.9m (\$22.6m). The deferred contingent consideration is payable if an agreed cumulative adjusted EBIT target is not reached through the period ended June 30, 2026. The fair value of the applicable contingent consideration is determined based on the estimated financial outcome and the resulting expected contingent consideration to be paid, discounted using an appropriate rate. As at April 4, 2022, the contingent consideration amount was recorded in other long-term liabilities. The amount of contingent consideration is remeasured at its fair value each reporting period, with changes in fair value recorded in the consolidated statements of income and comprehensive income. The Company recorded a decrease of JPY301.2m (\$3.2m, excluding translation gains of \$0.3m) on the remeasurement of the contingent consideration during the year ended April 2, 2023, resulting in the fair value of the contingent consideration of JPY1,657.7m (\$16.8m). For the year ended April 2, 2023, the gain on the fair value remeasurement was recorded within net interest, finance and other costs in the consolidated statements of income.

The Company incurred \$1.3m in transaction related costs which are included in SG&A expenses in the consolidated statements of income and consolidated statements of comprehensive income for the year ended April 2, 2023. For the year ended April 3, 2022, the Company incurred \$0.7m in transaction related costs.

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Assets acquired and liabilities assumed have been recorded based on the final valuation of their fair values at the date of acquisition as follows:

| | \$ |
|--|--------|
| Assets acquired | |
| Cash | 5.4 |
| Inventories | 27.3 |
| Property, plant and equipment | 1.2 |
| Intangible assets | 14.9 |
| Right-of-use assets | 3.3 |
| Goodwill | 10.8 |
| Other assets | 2.4 |
| | 65.3 |
| Liabilities assumed | |
| Bank loan | 19.4 |
| Lease liabilities | 3.2 |
| Warranty provision | 0.3 |
| | 22.9 |
| Total identifiable net assets acquired | 42.4 |
| Less: Deferred tax liability | (8.1) |
| Less: Non-controlling interests | (11.7) |
| Net assets acquired | 22.6 |
| Consideration | |
| Cash paid | 2.6 |
| Contingent consideration | 20.0 |
| Total purchase consideration | 22.6 |
| Cash consideration paid | (2.6) |
| Plus: Cash balance acquired | 5.4 |
| Net cash inflow on business combination | 2.8 |

The determination of the fair value of assets acquired and liabilities assumed is based on estimates and certain assumptions with respect to the fair values of the assets acquired and liabilities assumed that were finalized as at the reporting date, within one year of the acquisition.

Goodwill is calculated as the difference between total consideration and the fair value of the net assets acquired and is attributable to expected synergies between CG Japan and the Company's existing operations. Goodwill of \$10.8m was recognized as the excess of the acquisition cost over the fair value of net identifiable assets at the date of acquisition. Goodwill recognized is not expected to be deductible for income tax purposes. Intangible assets of \$14.9m relate to the fair value of the customer list and reacquired distribution rights of the Japan market, which will be amortized over a 10-year period.

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The fair value of property, plant and equipment and right-of-use assets was based on management's assessment of the acquired assets' condition, as well as an evaluation of the current market value for such assets. In addition, the Company considered the length of time over which the economic benefit of these assets is expected to be realized and estimated the useful life of such assets as of the acquisition date. The fair value of inventories has been measured at net realizable value, less cost to sell.

CG Japan's results are consolidated into the Company's financial results effective April 4, 2022. For the year ended April 2, 2023, CG Japan contributed approximately \$54.0m to the Company's consolidated revenue and \$1.0m to the Company's operating income.

In connection with the business combination, the Joint Venture Agreement includes a put option that allows the non-controlling shareholder to sell its 50% interest to the Company within six months after certain circumstances constituting a "put option trigger" event occur. If the put option is not exercised during such six-month period, the put option will expire. The Company established a financial liability for the put option in respect of non-controlling interests. The fair value of the put option is classified as Level 3 within IFRS 13, *Fair value measurement*. As at April 4, 2022, the fair value of the put option held in Japanese yen by the non-controlling shareholder was recorded in other long-term liabilities in the amount of JPY2,076.4m (\$21.2m).

The Company recorded the put option liability based on the present value of the amount expected to be paid to the non-controlling shareholder if exercised. Subsequently, the put option liability is adjusted to reflect changes in the present value of the amount that could be required to be paid at each reporting date, with fluctuations being recorded within the Company's consolidated statements of income, until it is exercised or expires. The Company recorded an increase of JPY1,079.9m (\$10.9m, excluding translation losses of less than \$0.1m) on the remeasurement of the put option liability during the year ended April 2, 2023 resulting in a balance of JPY3,156.3m (\$32.1m). For the year ended April 2, 2023, the loss on the fair value remeasurement was recorded within net interest, finance and other costs in the consolidated statements of income.

Note 6. Segment information

The Company has three reportable operating segments: DTC, Wholesale, and Other. The Company measures each reportable operating segment's performance based on revenue and segment operating income (loss), which is the profit metric utilized by the Company's chief operating decision maker, the Chairman and Chief Executive Officer, for assessing the performance of operating segments. Our operating segments are not reliant on any single external customer.

The Company does not report total assets or total liabilities based on its reportable operating segments.

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| | Year ended April 2, 2023 | | | |
|---------------------------------------|---------------------------------|------------------|----------------|--------------|
| | DTC | Wholesale | Other | Total |
| | \$ | \$ | \$ | \$ |
| Revenue | 807.3 | 373.8 | 35.9 | 1,217.0 |
| Cost of sales | 191.1 | 188.1 | 22.6 | 401.8 |
| Gross profit | 616.2 | 185.7 | 13.3 | 815.2 |
| SG&A expenses | 256.8 | 67.1 | 355.8 | 679.7 |
| Operating income (loss) | 359.4 | 118.6 | (342.5) | 135.5 |
| Net interest, finance and other costs | | | | 42.0 |
| Income before income taxes | | | | 93.5 |

| | Year ended April 3, 2022 | | | |
|---------------------------------------|---------------------------------|------------------|----------------|--------------|
| | DTC | Wholesale | Other | Total |
| | \$ | \$ | \$ | \$ |
| Revenue | 740.4 | 348.5 | 9.5 | 1,098.4 |
| Cost of sales | 177.4 | 182.0 | 5.4 | 364.8 |
| Gross profit | 563.0 | 166.5 | 4.1 | 733.6 |
| SG&A expenses | 229.9 | 55.3 | 291.7 | 576.9 |
| Operating income (loss) | 333.1 | 111.2 | (287.6) | 156.7 |
| Net interest, finance and other costs | | | | 39.0 |
| Income before income taxes | | | | 117.7 |

| | Year ended March 28, 2021 | | | |
|---------------------------------------|----------------------------------|------------------|----------------|--------------|
| | DTC | Wholesale | Other | Total |
| | \$ | \$ | \$ | \$ |
| Revenue | 527.2 | 322.2 | 54.3 | 903.7 |
| Cost of sales | 124.8 | 169.8 | 55.1 | 349.7 |
| Gross profit (loss) | 402.4 | 152.4 | (0.8) | 554.0 |
| SG&A expenses | 169.5 | 48.1 | 219.4 | 437.0 |
| Operating income (loss) | 232.9 | 104.3 | (220.2) | 117.0 |
| Net interest, finance and other costs | | | | 30.9 |
| Income before income taxes | | | | 86.1 |

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Geographic information

The Company determines the geographic location of revenue based on the location of its customers.

| | Year ended | | |
|-------------------|--------------------------|--------------------------|---------------------------|
| | April 2, 2023 | April 3, 2022 | March 28, 2021 |
| | \$ | \$ | \$ |
| Canada | 241.0 | 213.1 | 217.7 |
| United States | 340.2 | 305.9 | 226.1 |
| Asia Pacific | 354.2 | 327.1 | 264.0 |
| EMEA ¹ | 281.6 | 252.3 | 195.9 |
| Revenue | 1,217.0 | 1,098.4 | 903.7 |

¹ EMEA comprises Europe, the Middle East, Africa, and Latin America.

Note 7. Income taxes

The components of the provision for income tax are as follows:

| | Year ended | | |
|---|--------------------------|--------------------------|---------------------------|
| | April 2, 2023 | April 3, 2022 | March 28, 2021 |
| | \$ | \$ | \$ |
| Current income tax expense | | | |
| Current period | 44.0 | 35.6 | 18.5 |
| Adjustment in respect of prior periods | (1.9) | (0.4) | 2.4 |
| | 42.1 | 35.2 | 20.9 |
| Deferred income tax recovery | | | |
| Origination and reversal of temporary differences | (18.5) | (11.9) | (3.3) |
| Effect of change in income tax rates | (0.6) | — | (0.1) |
| Adjustment in respect of prior periods | 1.6 | (0.2) | (1.7) |
| | (17.5) | (12.1) | (5.1) |
| Income tax expense | 24.6 | 23.1 | 15.8 |

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The effective income tax rates differ from the weighted average basic Canadian federal and provincial statutory income tax rates for the following reasons:

| | Year ended | | |
|---|------------------|------------------|-------------------|
| | April 2, 2023 | April 3, 2022 | March 28, 2021 |
| | \$ | \$ | \$ |
| Income before income taxes | 93.5 | 117.7 | 86.1 |
| | 25.34 % | 25.36 % | 25.42 % |
| Income tax at expected statutory rate | 23.7 | 29.8 | 21.9 |
| Non-deductible (taxable) items | 0.8 | (0.8) | 0.1 |
| Non-deductible stock option expense | 3.0 | 2.9 | 2.2 |
| Effect of foreign tax rates | (10.0) | (14.6) | (8.9) |
| Non-deductible (taxable) remeasurement of contingent consideration and put option | 2.4 | — | — |
| Non-deductible (taxable) foreign exchange loss | 1.4 | 0.2 | 0.3 |
| Change in tax rates | (0.4) | 0.1 | (0.1) |
| Change in deferred tax asset not recognized | 4.1 | 6.1 | — |
| Other items | (0.4) | (0.6) | 0.3 |
| Income tax expense | 24.6 | 23.1 | 15.8 |

The change in the year in the components of deferred tax assets and liabilities are as follows:

| | Change in the year affecting | | | | | April 2, 2023 |
|--|------------------------------|-------------|------------------------------------|--------------|--------------------------------------|------------------|
| | April 3, 2022 | Net income | Foreign exchange translation | Goodwill | Other comprehensive (loss) income | |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Losses carried forward | 8.6 | 2.9 | — | — | — | 11.5 |
| Employee future benefits | 0.2 | — | — | — | (0.1) | 0.1 |
| Other liabilities | 6.4 | 3.7 | (0.1) | (8.1) | — | 1.9 |
| Inventory capitalization | 4.8 | 1.6 | 0.4 | — | — | 6.8 |
| Capital lease | 8.0 | 0.9 | 0.4 | — | — | 9.3 |
| Tax relief from Swiss tax reform | 11.8 | (4.9) | 0.7 | — | — | 7.6 |
| Unrealized profit in inventory | 25.0 | 10.7 | 1.2 | — | — | 36.9 |
| Provisions and other temporary differences | 7.4 | 0.2 | — | — | — | 7.6 |
| Total deferred tax asset | 72.2 | 15.1 | 2.6 | (8.1) | (0.1) | 81.7 |
| Unrealized foreign exchange | (6.9) | 3.0 | — | — | 0.8 | (3.1) |
| Intangible assets | (18.4) | (0.1) | (0.3) | — | — | (18.8) |
| Property, plant and equipment | (9.5) | 1.1 | (0.3) | — | — | (8.7) |
| Total deferred tax liabilities | (34.8) | 4.0 | (0.6) | — | 0.8 | (30.6) |
| Net deferred tax assets (liabilities) | 37.4 | 19.1 | 2.0 | (8.1) | 0.7 | 51.1 |

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The change in deferred tax assets and liabilities as presented in the statement of financial position are as follows:

| | Changes in the year affecting | | | | | April 2, 2023 |
|--------------------------|--------------------------------------|-------------------|---|-----------------|---------------------------------------|--------------------------|
| | April 3, 2022 | Net income | Foreign exchange translation | Goodwill | Other comprehensive income | |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Deferred tax assets | 53.2 | 12.2 | 2.0 | — | 0.1 | 67.5 |
| Deferred tax liabilities | (15.8) | 6.9 | — | (8.1) | 0.6 | (16.4) |
| | <u>37.4</u> | <u>19.1</u> | <u>2.0</u> | <u>(8.1)</u> | <u>0.7</u> | <u>51.1</u> |

Available deferred income tax assets related to capital losses, non-capital losses, and Swiss tax relief in the amount of \$0.5m, \$1.6m, and \$28.5m, respectively, were not recognized as it is not probable that future taxable income will be available to the Company to utilize the benefits.

The corporate entities within the Company have the following tax-loss carry-forwards that are expected to expire in the following years, if not utilized.

| | |
|---------------------|-------------|
| 2039 and prior | \$ 4.6 |
| 2040 | 8.5 |
| 2041 | 8.8 |
| 2042 | 8.5 |
| 2043 | 6.9 |
| 2044 and thereafter | 13.1 |
| | <u>50.4</u> |

The Company does not recognize tax on unremitted earnings from foreign subsidiaries as it is management's intent to reinvest these earnings indefinitely. Unremitted earnings from foreign subsidiaries were \$417.7m as at April 2, 2023 (April 3, 2022 - \$356.4m, March 28, 2021 - \$243.3m).

As at April 2, 2023, in addition to the amount charged to profit or loss and other comprehensive income, no tax recovery was recognized directly in equity related to excess tax deductions on share-based payments for stock options exercised (April 3, 2022 - \$nil, March 28, 2021 - \$nil). No tax expense was reversed out of equity related to reduction of expected tax deductions on issuance of RSU (April 3, 2022 - \$0.2m, March 28, 2021 - \$nil).

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Note 8. Earnings per share

The following table presents details for the calculation of basic and diluted earnings per share:

| | Year ended | | |
|---|------------------|------------------|-------------------|
| | April 2, 2023 | April 3, 2022 | March 28, 2021 |
| | \$ | \$ | \$ |
| Net income attributable to shareholders of the Company | 72.7 | 94.6 | 70.3 |
| Weighted average number of multiple and subordinate voting shares outstanding | 105,058,643 | 108,296,802 | 110,261,600 |
| Weighted average number of shares on exercise of stock options and RSUs ¹ | 563,669 | 857,919 | 850,573 |
| Diluted weighted average number of multiple and subordinate voting shares outstanding | 105,622,312 | 109,154,721 | 111,112,173 |
| Earnings per share attributable to shareholders of the Company | | | |
| Basic | \$ 0.69 | \$ 0.87 | \$ 0.64 |
| Diluted | \$ 0.69 | \$ 0.87 | \$ 0.63 |

¹ Applicable to dilutive shares and when the weighted average daily closing share price for the year was greater than the exercise price for stock options. As at April 2, 2023, there were 2,231,231 shares (April 3, 2022 - 1,475,545 shares, March 28, 2021 - 914,961 shares) that were not taken into account in the calculation of diluted earnings per share because their effect was anti-dilutive.

Note 9. Trade receivables

| | April 2, 2023 | April 3, 2022 |
|---|------------------|------------------|
| | \$ | \$ |
| Trade accounts receivable | 30.4 | 22.0 |
| Credit card receivables | 2.5 | 2.5 |
| Other receivables | 19.5 | 19.3 |
| | 52.4 | 43.8 |
| Less: expected credit loss and sales allowances | (1.5) | (1.1) |
| Trade receivables | 50.9 | 42.7 |

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The following are the continuities of the Company's expected credit loss and sales allowances deducted from trade receivables:

| | April 2, 2023 | | | April 3, 2022 | | |
|--|-------------------------|---------------------|-------|-------------------------|---------------------|-------|
| | Expected credit loss | Sales allowances | Total | Expected credit loss | Sales allowances | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at the beginning of the year | (0.3) | (0.8) | (1.1) | (0.5) | (1.3) | (1.8) |
| Losses recognized | (0.1) | (0.3) | (0.4) | — | (0.5) | (0.5) |
| Amounts settled or written off during the year | — | — | — | 0.2 | 1.0 | 1.2 |
| Balance at the end of the year | (0.4) | (1.1) | (1.5) | (0.3) | (0.8) | (1.1) |

Note 10. Inventories

| | April 2, 2023 | April 3, 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| Raw materials | 60.3 | 71.3 |
| Work in progress | 17.5 | 14.9 |
| Finished goods | 394.8 | 307.1 |
| Total inventories at the lower of cost and net realizable value | 472.6 | 393.3 |

Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage, or declining rate of sale.

As at April 2, 2023, the provisions for obsolescence amounted to \$43.2m (April 3, 2022 - \$23.6m). The breakdown is presented as follows:

| | April 2, 2023 | April 3, 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| Raw material shrink reserves | 0.2 | — |
| Finished goods shrink reserves | 0.4 | 0.7 |
| Raw material obsolete inventory reserves | 20.5 | 5.8 |
| Finished goods obsolete inventory reserves | 22.1 | 17.1 |
| Provision for obsolescence | 43.2 | 23.6 |

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Amounts charged to cost of sales comprise the following:

| | Year ended | | |
|--|------------------|------------------|-------------------|
| | April 2, 2023 | April 3, 2022 | March 28, 2021 |
| | \$ | \$ | \$ |
| Cost of goods manufactured | 392.1 | 350.1 | 334.9 |
| Depreciation and amortization included in costs of sales | 9.7 | 14.7 | 14.8 |
| | <u>401.8</u> | <u>364.8</u> | <u>349.7</u> |

Note 11. Property, plant and equipment

The following table presents changes in the cost and the accumulated depreciation on the Company's property, plant and equipment:

| | Plant equipment | Computer equipment | Leasehold improvements | Show displays | Furniture and fixtures | In progress | Total |
|--|--------------------|-----------------------|---------------------------|------------------|---------------------------|-------------|--------------|
| Cost | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| March 28, 2021 | 29.1 | 10.7 | 102.1 | 9.4 | 30.8 | 3.3 | 185.4 |
| Additions | 0.1 | 1.5 | 6.2 | — | 2.4 | 23.5 | 33.7 |
| Disposals | (0.2) | (0.1) | — | — | (0.1) | (0.1) | (0.5) |
| Transfers | 1.9 | 0.8 | 18.1 | 0.2 | 1.9 | (22.9) | — |
| Impact of foreign currency translation | — | (0.1) | (1.3) | (0.2) | (0.2) | 0.3 | (1.5) |
| April 3, 2022 | 30.9 | 12.8 | 125.1 | 9.4 | 34.8 | 4.1 | 217.1 |
| Additions | — | 0.9 | 8.8 | — | 2.2 | 63.3 | 75.2 |
| Additions from business combinations (note 5) | — | — | 0.9 | — | 0.3 | — | 1.2 |
| Disposals | — | (0.1) | (1.0) | — | (0.1) | — | (1.2) |
| Transfers | 1.1 | 1.5 | 15.5 | 1.6 | 1.6 | (21.3) | — |
| Impact of foreign currency translation | — | 0.2 | 2.1 | 0.4 | 1.0 | 0.4 | 4.1 |
| April 2, 2023 | <u>32.0</u> | <u>15.3</u> | <u>151.4</u> | <u>11.4</u> | <u>39.8</u> | <u>46.5</u> | <u>296.4</u> |

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| | Plant equipment | Computer equipment | Leasehold improvements | Show displays | Furniture and fixtures | In progress | Total |
|---|--------------------|-----------------------|---------------------------|------------------|---------------------------|-------------|-------|
| Accumulated depreciation | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| March 28, 2021 | 9.0 | 6.8 | 33.2 | 6.3 | 13.6 | — | 68.9 |
| Depreciation | 3.1 | 2.7 | 19.2 | 1.1 | 6.9 | — | 33.0 |
| Disposals | — | (0.1) | — | — | — | — | (0.1) |
| Impairment losses | — | — | 1.6 | — | — | — | 1.6 |
| Impact of foreign currency translation | — | (0.1) | (0.1) | (0.1) | (0.2) | — | (0.5) |
| April 3, 2022 | 12.1 | 9.3 | 53.9 | 7.3 | 20.3 | — | 102.9 |
| Depreciation | 3.2 | 2.7 | 23.1 | 1.1 | 7.3 | — | 37.4 |
| Disposals | — | (0.1) | (1.0) | — | (0.1) | — | (1.2) |
| Impairment losses | — | — | 0.2 | — | — | — | 0.2 |
| Impact of foreign currency translation | — | 0.2 | (0.1) | 0.3 | 0.7 | — | 1.1 |
| April 2, 2023 | 15.3 | 12.1 | 76.1 | 8.7 | 28.2 | — | 140.4 |
| Net book value | | | | | | | |
| April 3, 2022 | 18.8 | 3.5 | 71.2 | 2.1 | 14.5 | 4.1 | 114.2 |
| April 2, 2023 | 16.7 | 3.2 | 75.3 | 2.7 | 11.6 | 46.5 | 156.0 |

Impairment losses for the year ended April 2, 2023 and April 3, 2022 were booked within the DTC segment as part of SG&A expenses in the statements of income.

Note 12. Intangible assets

Intangible assets comprise the following:

| | April 2, 2023 | April 3, 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| Intangible assets with finite lives | 19.3 | 6.4 |
| Intangible assets with indefinite lives: | | |
| Brand name | 115.5 | 115.5 |
| Domain name | 0.3 | 0.3 |
| | 135.1 | 122.2 |

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The following table presents the changes in cost and accumulated amortization of the Company's intangible assets with finite lives:

| | Intangible assets with finite lives | | | | |
|---|--|------------------------------|-----------------------|----------------------------|--------------|
| | Software | Intellectual property | Customer lists | Distribution rights | Total |
| Cost | \$ | \$ | \$ | \$ | \$ |
| March 28, 2021 | 5.6 | 17.9 | — | — | 23.5 |
| Additions | 2.9 | 0.3 | — | — | 3.2 |
| April 3, 2022 | 8.5 | 18.2 | — | — | 26.7 |
| Additions | 1.8 | 0.1 | — | — | 1.9 |
| Additions from business combinations (note 5) | — | — | 7.7 | 7.2 | 14.9 |
| April 2, 2023 | 10.3 | 18.3 | 7.7 | 7.2 | 43.5 |
| | | | | | |
| | Software | Intellectual property | Customer lists | Distribution rights | Total |
| Accumulated amortization | \$ | \$ | \$ | \$ | \$ |
| March 28, 2021 | 2.2 | 12.3 | — | — | 14.5 |
| Amortization | 1.4 | 4.4 | — | — | 5.8 |
| April 3, 2022 | 3.6 | 16.7 | — | — | 20.3 |
| Amortization | 1.8 | 0.7 | 0.7 | 0.7 | 3.9 |
| April 2, 2023 | 5.4 | 17.4 | 0.7 | 0.7 | 24.2 |
| | | | | | |
| Net book value | | | | | |
| April 3, 2022 | 4.9 | 1.5 | — | — | 6.4 |
| April 2, 2023 | 4.9 | 0.9 | 7.0 | 6.5 | 19.3 |

Intellectual property consists of product development costs, acquired technology, and patents and trademarks.

Indefinite life intangible assets

Indefinite life intangible assets recorded by the Company are comprised of the Canada Goose and Baffin brand names and domain name associated with the Company's website. The Company expects to renew the registration of the brand names and domain names at each expiry date indefinitely, and expects these assets to generate economic benefit in perpetuity. As such, the Company assessed these intangibles to have indefinite useful lives.

The Company completed its annual impairment tests for the years ended April 2, 2023 and April 3, 2022 for indefinite life intangible assets and concluded that there was no impairment.

Key Assumptions

The key assumptions used to calculate the value-in-use (VIU) are consistent with the assumptions used to calculate VIU for goodwill (note 14).

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Note 13. Leases

Right-of-use assets

The following table presents changes in the cost and the accumulated depreciation of the Company's right-of-use assets:

| Cost | Retail stores | Manufacturing facilities | Other | Total |
|---|---------------|--------------------------|-------|-------|
| | \$ | \$ | \$ | \$ |
| March 28, 2021 | 253.3 | 36.7 | 18.4 | 308.4 |
| Additions | 49.4 | — | 0.4 | 49.8 |
| Lease modifications | 0.5 | — | (1.2) | (0.7) |
| Impact of foreign currency translation | (6.9) | — | (0.2) | (7.1) |
| April 3, 2022 | 296.3 | 36.7 | 17.4 | 350.4 |
| Additions | 82.8 | 8.2 | 39.6 | 130.6 |
| Additions from business combinations (note 5) | 1.5 | — | 1.8 | 3.3 |
| Lease modifications | 2.4 | — | — | 2.4 |
| Derecognition on termination | (1.8) | — | (1.0) | (2.8) |
| Impact of foreign currency translation | 15.5 | — | 0.6 | 16.1 |
| April 2, 2023 | 396.7 | 44.9 | 58.4 | 500.0 |
| | | | | |
| Accumulated depreciation | Retail stores | Manufacturing facilities | Other | Total |
| | \$ | \$ | \$ | \$ |
| March 28, 2021 | 58.8 | 9.9 | 6.0 | 74.7 |
| Depreciation | 47.3 | 5.3 | 4.0 | 56.6 |
| Impairment losses | 6.1 | — | — | 6.1 |
| Impact of foreign currency translation | (2.1) | — | (0.1) | (2.2) |
| April 3, 2022 | 110.1 | 15.2 | 9.9 | 135.2 |
| Depreciation | 55.5 | 5.4 | 7.2 | 68.1 |
| Derecognition on termination | (1.2) | — | (1.0) | (2.2) |
| Impairment losses | 0.8 | — | — | 0.8 |
| Impact of foreign currency translation | 5.9 | — | 0.4 | 6.3 |
| April 2, 2023 | 171.1 | 20.6 | 16.5 | 208.2 |
| | | | | |
| Net book value | | | | |
| April 3, 2022 | 186.2 | 21.5 | 7.5 | 215.2 |
| April 2, 2023 | 225.6 | 24.3 | 41.9 | 291.8 |

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Impairment losses for the year ended April 2, 2023 and April 3, 2022 were booked within the DTC segment as part of SG&A expenses in the statements of income.

Lease liabilities

The following table presents the changes in the Company's lease liabilities:

| | Retail stores | Manufacturing facilities | Other | Total |
|---|---------------|--------------------------|-------|--------|
| | \$ | \$ | \$ | \$ |
| March 28, 2021 | 211.0 | 29.9 | 13.9 | 254.8 |
| Additions | 48.4 | — | 0.4 | 48.8 |
| Lease modifications | 0.5 | — | (1.2) | (0.7) |
| Principal payments | (37.5) | (5.1) | (4.3) | (46.9) |
| Impact of foreign currency translation | (5.2) | — | (0.1) | (5.3) |
| April 3, 2022 | 217.2 | 24.8 | 8.7 | 250.7 |
| Additions | 82.1 | 8.2 | 39.6 | 129.9 |
| Additions from business combinations (note 5) | 1.5 | — | 1.7 | 3.2 |
| Lease modifications | 2.4 | — | — | 2.4 |
| Derecognition on termination | (0.7) | — | — | (0.7) |
| Principal payments | (54.5) | (5.3) | (2.4) | (62.2) |
| Impact of foreign currency translation | 11.2 | — | 0.3 | 11.5 |
| April 2, 2023 | 259.2 | 27.7 | 47.9 | 334.8 |

Lease liabilities are classified as current and non-current liabilities as follows:

| | Retail stores | Manufacturing facilities | Other | Total |
|-------------------------------|---------------|--------------------------|-------|-------|
| | \$ | \$ | \$ | \$ |
| Current lease liabilities | 49.7 | 5.8 | 3.0 | 58.5 |
| Non-current lease liabilities | 167.5 | 19.0 | 5.7 | 192.2 |
| April 3, 2022 | 217.2 | 24.8 | 8.7 | 250.7 |
| Current lease liabilities | 64.7 | 6.1 | 5.3 | 76.1 |
| Non-current lease liabilities | 194.5 | 21.6 | 42.6 | 258.7 |
| April 2, 2023 | 259.2 | 27.7 | 47.9 | 334.8 |

Leases of low-value assets and short-term leases are not included in the calculation of lease liabilities. These lease expenses are recognized in cost of sales or SG&A expenses on a straight-line or other systematic basis.

In the year ended April 2, 2023, \$23.5m (April 3, 2022 - \$21.5m, March 28, 2021 - \$19.5m) of lease payments were not included in the measurement of lease liabilities. The majority of this balance related to short-term leases and variable rent payments, net of rent concessions.

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Note 14. Goodwill

Goodwill arising from business combinations is as follows:

| | April 2, 2023 | April 3, 2022 |
|-------------------------------|------------------|------------------|
| | \$ | \$ |
| Opening balance | 53.1 | 53.1 |
| Business combination (note 5) | 10.8 | — |
| Goodwill | 63.9 | 53.1 |

The Company has determined there to be eleven CGUs (April 3, 2022 - ten CGUs) for which goodwill and intangible assets are tested for impairment. The increase in CGUs from the comparative period is attributable to the recognition of the Japan Joint Venture which represents an additional CGU. No other changes were made to the existing CGUs from the previous year. The Company completed its annual impairment tests and concluded that there was no impairment in the years ended April 2, 2023 and April 3, 2022.

The following table outlines the goodwill allocation for the applicable CGUs for the current year:

| | April 2, 2023 | April 3, 2022 |
|------------------------------------|------------------|------------------|
| | \$ | \$ |
| North America DTC - Retail | 11.7 | 11.7 |
| North America DTC - e-Commerce | 6.6 | 6.6 |
| North America Wholesale | 5.7 | 5.7 |
| Asia Pacific DTC - Retail | 9.8 | 9.8 |
| Asia Pacific DTC - e-Commerce | 2.6 | 2.6 |
| Asia Pacific Wholesale | 3.6 | 3.6 |
| EMEA ¹ DTC - Retail | 4.3 | 4.3 |
| EMEA ¹ DTC - e-Commerce | 2.8 | 2.8 |
| EMEA ¹ Wholesale | 6.0 | 6.0 |
| Japan Joint Venture | 10.8 | — |
| Goodwill | 63.9 | 53.1 |

¹ EMEA comprises Europe, the Middle East, Africa, and Latin America.

Key Assumptions

The key assumptions used to calculate the VIU are those regarding discount rate, revenue and gross margin growth rates, sales channel mix, and growth in SG&A expenses. These assumptions are considered to be Level 3 in the fair value hierarchy. The goodwill impairment tests resulted in excess of recoverable value over carrying value of at least 39.4% for each CGU. Because the VIU amount exceeds the CGUs' asset carrying amount, the CGU is not impaired and the fair value less costs of disposition has not been calculated.

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Cash flow projections were discounted using the Company's weighted average cost of capital, determined to be 12.67% (April 3, 2022 - 11.14%) based on a risk-free rate, an equity risk premium adjusted for betas of comparable publicly traded companies, an unsystematic risk premium, country risk premium, country-specific risk premium, a cost of debt based on comparable corporate bond yields and the capital structure of the Company. Cash flow projections are based on management's most recent forecasts over a five year period. A long term growth rate of 2% has been applied to cash flows beyond the forecasted period.

Note 15. Accounts payables and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

| | April 2, 2023 | April 3, 2022 |
|---|------------------|------------------|
| | \$ | \$ |
| Trade payables | 60.1 | 63.9 |
| Accrued liabilities | 82.4 | 67.0 |
| Employee benefits | 21.9 | 26.5 |
| Derivative financial instruments | 3.3 | 10.4 |
| ASPP liability (note 18) | 20.0 | — |
| Other payables | 7.9 | 8.4 |
| Accounts payable and accrued liabilities | 195.6 | 176.2 |

Note 16. Provisions

Provisions consist primarily of amounts recorded with respect to customer warranty obligations, sales returns, and asset retirement obligations.

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic resources that will be required to meet the Company's obligations for warranties upon the sale of goods, which may include repair or replacement of previously sold products. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes, customer behaviour and expectations, or other events affecting product quality and production.

The sales contract provision relates to management's estimated cost of the departure of certain third-party dealers and distributors.

Sales returns relate primarily to goods sold through the DTC segment which have a limited right of return (typically within 30 days), or exchange only, in certain jurisdictions.

Asset retirement obligations relate to legal obligations associated with the retirement of tangible long-lived assets, primarily for leasehold improvements that the Company is contractually obligated to remove at the end of the lease term. The Company recognizes the liability when such obligations are incurred. The fair value of the liability is estimated based on a number of assumptions requiring management's judgment, including closing costs and inflation rates, and is accreted to its projected future value over time.

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| | Warranty | Sales returns | Asset retirement obligations | Total |
|--------------------------------------|----------|---------------|------------------------------|--------|
| | \$ | \$ | \$ | \$ |
| March 28, 2021 | 26.4 | 13.7 | 5.5 | 45.6 |
| Additional provisions recognized | 10.0 | 15.1 | 2.2 | 27.3 |
| Reductions resulting from settlement | (7.2) | (14.4) | — | (21.6) |
| Release of provisions | — | (1.2) | — | (1.2) |
| Other | — | (0.3) | — | (0.3) |
| April 3, 2022 | 29.2 | 12.9 | 7.7 | 49.8 |
| Additional provisions recognized | 7.6 | 10.8 | 4.1 | 22.5 |
| Reductions resulting from settlement | (6.4) | (7.5) | — | (13.9) |
| Release of provisions | — | (1.3) | — | (1.3) |
| Other | — | 0.7 | 0.3 | 1.0 |
| April 2, 2023 | 30.4 | 15.6 | 12.1 | 58.1 |

Provisions are classified as current and non-current liabilities based on management's expectation of the timing of settlement, as follows:

| | April 2, 2023 | April 3, 2022 |
|------------------------|------------------|------------------|
| | \$ | \$ |
| Current provisions | 21.6 | 18.5 |
| Non-current provisions | 36.5 | 31.3 |
| | 58.1 | 49.8 |

Note 17. Borrowings

Amendments to borrowings

As of June 30, 2023, LIBOR rates will cease to be published for U.S Dollars. As a result, the Company must transition U.S dollar contracts currently applying LIBOR to the Secured Overnight Financing Rate published by the Federal Reserve Bank of New York ("SOFR"). This includes the revolving facility, the term loan and the interest rate swaps. See "Note 4. Changes in Accounting Policies" for a description of the IBOR Reform.

Subsequent to the year ended April 2, 2023, on May 15, 2023, the Company entered into a further amendment to the revolving facility and the term loan. Following the amendment, the revolving facility has multiple interest rate charge options that are based on the Canadian prime rate, Banker's Acceptance rate, the lenders' Alternate Base Rate, European Base Rate, SOFR rate, or EURIBOR rate plus an applicable margin, with interest payable the earlier of quarterly or at the end of the then current interest period (whichever is earlier). The revolving facility now matures on May 15, 2028. Following the amendment, the term loan has an interest rate of SOFR plus a an applicable margin of 3.50% payable quarterly in arrears and SOFR may not be less than 0.75%.

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Revolving facility

The Company has an agreement with a syndicate of lenders for a senior secured asset-based revolving credit facility in the amount of \$467.5m, with an increase in commitments to \$517.5m during the peak season (June 1 - November 30). The revolving facility matures on June 3, 2024. Amounts owing under the revolving facility may be borrowed, repaid and re-borrowed for general corporate purposes. The Company has pledged substantially all of its assets as collateral for the revolving facility. The revolving facility contains financial and non-financial covenants which could impact the Company's ability to draw funds.

The revolving facility has multiple interest rate charge options that are based on the Canadian prime rate, Banker's Acceptance rate, the lenders' Alternate Base Rate, European Base Rate, LIBOR rate, or EURIBOR rate plus an applicable margin, with interest payable the earlier of quarterly or at the end of the then current interest period (whichever is earlier).

As at April 2, 2023, the Company had repaid all principal amounts owing on the revolving facility (April 3, 2022 - \$nil). As at April 2, 2023, no interest and administrative fees remain outstanding (April 3, 2022 - \$0.5m). Deferred financing charges in the amounts of \$0.5m (April 3, 2022 - \$0.9m), were included in other long-term liabilities. As at and during the year ended April 2, 2023, the Company was in compliance with all covenants.

The Company had unused borrowing capacity available under the revolving facility of \$238.4m as at April 2, 2023 (April 3, 2022 - \$191.8m).

The revolving credit commitment also includes a letter of credit commitment in the amount of \$25.0m, with a \$5.0m sub-commitment for letters of credit issued in a currency other than Canadian dollars, U.S. dollars, euros or British pounds sterling, and a swingline commitment for \$25.0m. As at April 2, 2023, the Company had letters of credit outstanding under the revolving facility of \$1.8m (April 3, 2022 - \$4.6m).

Term loan

The Company has a senior secured loan agreement with a syndicate of lenders that is secured on a split collateral basis alongside the revolving facility. The facility has an aggregate principal amount of USD300.0m, with quarterly repayments of USD0.75m on the principal amount and a maturity date of October 7, 2027. Moreover, as at the year ended April 2, 2023, the facility has an interest rate of LIBOR plus an applicable margin of 3.50% payable quarterly in arrears and LIBOR may not be less than 0.75%. The Company incurred transaction costs of \$0.9m related to the facility which are being amortized using the effective interest rate method over the term to maturity.

Voluntary prepayments of amounts owing under the term loan may be made at any time without premium or penalty but once repaid may not be reborrowed. As at April 2, 2023, the Company had USD293.3m (April 3, 2022 - USD296.3m) aggregate principal amount outstanding under the term loan. The Company has pledged substantially all of its assets as collateral for the term loan. The term loan contains financial and non-financial covenants which could impact the Company's ability to draw funds. As at and during the year ended April 2, 2023, the Company was in compliance with all covenants.

As the term loan is denominated in U.S. dollars, the Company remeasures the outstanding balance plus accrued interest at each balance sheet date.

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The amount outstanding with respect to the term loan is as follows:

| | April 2, 2023 | April 3, 2022 |
|---|------------------|------------------|
| | \$ | \$ |
| Term loan | 396.3 | 370.8 |
| Unamortized portion of deferred transaction costs | (0.6) | (0.8) |
| | <u>395.7</u> | <u>370.0</u> |

Mainland China Facilities

A subsidiary of the Company in Mainland China has two uncommitted loan facilities in the aggregate amount of RMB310.0m (\$61.0m) ("Mainland China Facilities"). The term of each draw on the loans is one, three or six months or such other period as agreed upon and shall not exceed twelve months (including any extension or rollover). The interest rate on each facility is equal to loan prime rate of 1 year, plus 0.15% per annum, and payable at one, three or six months, depending on the term of each draw. Proceeds drawn on the Mainland China Facilities are being used to support working capital requirements and build up of inventory for peak season sales. As at April 2, 2023, the Company had \$9.8m (RMB50.0m) owing on the Mainland China Facilities (April 3, 2022 - \$nil (RMBnil)).

Japan Facility

A subsidiary of the Company in Japan has a loan facility in the aggregate amount of JPY4,000.0m (\$40.7m) ("Japan Facility") with a floating interest rate of JBA TIBOR plus an applicable margin of 0.3%. The term of the facility is twelve months and each draw on the facility is payable within the term. Proceeds drawn on the Japan Facility are being used to support build up of inventory for peak season sales. As at April 2, 2023, the Company had \$13.7m (JPY1,350.0m) owing on the Japan Facility.

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Short-term borrowings

As at April 2, 2023, the Company has short-term borrowings in the amount of \$27.6m. Short-term borrowings include \$9.8m (April 3, 2022 - \$nil) owing on the Mainland China Facilities, \$13.7m (April 3, 2022 - \$nil) owing on the Japan Facility, and \$4.1m (April 3, 2022 - \$3.8m) for the current portion of the quarterly principal repayments on the term loan. Short-term borrowings are all due within the next 12 months.

Net interest, finance and other costs consist of the following:

| | Year ended | | |
|---|--------------------------|--------------------------|---------------------------|
| | April 2, 2023 | April 3, 2022 | March 28, 2021 |
| | \$ | \$ | \$ |
| Interest expense | | | |
| Mainland China Facilities | 0.5 | 0.4 | 0.2 |
| Japan Facility | 0.1 | — | — |
| Revolving facility | 1.1 | 1.8 | 3.1 |
| Term loan | 18.8 | 17.4 | 14.4 |
| Lease liabilities | 11.6 | 9.1 | 9.5 |
| Standby fees | 1.8 | 0.9 | 1.4 |
| Acceleration of unamortized costs on debt extinguishment | — | 9.5 | 1.1 |
| Fair value remeasurement on the put option liability (note 5) | 10.9 | — | — |
| Fair value remeasurement on the contingent consideration (note 5) | (2.9) | — | — |
| Interest income | (0.9) | (0.4) | (0.7) |
| Other costs | 1.0 | 0.3 | 1.9 |
| Net interest, finance and other costs | 42.0 | 39.0 | 30.9 |

Note 18. Shareholders' equity

The authorized and issued share capital of the Company are as follows:

Authorized

The authorized share capital of the Company consists of an unlimited number of subordinate voting shares without par value, an unlimited number of multiple voting shares without par value, and an unlimited number of preferred shares without par value, issuable in series.

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Issued

Multiple voting shares - Holders of the multiple voting shares are entitled to 10 votes per multiple voting share. Multiple voting shares are convertible at any time at the option of the holder into one subordinate voting share. The multiple voting shares will automatically be converted into subordinate voting shares when they cease to be owned by one of the principal shareholders. In addition, the multiple voting shares of either of the principal shareholders will automatically be converted to subordinate voting shares at such time as the beneficial ownership of that shareholder falls below 15% of the outstanding subordinate voting shares and multiple voting shares outstanding, or additionally, in the case of DTR, when the current Chairman and Chief Executive Officer no longer serves as a director of the Company or in a senior management position.

Subordinate voting shares - Holders of the subordinate voting shares are entitled to one vote per subordinate voting share.

The rights of the subordinate voting shares and the multiple voting shares are substantially identical, except for voting and conversion. Subject to the prior rights of any preferred shares, the holders of subordinate and multiple voting shares participate equally in any dividends declared and share equally in any distribution of assets on liquidation, dissolution, or winding up.

Share capital transactions for the year ended April 2, 2023

Normal course issuer bid

The Board of Directors has authorized the Company to initiate a normal course issuer bid ("NCIB"), in accordance with the requirements of the Toronto Stock Exchange, to purchase up to 5,421,685 subordinate voting shares over the 12-month period from November 22, 2022 to November 21, 2023. Purchased subordinate voting shares will be cancelled.

In connection with the NCIB, the Company also entered an automatic share purchase plan ("ASPP") under which a designated broker may purchase subordinate voting shares under the NCIB during the regularly scheduled quarterly trading blackout periods of the Company. The repurchases made under the ASPP will be made in accordance with certain purchasing parameters and will continue until the earlier of the date in which the Company has acquired the maximum limit of subordinate voting shares pursuant to the ASPP or upon the date of expiry of the NCIB.

During the year ended April 2, 2023, the Company purchased 1,152,802 subordinate voting shares for cancellation for total cash consideration of \$26.7m. The amount to purchase the subordinate voting shares has been charged to share capital, with the remaining \$25.4m charged to retained earnings. Of the 1,152,802 subordinate voting shares purchased, 821,622 were purchased under the ASPP for total cash consideration of \$20.0m.

A liability representing the maximum amount that the Company could be required to pay the designated broker under the ASPP was \$20.0m as at April 2, 2023. The amount was charged to contributed surplus. Subsequent to the year ended April 2, 2023, the Company purchased an additional 250,100 subordinate voting shares for cancellation for total cash consideration of \$6.2m under the ASPP. As at the filing date of this report, the remaining liability to the designated broker is \$nil.

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The transactions affecting the issued and outstanding share capital of the Company are described below:

| | Multiple voting shares | | Subordinate voting shares | | Total | |
|---|------------------------|-----|---------------------------|-------|-------------|-------|
| | Number | \$ | Number | \$ | Number | \$ |
| April 3, 2022 | 51,004,076 | 1.4 | 54,190,432 | 117.1 | 105,194,508 | 118.5 |
| Purchase of subordinate voting shares | — | — | (1,103,102) | (2.4) | (1,103,102) | (2.4) |
| Purchase of subordinate voting shares held for cancellation | — | — | (49,700) | (0.1) | (49,700) | (0.1) |
| Total share purchases | — | — | (1,152,802) | (2.5) | (1,152,802) | (2.5) |
| Exercise of stock options | — | — | 60,248 | — | 60,248 | — |
| Settlement of RSUs | — | — | 87,034 | 2.7 | 87,034 | 2.7 |
| Total share issuances | — | — | 147,282 | 2.7 | 147,282 | 2.7 |
| April 2, 2023 | 51,004,076 | 1.4 | 53,184,912 | 117.3 | 104,188,988 | 118.7 |

Share capital transactions for the year ended April 3, 2022

The Company previously maintained another NCIB in relation to its subordinate voting shares. The Company was authorized to make purchases from August 20, 2021 to August 19, 2022, in accordance with the requirements of the TSX. The Board of Directors of the Company had authorized the Company to repurchase up to 5,943,239 subordinate voting shares, representing approximately 10.0% of the issued and outstanding subordinate voting shares as at August 6, 2021. Purchases were made during the validity of such NCIB by means of open market transactions on the TSX, the NYSE and one Canadian alternative trading system.

During the year ended April 3, 2022, the Company purchased 5,636,763 subordinate voting shares for cancellation for total cash consideration of \$253.2m. The amount to purchase the subordinate voting shares has been charged to share capital, with the remaining \$241.3m charged to retained earnings.

The transactions affecting the issued and outstanding share capital of the Company are described below:

| | Multiple voting shares | | Subordinate voting shares | | Total | |
|---------------------------------------|------------------------|-----|---------------------------|--------|-------------|--------|
| | Number | \$ | Number | \$ | Number | \$ |
| March 28, 2021 | 51,004,076 | 1.4 | 59,435,079 | 119.1 | 110,439,155 | 120.5 |
| Purchase of subordinate voting shares | — | — | (5,636,763) | (11.9) | (5,636,763) | (11.9) |
| Total share purchases | — | — | (5,636,763) | (11.9) | (5,636,763) | (11.9) |
| Exercise of stock options | — | — | 342,148 | 8.5 | 342,148 | 8.5 |
| Settlement of RSUs | — | — | 49,968 | 1.4 | 49,968 | 1.4 |
| Total share issuances | — | — | 392,116 | 9.9 | 392,116 | 9.9 |
| April 3, 2022 | 51,004,076 | 1.4 | 54,190,432 | 117.1 | 105,194,508 | 118.5 |

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Share capital transactions for the year ended March 28, 2021

The transactions affecting the issued and outstanding share capital of the Company are described below:

| | Multiple voting shares | | Subordinate voting shares | | Total | |
|---------------------------|------------------------|-----|---------------------------|-------|-------------|-------|
| | Number | \$ | Number | \$ | Number | \$ |
| March 29, 2020 | 51,004,076 | 1.4 | 58,999,182 | 113.3 | 110,003,258 | 114.7 |
| Exercise of stock options | — | — | 422,511 | 5.3 | 422,511 | 5.3 |
| Settlement of RSUs | — | — | 13,386 | 0.5 | 13,386 | 0.5 |
| Total share issuances | — | — | 435,897 | 5.8 | 435,897 | 5.8 |
| March 28, 2021 | 51,004,076 | 1.4 | 59,435,079 | 119.1 | 110,439,155 | 120.5 |

Note 19. Share-based payments

Stock options

The Company has issued stock options to purchase subordinate voting shares under its incentive plans, prior to the public share offering on March 21, 2017, the Legacy Plan, and subsequently, the Omnibus Plan. All options are issued at an exercise price that is not less than market value at the time of grant and expire ten years after the grant date.

Legacy Plan

Under the terms of the Legacy Plan, options were granted to certain executives of the Company which are exercisable to purchase subordinate voting shares. All Legacy Plan options have fully vested or been cancelled prior to the year ended April 2, 2023. No new options will be issued under the Legacy Plan.

Omnibus Plan

Under the terms of the Omnibus Plan, options are granted to certain employees of the Company which are exercisable to purchase subordinate voting shares. The options vest over four years contingent upon meeting the service conditions of the Omnibus Plan, 25% on each anniversary of the date of grant.

Stock option transactions are as follows:

| | Year ended | | | |
|---|---------------------------------|------------------|---------------------------------|------------------|
| | April 2, 2023 | | April 3, 2022 | |
| | Weighted average exercise price | Number of shares | Weighted average exercise price | Number of shares |
| Options outstanding, beginning of period | \$ 42.99 | 2,722,690 | \$ 38.32 | 2,498,973 |
| Granted to purchase shares | \$ 24.63 | 1,580,506 | \$ 48.92 | 739,420 |
| Exercised | \$ 0.23 | (60,248) | \$ 20.73 | (342,148) |
| Cancelled | \$ 40.66 | (187,749) | \$ 44.94 | (173,555) |
| Options outstanding, end of period | \$ 36.58 | 4,055,199 | \$ 42.99 | 2,722,690 |

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The following table summarizes information about stock options outstanding and exercisable at April 2, 2023:

| Exercise price | Options Outstanding | | Options Exercisable | |
|----------------|---------------------|--|---------------------|--|
| | Number | Weighted average remaining life in years | Number | Weighted average remaining life in years |
| \$0.02 | 57,271 | 1.0 | 57,271 | 1.0 |
| \$1.79 | 44,307 | 1.9 | 44,307 | 1.9 |
| \$4.62 | 22,221 | 3.0 | 22,221 | 3.0 |
| \$8.94 | 122,221 | 3.8 | 122,221 | 3.8 |
| \$23.64 | 42,576 | 4.4 | 42,576 | 4.4 |
| \$23.77 | 12,285 | 9.2 | — | 0.0 |
| \$24.64 | 1,518,126 | 9.2 | — | 0.0 |
| \$30.73 | 48,730 | 4.2 | 48,730 | 4.2 |
| \$31.79 | 35,622 | 4.6 | 35,622 | 4.6 |
| \$33.97 | 700,955 | 7.2 | 292,563 | 7.2 |
| \$45.34 | 39,055 | 6.2 | 27,933 | 6.2 |
| \$46.38 | 8,573 | 6.6 | 5,715 | 6.6 |
| \$48.21 | 11,045 | 8.4 | 2,761 | 8.4 |
| \$48.93 | 616,670 | 8.2 | 154,136 | 8.2 |
| \$50.00 | 250,000 | 7.2 | 125,000 | 7.2 |
| \$63.03 | 359,157 | 6.0 | 269,359 | 6.0 |
| \$83.53 | 166,385 | 5.2 | 166,385 | 5.2 |
| | 4,055,199 | 7.5 | 1,416,800 | 5.8 |

Restricted share units

Under the Omnibus Plan, the Company has granted RSUs to employees of the Company. The RSUs are treated as equity instruments for accounting purposes. We expect that vested RSUs will be paid at settlement through the issuance of one subordinate voting share per RSU. The RSUs vest over a period of three years, a third on each anniversary of the date of grant.

RSUs transactions are as follows:

| | Year ended | |
|--|---------------|---------------|
| | April 2, 2023 | April 3, 2022 |
| | Number | Number |
| RSUs outstanding, beginning of period | 215,590 | 137,117 |
| Granted | 209,187 | 152,320 |
| Settled | (87,034) | (49,968) |
| Cancelled | (19,661) | (23,879) |
| RSUs outstanding, end of period | 318,082 | 215,590 |

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During the second quarter ended October 2, 2022, the Company amended the Omnibus Plan to replenish and increase the number of shares reserved for issuance under the plan by the addition of 5,266,699 subordinate voting shares of the Company.

As at April 2, 2023, subordinate voting shares, to a maximum of 6,631,917 shares, have been reserved for issuance under equity incentive plans to select employees of the Company, with vesting contingent upon meeting the service, performance goals and other conditions of the Omnibus Plan.

Accounting for share-based awards

For the year ended April 2, 2023, the Company recorded \$15.0m as contributed surplus and compensation expense for stock options and RSUs (April 3, 2022 - \$14.0m, March 28, 2021 - \$11.3m). Share-based compensation expense is included in SG&A expenses.

The assumptions used to measure the fair value of options granted under the Black-Scholes option pricing model at the grant date were as follows:

| | Year ended | |
|---|------------------|------------------|
| | April 2, 2023 | April 3, 2022 |
| Weighted average stock price valuation | \$ 24.63 | \$ 48.92 |
| Weighted average exercise price | \$ 24.63 | \$ 48.92 |
| Risk-free interest rate | 2.52 % | 0.44 % |
| Expected life in years | 5 | 5 |
| Expected dividend yield | — % | — % |
| Volatility | 40 % | 40 % |
| Weighted average fair value of options issued | \$ 7.86 | \$ 14.36 |

Note 20. Related party transactions

The Company enters into transactions from time to time with its principal shareholders and organizations affiliated with members of the Board of Directors by incurring expenses for business services. During the year ended April 2, 2023, the Company had transactions with related parties of \$1.3m (April 3, 2022 - \$1.7m, March 28, 2021 - \$1.2m) from companies related to certain shareholders. Net balances owing to related parties as at April 2, 2023 were \$0.4m (April 3, 2022 - \$0.3m).

A lease liability due to the previous controlling shareholder of the acquired Baffin Inc. business (the "Baffin Vendor") for leased premises was \$3.1m as at April 2, 2023 (April 3, 2022 - \$3.8m). During the year ended April 2, 2023, the Company paid principal and interest on the lease liability, net of rent concessions, and other operating costs to entities affiliated with the Baffin Vendor totaling \$1.4m (April 3, 2022 - \$1.4m, March 28, 2021 - \$1.2m). No amounts were owing to Baffin entities as at April 2, 2023 and April 3, 2022.

Lease liabilities due to the non-controlling shareholder of the Japan Joint Venture, Sazaby League, for leased premises, was \$2.7m as at April 2, 2023. During the year ended April 2, 2023, the Company incurred principal and interest on lease liabilities, royalty fees, and other operating costs to Sazaby League totalling \$5.9m. Balances owing to Sazaby League as at April 2, 2023 were \$0.2m.

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Pursuant to the Joint Venture Agreement, during the year ended April 2, 2023 the Company sold inventory of \$11.9m to Sazaby League for repurchase by the Japan Joint Venture for inventory fulfillment. There was no outstanding receivable from Sazaby League as at April 2, 2023. During the year ended April 2, 2023, the Japan Joint Venture repurchased \$11.9m of inventory from Sazaby League. The Japan Joint Venture had no amounts owing to Sazaby League as at April 2, 2023. These transactions were measured based on pricing established through the Joint Venture Agreement at market terms and were not recognized as sales transactions.

During the year ended April 2, 2023, the Japan Joint Venture sold inventory of \$1.7m to companies wholly owned by Sazaby League. As at April 2, 2023, the Japan Joint Venture recognized a trade receivable of \$0.1m from these companies.

Terms and conditions of transactions with related parties

Transactions with related parties are conducted on terms pursuant to an approved agreement, or are approved by the Board of Directors.

Key management compensation

Key management consists of the Board of Directors, the Chairman and Chief Executive Officer and the executives who report directly to the Chairman and Chief Executive Officer.

| | Year ended | | |
|------------------------------|--------------------------|--------------------------|---------------------------|
| | April 2, 2023 | April 3, 2022 | March 28, 2021 |
| | \$ | \$ | \$ |
| Short term employee benefits | 10.1 | 12.5 | 13.2 |
| Long term employee benefits | 0.1 | 0.1 | 0.1 |
| Share-based compensation | 11.2 | 11.5 | 8.6 |
| Compensation expense | 21.4 | 24.1 | 21.9 |

Note 21. Financial instruments and fair values

The Company's derivative financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined, in particular, the valuation technique(s) and inputs used.

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| Financial assets/ financial liabilities | Fair value hierarchy | Valuation technique(s) and key input(s) |
|--|---------------------------------|---|
| Foreign currency forward contracts | Level 2 | Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties. |
| Foreign currency and interest rate swap contracts | Level 2 | Future cash flows are estimated based on forward exchange rates (from observable forward exchange and interest swap rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties. |
| Revolving facility, term loan and Japan Facility | Level 2 | The fair value is based on the present value of contractual cash flows, discounted at the Company's current incremental borrowing rate for similar types of borrowing arrangements or, where applicable, market rates. |
| Mainland China Facilities | Level 3 | The fair value is based on the present value of contractual cash flows, discounted at the Company's current incremental borrowing rate for similar types of borrowing arrangements or, where applicable, market rates. |
| Put option liability | Level 3 | The fair value is based on the present value of the amount expected to be paid to the non-controlling shareholder if the put option is exercised. |
| Contingent consideration | Level 3 | The fair value of the applicable contingent consideration is determined based on the estimated financial outcome and the resulting expected contingent consideration to be paid, discounted using an appropriate rate. |

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The following table presents the fair values and fair value hierarchy of the Company's financial instruments and excludes financial instruments carried at amortized cost that are short-term in nature:

| | April 2, 2023 | | | | | April 3, 2022 | | | | |
|---|---------------|---------|---------|----------------|------------|---------------|---------|---------|----------------|------------|
| | Level 1 | Level 2 | Level 3 | Carrying value | Fair value | Level 1 | Level 2 | Level 3 | Carrying value | Fair value |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial assets | | | | | | | | | | |
| Derivatives included in other current assets | — | 12.4 | — | 12.4 | 12.4 | — | 9.5 | — | 9.5 | 9.5 |
| Derivatives included in other long-term assets | — | 12.4 | — | 12.4 | 12.4 | — | 20.4 | — | 20.4 | 20.4 |
| Financial liabilities | | | | | | | | | | |
| Derivatives included in accounts payable and accrued liabilities | — | 3.3 | — | 3.3 | 3.3 | — | 10.4 | — | 10.4 | 10.4 |
| Mainland China Facilities | — | — | 9.8 | 9.8 | 9.8 | — | — | — | — | — |
| Japan Facility | — | 13.7 | — | 13.7 | 13.7 | — | — | — | — | — |
| Derivatives included in other long-term liabilities | — | 6.0 | — | 6.0 | 6.0 | — | 23.1 | — | 23.1 | 23.1 |
| Revolving facility | — | — | — | — | — | — | — | — | — | — |
| Term loan | — | 395.7 | — | 395.7 | 433.1 | — | 370.0 | — | 370.0 | 386.9 |
| Put option liability included in other long-term liabilities (note 5) | — | — | 32.1 | 32.1 | 32.1 | — | — | — | — | — |
| Contingent consideration included in other long-term liabilities (note 5) | — | — | 16.8 | 16.8 | 16.8 | — | — | — | — | — |

As at April 2, 2023, there were no transfers between the levels of the fair value hierarchy.

Note 22. Financial risk management objectives and policies

The Company's primary risk management objective is to protect the Company's assets and cash flow, in order to increase the Company's enterprise value.

The Company is exposed to capital management risk, liquidity risk, credit risk, market risk, foreign exchange risk, and interest rate risk. The Company's senior management and Board of Directors oversee the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

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Capital management

The Company manages its capital and capital structure with the objectives of safeguarding sufficient net working capital over the annual operating cycle and providing sufficient financial resources to grow operations to meet long-term consumer demand. The Board of Directors of the Company monitors the Company's capital management on a regular basis. The Company will continually assess the adequacy of the Company's capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and risk characteristics of the business.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to satisfy the requirements for business operations, capital expenditures, debt service and general corporate purposes, under normal and stressed conditions. The primary source of liquidity is funds generated by operating activities; the Company also relies on the revolving facility, the Mainland China Facilities, and Japan Facility as sources of funds for short term working capital needs. The Company continuously reviews both actual and forecasted cash flows to ensure that the Company has appropriate capital capacity.

The following table summarizes the amount of contractual undiscounted future cash flow requirements as at April 2, 2023:

| | 2024 | 2025 | 2026 | 2027 | 2028 | Thereafter | Total |
|--|--------------|--------------|-------------|-------------|--------------|--------------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Accounts payable and accrued liabilities | 195.6 | — | — | — | — | — | 195.6 |
| Mainland China Facilities | 9.8 | — | — | — | — | — | 9.8 |
| Japan Facility | 13.7 | — | — | — | — | — | 13.7 |
| Term loan | 4.1 | 4.1 | 4.1 | 4.1 | 379.9 | — | 396.3 |
| Interest commitments relating to borrowings ¹ | 34.7 | 34.3 | 34.3 | 34.3 | 17.2 | — | 154.8 |
| Lease obligations | 85.3 | 78.2 | 60.6 | 51.7 | 37.5 | 102.0 | 415.3 |
| Pension obligation | — | — | — | — | — | 1.6 | 1.6 |
| Total contractual obligations | 343.2 | 116.6 | 99.0 | 90.1 | 434.6 | 103.6 | 1,187.1 |

¹ Interest commitments are calculated based on the loan balance and the interest rate payable on the Mainland China Facilities, the Japan Facility, and the term loan of 3.30%, 0.33%, and 8.66% respectively, as at April 2, 2023.

As at April 2, 2023, we had additional liabilities which included provisions for warranty, sales returns, asset retirement obligations, deferred income tax liabilities, as well as the put option liability and the contingent consideration on the Japan Joint Venture. These liabilities have not been included in the table above as the timing and amount of future payments are uncertain.

Notes to the Consolidated Financial Statements

April 2, 2023

(in millions of Canadian dollars, except share and per share data)

Letter of guarantee facility

On April 14, 2020, Canada Goose Inc. entered into a letter of guarantee facility in the amount of \$10.0m. Within the facility, letters of guarantee are available for terms of up to twelve months from the date of issuance and will be charged a fee equal to 1.2% per annum calculated against the face amount and over the term of the guarantee. Amounts issued on the facility will be used to finance working capital requirements through letters of guarantee, standby letters of credit, performance bonds, counter guarantees, counter standby letters of credit, or similar credits. The Company immediately reimburses the issuing bank for amounts drawn on issued letters of guarantees. At April 2, 2023, the Company had \$6.4m outstanding.

In addition, a subsidiary of the Company in Mainland China entered into letters of guarantee and as at April 2, 2023 the amount outstanding was \$9.5m. Amounts will be used to support retail operations through letters of guarantee, standby letters of credit, performance bonds, counter guarantees, counter standby letters of credit, or similar credits.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Credit risk arises from the possibility that certain parties will be unable to discharge their obligations. The Company manages its credit risk through a combination of third party credit insurance and internal house risk. Credit insurance is provided by a third party for customers and is subject to continuous monitoring of the credit worthiness of the Company's customers. Insurance covers a specific amount of revenue, which may be less than the Company's total revenue with a specific customer. The Company has an agreement with a third party who has insured the risk of loss for up to 90% of accounts receivable from certain designated customers subject to a total deductible of \$0.1m, to a maximum of \$30.0m per year. As at April 2, 2023, accounts receivable totaling approximately \$10.3m (April 3, 2022 - \$8.1m) were insured subject to the policy cap. Complementary to the third party insurance, the Company establishes payment terms with customers to mitigate credit risk and continues to closely monitor its accounts receivable credit risk exposure.

Within CG Japan, the Company has an agreement with a third party who has insured the risk of loss for up to 45% of trade accounts receivable for certain designated customers for a maximum of JPY450.0m per annum subject to a deductible of 10% and applicable only to accounts with receivables over JPY100k. As at April 2, 2023, trade accounts receivable totalling approximately \$0.7m (JPY72.8m) were insured subject to the policy cap.

Customer deposits are received in advance from certain customers for seasonal orders to further mitigate credit risk, and applied to reduce accounts receivable when goods are shipped. As at April 2, 2023, customer deposits of \$0.2m (April 3, 2022 - \$0.2m) were included in accounts payable and accrued liabilities.

Notes to the Consolidated Financial Statements

April 2, 2023

(in millions of Canadian dollars, except share and per share data)

The aging of trade receivables was as follows:

| | Total | Current | ≤ 30 days | 31-60 days | Past due ≥ 61 days |
|---------------------------|-------------|-------------|------------|------------|-----------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Trade accounts receivable | 30.4 | 22.2 | 4.4 | 1.1 | 2.7 |
| Credit card receivables | 2.5 | 2.5 | — | — | — |
| Other receivables | 19.5 | 18.9 | 0.5 | — | 0.1 |
| April 2, 2023 | 52.4 | 43.6 | 4.9 | 1.1 | 2.8 |
| Trade accounts receivable | 22.0 | 14.4 | 2.8 | 2.1 | 2.7 |
| Credit card receivables | 2.5 | 2.5 | — | — | — |
| Other receivables | 19.3 | 9.5 | — | — | 9.8 |
| April 3, 2022 | 43.8 | 26.4 | 2.8 | 2.1 | 12.5 |

Trade accounts receivable factoring program

A subsidiary of the Company in Europe has an agreement to factor, on a limited recourse basis, certain of its trade accounts receivable up to a limit of €20.0m in exchange for advanced funding equal to 100% of the principal value of the invoice. Accepted currencies include euros, British pounds sterling, and Swiss francs. The Company is charged a fee of the applicable EURIBOR or LIBOR reference rate plus 1.15% per annum, based on the number of days between the purchase date and the invoice due date, which is lower than the Company's average borrowing rate under its revolving facility. The program is utilized to provide sufficient liquidity to support its international operating cash needs. Upon transfer of the receivables, the Company receives cash proceeds and continues to service the receivables on behalf of the third-party financial institution. The program meets the derecognition requirements in accordance with IFRS 9, *Financial Instruments* as the Company transfers substantially all the risks and rewards of ownership upon the sale of a receivable. These proceeds are classified as cash flows from operating activities in the statement of cash flows.

For the year ended April 2, 2023, the Company received total cash proceeds from the sale of trade accounts receivable with carrying values of \$45.7m which were derecognized from the Company's statement of financial position (April 3, 2022 - \$26.6m). Fees of \$0.3m were incurred during the year ended April 2, 2023 (April 3, 2022 - less than \$0.1m) and included in net interest, finance and other costs in the statements of income. As at April 2, 2023, the outstanding amount of trade accounts receivable derecognized from the Company's statement of financial position, but which the Company continued to service was \$1.1m (April 3, 2022 - \$2.0m).

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise foreign exchange risk and interest rate risk.

Notes to the Consolidated Financial Statements
April 2, 2023

(in millions of Canadian dollars, except share and per share data)

Foreign exchange risk

Foreign exchange risk in operating cash flows

The Company's consolidated financial statements are expressed in Canadian dollars, but a substantial portion of the Company's revenues, purchases, and expenses are denominated in other currencies, primarily U.S. dollars, euros, British pounds sterling, Swiss francs, Chinese yuan, Hong Kong dollars and since the establishment of the Japan Joint Venture on April 4, 2022, Japanese yen. The Company has entered into forward foreign exchange contracts to reduce the foreign exchange risk associated with revenues, purchases, and expenses denominated in these currencies. Certain forward foreign exchange contracts were designated at inception and accounted for as cash flow hedges. During the fourth quarter of fiscal 2023, the Company executed the operating cash flow hedge program for the fiscal year ending March 31, 2024.

Revenues and expenses of all foreign operations are translated into Canadian dollars at the foreign currency exchange rates that approximate the rates in effect at the dates when such items are recognized. As a result, we are exposed to foreign currency translation gains and losses. Appreciating foreign currencies relative to the Canadian dollar, to the extent they are not hedged, will positively impact operating income and net income by increasing our revenue, while depreciating foreign currencies relative to the Canadian dollar will have the opposite impact.

The Company recognized the following unrealized losses in the fair value of derivatives designated as cash flow hedges in other comprehensive income:

| | Year ended | | | | | |
|---|--------------------------|---------------------|--------------------------|--------------------|---------------------------|--------------------|
| | April 2, 2023 | | April 3, 2022 | | March 28, 2021 | |
| | Net loss | Tax recovery | Net loss | Tax expense | Net loss | Tax expense |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Forward foreign exchange contracts designated as cash flow hedges | (3.7) | 0.9 | (4.5) | (0.1) | (0.3) | (1.1) |

The Company reclassified the following losses and gains from other comprehensive income on derivatives designated as cash flow hedges to locations in the consolidated financial statements described below:

| | Year ended | | |
|---|--------------------------|--------------------------|---------------------------|
| | April 2, 2023 | April 3, 2022 | March 28, 2021 |
| | \$ | \$ | \$ |
| Loss (gain) from other comprehensive income | | | |
| Forward foreign exchange contracts designated as cash flow hedges | | | |
| Revenue | 5.5 | 3.9 | 3.3 |
| SG&A expenses | 0.1 | (0.4) | (0.2) |
| Inventory | 0.8 | (0.9) | (0.9) |

Notes to the Consolidated Financial Statements
April 2, 2023

(in millions of Canadian dollars, except share and per share data)

During the year ended April 2, 2023, an unrealized gain of \$4.5m (April 3, 2022 - unrealized gain of \$4.7m, March 28, 2021 - unrealized gain of \$6.4m) on forward exchange contracts that were not treated as hedges was recognized in SG&A expenses in the statements of income.

Foreign currency forward exchange contracts outstanding as at April 2, 2023 related to operating cash flows were:

| (in millions) | Aggregate Amounts | | Currency |
|---|-------------------|---------|-------------------------|
| Forward contract to purchase Canadian dollars | USD | 146.7 | U.S. dollars |
| | € | 187.5 | euros |
| | ¥ | 2,055.6 | Japanese yen |
| Forward contract to sell Canadian dollars | USD | 77.9 | U.S. dollars |
| | € | 94.7 | euros |
| Forward contract to purchase euros | CNY | 878.9 | Chinese yuan |
| | £ | 41.6 | British pounds sterling |
| | HKD | 106.1 | Hong Kong dollars |
| | CHF | 1.2 | Swiss francs |
| Forward contract to sell euros | CHF | 10.9 | Swiss francs |
| | £ | 9.2 | British pounds sterling |
| | CNY | 193.2 | Chinese yuan |
| | HKD | 118.7 | Hong Kong dollars |

Foreign exchange risk on borrowings

The Company enters into derivative transactions to hedge a portion of its exposure to interest rate risk and foreign currency exchange risk related to principal and interest payments on the term loan denominated in U.S. dollars (note 17). The Company also entered into a five-year forward exchange contract by selling \$368.5m and receiving USD270.0m as measured on the trade date, to fix the foreign exchange risk on a portion of the term loan borrowings.

The Company recognized the following unrealized gains and losses in the fair value of derivatives designed as hedging instruments in other comprehensive income:

| | Year ended | | | | | |
|---|------------------|-------------|------------------|-------------|-------------------|---------------------------|
| | April 2, 2023 | | April 3, 2022 | | March 28, 2021 | |
| | Net gain | Tax expense | Net gain | Tax expense | Net (loss) gain | Tax (expense) recovery |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Swaps designated as cash flow hedges | 4.1 | (0.8) | 13.2 | (4.5) | (0.9) | (0.5) |
| Euro-denominated cross-currency swap designated as a net investment hedge | — | — | — | — | 0.2 | 0.1 |

Notes to the Consolidated Financial Statements

April 2, 2023

(in millions of Canadian dollars, except share and per share data)

The Company reclassified the following losses from other comprehensive income on derivatives designated as hedging instruments to SG&A expenses:

| | Year ended | | |
|---|------------------|------------------|-------------------|
| | April 2, 2023 | April 3, 2022 | March 28, 2021 |
| Loss from other comprehensive income | \$ | \$ | \$ |
| Swaps designated as cash flow hedges | 0.5 | 0.9 | 5.6 |

During the year ended April 2, 2023, an unrealized gain of \$17.5m (April 3, 2022 - unrealized loss of \$4.6m, March 28, 2021 - unrealized loss of \$21.7m) in the fair value of the long-dated forward exchange contract related to a portion of the term loan balance has been recognized in SG&A expenses in the statements of income.

Interest rate risk

The Company is exposed to interest rate risk related to the effect of interest rate changes on the borrowings outstanding under the Mainland China Facilities, Japan Facility, and the term loan, which currently bear interest rates at 3.30%, 0.33%, and 8.66%, respectively.

The Company entered into five-year interest rate swaps by fixing the LIBOR component of its interest rate at 0.95% on notional debt of USD270.0m. The swaps terminate on December 31, 2025. Subsequent to the Repricing Amendment, the applicable interest rate on the interest rate swaps is 4.45%. The interest rate swaps were designated at inception and accounted for as cash flow hedges.

On March 17, 2023 the Company chose to de-designate and unwind a interest rate swaps with a notional of USD90.0m and recognized a new interest rate swap effective on March 31, 2023 for the same notional amount. The remaining swaps will continue to have an applicable interest rate of 4.45%. The new swap contract hedges interest rate risk associated with the Company's 3-month USD-LIBOR interest payments using a pay fixed/receive float interest rate swap to eliminate variability in the USD-LIBOR swap rate. As a result of the termination, the Company received cash settlement of USD6.3m (\$8.6m) for this contract.

Interest rate risk on the term loan is partially mitigated by interest rate swap hedges. The impact on future interest expense as a result of future changes in interest rates will depend largely on the gross amount of borrowings at that time.

Based on the weighted average amount of outstanding borrowings, a 1.00% increase in the average interest rate during the year ended April 2, 2023 would have increased interest expense as follows:

| | Year ended | |
|---------------------------|------------------|------------------|
| | April 2, 2023 | April 3, 2022 |
| | \$ | \$ |
| Mainland China Facilities | 0.1 | 0.1 |
| Japan Facility | 0.3 | — |
| Term loan | 3.9 | 3.7 |

Notes to the Consolidated Financial Statements
April 2, 2023

(in millions of Canadian dollars, except share and per share data)

Note 23. Selected cash flow information

Changes in non-cash operating items

| | April 2, 2023 | April 3, 2022 | Year ended March 28, 2021 |
|---|--------------------------|--------------------------|--|
| | \$ | \$ | \$ |
| Trade receivables | (4.6) | (8.7) | (10.4) |
| Inventories | (49.9) | (60.7) | 67.0 |
| Other current assets | (9.4) | (3.4) | 5.8 |
| Accounts payable and accrued liabilities | (16.8) | (8.5) | 28.2 |
| Provisions | 9.0 | 3.7 | 8.2 |
| Other | (3.7) | (5.2) | 5.7 |
| Change in non-cash operating items | (75.4) | (82.8) | 104.5 |

Notes to the Consolidated Financial Statements
April 2, 2023

(in millions of Canadian dollars, except share and per share data)

Changes in liabilities and equity arising from financing activities

| | Mainland China Facilities | Japan Facility | Revolving facility | Term loan | Lease liabilities | Net derivative asset on terminated contracts | Share capital |
|---|------------------------------|----------------|-----------------------|--------------|-------------------|---|---------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| April 3, 2022 | — | — | (0.9) | 370.0 | 250.7 | (7.3) | 118.5 |
| Cash flows: | | | | | | | |
| Cash inflow from business combination | — | 19.4 | — | — | 3.2 | — | — |
| Mainland China Facilities borrowings | 9.8 | — | — | — | — | — | — |
| Japan Facility repayments | — | (5.7) | — | — | — | — | — |
| Term loan repayments | — | — | — | (4.0) | — | — | — |
| Subordinate voting shares purchased and cancelled under NCIB | — | — | — | — | — | — | (26.7) |
| Principal payments on lease liabilities | — | — | — | — | (62.2) | — | — |
| Settlement of term loan derivative contracts | — | — | — | — | — | 8.6 | — |
| Non-cash items: | | | | | | | |
| Amortization of deferred transaction costs | — | — | 0.4 | 0.2 | — | — | — |
| Fair market valuation | — | — | — | — | — | (0.6) | — |
| Unrealized foreign exchange loss (gain) | — | — | — | 29.5 | 11.5 | (0.7) | — |
| Additions and amendments to lease liabilities (note 13) | — | — | — | — | 132.3 | — | — |
| Derecognition on termination of lease liabilities (note 13) | — | — | — | — | (0.7) | — | — |
| Share purchase charge to retained earnings (note 18) | — | — | — | — | — | — | 24.3 |
| Purchase of subordinate voting shares held for cancellation (note 18) | — | — | — | — | — | — | (0.1) |
| Contributed surplus on exercise of stock options (note 18) | — | — | — | — | — | — | 2.7 |
| April 2, 2023 | 9.8 | 13.7 | (0.5) | 395.7 | 334.8 | — | 118.7 |

Notes to the Consolidated Financial Statements
April 2, 2023

(in millions of Canadian dollars, except share and per share data)

| | Revolving facility | Term loan | Lease liabilities | Share capital |
|---|---------------------------|------------------|--------------------------|----------------------|
| | \$ | \$ | \$ | \$ |
| March 28, 2021 | (1.7) | 367.8 | 254.8 | 120.5 |
| Cash flows: | | | | |
| Term loan repayments | — | (4.7) | — | — |
| Transactions costs on financing activities | — | (1.0) | — | — |
| Subordinate voting shares purchased and cancelled under NCIB | — | — | — | (253.2) |
| Principal payments on lease liabilities | — | — | (46.9) | — |
| Issuance of shares | — | — | — | 7.1 |
| Non-cash items: | | | | |
| Amortization of deferred transaction costs | 0.8 | 0.2 | — | — |
| Acceleration of unamortized costs on term loan extinguishment | — | 9.5 | — | — |
| Unrealized foreign exchange gain | — | (1.8) | (5.3) | — |
| Additions and modifications to lease liabilities (note 13) | — | — | 48.1 | — |
| Share purchase charge to retained earnings (note 18) | — | — | — | 241.3 |
| Contributed surplus on exercise of stock options (note 18) | — | — | — | 2.8 |
| April 3, 2022 | (0.9) | 370.0 | 250.7 | 118.5 |

Note 24. Subsequent Events

Subsequent to the year ended April 2, 2023, on May 15, 2023, the Company entered into a further amendment to the revolving facility and the term loan. Following the amendment, the revolving facility has multiple interest rate charge options that are based on the Canadian prime rate, Banker's Acceptance rate, the lenders' Alternate Base Rate, European Base Rate, SOFR rate, or EURIBOR rate plus an applicable margin, with interest payable the earlier of quarterly or at the end of the then current interest period (whichever is earlier). The revolving facility now matures on May 15, 2028. Following the amendment, the term loan has an interest rate of SOFR plus a an applicable margin of 3.50% payable quarterly in arrears and SOFR may not be less than 0.75%.

**SCHEDULE I – CONDENSED FINANCIAL INFORMATION OF
CANADA GOOSE HOLDINGS INC.
(PARENT COMPANY)**

All operating activities of Canada Goose Holdings Inc. (the “Parent Company”) are conducted by its subsidiaries. The Parent Company is a holding company and does not have any material assets or conduct business operations other than investments in its subsidiaries. The credit agreement of Canada Goose Inc., a wholly owned subsidiary of the Parent Company, contains provisions whereby Canada Goose Inc. has restrictions on the ability to pay dividends, loan funds and make other upstream distributions to the Parent Company.

These condensed parent company financial statements have been prepared using the same accounting principles and policies described in the notes to the consolidated financial statements. See the consolidated financial statements and notes presented above for additional information and disclosures with respect to these condensed financial statements.

PARENT COMPANY INFORMATION
Canada Goose Holdings Inc.
Schedule I – Condensed Statements of Income
(in millions of Canadian dollars)

| | Year ended | | |
|--|------------------|------------------|-------------------|
| | April 2, 2023 | April 3, 2022 | March 28, 2021 |
| | \$ | \$ | \$ |
| Equity in comprehensive income of subsidiary | 97.5 | 88.6 | 74.7 |
| Fee income (expense) from subsidiary | 10.2 | 10.8 | (1.3) |
| | 107.7 | 99.4 | 73.4 |
| Selling, general and administration expenses | 16.8 | 16.9 | 13.1 |
| Net interest, finance and other costs | 0.5 | 1.9 | — |
| Income before income taxes | 90.4 | 80.6 | 60.3 |
| Income tax recovery | (1.6) | (2.0) | (4.7) |
| Net income | 92.0 | 82.6 | 65.0 |
| Attributable to: | | | |
| Shareholders of the Company | 95.7 | 82.6 | 65.0 |
| Non-controlling interest | (3.7) | — | — |
| Net income | 92.0 | 82.6 | 65.0 |

The accompanying notes to the condensed financial statements are an integral part of these financial statements.

PARENT COMPANY INFORMATION
Canada Goose Holdings Inc.
Schedule I – Condensed Statements of Financial Position
(in millions of Canadian dollars)

| | April 2, 2023 | April 3, 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| Assets | | |
| Current assets | | |
| Cash | 6.9 | 0.3 |
| Total current assets | 6.9 | 0.3 |
| Note receivable from subsidiary | 76.4 | 60.5 |
| Investment in subsidiary | 468.9 | 638.2 |
| Deferred income taxes | 10.9 | 9.3 |
| Total assets | 563.1 | 708.3 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 20.1 | 0.6 |
| Due to subsidiary | 44.3 | 279.8 |
| Other non-current liabilities | 21.2 | — |
| Total liabilities | 85.6 | 280.4 |
| Equity | | |
| Equity attributable to shareholders of the Company | 469.5 | 427.9 |
| Non-controlling interests | 8.0 | — |
| Total equity | 477.5 | 427.9 |
| Total liabilities and equity | 563.1 | 708.3 |

The accompanying notes to the condensed financial statements are an integral part of these financial statements.

PARENT COMPANY INFORMATION
Canada Goose Holdings Inc.
Schedule I – Condensed Statements of Changes in Equity
(in millions of Canadian dollars)

| | Share capital | Contributed surplus | Retained earnings | Total attributable to shareholders | Non-controlling interest | Total |
|--|---------------|---------------------|-------------------|------------------------------------|--------------------------|--------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at March 29, 2020 | 114.7 | 15.7 | 366.9 | 497.3 | — | 497.3 |
| Issuance of shares | 5.8 | (1.8) | — | 4.0 | — | 4.0 |
| Net income | — | — | 65.0 | 65.0 | — | 65.0 |
| Share-based payment | — | 11.3 | — | 11.3 | — | 11.3 |
| Balance at March 28, 2021 | 120.5 | 25.2 | 431.9 | 577.6 | — | 577.6 |
| Normal course issuer bid purchase of subordinate voting shares | (11.9) | — | (241.3) | (253.2) | — | (253.2) |
| Issuance of shares | 9.9 | (2.8) | — | 7.1 | — | 7.1 |
| Net income | — | — | 82.6 | 82.6 | — | 82.6 |
| Share-based payment | — | 14.0 | — | 14.0 | — | 14.0 |
| Deferred tax on share-based payment | — | (0.2) | — | (0.2) | — | (0.2) |
| Balance at April 3, 2022 | 118.5 | 36.2 | 273.2 | 427.9 | — | 427.9 |
| Non-controlling interest on business combination | — | — | — | — | 11.7 | 11.7 |
| Put option for non-controlling interest | — | — | (21.2) | (21.2) | — | (21.2) |
| Normal course issuer bid purchase of subordinate voting shares | (2.4) | — | (24.3) | (26.7) | — | (26.7) |
| Normal course issuer bid purchase of subordinate voting shares held for cancellation | (0.1) | — | (1.1) | (1.2) | — | (1.2) |
| Liability to broker under automatic share purchase plan | — | (20.0) | — | (20.0) | — | (20.0) |
| Issuance of shares | 2.7 | (2.7) | — | — | — | — |
| Net income | — | — | 95.7 | 95.7 | (3.7) | 92.0 |
| Share-based payment | — | 15.0 | — | 15.0 | — | 15.0 |
| Balance at April 2, 2023 | 118.7 | 28.5 | 322.3 | 469.5 | 8.0 | 477.5 |

The accompanying notes to the condensed financial statements are an integral part of these financial statements.

PARENT COMPANY INFORMATION
Canada Goose Holdings Inc.
Schedule I – Condensed Statements of Cash Flows
(in millions of Canadian dollars)

| | Year ended | | |
|--|------------------|------------------|-------------------|
| | April 2, 2023 | April 3, 2022 | March 28, 2021 |
| | \$ | \$ | \$ |
| Operating activities | | | |
| Net income | 92.0 | 82.6 | 65.0 |
| Items not affecting cash: | | | |
| Equity in undistributed earnings of subsidiary | (97.5) | (88.6) | (74.7) |
| Net interest expense | 0.5 | 1.9 | — |
| Income tax recovery | (1.6) | (2.0) | (4.7) |
| Share-based compensation | 15.0 | 14.0 | 11.3 |
| | 8.4 | 7.9 | (3.1) |
| Changes in assets and liabilities | (493.5) | (20.2) | 2.8 |
| Intercompany accounts payable | 240.0 | 242.5 | — |
| Net cash (used in) from operating activities | (245.1) | 230.2 | (0.3) |
| Investing activities | | | |
| Dividend received | 198.4 | — | — |
| Investment in shares of subsidiary | 80.0 | — | — |
| Net cash from investing activities | 278.4 | — | — |
| Financing activities | | | |
| Subordinate voting shares purchased and cancelled under NCIB | (26.7) | (241.3) | — |
| Exercise of stock options | — | 7.1 | 4.0 |
| Net cash (used in) from financing activities | (26.7) | (234.2) | 4.0 |
| Increase (decrease) in cash | 6.6 | (4.0) | 3.7 |
| Cash, beginning of year | 0.3 | 4.3 | 0.6 |
| Cash, end of year | 6.9 | 0.3 | 4.3 |

The accompanying notes to the condensed financial statements are an integral part of these financial statements.

PARENT COMPANY INFORMATION
Canada Goose Holdings Inc.
Schedule I – Notes to the Condensed Financial Statements
(in millions of Canadian dollars)

1. BASIS OF PRESENTATION

The Parent Company is a holding company that conducts substantially all of its business operations through its subsidiaries. The Parent Company (a British Columbia corporation) was incorporated on November 21, 2013.

The Parent Company has accounted for the earnings of its subsidiaries under the equity method in these unconsolidated condensed financial statements.

2. TRANSACTIONS WITH SUBSIDIARIES

The Parent Company received cash dividends from its consolidated subsidiaries totaling \$198.4m during the year ended April 2, 2023, and no dividends were received for the years ended April 3, 2022 and March 28, 2021, respectively.

3. COMMITMENTS AND CONTINGENCIES

The Parent Company has no material commitments or contingencies during the reported periods.

4. SHAREHOLDERS' EQUITY

See the Annual Consolidated Financial Statements note 18 Shareholders' equity during the year ended April 2, 2023.

CREDIT AGREEMENT

Dated as of December 2, 2016

By and among

CANADA GOOSE HOLDINGS INC.,
as Holdings,

CANADA GOOSE INC.,
as the Borrower,

The several Lenders
from time to time parties hereto,

and

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
as the Administrative Agent, the Collateral Agent
and a Lender,

and

CANADIAN IMPERIAL BANK OF COMMERCE,
CREDIT SUISSE SECURITIES (USA) LLC,
GOLDMAN SACHS BANK USA, and
RBC CAPITAL MARKETS¹,
as Joint Lead Arrangers,

and

CANADIAN IMPERIAL BANK OF COMMERCE,
CREDIT SUISSE SECURITIES (USA) LLC,
GOLDMAN SACHS BANK USA,
RBC CAPITAL MARKETS
BANK OF MONTREAL,
BARCLAYS BANK PLC,
BANK OF AMERICA, N.A.,
MORGAN STANLEY SENIOR FUNDING, INC.,
THE TORONTO-DOMINION BANK, and
WELLS FARGO SECURITIES, LLC,
as Joint Bookrunners

¹ RBC Capital Markets is a marketing name for the investment banking activities of Royal Bank of Canada.

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- Exhibit H-1 Promissory Note (Term Loans)
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- Exhibit I Notice of Borrowing or Notice of Conversion or Continuation

CREDIT AGREEMENT

CREDIT AGREEMENT, dated as of December 2, 2016, by and among CANADA GOOSE HOLDINGS INC., a corporation existing under the laws of British Columbia (“Holdings”), CANADA GOOSE INC., a corporation existing under the laws of Ontario (the “Borrower”), the lending institutions from time to time parties hereto as lenders (each, a “Lender” and, collectively, the “Lenders”), and CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as the Administrative Agent, the Collateral Agent and a Lender (such terms and each other capitalized term used but not defined in this preamble or the recitals below having the meaning provided in Section 1.1).

WHEREAS, the Borrower requested that the Lenders extend credit in the form of Initial Term Loans to the Borrower on the Closing Date, in an aggregate principal amount of U.S.\$162,582,257;

WHEREAS, the Borrower used the net proceeds from the Initial Term Loans (i) on the Closing Date, (x) with respect to the net proceeds of the Initial Term B-1 Loans, to redeem Class X preferred shares of CGI held by Holdings, to repay, directly or indirectly, the Holdings Subordinate Debt and the Shareholder Subordinate Debt, including all accrued and unpaid interest thereon, and to pay a dividend on the Borrower’s common shares held by Holdings and (y) with respect to the net proceeds of the Initial Term B-2 Loans, to redeem Class Y preferred shares of CGI held by Holdings (such redemptions, repayments and dividends under the foregoing clauses (x) and (y), collectively, the “Closing Distribution”); (ii) with respect to the net proceeds of the Initial Term B-1 Loans, to pay Transaction Expenses; and (iii) with respect to any remaining net proceeds of the Initial Term B-1 Loans, to fund cash to the Borrower’s balance sheet and for other general corporate purposes;

WHEREAS, the Lenders were willing to make available to the Borrower the Initial Term Loans on the Closing Date upon the terms and subject to the conditions set forth herein;

WHEREAS, the 2019 Refinancing Term Lenders (as defined below) were willing to make available to the Borrower the 2019 Refinancing Term Loans (as defined below) on the Third Amendment Effective Date upon the terms and subject to the conditions set forth in the Third Amendment (as defined below);

WHEREAS, the 2020 Refinancing Term Loan Lenders were willing to make available to the Borrower the 2020 Refinancing Term Loans (as defined below) on the Fourth Amendment Effective Date upon the terms and subject to the conditions set forth in the Fourth Amendment (as defined below);

WHEREAS, immediately following the making of the 2020 Refinancing Term Loans and the Amendments (as defined in the Fourth Amendment), the 2020 New Term Loan Lender (as defined below) was willing to make available to the Borrower the 2020 New Term Loans (as defined below) on the Fourth Amendment Effective Date upon the terms and subject to the conditions set forth in the Fourth Amendment; and

WHEREAS, the 2021 Refinancing Term Lenders (as defined below) are willing to make available to the Borrower the 2021 Refinancing Term Loans (as defined below) on the Fifth Amendment Effective Date upon the terms and subject to the conditions set forth in the Fifth Amendment (as defined below);

NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

SECTION 1

Definitions

Section 1.1. Defined Terms. As used herein, the following terms shall have the meanings specified in this Section 1.1 unless the context otherwise requires (it being understood that defined terms in this Agreement shall include in the singular number the plural and in the plural the singular):

“2019 Refinancing Term Lenders” shall have the meaning assigned to such term in the Third Amendment.

“2019 Refinancing Term Loan Commitment” shall have the meaning assigned to such term in the Third Amendment.

“2019 Refinancing Term Loans” shall have the meaning assigned to such term in Section 2.1(b) hereof.

“2020 New Term Loan Commitment” shall have the meaning assigned to such term in the Fourth Amendment.

“2020 New Term Loan Lender” shall have the meaning assigned to such term in the Fourth Amendment.

“2020 New Term Loans” shall have the meaning assigned to such term in the Fourth Amendment. The aggregate initial principal amount of 2020 New Term Loans on the Fourth Amendment Effective Date shall be U.S.\$186,217,743.

“2020 Refinancing Term Loan Commitment” shall have the meaning assigned to such term in the Fourth Amendment.

“2020 Refinancing Term Loan Lenders” shall mean any Lender that holds a 2020 Refinancing Term Loan Commitment and/or a 2020 Refinancing Term Loan (including, without limitation, any 2020 New Term Loan once funded) outstanding hereunder.

“2020 Refinancing Term Loans” shall have the meaning assigned to such term in the Fourth Amendment; provided that (i) once funded, the 2020 New Term Loans shall constitute 2020 Refinancing Term Loans and (ii) for the avoidance of doubt, the 2020 Refinancing Term Loans and the 2020 New Term Loans shall collectively constitute a single Class, in each case, for all purposes under the Credit Documents. The aggregate initial principal amount of 2020 Refinancing Term Loans on the Fourth Amendment Effective Date (before giving effect to the making of the 2020 New Term Loans) shall be U.S.\$113,782,257 and (after giving effect to the making of the 2020 New Term Loans) shall be U.S.\$300,000,000.

“2021 Refinancing Term Lenders” shall have the meaning assigned to such term in the Fifth Amendment.

“2021 Refinancing Term Loan” shall have the meaning assigned to such term in Section 2.1(e) hereof.

“2021 Refinancing Term Loan Commitment” shall have the meaning assigned to such term in the Fifth Amendment.

“2021 Refinancing Term Loan Repayment Amount” shall have the meaning provided in Section 2.5(b).

“2021 Refinancing Term Loan Repayment Date” shall have the meaning provided in Section 2.5(b).

“ABL Administrative Agent” shall have the meaning assigned to the term “Administrative Agent” in the ABL Credit Agreement.

“ABL Credit Agreement” shall mean, collectively, the credit agreement, dated as of June 3, 2016 among Holdings, the Borrower, Canada Goose International AG, the lending institutions from time to time parties thereto as lenders and Canadian Imperial Bank of Commerce, as the administrative agent, letter of credit issuer and swingline lender, as such agreement may be amended, restated, amended and restated, supplemented, waived or otherwise modified from time to time or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original administrative agent and lenders or other agents and lenders or otherwise, and whether provided under the original credit agreement or one or more other credit agreements, indentures, financing agreements or otherwise, including any agreement extending the maturity thereof, otherwise restructuring all or any portion of the Indebtedness thereunder, increasing the amount loaned or issued thereunder, altering the maturity thereof or providing for revolving credit loans, term loans, letters of credit or other Indebtedness, including in lieu of, or in replacement for, unused commitments or accordion facilities), in each case as and to the extent permitted by this Agreement and the ABL/Term Loan Intercreditor Agreement, unless such agreement, instrument or document expressly provides that it is not intended to be and is not an ABL Credit Agreement.

“ABL Credit Documents” shall mean the ABL Credit Agreement and all security agreements, guarantees, pledge agreements and other agreements or instruments executed in connection therewith or pursuant thereto.

“ABL Credit Facility” shall mean the facilities made available to the Borrower pursuant to the ABL Credit Agreement.

“ABL Loans” shall mean loans incurred pursuant to the ABL Credit Agreement.

“ABL Obligations” shall have the meaning assigned to the term “Obligations” in the ABL Credit Agreement, but solely with respect to the “Credit Documents” and “Loans” referred to therein.

“ABL Priority Collateral” shall mean “ABL Priority Collateral” as defined in the ABL/Term Loan Intercreditor Agreement.

“ABL/Term Loan Intercreditor Agreement” shall mean an intercreditor agreement substantially in the form of Exhibit A-1 (with such changes to such form as may be reasonably acceptable to the Administrative Agent and the Borrower) among the Administrative Agent, the Collateral Agent, the ABL Administrative Agent and the representatives for purposes thereof for holders of one or more classes of Indebtedness and acknowledged by the Credit Parties that are party thereto.

“ABR” shall mean, for any day, a fluctuating rate per annum equal to the highest of (i) the Federal Funds Effective Rate for such day *plus* 1/2 of 1.00%, (ii) the Prime Rate and (iii) Adjusted Term SOFR for a one-month tenor in effect on such day *plus* 1.00%; *provided* that, notwithstanding the foregoing, in no event shall ABR applicable to the 2021 Refinancing Term Loans at any time be less than 1.75% per annum. Any change in ABR due to a change in

the Federal Funds Effective Rate, the Prime Rate or Term SOFR shall be effective on the effective date of such change in the Federal Funds Effective Rate, the Prime Rate or Term SOFR, respectively.

“ABR Loan” shall mean each Loan bearing interest based on ABR.

“Acquired Indebtedness” shall mean, with respect to any specified Person, (i) Indebtedness of any other Person existing at the time such other Person is merged, consolidated, or amalgamated with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging, consolidating, or amalgamating with or into or becoming a Restricted Subsidiary of such specified Person, and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

“Additional Lender” shall mean any Person (other than a natural Person) that is not an existing Lender and that has agreed to provide Refinancing Commitments pursuant to Section 2.14(h) (including any Affiliated Lender).

“Adjusted Term SOFR” shall mean, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation *plus* (b) the Term SOFR Adjustment; provided that, in no event shall Adjusted Term SOFR for the 2021 Refinancing Term Loans be less than the Floor.

“Administrative Agent” shall mean Credit Suisse AG, Cayman Islands Branch, as the administrative agent for the Lenders under this Agreement and the other Credit Documents, or any successor administrative agent pursuant to Section 12.9.

“Administrative Agent’s Office” shall mean the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 13.2, or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

“Administrative Questionnaire” shall have the meaning provided in Section 13.6(b)(ii)(D).

“Affected Financial Institution” shall mean (a) any EEA Financial Institution or (b) any U.K. Financial Institution.

“Affiliate” shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

“Affiliated Lender” shall mean a Lender that is the Sponsor or any Affiliate thereof (other than Holdings, the Borrower, any other Subsidiary of Holdings, or any Bona Fide Debt Fund).

“Agent Parties” shall have the meaning provided in Section 13.17(b).

“Agents” shall mean the Administrative Agent, the Collateral Agent, the Joint Lead Arrangers and the Joint Bookrunners.

“Agreement” shall mean this Credit Agreement, as amended by the First Amendment to Credit Agreement, dated as of August 15, 2017, the Second Amendment to Credit Agreement (as defined in the Third Amendment), the Third Amendment, the Fourth Amendment and as the

same may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms hereof.

“AHYDO Payment” shall mean any mandatory prepayment or redemption pursuant to the terms of any Indebtedness that is intended or designed to cause such Indebtedness not to be treated as an “applicable high yield discount obligation” within the meaning of Code Section 163(i).

“Applicable Indebtedness” shall have the meaning provided in the definition of Weighted Average Life to Maturity.

“Applicable Margin” shall mean a percentage per annum equal to (i) for 2021 Refinancing Term Loans that are Term SOFR Loans, 3.50%, and (ii) for 2021 Refinancing Term Loans that are ABR Loans, 2.50%.

Notwithstanding the foregoing, (a) the Applicable Margin in respect of any Class of Extended Term Loans or Extended Revolving Credit Loans made pursuant to any Extended Revolving Credit Commitments shall be the applicable percentages per annum set forth in the relevant Extension Amendment, (b) the Applicable Margin in respect of any Class of New Term Loans or any Class of Incremental Revolving Credit Loans made pursuant to any Incremental Revolving Credit Commitments shall be the applicable percentages per annum set forth in the relevant Joinder Agreement, (c) the Applicable Margin in respect of any Class of Replacement Term Loans shall be the applicable percentages per annum set forth in the relevant amendment agreement, (d) the Applicable Margin in respect of any Class of Refinancing Term Loans or Refinancing Revolving Credit Loans made pursuant to any Refinancing Revolving Credit Commitments shall be the applicable percentages per annum set forth in the relevant Refinancing Amendment, and (e) in the case of any Class of Term Loans, the Applicable Margin shall be increased as, and to the extent, necessary to comply with the provisions of Section 2.14.

“Approved Fund” shall mean any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender, or (iii) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

“Asset Sale” shall mean:

(i) the sale, conveyance, transfer, or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale Leaseback) (each, a “disposition”) of the Borrower or any Restricted Subsidiary, or

(ii) the issuance or sale of Equity Interests of any Restricted Subsidiary (other than preferred Capital Stock of Restricted Subsidiaries issued in compliance with Section 10.1), whether in a single transaction or a series of related transactions,

in each case under the foregoing clauses (i) and (ii), other than:

(a) (x) any disposition of Cash Equivalents or Investment Grade Securities or obsolete, worn out or surplus property or property (including any leasehold property interest) that is no longer economically practical in its business, commercially desirable to maintain or used or useful in its business, (y) any disposition in the ordinary course of business of goods, inventory, or other assets and (z) any disposition of immaterial assets;

(b) the incurrence of Liens that are permitted to be incurred pursuant to Section 10.2 and that would otherwise constitute a disposition, sales, transfers and other

dispositions permitted by Section 10.3 or the making of any Restricted Payment or Permitted Investment that is permitted to be made, and is made, pursuant to Section 10.5;

(c) any disposition of assets or any issuance or sale of Equity Interests of any Restricted Subsidiary after the Fourth Amendment Effective Date in any transaction or series of related transactions pursuant to this clause (c) with an aggregate Fair Market Value of less than the greater of (x) \$19,500,000 and (y) 9.25% of Consolidated EBITDA (calculated on a Pro Forma Basis) for the most recently ended Test Period at the time of such disposition or issuance or sale, as applicable;

(d) any disposition of property or assets or issuance of securities (1) by a Restricted Subsidiary to the Borrower or (2) by the Borrower or a Restricted Subsidiary to a Restricted Subsidiary;

(e) to the extent allowable under Section 1031 of the Code, or any comparable or successor provision, any exchange of like property (excluding any boot thereon) for use in a Similar Business;

(f) any issuance, sale or pledge of Equity Interests in, or Indebtedness, or other securities of, an Unrestricted Subsidiary;

(g) foreclosures, condemnation, expropriation or any similar action on assets or casualty or insured damage to assets;

(h) any disposition of Receivables Assets in connection with any Receivables Facility and any disposition of Securitization Assets in connection with any Qualified Securitization Financing to the extent that the aggregate Fair Market Value of such Receivables Assets and Securitization Assets, respectively, disposed of pursuant to this clause (h) in any fiscal year does not exceed the greater of (x) \$40,000,000 and (y) 18.75% of Consolidated EBITDA (calculated on a Pro Forma Basis) for the most recently ended Test Period at the time of such disposition;

(i) any financing transaction with respect to property built or acquired by the Borrower or any Restricted Subsidiary after the Closing Date, including Sale Leasebacks and asset securitizations permitted by this Agreement;

(j) the Borrower and any Restricted Subsidiary may (i) terminate or otherwise collapse its cost sharing agreements with the Borrower or any Subsidiary and settle any crossing payments in connection therewith, (ii) convert any intercompany Indebtedness to Equity Interests or any Equity Interests to intercompany Indebtedness, (iii) transfer any intercompany Indebtedness to the Borrower or any Restricted Subsidiary, (iv) settle, discount, write off, forgive or cancel any intercompany Indebtedness or other obligation owing by the Borrower or any Restricted Subsidiary, (v) settle, discount, write off, forgive or cancel any Indebtedness owing by any present or former consultants, managers, directors, officers or employees of Holdings, the Borrower, any direct or indirect parent thereof, or any Subsidiary thereof or any of their successors or assigns or (vi) surrender or waive contractual rights and settle or waive contractual or litigation claims;

(k) the sale or discount of inventory, accounts receivable, or notes receivable in the ordinary course of business or the conversion of accounts receivable to notes receivable;

(l) (i) the sale, licensing, sub-licensing or other disposition of Intellectual Property or other general intangibles in the ordinary course of business, (ii) the sale, licensing, sub-licensing or other disposition of Intellectual Property or other general intangibles pursuant to

any Intercompany License Agreement, and (iii) the statutory expiration of any Intellectual Property;

(m) the unwinding of any Hedging Obligations or obligations in respect of Cash Management Services;

(n) any sale, transfer, and other disposition of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(o) the lapse or abandonment of Intellectual Property rights in the ordinary course of business, which, in the reasonable business judgment of the Borrower, are not material to the conduct of the business of the Borrower and the Restricted Subsidiaries taken as a whole;

(p) the issuance of directors' qualifying shares and shares issued to foreign nationals as required by applicable law;

(q) any disposition of property to the extent that (1) such property is exchanged for credit against the purchase price of similar replacement property that is purchased within 270 days thereof or (2) the proceeds of such disposition are promptly applied to the purchase price of such replacement property (which replacement property is actually purchased within 270 days thereof);

(r) (i) leases, subleases, licenses, sublicenses, covenants not to sue, releases, consents and other forms of license (and terminations thereof), in each case in the ordinary course of business and which do not materially interfere with the business of the Borrower and the Restricted Subsidiaries, taken as a whole and (ii) Intercompany License Agreements;

(s) any disposition of non-core assets acquired in connection with any Permitted Acquisition or Investment permitted hereunder;

(t) any disposition of assets that do not constitute Collateral with a Fair Market Value not to exceed \$10,000,000 in the aggregate pursuant to this clause (t) in any fiscal year of the Borrower;

(u) any disposition of any assets existing on the Fourth Amendment Effective Date that are set forth on Schedule 1.1(b);

(v) any sale, transfer and other disposition of accounts receivable (including write-offs, discounts and compromises) in connection with the compromise, settlement or collection thereof;

(w) any swap of assets in exchange for services or other assets in the ordinary course of business of comparable or greater Fair Market Value or usefulness to the business of the Borrower and the Restricted Subsidiaries, taken as a whole, as determined in good faith by the Borrower;

(x) (i) bulk sales or other dispositions of inventory of the Borrower or a Restricted Subsidiary not in the ordinary course of business in connection with Store closings, at arm's length and (ii) sales or other dispositions by the Borrower or any Restricted Subsidiary of assets in connection with the closing or sale of a Store in the ordinary course of business of the Borrower and its Subsidiaries which consist of leasehold interests in the premises of such Store, the equipment and fixtures located at such premises and the books and records relating directly to the operations of such Store; *provided* that as to each and all such sales and closings, each such

sale shall be on commercially reasonable prices and terms in a bona fide arm's length transaction;

(y) licenses for the conduct of licensed departments within the Stores of the Borrower or any Restricted Subsidiary in the ordinary course of business; and

(z) any disposition in connection with a Permitted Reorganization.

“Asset Sale Prepayment Event” shall mean any Asset Sale made pursuant to the provisions of Section 10.4 (excluding any disposition of ABL Priority Collateral); *provided* that with respect to any Asset Sale Prepayment Event, the Borrower shall not be obligated to make any prepayment otherwise required by Section 5.2 unless and until the aggregate amount of Net Cash Proceeds from all such Asset Sale Prepayment Events, after giving effect to the reinvestment rights set forth herein, exceeds the greater of (i) U.S.\$10,000,000 and (ii) 4.75% of Consolidated EBITDA (calculated on a Pro Forma Basis) for the most recently ended Test Period at the time of such Asset Sale Prepayment Event (the “Asset Sale Prepayment Trigger”) in any fiscal year of the Borrower, at which time all such Net Cash Proceeds for such fiscal year (excluding amounts below the Asset Sale Prepayment Trigger) shall be applied in accordance with Section 5.2.

“Asset Sale Prepayment Trigger” shall have the meaning provided in the definition of Asset Sale Prepayment Event.

“Assignment and Acceptance” shall mean (i) an assignment and acceptance entered into by a Lender and an assignee that is not an Affiliated Lender (with the consent of any party whose consent is required by Section 13.6), in the form of Exhibit B-1 or any other form approved by the Administrative Agent and the Borrower, (ii) an assignment and assumption entered into by a Lender and an assignee that is an Affiliated Lender (with the consent of any party whose consent is required by Section 13.6), in the form of Exhibit B-2 or any other form approved by the Administrative Agent and the Borrower and (iii) in the case of any assignment of Term Loans in connection with a Permitted Debt Exchange conducted in accordance with Section 2.15, such form of assignment (if any) as may be agreed by the Administrative Agent and the Borrower in accordance with Section 2.15(a).

“Assignment Taxes” shall have the meaning provided in the definition of Other Taxes.

“Auction Agent” shall mean (i) the Administrative Agent or (ii) any other financial institution or advisor employed by Holdings, the Borrower or any Subsidiary thereof (whether or not an Affiliate of the Administrative Agent) to act as an arranger in connection with any Permitted Debt Exchange pursuant to Section 2.15 or Dutch auction pursuant to Section 13.6(h); *provided* that the Borrower shall not designate the Administrative Agent as the Auction Agent without the written consent of the Administrative Agent (it being understood that the Administrative Agent shall be under no obligation to agree to act as the Auction Agent); *provided, further*, that neither the Borrower nor any of its Subsidiaries may act as the Auction Agent.

“Authorized Officer” shall mean, with respect to any Person, any individual holding the position of chairman of the board (if an officer of such Person), the Chief Executive Officer, the President, the Chief Financial Officer, the Chief Operating Officer, the Treasurer, the Controller, the General Counsel, a Senior Vice President, an Executive Vice President, a Vice President, a Director, a Manager or any other senior officer or agent with express authority to act on behalf of such Person designated as such by the board of directors or other managing authority of such Person and, as to any document delivered on the Fourth Amendment Effective Date, any secretary or assistant secretary of a Credit Party.

“Available Tenor” shall mean, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark (or component thereof) is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 1.14(d).

“Average Revolver Debt” shall mean, as of any date of determination, an amount equal to (a) the quotient obtained by dividing (i) the sum of each month-end balance of outstanding revolving loans, including under the ABL Credit Agreement and this Agreement (if any), reflected on a consolidated balance sheet of the Borrower (but excluding the notes thereto) prepared as of each such date on a consolidated basis in accordance with IFRS during the most recent Test Period ended on or prior to such date of determination, by (ii) twelve, *minus* (b) the average month-end balance of cash and Cash Equivalents (in each case, free and clear of all Liens other than Permitted Liens) reflected on a consolidated balance sheet of the Borrower (but excluding the notes thereto) prepared as of each such date on a consolidated basis in accordance with IFRS during the most recent Test Period ended on or prior to such date of determination.

“Bail-In Action” shall mean the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” shall mean (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bain” shall mean Bain Capital Private Equity, LP.

“Bank Product Agreement” shall mean any agreement or arrangement to provide Bank Products described in the definition thereof.

“Bank Product Provider” shall mean (i) any Person that, at the time it enters into a Bank Product Agreement, is an Agent or a Lender or an Affiliate or branch of an Agent or a Lender or (ii) with respect to any Bank Product Agreement entered into prior to the Fourth Amendment Effective Date, any Person that is an Agent or a Lender or an Affiliate or branch of an Agent or a Lender on the Fourth Amendment Effective Date or the Closing Date; *provided* that, if such Person is not an Agent or a Lender, such Person executes and delivers to the Administrative Agent and the Borrower a letter agreement in form and substance reasonably acceptable to the Administrative Agent and the Borrower pursuant to which such Person (a) appoints the Administrative Agent as its agent under the applicable Credit Documents and (b) agrees to be bound by the provisions of Article VI and Sections 7.1 and 8.13 of the Canadian Pledge Agreement, Sections 4.3, 6.6, 7.4, 7.6, 8.1 and 8.18 of the Canadian Security Agreement and corresponding or similar provisions in any other Security Document, in each case, as if it were a Lender.

“Bank Products” shall mean, collectively, any services or facilities (other than Cash Management Services or any Borrowing under this Agreement) on account of (i) credit and debit cards and (ii) purchase cards and other card payment products.

“Bankruptcy Code” shall have the meaning provided in Section 11.5.

“Base Rate Term SOFR Determination Day” has the meaning specified in the definition of “Term SOFR”.

“Benchmark” means, initially, the Term SOFR Reference Rate; *provided* that if a Benchmark Transition Event or an Early Opt-in Election, as applicable, has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 1.14(a).

“Benchmark Replacement” means, with respect to any Benchmark Transition Event: the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined above for the 2021 Refinancing Term Loans would be less than the Floor, the Benchmark Replacement for the 2021 Refinancing Term Loans will be deemed to be the Floor for the purposes of this Agreement and the other Credit Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

“Benchmark Replacement Conforming Changes” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “ABR”, the definition of “Business Day”, the definition of “U.S. Government Securities Business Day”, the definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.11 and other technical, administrative or operational matters) that the Administrative Agent, in consultation with the Borrower, decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines, in consultation with the

Borrower, that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides, in consultation with the Borrower, is reasonably necessary in connection with the administration of this Agreement and the other Credit Documents).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event”, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of “Benchmark Transition Event”, the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; *provided* that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date; or

(3) in the case of an Early Opt-in Election, the date jointly elected by the Administrative Agent and the Borrower and specified by the Administrative Agent by notice to the Borrower and Lenders.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; *provided* that, at the time of such statement or

publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Start Date” means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“Benchmark Unavailability Period” means, with respect to any then-current Benchmark, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with Section 1.14 and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with Section 1.14.

“Beneficial Ownership Certification” shall mean a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” shall mean 31 C.F.R. § 1010.230.

“Benefited Lender” shall have the meaning provided in Section 13.8(a).

“Benefit Plan” shall mean (a) any Plan, (b) a “plan” as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“BHC Act Affiliate” of a party shall mean an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“BIA” shall mean the *Bankruptcy and Insolvency Act* (Canada).

“Board” shall mean the Board of Governors of the Federal Reserve System of the United States (or any successor).

“Bona Fide Debt Fund” shall mean any debt fund or other Person that is engaged in, or advises funds or other investment vehicles that are engaged in, making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course and whose managers have fiduciary duties to the third-party investors in such fund or investment vehicle independent of their duties to Holdings or Bain; *provided, however*, in no event shall (x) any natural Person or (y) Holdings, the Borrower or any Subsidiary thereof be a “Bona Fide Debt Fund”.

“Borrower” shall have the meaning provided in the preamble to this Agreement.

“Borrower Materials” shall have the meaning provided in Section 13.17(b).

“Borrowing” shall mean Loans of the same Class and Type, made, converted, or continued on the same date and, in the case of Term SOFR Loans, as to which a single Interest Period is in effect.

“Broker-Dealer Subsidiary” shall mean any Subsidiary that is registered as a broker-dealer under the Exchange Act or any other applicable law requiring similar registration.

“Business Day” shall mean (i) any day excluding Saturday, Sunday, and any other day on which banking institutions in Toronto, Ontario or New York City are authorized by law or other governmental actions to close, and (ii) if such day relates to any interest rate settings as to a Term SOFR Loan, any fundings, disbursements, settlements, and payments in respect of any such Term SOFR Loan, or any other dealings to be carried out pursuant to this Agreement in respect of any such Term SOFR Loan, any day which is a U.S. Government Securities Business Day.

“Canadian Credit Party” shall mean each Credit Party organized, formed or incorporated under the laws of Canada or any province or territory thereof.

“Canadian DB Plan” shall mean a Canadian Pension Plan that contains a “defined benefit provision” as such term is defined in Section 147.1(1) of the ITA, whether existing on the Fourth Amendment Effective Date or thereafter.

“Canadian Pension Plan” shall mean a “registered pension plan” as such term is defined in the ITA that is maintained, funded or sponsored by any Canadian Credit Party for its employees, or pursuant to which a Canadian Credit Party otherwise has any liability or contingent liability, but shall not include statutory plans, including the Canada and Quebec Pension Plans.

“Canadian Pledge Agreement” shall have the meaning provided in the definition of Pledge Agreement.

“Canadian Securities Laws” shall mean the *Securities Act* (Ontario) and the corresponding legislation in each of the provinces and territories of Canada, together with all regulations, instruments, rules and policies thereunder.

“Canadian Security Agreement” shall have the meaning provided in the definition of Security Agreement.

“Canadian Subsidiary” shall mean any Subsidiary that is organized under the laws of Canada or any province or territory thereof.

“Capital Expenditures” shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capital Leases) by the Borrower and the Restricted Subsidiaries during such period that, in conformity with IFRS, are or are required to be included as additions during such period to property, plant, or equipment reflected in the consolidated balance sheet of the Borrower and the Restricted Subsidiaries (including capitalized software expenditures, capitalized expenditures relating to license and intellectual property payments, customer acquisition costs and incentive payments, conversion costs, and contract acquisition costs).

“Capital Lease” shall mean, as applied to any Person, any lease of any property (whether real, personal, or mixed) by that Person as lessee that, in conformity with IFRS, is, or is required to be, accounted for as a capital lease on the balance sheet of that Person; *provided* that all leases of any Person that are or would be characterized as operating leases in accordance with IFRS immediately prior to the Closing Date (whether or not such operating leases were in effect on such date) shall continue to be accounted for as operating leases (and not as Capital Leases) for purposes of this Agreement (except that financial statements delivered pursuant to Section 9.1 shall reflect such operating leases in accordance with IFRS as in effect at the time of such delivery) regardless of any change in IFRS following the Closing Date that would otherwise require such leases to be recharacterized as Capital Leases.

“Capital Stock” shall mean (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights, or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, unlimited liability company, partnership or membership interests (whether general or limited), and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person (it being understood and agreed, for the avoidance of doubt, that “cash-settled phantom appreciation programs” in connection with employee benefits that do not require a dividend or distribution shall not constitute Capital Stock).

“Capitalized Lease Obligation” shall mean, at the time any determination thereof is to be made, the amount of the liability in respect of a Capital Lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with IFRS; *provided* that all obligations of any Person that are or would be characterized as operating lease obligations in accordance with IFRS immediately prior to the Closing Date (whether or not such operating lease obligations were in effect on such date) shall continue to be accounted for as operating lease obligations (and not as Capitalized Lease Obligations) for purposes of this Agreement (except that financial statements delivered pursuant to Section 9.1 shall reflect such operating leases in accordance with IFRS as in effect at the time of such delivery) regardless of any change in IFRS following the Closing Date that would otherwise require such obligations to be recharacterized as Capitalized Lease Obligations.

“Captive Insurance Subsidiary” shall mean a Subsidiary of the Borrower established for the purpose of, and to be engaged solely in the business of, insuring the businesses or facilities owned or operated by the Borrower or any of its Subsidiaries or joint ventures or to insure related or unrelated businesses.

“Cash Equivalents” shall mean:

- (i) Dollars,
- (ii) (a) Euros, Pounds Sterling, U.S. Dollars, or any national currency of any Participating Member State in the European Union or (b) local currencies held from time to time in the ordinary course of business,
- (iii) securities issued or directly and fully and unconditionally guaranteed or insured by the United States or Canadian governments or any country that is a member state of the European Union or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government,
- (iv) certificates of deposit, time deposits, and eurodollar time deposits with maturities of one year or less from the date of acquisition, demand deposits,

bankers' acceptances with maturities not exceeding one year, and overnight bank deposits, in each case with any commercial bank having capital and surplus of not less than \$250,000,000 in the case of Canadian banks and \$100,000,000 (or the Dollar equivalent thereof as of the date of determination) in the case of foreign banks,

(v) repurchase obligations for underlying securities of the types described in clauses (iii) and (iv) above and clause (ix) below entered into with any financial institution meeting the qualifications specified in clause (iv) above,

(vi) commercial paper rated at least P-2 (or the equivalent thereof) by Moody's or at least A-2 (or the equivalent thereof) by S&P and in each case maturing within 2 years after the date of creation thereof,

(vii) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 (or, in either case, the equivalent thereof) from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized ratings agency) and in each case maturing within 2 years after the date of creation or acquisition thereof,

(viii) readily marketable direct obligations issued by any province, state, commonwealth, or territory of Canada or the United States or any political subdivision or taxing authority thereof having one of the two highest rating categories obtainable from either Moody's or S&P with maturities of 2 years or less from the date of acquisition,

(ix) Indebtedness or preferred Capital Stock issued by Persons with a rating of "A" (or the equivalent thereof) or higher from S&P or "A2" (or the equivalent thereof) or higher from Moody's with maturities of 2 years or less from the date of acquisition,

(x) solely with respect to any Foreign Subsidiary: (a) obligations of the national government of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, in each case maturing within one year after the date of investment therein, (b) certificates of deposit of, bankers acceptances of, or time deposits with, any commercial bank which is organized and existing under the laws of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, and whose short-term commercial paper rating from S&P is at least "A-2" or the equivalent thereof or from Moody's is at least "P-2" or the equivalent thereof (any such bank being an "Approved Foreign Bank"), and in each case with maturities of not more than 2 years from the date of acquisition, and (c) the equivalent of demand deposit accounts which are maintained with an Approved Foreign Bank, in each case, customarily used by entities for cash management purposes in any jurisdiction outside Canada and the United States to the extent reasonably required in connection with any business conducted by such Foreign Subsidiary organized in such jurisdiction,

(xi) in the case of investments by any Foreign Subsidiary or investments made in a country outside Canada and the United States, Cash Equivalents shall also include investments of the type and maturity described in clauses (i) through (ix) above of foreign obligors, which investments have ratings, described in such clauses or equivalent ratings from comparable foreign rating agencies, and

(xii) investment funds investing all or substantially all of their assets in securities of the types described in clauses (i) through (ix) above.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (i) and (ii) above; *provided* that such amounts are converted into any currency listed in clauses (i) and (ii) as promptly as practicable and in any event within ten Business Days following the receipt of such amounts.

“Cash Management Agreement” shall mean any agreement or arrangement to provide Cash Management Services.

“Cash Management Bank” shall mean (i) any Person that, at the time it enters into a Cash Management Agreement, is an Agent or a Lender or an Affiliate of an Agent or a Lender or (ii) with respect to any Cash Management Agreement entered into prior to the Fourth Amendment Effective Date, any Person that is an Agent or a Lender or an Affiliate of an Agent or a Lender on the Fourth Amendment Effective Date or the Closing Date; *provided* that, if such Person is not an Agent or a Lender, such Person executes and delivers to the Administrative Agent and the Borrower a letter agreement in form and substance reasonably acceptable to the Administrative Agent and the Borrower pursuant to which such Person (a) appoints the Administrative Agent as its agent under the applicable Credit Documents and (b) agrees to be bound by the provisions of Article VI and Sections 7.1 and 8.13 of the Canadian Pledge Agreement, Sections 4.3, 6.6, 7.4, 7.6, 8.1 and 8.18 of the Canadian Security Agreement and corresponding or similar provisions in any other Security Document, in each case, as if it were a Lender.

“Cash Management Services” shall mean any one or more of the following types of services or facilities: (a) ACH transactions, (b) treasury and/or cash management services, including, controlled disbursement services, depository, overdraft and electronic funds transfer services, (c) foreign exchange facilities, (d) deposit and other accounts, and (e) merchant services (other than those constituting a line of credit). For the avoidance of doubt, Cash Management Services do not include Hedging Obligations.

“Casualty Event” shall mean, with respect to any property of any Person (excluding, for the avoidance of doubt, any ABL Priority Collateral), any loss of or damage to, or any condemnation or other taking by a Governmental Authority of, such property for which such Person or any of its Restricted Subsidiaries receives insurance proceeds or proceeds of a condemnation award in respect of any equipment, fixed assets, or real property (including any improvements thereon) to replace or repair such equipment, fixed assets, or real property; *provided, further*, that with respect to any Casualty Event, the Borrower shall not be obligated to make any prepayment otherwise required by Section 5.2 unless and until the aggregate amount of Net Cash Proceeds from all such Casualty Events, after giving effect to the reinvestment rights set forth herein, exceeds the greater of (i) U.S.\$10,000,000 and (ii) 4.75% of Consolidated EBITDA (calculated on a Pro Forma Basis) for the most recently ended Test Period at the time of such Casualty Event (the “Casualty Prepayment Trigger”) in any fiscal year of the Borrower, at which time all such Net Cash Proceeds from Casualty Events for such fiscal year (excluding amounts below the Casualty Prepayment Trigger) shall be applied in accordance with Section 5.2.

“Casualty Prepayment Trigger” shall have the meaning provided in the definition of Casualty Event.

“Change in Law” shall mean (i) the adoption of any law, treaty, order, policy, rule, or regulation after the Fourth Amendment Effective Date, (ii) any change in any law, treaty, order, policy, rule, or regulation or in the interpretation or application thereof by any Governmental

Authority after the Fourth Amendment Effective Date or (iii) compliance by any Lender with any guideline, request, directive, or order issued or made after the Fourth Amendment Effective Date by any central bank or other Governmental Authority or quasi-Governmental Authority (whether or not having the force of law), including, for avoidance of doubt any such adoption, change or compliance in respect of (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, or directives thereunder or issued in connection therewith and (b) all requests, rules, guidelines, requirements, or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority), or Canada, the United States or foreign regulatory authorities pursuant to Basel III, in each case regardless of the date adopted, issued, promulgated or implemented.

“Change of Control” shall mean and be deemed to have occurred if, at any time after the Fourth Amendment Effective Date,

(a) at any time (1) any Person (other than a Permitted Holder) or (2) Persons (other than one or more Permitted Holders) constituting a “group” (as such term is used in Section 13(d) and Section 14(d) of the Exchange Act) or acting “jointly” or “jointly, and in concert” for the purposes of Canadian Securities Laws, becomes the “beneficial owner” (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act or for purposes of Canadian Securities Laws), directly or indirectly, of Voting Stock representing more than 35.0% of the aggregate voting power of the outstanding Voting Stock of the Borrower and the percentage of aggregate voting power so held is greater than the percentage of the aggregate voting power represented by the Voting Stock of the Borrower beneficially owned, directly or indirectly, in the aggregate by the Permitted Holders, unless, in the case of clause (a) of this definition of “Change of Control”, the Permitted Holders have, at such time, the right or the ability by voting power, contract, or otherwise to elect or designate for election at least a majority of the board of directors (or analogous governing body) of the Borrower;

(b) Holdings shall cease to beneficially own, directly or indirectly, 100.0% of the issued and outstanding Equity Interests of the Borrower; or

(c) a “Change of Control” (as defined in the ABL Credit Agreement) occurs.

“Class” (i) when used in reference to any Loan or Borrowing, shall refer to whether such Loan, or the Loans comprising such Borrowing, are Refinancing Revolving Credit Loans (of the same series), Initial Term Loans (or, prior to the six-month anniversary of the Closing Date, Initial Term B-1 Loans or Initial Term B-2 Loans), 2019 Refinancing Term Loans, 2020 Refinancing Term Loans (including, without limitation, any 2020 New Term Loans), 2021 Refinancing Term Loans, New Term Loans (of each Series), Extended Term Loans (of the same Extension Series), Replacement Term Loans (of the same Replacement Series), Incremental Revolving Credit Loans (of the same Series), Extended Revolving Credit Loans (of the same Extension Series) or Refinancing Term Loans (of the same Refinancing Series) and (ii) when used in reference to any Commitment, refers to whether such Commitment is an Incremental Revolving Credit Commitment (of the same Series), an Extended Revolving Credit Commitment (of the same Extension Series), a Refinancing Revolving Credit Commitment (of the same Refinancing Series), an Initial Term B-1 Loan Commitment, an Initial Term B-2 Loan Commitment, a 2019 Refinancing Term Loan Commitment, a 2020 Refinancing Term Loan Commitment, a 2020 New Term Loan Commitment, a 2021 Refinancing Term Loan Commitment, a New Term Loan Commitment (of the same Series), a Replacement Term Loan Commitment (of the same Replacement Series), a commitment in respect of any Extended Term Loan (of the same Extension Series) or a Refinancing Term Loan Commitment (of the same Refinancing Series). Notwithstanding anything herein to the contrary, as of the Fourth Amendment Effective Date, once funded, the 2020 New Term Loans shall constitute 2020

Refinancing Term Loans and, for the avoidance of doubt, shall constitute a single Class of 2020 Refinancing Term Loans.

“Closing Date” shall mean December 2, 2016.

“Closing Distribution” shall have the meaning provided in the recitals to this Agreement.

“Code” shall mean the Internal Revenue Code of 1986.

“Collateral” shall mean all property pledged or mortgaged or purported to be pledged or mortgaged pursuant to the Security Documents, excluding in all events Excluded Property and Excluded Stock and Stock Equivalents.

“Collateral Agent” shall mean Credit Suisse AG, Cayman Islands Branch, as collateral agent under the Security Documents, or any successor collateral agent pursuant to Section 12.9 and any Affiliate or designee of such Person that acts as the Collateral Agent under any Security Document.

“Commitments” shall mean, with respect to each Lender (to the extent applicable), such Lender’s Incremental Revolving Credit Commitment, Extended Revolving Credit Commitment, Refinancing Revolving Credit Commitment, Initial Term Loan Commitment, 2019 Refinancing Term Loan Commitment, 2020 New Term Loan Commitment, 2020 Refinancing Term Loan Commitment, 2021 Refinancing Term Loan Commitment, New Term Loan Commitment, Replacement Term Loan Commitment, Refinancing Term Loan Commitment, or commitment in respect of Extended Term Loans.

“Commodity Exchange Act” shall mean the Commodity Exchange Act (7 U.S.C. § 1 et seq.).

“Communications” shall have the meaning provided in Section 13.17.

“Confidential Information” shall have the meaning provided in Section 13.16.

“Connection Income Tax” shall mean Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated Depreciation and Amortization Expense” shall mean with respect to any Person and its Restricted Subsidiaries for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees or costs, debt issuance costs, commissions, fees, and expenses, capitalized expenditures, amortization of expenditures relating to software, license and intellectual property payments, amortization of any lease related assets recorded in purchase accounting, customer acquisition costs, the amortization of original issue discount resulting from the issuance of Indebtedness at less than par and incentive payments, conversion costs, and contract acquisition costs of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with IFRS.

“Consolidated EBITDA” shall mean, with respect to any Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period:

- (i) *increased by* (without duplication):

(a) (A) provision for taxes based on income or profits or capital, including, without limitation, U.S. federal, state, non-U.S., franchise, excise, value added, and similar taxes and foreign withholding taxes of such Person and its Restricted Subsidiaries paid or accrued during such period, including any penalties and interest related to such taxes or arising from any tax examinations, deducted (and not added back) in computing Consolidated Net Income and (B) amounts paid to Holdings or any direct or indirect parent company of Holdings in respect of taxes in accordance with Section 10.5(b)(15)(B), solely to the extent such amounts were deducted in computing Consolidated Net Income, *plus*

(b) Consolidated Interest Expense of such Person and its Restricted Subsidiaries for such period (including (1) net losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk and (2) costs of surety bonds in connection with financing activities, in each case, to the extent included in Consolidated Interest Expense), together with items excluded from the definition of Consolidated Interest Expense and any non-cash interest expense, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income, *plus*

(c) Consolidated Depreciation and Amortization Expense of such Person and its Restricted Subsidiaries for such period to the extent the same were deducted in computing Consolidated Net Income, *plus*

(d) any non-cash increase in expenses resulting from the revaluation of inventory (including any impact of changes to inventory valuation policy methods including changes in capitalization of variances) or other inventory adjustments, *plus*

(e) any other non-cash charges, expenses or losses, including any non-cash expense relating to the vesting of warrants, non-cash asset retirement costs and any write offs, write downs, expenses, losses, or items to the extent the same were deducted (and not added back) in computing Consolidated Net Income (*provided* that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (1) the Borrower may determine not to add back such non-cash charge in the current period and (2) to the extent the Borrower does decide to add back such non-cash charge, the cash payment in respect thereof in such future period shall be deducted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period), *plus*

(f) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in any non-Wholly-Owned Subsidiary deducted (and not added back) in such period in calculating Consolidated Net Income, *plus*

(g) the amount of management, monitoring, consulting, advisory and other fees (including termination and transaction fees) and indemnities and expenses paid or accrued in such period to the Sponsor or any of its Affiliates, *plus*

(h) costs of surety bonds incurred in such period in connection with financing activities, *plus*

(i) the amount of “run-rate” cost savings, operating expense reductions, and synergies (without duplication of any amounts added back pursuant to Section 1.12(c) in connection with Specified Transactions) that are projected by the Borrower in good faith to result from actions taken or with respect to which substantial steps have been taken or are expected to be taken within 24 months of the determination to take such action, net of the amount of actual benefits realized prior to or during such period from such actions (which cost savings, operating expense reductions, and synergies shall be calculated on a *pro forma* basis as though such cost

savings, operating expense reductions, or synergies had been realized on the first day of such period); *provided* that an Authorized Officer of the Borrower shall have certified to the Administrative Agent that such cost savings are reasonably identifiable and factually supportable and it is understood and agreed that “run-rate” means the full recurring benefit for a period that is associated with any action either taken or with respect to which substantial steps have been taken or are expected to be taken within 24 months of the determination to take such action, *plus*

(j) the amount of loss or discount on sale of (x) Receivables Assets and related assets in connection with a Receivables Facility and (y) Securitization Assets and related assets in connection with a Qualified Securitization Financing, *plus*

(k) any costs or expense incurred by the Borrower or any Restricted Subsidiary pursuant to any management equity plan or equity option plan or any other management or employee benefit plan or agreement or any equity subscription or equityholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Borrower or net cash proceeds of an issuance of Equity Interests of the Borrower (other than Disqualified Stock) solely to the extent that such net cash proceeds are excluded from the calculation set forth in clause (iii) of Section 10.5(a) and have not been relied on for purposes of any incurrence of Indebtedness pursuant to clause (1)(i) of Section 10.1, *plus*

(l) the amount of expenses relating to payments made to option holders of any direct or indirect parent of the Borrower in connection with, or as a result of, any distribution being made to equityholders of such Person, which payments are being made to compensate such option holders as though they were equityholders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under this Agreement, *plus*

(m) with respect to any joint venture that is not a Restricted Subsidiary, an amount equal to the proportion of those items described in clauses (a) and (c) above relating to such joint venture corresponding to the Borrower’s and the Restricted Subsidiaries’ proportionate share of such joint venture’s Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary), *plus*

(n) costs associated with, or in anticipation of, or preparation for, compliance with the requirements of Canadian Securities Laws and the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith or other enhanced accounting functions and Public Company Costs, *plus*

(o) cash receipts (or any netting arrangements resulting in reduced cash expenses) not included in Consolidated EBITDA in any period solely to the extent that the corresponding non-cash gains relating to such receipts were deducted in the calculation of Consolidated EBITDA pursuant to paragraph (ii) below for any previous period and not added back, *plus*

(p) to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries, (1) any expenses and charges that are reimbursed by indemnification or other similar provisions in connection with any acquisition or investment or any sale, conveyance, transfer, or other Asset Sale of assets permitted hereunder and (2) to the extent covered by insurance and actually reimbursed, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days), expenses, charges or losses with respect to liability or casualty events or business interruption, *plus*

(q) [reserved],

(r) [reserved],

(s) letter of credit fees, *plus*

(t) any net loss from disposed, abandoned, transferred, closed or discontinued operations (excluding held for sale discontinued operations until actually disposed of); and

(i) *decreased by* (without duplication):

(a) non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced Consolidated EBITDA in any prior period; *provided* that, to the extent non-cash gains are deducted pursuant to this clause (ii)(a) for any previous period and not otherwise added back to Consolidated EBITDA, Consolidated EBITDA shall be increased by the amount of any cash receipts (or any netting arrangements resulting in reduced cash expenses) in respect of such non-cash gains received in subsequent periods to the extent not already included therein, *plus*

(b) any net income from disposed, abandoned, transferred, closed or discontinued operations (excluding held for sale discontinued operations until actually disposed of); *plus*

(c) the amount of gain on sale of (x) Receivables Assets and related assets in connection with a Receivables Facility and (y) Securitization Assets and related assets in connection with a Qualified Securitization Financing.

For the avoidance of doubt: (i) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period any adjustments resulting from the application of ASC 815 and its related pronouncements and interpretations, or the equivalent accounting standard under IFRS or an alternative basis of accounting applied in lieu of IFRS, (ii) to the extent any add-backs or deductions are reflected in the calculation of Consolidated Net Income, such add-backs and deductions shall not be duplicated in determining Consolidated EBITDA and (iii) Consolidated EBITDA shall be calculated, including *pro forma* adjustments, in accordance with Section 1.12.

Unless otherwise stated or context clearly dictates otherwise, references to Consolidated EBITDA shall refer to the Consolidated EBITDA of the Borrower and its Restricted Subsidiaries.

“Consolidated First Lien Secured Debt” shall mean Consolidated Total Debt as of such date that is not Subordinated Indebtedness and is secured by a Lien on the Collateral on a first priority basis (but without regard to the control of remedies) with Liens on the Collateral securing any First Lien Obligations and/or the ABL Obligations.

“Consolidated Interest Expense” shall mean, with respect to any Person and its Restricted Subsidiaries for any period, the sum, without duplication, of:

(1) consolidated cash interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (x) all commissions, discounts, and other fees and charges owed with respect to letters of credit or bankers acceptances, (y) capitalized interest to the extent paid in cash, and (z) net payments (over payments

received), if any, made pursuant to interest rate Hedging Obligations with respect to Indebtedness); *plus*

(2) any cash payments made during such period in respect of the accretion or accrual of discounted liabilities referred to in clause (i), below relating to Funded Debt that were amortized or accrued in a previous period; *less*

(3) cash interest income for such period;

provided, the following shall in all cases be excluded from Consolidated Interest Expense:

(a) any one-time cash costs associated with breakage in respect of Hedge Agreements to the extent such costs would be otherwise included in Consolidated Interest Expense;

(b) all non-recurring cash interest expense consisting of liquidated damages for failure to timely comply with registration rights obligations, all as calculated on a consolidated basis in accordance with IFRS;

(c) any “additional interest” owing pursuant to a registration rights agreement;

(d) non-cash interest expense attributable to a parent entity resulting from push-down accounting, but solely to the extent not reducing consolidated cash interest expense in any prior period;

(e) any non-cash expensing of bridge, commitment, and other financing fees that have been previously paid in cash, but solely to the extent not reducing consolidated cash interest expense in any prior period;

(f) deferred financing costs, debt issuance costs, commissions, fees (including amendment and contract fees) and expenses and, in each case, the amortization and write-off thereof, and any amounts of non-cash interest;

(g) annual agency fees paid to any administrative agent or collateral agent under any credit facilities or other debt instruments or documents;

(h) costs associated with obtaining Hedge Agreements;

(i) the accretion or accrual of discounted liabilities;

(j) non-cash interest expense attributable to the movement of the mark-to-market valuation of obligations under Hedge Agreements or other derivative instruments;

(k) any non-cash expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization accounting or, if applicable, purchase accounting in connection with the Transactions or any acquisition;

(l) commissions, discounts, yield, and other fees and charges (including any interest expense) related to any Receivables Facility or any Securitization Facility;

(m) any prepayment premium or penalty;

(n) cash interest expense of the Borrower in respect of Holdings Subordinate Debt and

(o) any portion of the interest expense, cash payments or cash interest income for such period under clause (1), (2) or (3) above, as applicable, of any Restricted Subsidiary that is subject to a Deemed Subsidiary Election, that corresponds to the equity interest share of third parties in such Restricted Subsidiary.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS.

“Consolidated Net Income” shall mean, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with IFRS; *provided* that, without duplication,

(i) (a) any after-tax effect of extraordinary, non-recurring, or unusual gains or losses (less all fees and expenses relating thereto), charges or expenses (including relating to the Transactions), (b) severance, recruiting, retention and relocation costs, (c) signing bonuses and related expenses, (d) curtailments or modifications to pension and post-retirement employee benefits plans, (e) start-up, transition, strategic initiative (including any multi-year strategic initiative) and integration costs, charges or expenses, (f) restructuring costs, charges, reserves or expenses, (g) costs, charges and expenses related to acquisitions after the Closing Date and to the start-up, pre-opening, opening, closure, and/or consolidation of Stores, distribution centers, operations, offices and facilities, (h) business optimization costs, charges or expenses, (i) costs, charges and expenses incurred in connection with new product design, development and introductions, (j) costs and expenses incurred in connection with intellectual property development and new systems design, (k) costs and expenses incurred in connection with implementation, replacement, development or upgrade of operational, reporting and information technology systems and technology initiatives, (l) any costs, expenses or charges relating to any governmental investigation or any litigation or other dispute, and (m) one-time compensation charges shall be excluded,

(ii) the Net Income for such period shall not include 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,

(iii) any net after-tax gains or losses on disposal of disposed, abandoned, transferred, closed, or discontinued operations shall be excluded,

(iv) any after-tax effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or abandonments other than in the ordinary course of business, as determined in good faith by the board of directors (or analogous governing body) of the Borrower, shall be excluded,

(v) the Net Income for such period of any Person that is not a Subsidiary, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be excluded; *provided* that Consolidated Net Income of the Borrower shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash or Cash Equivalents of the Borrower or any of its Restricted Subsidiaries) to the Borrower or a Restricted Subsidiary thereof in respect of such period,

(vi) solely for the purpose of determining the amount available for Restricted Payments under clause (a) ~~(iii)(A)~~ of Section 10.5, the Net Income for such

period of any Restricted Subsidiary (other than any Guarantor) shall be excluded to the extent the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of its Net Income is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule, or governmental regulation applicable to that Restricted Subsidiary or its equityholders, unless such restriction with respect to the payment of dividends or similar distributions (a) has been legally waived or otherwise released, (b) is imposed pursuant to this Agreement, any other Credit Document, the ABL Credit Documents, Permitted Debt Exchange Notes, Incremental Loans, or Permitted Other Indebtedness, or (c) arises pursuant to an agreement or instrument if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Secured Parties than the encumbrances and restrictions contained in the Credit Documents (as determined by the Borrower in good faith); *provided* that Consolidated Net Income of the referent Person will be increased by the amount of dividends or other distributions or other payments actually paid in cash (or to the extent converted into cash) or Cash Equivalents to such Person or a Restricted Subsidiary in respect of such period, to the extent not already included therein,

(vii) effects of adjustments (including the effects of such adjustments pushed down to the Borrower and the Restricted Subsidiaries) in any line item in such Person's consolidated financial statements required or permitted by IFRS resulting from the application of purchase accounting, including in relation to the Transactions and any acquisition or investment that is consummated prior to or after the Closing Date or the amortization or write-off of any amounts thereof, in either case net of taxes, shall be excluded,

(viii) (a) any after-tax effect of any income (loss) from the early extinguishment or conversion of Indebtedness or Hedging Obligations or other derivative instruments (including deferred financing costs written off and premiums paid), (b) any non-cash income (or loss) related to currency gains or losses related to Indebtedness, intercompany balances, and other balance sheet items and any net gain or loss resulting in such period from Hedging Obligations pursuant to IFRS or an alternative basis of accounting applied in lieu of IFRS, and (c) any non-cash expense, income, or loss attributable to the movement in mark to market valuation of foreign currencies, Indebtedness, or derivative instruments pursuant to IFRS, shall be excluded,

(ix) any impairment charge or asset write-off or write-down, including impairment charges or asset write-offs or write-downs related to intangible assets, long-lived assets, investments in debt and equity securities or as a result of a change in law or regulation or in connection with any disposition of assets, in each case, pursuant to IFRS, and the amortization of intangibles arising pursuant to IFRS, shall be excluded,

(x) (a) any non-cash compensation expense recorded from grants of equity appreciation or similar rights, phantom equity, equity options units, restricted equity, or other rights to officers, directors, managers, or employees, (b) non-cash income (loss) attributable to deferred compensation plans or trusts and (c) any non-cash compensation expense resulting from equity-based payments to non-employees, in each case shall be excluded,

(xi) any fees, charges, losses, costs and expenses incurred during such period, or any amortization thereof for such period, in connection with or related to any acquisition (including any Permitted Acquisition), Restricted Payment, Investment, recapitalization, asset sale, issuance, incurrence, registration or repayment or

modification of Indebtedness, issuance or offering of Equity Interests, refinancing transaction or amendment, modification or waiver in respect of the documentation relating to any such transaction (in the case of each such transaction described in this clause (xi), including any such transaction consummated prior to the Closing Date, the Transactions and any such transaction undertaken but not completed and including, for the avoidance of doubt, (1) the effects of expensing all transaction-related expenses in accordance with IFRS, (2) such fees, expenses, or charges related to the incurrence or issuance, as applicable, of the Credit Facilities and the Loans hereunder, any ABL Loans and all Transaction Expenses, (3) such fees, expenses, or charges related to the entering into or offering of the Credit Documents, the ABL Credit Documents and any other credit facilities or debt issuances or the entering into of any Hedge Agreement, and (4) any amendment, modification or waiver in respect of any ABL Loans or other Indebtedness outstanding under the ABL Credit Documents, any ABL Credit Facility, any Credit Facility or, in each case, the loans thereunder, or any other Indebtedness) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction shall be excluded,

(xii) (a) accruals and reserves (including contingent liabilities) that are (x) established or adjusted within twelve months after the Closing Date that are so required to be established as a result of the Transactions or (y) established or adjusted within twelve months after the closing of any Permitted Acquisition or any other acquisition (other than any such other acquisition in the ordinary course of business) that are so required to be established or adjusted as a result of such Permitted Acquisition or such other acquisition, in each case in accordance with IFRS, or (b) charges, accruals, expenses and reserves as a result of adoption or modification of accounting policies, shall be excluded,

(xiii) to the extent covered by insurance or indemnification and actually reimbursed, or, so long as, in the case of reimbursements or indemnifications not yet received, the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is (a) not denied by the applicable carrier or indemnifying party in writing within 180 days and (b) in fact reimbursed within 365 days of the date of such determination (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), losses, charges and expenses shall be excluded,

(xiv) any deferred tax expense associated with tax deductions or net operating losses arising as a result of the Transactions, or the release of any valuation allowance related to such items, shall be excluded,

(xv) gains and losses due solely to fluctuations in currency values and the related tax effects determined in accordance with IFRS for such period shall be excluded,

(xvi) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of Statement of Financial Accounting Standards Nos. 87, 106 and 112, and any other items of a similar nature, shall be excluded,

(xvii) any non-cash adjustments resulting from the application of Accounting Standards Codification Topic No. 460, *Guarantees*, under U.S. generally

accepted accounting principles or any comparable regulation under IFRS, shall be excluded,

(xviii) earn-out obligations and other contingent consideration obligations (including to the extent accounted for as bonuses, compensation or otherwise (and including deferred performance incentives in connection with Permitted Acquisitions whether or not a service component is required from the transferor or its related party)) and adjustments thereof and purchase price adjustments, shall be excluded,

(xix) any Store and facility opening, pre-opening, construction, closing and consolidation costs, including any charges and losses related to any de novo Store and start-up charges and losses until such Store has been open and operating for a period of 18 consecutive months, shall be excluded,

(xx) any costs or expenses incurred during such period relating to environmental remediation, any litigation, or other disputes in respect of events and exposures that occurred prior to the Closing Date and any costs or expenses incurred in connection with any governmental investigations, shall be excluded, and

(xxi) the portion of the Net Income for such period of any Person that is a Restricted Subsidiary that is subject to a Deemed Subsidiary Election that corresponds to the equity interest share of any third parties in such Person, shall be excluded.

In addition, to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries in any period, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include the amount of proceeds received from business interruption insurance.

Unless otherwise stated or context clearly dictates otherwise, references to Consolidated Net Income shall refer to the Consolidated Net Income of the Borrower.

“Consolidated Total Assets” shall mean, as of any date of determination, the amount that would, in conformity with IFRS, be set forth opposite the caption “total assets” (or any like caption) on the most recent consolidated balance sheet of the Borrower and the Restricted Subsidiaries at such date (or, if such date of determination is a date prior to the time any such consolidated balance sheet has been so delivered pursuant to Section 9.1, on the most recent balance sheet in the most recent Historical Financial Statements) (and, in the case of any determination relating to any Specified Transaction, on a Pro Forma Basis including any property or assets being acquired in connection therewith).

“Consolidated Total Debt” shall mean, as at any date of determination, an amount equal to the sum of (a) the aggregate principal amount of all outstanding Indebtedness (excluding any revolving loans, including under the ABL Credit Agreement and this Agreement (if any), reflected on the consolidated balance sheet of the Borrower) of the Borrower and the Restricted Subsidiaries that would be reflected on a consolidated balance sheet (but excluding the notes thereto) prepared as of such date on a consolidated basis in accordance with IFRS (but excluding the effects of any discounting of Indebtedness resulting from the application of purchase accounting in connection with the Transactions or any Permitted Acquisition or any other acquisition permitted under this Agreement) consisting only of Indebtedness for borrowed money, Capitalized Lease Obligations and debt obligations evidenced by promissory notes and similar instruments (and excluding, for the avoidance of doubt, Hedging Obligations); *plus* (b) the Average Revolver Debt; *provided* that Consolidated Total Debt shall not include Letters of Credit or any other letter of credit, except, solely with respect to any standby Letter of Credit or other standby letter of credit, to the extent of unreimbursed obligations in respect of any such

drawn standby Letter of Credit or other drawn standby letter of credit (*provided* that any unreimbursed obligations in respect of any such drawn standby Letter of Credit or other drawn standby letter of credit shall not be included as Consolidated Total Debt until one Business Day after such amount is drawn and solely to the extent that a reimbursement obligation is then due and payable by the Borrower or any Restricted Subsidiary).

“Consolidated Working Capital” shall mean, with respect to the Borrower and the Restricted Subsidiaries on a consolidated basis at any date of determination, Current Assets at such date of determination *minus* Current Liabilities at such date of determination.

“Contingent Obligations” shall mean, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends, or other obligations that do not constitute Indebtedness (“primary obligations”) of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (a) for the purchase or payment of any such primary obligation or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, or (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

“Contract Consideration” shall have the meaning provided in the definition of Excess Cash Flow.

“Contractual Requirement” shall mean, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Covered Entity” shall mean (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b), (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b), or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Credit Documents” shall mean this Agreement, each Joinder Agreement, the Guarantees, the Security Documents, and any promissory notes issued by the Borrower pursuant hereto and any other document, agreement or letter agreed in writing by the Borrower and the Administrative Agent to be a Credit Document.

“Credit Facilities” shall mean, collectively, each category of Commitments and each extension of credit hereunder.

“Credit Facility” shall mean a category of Commitments and extensions of credit thereunder.

“Credit Party” shall mean Holdings, the Borrower and the other Guarantors.

“Current Assets” shall mean, with respect to the Borrower and the Restricted Subsidiaries on a consolidated basis, at any date of determination, all assets (other than cash and Cash Equivalents) that would, in accordance with IFRS, be classified on a consolidated balance sheet of the Borrower and the Restricted Subsidiaries as “current assets” (or similar term) at such date of determination, other than amounts related to current or deferred Taxes based on income or profits, assets held for sale, loans (permitted) to third parties, pension assets, deferred bank fees and derivative financial instruments, and excluding the effects of adjustments pursuant to IFRS

resulting from the application of recapitalization accounting or purchase accounting, as the case may be, in relation to any consummated acquisition.

“Current Liabilities” shall mean, with respect to the Borrower and the Restricted Subsidiaries on a consolidated basis, at any date of determination, all liabilities that would, in accordance with IFRS, be classified on a consolidated balance sheet of the Borrower and the Restricted Subsidiaries as current liabilities at such date of determination, including the amount of short-term and long-term deferred revenue of the Borrower and its Restricted Subsidiaries in accordance with IFRS, other than (a) the current portion of any Funded Debt and derivative financial instruments, (b) the current portion of accrued interest, (c) liabilities relating to current or deferred Taxes based on income or profits, (d) accruals of any costs or expenses related to restructuring reserves or severance, (e) any liabilities in respect of revolving loans, swingline loans or letter of credit obligations under any revolving credit facility (including any Revolving Loans and Indebtedness outstanding under the ABL Credit Documents), (f) the current portion of any Capitalized Lease Obligation, (g) the current portion of any other long-term liabilities, (h) liabilities in respect of unpaid earn-outs, (i) amounts related to derivative financial instruments and assets held for sale, (j) gift card liabilities and (k) any current liabilities related to items covered by clause (i) of the definition of Consolidated Net Income, and excluding the effects of adjustments pursuant to IFRS resulting from the application of recapitalization accounting or purchase accounting, as the case may be, in relation to any consummated acquisition.

“Debt Incurrence Prepayment Event” shall mean any issuance or incurrence by the Borrower or any of the Restricted Subsidiaries of any Indebtedness (excluding any Indebtedness permitted to be issued or incurred under Section 10.1).

“Declined Proceeds” shall have the meaning provided in Section 5.2(f).

“Default” shall mean any event, act, or condition set forth in Section 11 that with notice or lapse of time, or both, as set forth in such Section 11 would constitute an Event of Default.

“Default Rate” shall have the meaning provided in Section 2.8(c).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Lender” shall mean any Lender whose acts or failure to act, whether directly or indirectly, cause it to meet any part of the definition of Lender Default.

“Deferred Net Cash Proceeds” shall have the meaning provided such term in the definition of Net Cash Proceeds.

“Deferred Net Cash Proceeds Payment Date” shall have the meaning provided such term in the definition of Net Cash Proceeds.

“Derivative Counterparties” shall have the meaning provided in Section 13.16.

“Designated Non-Cash Consideration” shall mean the Fair Market Value of non-cash consideration received by the Borrower or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to a certificate of an Authorized Officer of the Borrower, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of, or collection on, or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it

has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with Section 10.4.

“Designated Preferred Stock” shall mean preferred stock of the Borrower or any direct or indirect parent of the Borrower (in each case other than Disqualified Stock) that is issued for cash (other than to the Borrower or a Restricted Subsidiary or an employee stock ownership plan or trust established by any Restricted Subsidiary) and is so designated as Designated Preferred Stock pursuant to an officer’s certificate executed by an Authorized Officer of the Borrower or the parent company thereof, as the case may be, on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clause (iii) of Section 10.5(a).

“disposition” shall have the meaning assigned such term in clause (i) of the definition of Asset Sale.

“Disqualified Lenders” shall mean (i) those banks, financial institutions or other Persons separately identified in writing by the Borrower, the Sponsor or any of their respective Affiliates to the Joint Lead Arrangers prior to the Fourth Amendment Effective Date or as otherwise agreed by the Borrower and the Administrative Agent after the Fourth Amendment Effective Date, and any Affiliates of such banks, financial institutions or other Persons (to the extent identified in writing or readily identifiable on the basis of such Affiliate’s name), (ii) competitors (or Affiliates thereof (to the extent identified in writing or readily identifiable on the basis of such Affiliate’s name)) of the Borrower or any of its Subsidiaries identified in writing to the Administrative Agent; *provided* that no such identification after the Fourth Amendment Effective Date pursuant to clauses (i) and (ii) shall apply retroactively to disqualify any Person that has previously acquired an assignment or participation of an interest in any of the Credit Facilities with respect to amounts of Commitments and Loans previously acquired by such Person, and (iii) Excluded Affiliates.

“Disqualified Stock” shall mean, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, or similar event, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, or similar event, in whole or in part, in each case, prior to the date that is 91 days after the Latest Term Loan Maturity Date hereunder; *provided* that if such Capital Stock is issued to any plan for the benefit of any employee, director, manager or consultant of the Borrower or its Subsidiaries or by any such plan to such employee, director, manager or consultant, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of the termination, death or disability of such employee, director, manager or consultant.

“Distressed Person” shall have the meaning provided in the definition of the term Lender-Related Distress Event.

“Dollars” and “\$” shall mean dollars in lawful currency of Canada.

“Domestic Subsidiary” shall mean each Subsidiary of the Borrower that is organized under the laws of the United States, any state thereof, or the District of Columbia.

“DTR Note” shall mean the promissory note issued by DTR LLC in favor of Holdings, dated as of the Closing Date.

“Early Opt-in Election” means the occurrence of a notification by the Administrative Agent (at the request of the Borrower) to each of the other parties hereto that (a) at least fifteen (15) U.S. dollar denominated broadly syndicated credit facilities have been, or are being, executed or have been, or are being, amended, as applicable, at such time, to incorporate or adopt a new benchmark interest rate to replace Term SOFR (and such syndicated credit facilities are publicly available for review) and (b) the Borrower and the Administrative Agent have jointly elected to trigger a fallback from Term SOFR with a Benchmark Replacement specified in such notification.

“ECF Payment Amount” shall have the meaning provided in Section 5.2(a)(ii).

“EEA Financial Institution” shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Yield” shall mean, as to any Indebtedness, the effective yield on such Indebtedness in the reasonable determination of the Administrative Agent in consultation with the Borrower and consistent with generally accepted financial practices, taking into account the applicable interest rate margins, any interest rate floors, or similar devices and all fees, including upfront or similar fees or original issue discount (amortized over the shorter of (i) the remaining Weighted Average Life to Maturity of such Indebtedness and (ii) the four years following the date of incurrence thereof) payable generally to Lenders or other institutions providing such Indebtedness, but excluding any arrangement, underwriting, structuring, ticking and commitment fees and other fees payable in connection therewith that are not shared with all relevant lenders providing such Indebtedness and, if applicable, consent fees for an amendment paid generally to consenting lenders.

“Environmental Claims” shall mean any and all actions, suits, orders, decrees, demand letters, claims, notices of noncompliance or potential responsibility or violation, or proceedings pursuant to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law (hereinafter, “Claims”), including, without limitation, (i) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial, or other actions or damages pursuant to any Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive relief relating to the presence, Release or threatened Release of Hazardous Materials or arising from alleged injury or threat of injury to health or safety (to the extent relating to human exposure to Hazardous Materials), or the environment including, without limitation, ambient air, indoor air, surface water, groundwater, soil, land surface and subsurface strata, and natural resources such as wetlands.

“Environmental Law” shall mean any applicable federal, state, provincial, foreign, municipal or local statute, law, rule, regulation, ordinance, code, and rule of common law now or hereafter in effect, and any binding judicial or administrative interpretation thereof, including any binding judicial or administrative order, consent decree, or judgment, relating to pollution or

protection of the environment, including, without limitation, ambient air, indoor air, surface water, groundwater, soil, land surface and subsurface strata and natural resources such as flora, fauna, or wetlands, or protection of human health or safety (to the extent relating to human exposure to Hazardous Materials) and including those relating to the generation, storage, treatment, transport, Release, or threat of Release of Hazardous Materials.

“Equity Interest” shall mean Capital Stock and all warrants, options, or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” shall mean any trade or business (whether or not incorporated) that, together with any Credit Party, is treated as a single employer under Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“ERISA Event” shall mean (i) the failure of any Plan to comply with any provisions of ERISA and/or the Code or with the terms of such Plan; (ii) any Reportable Event; (iii) the existence with respect to any Plan of a non-exempt Prohibited Transaction; (iv) any failure by any U.S. Pension Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such U.S. Pension Plan, whether or not waived; (v) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any U.S. Pension Plan; (vi) the occurrence of any event or condition which would reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any U.S. Pension Plan or the incurrence by any Credit Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any U.S. Pension Plan, including but not limited to the imposition of any Lien in favor of the PBGC or any U.S. Pension Plan; (vii) the receipt by any Credit Party or any of its ERISA Affiliates from the PBGC or a plan administrator of any written notice to terminate any U.S. Pension Plan under Section 4062(a) of ERISA or to appoint a trustee to administer any U.S. Pension Plan under Section 4042(b)(1) of ERISA; (viii) the incurrence by any Credit Party or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any U.S. Pension Plan (or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA) or Multiemployer Plan; or (ix) the receipt by any Credit Party or any of its ERISA Affiliates of any notice concerning the imposition on it of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent or in Reorganization, or terminated (within the meaning of Section 4041A of ERISA).

“EU Bail-In Legislation Schedule” shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Euro” shall mean the lawful single currency of the Participating Member States.

“Event of Default” shall have the meaning provided in Section 11.

“Excess Cash Flow” shall mean, for any period, an amount equal to:

- (i) the sum, without duplication, of:
 - (a) Consolidated Net Income for such period,

(b) an amount equal to the amount of all non-cash charges to the extent deducted in arriving at such Consolidated Net Income, but excluding any such non-cash charges representing an accrual or reserve for potential cash items in any future period and excluding amortization of a prepaid cash item that was paid in a prior period,

(c) decreases in Consolidated Working Capital for such period (other than (1) reclassification of items from short-term to long-term or vice versa in accordance with IFRS and (2) any such decreases arising from acquisitions (outside of the ordinary course of business) or asset sales (other than in the ordinary course of business) by the Borrower and the Restricted Subsidiaries completed during such period or the application of purchase accounting),

(d) an amount equal to the aggregate net non-cash loss on asset sales by the Borrower and the Restricted Subsidiaries during such period (other than asset sales in the ordinary course of business) to the extent deducted in arriving at such Consolidated Net Income, and

(e) cash receipts in respect of Hedge Agreements during such period to the extent not otherwise included in Consolidated Net Income; *minus*

(i) the sum, without duplication, of:

(a) an amount equal to the amount of all non-cash credits (including, to the extent constituting non-cash credits, without limitation, amortization of deferred revenue acquired as a result of any Permitted Acquisition or other consummated acquisition permitted hereunder) included in arriving at such Consolidated Net Income in such period (but excluding any non-cash credit to the extent representing the reversal of an accrual or reserve described in clause (i)(b) above), cash charges, losses, costs, fees or expenses to the extent excluded in arriving at such Consolidated Net Income during such period, and Transaction Expenses to the extent not deducted in arriving at such Consolidated Net Income and paid in cash during such period,

(b) without duplication of amounts deducted pursuant to clause (k) below in prior periods, the amount of Capital Expenditures or acquisitions of Intellectual Property accrued or made in cash during such period, except to the extent that such Capital Expenditures or acquisitions were financed with the proceeds of long-term Indebtedness (other than revolving Indebtedness to the extent intended to be repaid from operating cash flow) of the Borrower or the Restricted Subsidiaries (unless such Indebtedness has been repaid) other than intercompany loans,

(c) the aggregate amount of all principal payments of Indebtedness of the Borrower and the Restricted Subsidiaries (including (1) the principal component of payments in respect of Capitalized Lease Obligations, (2) the amount of any scheduled repayment of Term Loans pursuant to Section 2.5, and (3) the amount of a mandatory prepayment of Term Loans pursuant to Section 5.2(a) to the extent required due to an Asset Sale that resulted in an increase to Consolidated Net Income and not in excess of the amount of such increase, but excluding (A) all other prepayments of Term Loans and (B) all prepayments of Revolving Loans, revolving loans under the ABL Credit Agreement and any other revolving loans (unless, there is an equivalent permanent reduction in commitments thereunder) made during such period, except to the extent financed with the proceeds of other long-term Indebtedness (other than revolving Indebtedness to the extent intended to be repaid from operating cash flow) of the Borrower or the Restricted Subsidiaries (unless such Indebtedness has been repaid) other than intercompany loans,

(d) an amount equal to the aggregate net non-cash gain on asset sales by the Borrower and the Restricted Subsidiaries during such period (other than asset sales in the ordinary course of business) to the extent included in arriving at such Consolidated Net Income,

(e) increases in Consolidated Working Capital for such period (other than (1) reclassification of items from short-term to long-term or vice versa in accordance with IFRS and (2) any such increases arising from acquisitions (outside of the ordinary course of business) or asset sales (other than in the ordinary course of business) by the Borrower and the Restricted Subsidiaries completed during such period or the application of purchase accounting),

(f) payments by the Borrower and the Restricted Subsidiaries during such period in respect of long-term liabilities of the Borrower and the Restricted Subsidiaries other than Indebtedness, to the extent not already deducted from Consolidated Net Income,

(g) without duplication of amounts deducted pursuant to clause (k) below in prior fiscal periods, the aggregate amount of cash consideration paid by the Borrower and the Restricted Subsidiaries (on a consolidated basis) in connection with Investments (including Permitted Acquisitions) made during such period constituting Permitted Investments (other than clauses (i) and (ii) of the definition thereof) or Investments made pursuant to Section 10.5 to the extent that such Investments were not financed with the proceeds received from (1) the issuance or incurrence of long-term Indebtedness (other than revolving Indebtedness to the extent intended to be repaid from operating cash flow) of the Borrower or the Restricted Subsidiaries (unless such Indebtedness has been repaid) or (2) the issuance of Capital Stock,

(h) the amount of Restricted Payments paid in cash during such period (on a consolidated basis) by the Borrower and the Restricted Subsidiaries (other than Restricted Payments made pursuant to clauses (2), (3), (10), (17) and (18) of Section 10.5(b)), to the extent such Restricted Payments were not financed with the proceeds received from (1) the issuance or incurrence of long-term Indebtedness (other than revolving Indebtedness to the extent intended to be repaid from operating cash flow) of the Borrower or the Restricted Subsidiaries (unless such Indebtedness has been repaid) or (2) the issuance of Capital Stock,

(i) the aggregate amount of expenditures actually made by the Borrower and the Restricted 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 or are not deducted in calculating Consolidated Net Income,

(j) the aggregate amount of any premium, make-whole, or penalty payments actually paid in cash by the Borrower and the Restricted Subsidiaries during such period that are made in connection with any prepayment of Indebtedness to the extent that such payments are not deducted in calculating Consolidated Net Income,

(k) without duplication of amounts deducted from Excess Cash Flow in other periods, and at the option of the Borrower, (1) the aggregate consideration required to be paid in cash by the Borrower or any of its Restricted Subsidiaries pursuant to binding contracts (the "Contract Consideration") entered into prior to or during such period and (2) any planned cash expenditures by the Borrower or any of its Restricted Subsidiaries (the "Planned Expenditures"), in the case of each of clauses (1) and (2), relating to Permitted Acquisitions (or Investments similar to those made for Permitted Acquisitions), Capital Expenditures, Restricted Payments, any scheduled payment of Indebtedness that was permitted by the terms of this Agreement to be incurred and paid or permitted tax distributions, in each case, to be consummated or made, as applicable, during the period of four consecutive fiscal quarters of the Borrower following the end of such period (except to the extent financed with any of the proceeds received from (A) the issuance or incurrence of long-term Indebtedness (unless repaid) or (B) the issuance of Equity

Interests); *provided* that to the extent that the aggregate amount of cash actually utilized to finance such Permitted Acquisitions (or Investments similar to those made for Permitted Acquisitions), Capital Expenditures, Restricted Payments, permitted scheduled payments of Indebtedness that was permitted by the terms of this Agreement to be incurred and paid or permitted tax distributions during such following period of four consecutive fiscal quarters is less than the Contract Consideration and Planned Expenditures, the amount of such shortfall shall be added to the calculation of Excess Cash Flow, at the end of such period of four consecutive fiscal quarters,

(l) the amount of taxes (including penalties and interest) paid in cash or tax reserves set aside or payable (without duplication) in such period *plus* the amount of distributions with respect to taxes made in such period under Section 10.5(b)(15) to the extent they exceed the amount of tax expense deducted in determining Consolidated Net Income for such period, and

(m) cash expenditures in respect of Hedge Agreements during such fiscal year to the extent not deducted in arriving at such Consolidated Net Income.

“Exchange Act” shall mean the Securities Exchange Act of 1934.

“Excluded Affiliate” shall mean any Affiliate of any Agent that is engaged as a principal primarily in private equity, mezzanine financing or venture capital.

“Excluded Contribution” shall mean net cash proceeds, the Fair Market Value of marketable securities, or the Fair Market Value of Qualified Proceeds received by the Borrower from (i) contributions to its common equity capital, and (ii) the sale (other than to a Subsidiary of the Borrower or to any management equity plan or equity option plan or any other management or employee benefit plan or agreement of the Borrower) of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Borrower, in each case designated as Excluded Contributions pursuant to an officer’s certificate executed by an Authorized Officer, which are excluded from the calculation set forth in Section 10.5(a)(iii)(B).

“Excluded Deposit Accounts” shall have the meaning provided in Section 13.8(b).

“Excluded Information” shall have the meaning provided in Section 13.6.

“Excluded Property” shall have the meaning set forth in each Security Document containing a definition of “Excluded Property” solely with respect to the property of each Credit Party that is a party thereto.

“Excluded Stock and Stock Equivalents” shall mean (i) any Capital Stock or Stock Equivalents with respect to which, in the reasonable judgment of the Administrative Agent and the Borrower, the burden or cost or other consequences of pledging such Capital Stock or Stock Equivalents in favor of the Secured Parties under the Security Documents shall be excessive in view of the benefits to be obtained by the Lenders therefrom, (ii) any Capital Stock or Stock Equivalents to the extent the pledge thereof would violate any applicable Requirement of Law or any Contractual Requirement (including any legally effective requirement to obtain the consent or approval of, or a license from, any Governmental Authority or any other third party unless such consent, approval or license has been obtained (it being understood that the foregoing shall not be deemed to obligate the Borrower or any Subsidiary to obtain any such consent, approval or license)), (iii) in the case of (A) any Capital Stock or Stock Equivalents of any Subsidiary to the extent such Capital Stock or Stock Equivalents are subject to a Lien permitted by clause (ix) of the definition of Permitted Liens or (B) any Capital Stock or Stock Equivalents of any Subsidiary that is not a Wholly-Owned Subsidiary of the Borrower and its Restricted Subsidiaries, any Capital Stock or Stock Equivalents of each such Subsidiary described in clause

(A) or (B) to the extent (I) that a pledge thereof to secure the Obligations is prohibited by any applicable Contractual Requirement (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable law), (II) any Contractual Requirement prohibits such a pledge without the consent of any other party; *provided* that this clause (II) shall not apply if (x) such other party is a Credit Party or Wholly-Owned Subsidiary or (y) consent has been obtained to consummate such pledge (it being understood that the foregoing shall not be deemed to obligate the Borrower or any Subsidiary to obtain any such consent) and for so long as such Contractual Requirement or replacement or renewal thereof is in effect, or (III) a pledge thereof to secure the Obligations would give any other party (other than a Credit Party or Wholly-Owned Subsidiary) to any contract, agreement, instrument, or indenture governing such Capital Stock or Stock Equivalents the right to terminate its obligations thereunder (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable law), (iv) any Capital Stock or Stock Equivalents of any Subsidiary to the extent that the pledge of such Capital Stock or Stock Equivalents would result in materially adverse tax consequences to the Borrower or any Subsidiary as reasonably determined by the Borrower in consultation with the Administrative Agent, (v) any Capital Stock or Stock Equivalents that are margin stock, (vi) any Capital Stock and Stock Equivalents of any Subsidiary that is not a Material Subsidiary and (vii) any Capital Stock and Stock Equivalents of any Subsidiary that is less than 50% owned by a Credit Party, any Unrestricted Subsidiary, any Captive Insurance Subsidiary, any Broker-Dealer Subsidiary, any not-for-profit Subsidiary and any special purpose entity (including any Receivables Subsidiary and any Securitization Subsidiary); *provided* that Excluded Stock and Stock Equivalents shall not include proceeds of the foregoing property to the extent otherwise constituting Collateral.

“Excluded Subsidiary” shall mean each (a) Unrestricted Subsidiary, (b) Subsidiary that is not a Material Subsidiary, (c) Foreign Subsidiary, (d) Domestic Subsidiary of a Credit Party with respect to which a Guarantee could result in material adverse tax consequences to a Credit Party or any of such Credit Party’s Subsidiaries (including as a result of the operation of Section 956 of the Code) as reasonably determined by the Borrower in consultation with the Administrative Agent, (e) Captive Insurance Subsidiary, (f) non-profit Subsidiary, (g) joint venture and Subsidiary that is not a Wholly-Owned Subsidiary on any date such Subsidiary would otherwise be required to become a Guarantor pursuant to the requirements of Section 9.9 (for so long as such joint venture or Subsidiary remains a non-Wholly-Owned Restricted Subsidiary) (subject in all respects to the final sentence of this definition), (h) special purpose entity, including any Receivables Subsidiary and any Securitization Subsidiary, (i) Broker-Dealer Subsidiary, (j) Subsidiary for which Guarantees or granting Liens to secure the Obligations are (I) prohibited by law (including without limitation as a result of applicable financial assistance, directors’ duties or corporate benefit requirements (subject to clause (k) below, to the extent that such limitations cannot be addressed through “whitewash” or similar procedures)) or require consent, approval, license or authorization of a Governmental Authority or (II) contractually prohibited on the Fourth Amendment Effective Date or, following the Fourth Amendment Effective Date, the date of acquisition, so long as such prohibition is not created in contemplation of such transaction, (k) Subsidiary where the burden or cost of obtaining a Guarantee outweighs the benefit to the Lenders, as determined by the Administrative Agent and the Borrower, (l) Subsidiary acquired pursuant to a Permitted Acquisition or other Investment permitted under this Agreement and financed with assumed secured Indebtedness, and each Restricted Subsidiary acquired in such Permitted Acquisition or other Investment permitted hereunder that guarantees such Indebtedness, in each case to the extent that, and for so long as, the documentation relating to such Indebtedness to which such Subsidiary is a party prohibits such Subsidiary from guaranteeing the Obligations and such prohibition was not created in contemplation of such Permitted Acquisition or other Investment permitted hereunder and (m) Subsidiary listed on Schedule 1.1(c). Notwithstanding anything to the contrary contained in this Agreement or in any other Credit Document, in no event shall any Guarantor that is a Wholly-Owned Subsidiary as of the Fourth Amendment Effective Date or as of the date of joinder of such Wholly-Owned

Subsidiary as a Guarantor cease to constitute a Guarantor under the Credit Documents solely as a result of such Guarantor ceasing to constitute a Wholly-Owned Subsidiary after the Fourth Amendment Effective Date (unless either (I) pursuant to a disposition or other asset sale (x) to a Person that is not an Affiliate of the Borrower, (y) for a bona fide business purpose (as determined in good faith by the Borrower) or on terms that are not less favorable to the Borrower than those that would have been obtained in a comparable arm's-length transaction with a Person that is not an Affiliate (as determined in good faith by the Borrower) or (z) in connection with which such Person ceases to constitute a Subsidiary or (II) such Person otherwise constitutes an Excluded Subsidiary in accordance with the definition hereof other than as a result of clause (g) thereof as it relates to non-Wholly-Owned Subsidiaries.

“Excluded Swap Obligation” shall mean, with respect to any Credit Party, (i) any Swap Obligation if, and to the extent that, all or a portion of the Obligations of such Credit Party of, or the grant by such Credit Party of a security interest to secure, such Swap Obligation (or any Obligations thereof) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation, or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) or (ii) any other Swap Obligation designated as an “Excluded Swap Obligation” of such Credit Party as specified in any agreement between the relevant Credit Parties and Hedge Bank counterparty to such Swap Obligation. If a Swap Obligation arises under a Master Agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Obligation or security interest is or becomes illegal or unlawful.

“Excluded Taxes” shall mean, with respect to the Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, (i) Taxes imposed on or measured by its net income, net profits, or branch profits (however denominated, and including (for the avoidance of doubt) any backup withholding in respect thereof under Section 3406 of the Code or any similar provision of state, local, or foreign law), and franchise (and similar) Taxes imposed on it, in each case (A) by a jurisdiction (including any political subdivision thereof) as a result of such recipient being organized in, having its principal office in, or in the case of any Lender, having its applicable lending office in, such jurisdiction, or (B) that are Other Connection Taxes, (ii) any Canadian federal withholding Taxes imposed as a result of the Administrative Agent, any Lender or any other recipient of any payment hereunder, not dealing at arm's length (within the meaning of the ITA) with a Credit Party (otherwise than by reason solely of the exercise of its rights under this Agreement), or as a result of a Lender being a “specified non-resident shareholder” (within the meaning of subsection 18(5) of the ITA) of the Borrower or not dealing at arm's length with a “specified shareholder” (within the meaning of subsection 18(5) of the ITA) of the Borrower (in each case, otherwise than by reason solely of the exercise of its rights under this Agreement), or (iii) any withholding Taxes attributable to a recipient's failure to comply with Sections 5.4(e) and (f).

“Existing Class” shall mean any Existing Term Loan Class and any Existing Revolving Credit Class.

“Existing Revolving Credit Class” shall have the meaning provided in Section 2.14(g)(ii).

“Existing Revolving Credit Commitment” shall have the meaning provided in Section 2.14(g)(ii).

“Existing Revolving Credit Loans” shall have the meaning provided in Section 2.14(g)(ii).

“Existing Term Loan Class” shall have the meaning provided in Section 2.14(g)(i).

“Extended Revolving Credit Commitments” shall have the meaning provided in Section 2.14(g)(ii).

“Extended Revolving Credit Loans” shall have the meaning provided in Section 2.14(g)(ii).

“Extended Term Loan Repayment Amount” shall have the meaning provided in Section 2.5(c).

“Extended Term Loan Repayment Date” shall have the meaning provided in Section 2.5(c).

“Extended Term Loans” shall have the meaning provided in Section 2.14(g)(i).

“Extending Lender” shall have the meaning provided in Section 2.14(g)(iii).

“Extension” shall mean the establishment of an Extension Series by amending a Loan or a Commitment pursuant to Section 2.14(g) and the applicable Extension Amendment.

“Extension Amendment” shall have the meaning provided in Section 2.14(g)(iv).

“Extension Date” shall have the meaning provided in Section 2.14(g)(v).

“Extension Election” shall have the meaning provided in Section 2.14(g)(iii).

“Extension Minimum Condition” shall mean a condition to consummating any Extension that a minimum amount (to be determined and specified in the relevant Extension Request, in the Borrower’s sole discretion) of any or all applicable Classes be submitted for Extension.

“Extension Request” shall mean a Term Loan Extension Request or a Revolving Credit Loan Extension Request, as the context requires.

“Extension Series” shall mean all Extended Term Loans and Extended Revolving Credit Commitments that are established pursuant to the same Extension Amendment (or any subsequent Extension Amendment to the extent such Extension Amendment expressly provides that the Extended Term Loans or Extended Revolving Credit Commitments, as applicable, provided for therein are intended to be a part of any previously established Extension Series).

“Fair Market Value” shall mean with respect to any asset or group of assets on any date of determination, the value of the consideration obtainable in a sale of such asset at such date of determination assuming a sale by a willing seller to a willing purchaser dealing at arm’s length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as determined in good faith by the Borrower.

“FATCA” shall mean (a) Sections 1471 through 1474 of the Code, as of the Fourth Amendment Effective Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, (b) any agreements entered into pursuant to Section 1471(b)(1) of the Code as of the Fourth Amendment Effective Date (or any amended or successor version described above) implementing the foregoing and (c) any treaty, law, regulation, related legislation, official administrative rules or practices, any intergovernmental agreements, or other official guidance enacted in any other jurisdiction with the purpose, in either case, of facilitating the implementation of clause (a) and (b) above.

“Federal Funds Effective Rate” shall mean, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System of the United States, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary to the next 1/100th of 1%) of the quotations for the day for such transactions received by the Administrative Agent from three depository institutions of recognized standing selected by it.

“Fee Letter” shall mean that certain Fee Letter, dated as of the Closing Date, by and among the Borrower and the Agents party thereto.

“Fees” shall mean all amounts payable pursuant to, or referred to in, Section 4.1.

“Fifth Amendment” shall mean that certain Fifth Amendment to Credit Agreement, dated as of the Fifth Amendment Effective Date, among Holdings, the Borrower, the Subsidiaries of the Borrower party thereto, the Lenders party thereto, the Administrative Agent and the Collateral Agent.

“Fifth Amendment Effective Date” shall have the meaning assigned to such term in the Fifth Amendment.

“Fifth Amendment Fee Letter” shall mean that certain Fee Letter, dated as of the Fifth Amendment Effective Date, by and among the Borrower and the Agents party thereto.

“First Lien Net Leverage Ratio” shall mean, as of any date of determination, the ratio of (i) Consolidated First Lien Secured Debt as of such date of determination, *minus* cash and Cash Equivalents (in each case, free and clear of all Liens other than Permitted Liens) of the Borrower and the Restricted Subsidiaries (other than the proceeds of any Indebtedness then being incurred and giving rise to the need to calculate the First Lien Net Leverage Ratio) to (ii) Consolidated EBITDA for the Test Period then last ended.

“First Lien Obligations” shall mean the Obligations, the Permitted Other Indebtedness Obligations and Permitted Debt Exchange Notes that are secured by the Collateral on an equal priority basis (but without regard to the control of remedies) with liens on the Collateral securing the Initial Term Loans, 2019 Refinancing Term Loans, 2020 Refinancing Term Loans, 2021 Refinancing Term Loans or any Obligations that are secured on a *pari passu* basis with the Initial Term Loans, 2019 Refinancing Term Loans, 2020 Refinancing Term Loans and 2021 Refinancing Term Loans.

“Fixed Amounts” shall have the meaning provided in Section 1.11(b).

“Floor” means a rate of interest per annum equal to 0.75%.

“Foreign Benefit Arrangement” shall mean any employee benefit arrangement mandated by non-U.S. law that is contributed to, but not sponsored or maintained, by any Credit Party or any of its Subsidiaries.

“Foreign Plan” shall mean each employee benefit plan, program, policy, arrangement or agreement maintained or contributed to by a Credit Party or any of its Subsidiaries with respect to employees employed outside of the United States or Canada, other than any state social security arrangements or other benefits required to be provided under applicable law.

“Foreign Plan Event” shall mean (i) the failure to register or loss of good standing (if applicable) with applicable regulatory authorities of any such Foreign Plan or Foreign Benefit

Arrangement required to be registered, or (ii) the failure of any Foreign Plan to comply in any material respect with any provisions of applicable law and regulations or with the terms of such Foreign Plan.

“Foreign Prepayment Event” shall have the meaning provided in Section 5.2(a)(iv).

“Foreign Subsidiary” shall mean each Subsidiary of the Borrower that is not a Canadian Subsidiary, a U.K. Subsidiary or a U.S. Subsidiary.

“Fourth Amendment” shall mean that certain Refinancing Amendment and Fourth Amendment to Credit Agreement, dated as of October 7, 2020, by and among the Borrower, Holdings, the other Credit Parties party thereto, the 2020 New Term Loan Lender, the 2020 Refinancing Term Loan Lender, the Administrative Agent and the Collateral Agent.

“Fourth Amendment Effective Date” shall mean the date on which all the conditions precedent set forth in Section 6 of the Fourth Amendment shall have been satisfied or waived in accordance with the terms thereof. For the avoidance of doubt, the Fourth Amendment Effective Date shall be October 7, 2020.

“Fourth Amendment Fee Letter” shall mean, collectively, (i) that certain Engagement Letter, dated as of September 22, 2020, by and among the Borrower, the Lead Arrangers (as defined in the Fourth Amendment) and the other parties thereto and (ii) that certain Fee Letter, dated as of September 22, 2020, by and among the Borrower and the other parties thereto.

“Fund” shall mean any Person (other than a natural Person) that is engaged or advises funds or other investment vehicles that are engaged in making, purchasing, holding, or investing in commercial loans and similar extensions of credit in the ordinary course.

“Funded Debt” shall mean all Indebtedness of the Borrower and the Restricted Subsidiaries for borrowed money that matures more than one year from the date of its creation or matures within one year from such date that is renewable or extendable, at the sole option of the Borrower or any Restricted Subsidiary, to a date more than one year from the date of its creation or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date (including all amounts of such Funded Debt required to be paid or prepaid within one year from the date of its creation), and, in the case of the Credit Parties, Indebtedness in respect of the Loans.

“GAAP” shall mean generally accepted accounting principles in Canada, as in effect from time to time.

“Governmental Authority” shall mean any nation, sovereign, or government, any state, province, territory, or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, taxing, regulatory, or administrative functions of or pertaining to government, including a central bank or stock exchange.

“Granting Lender” shall have the meaning provided in Section 13.6(g).

“Guarantee” shall mean the Guarantee entered into by Holdings, the other Credit Parties party thereto (other than the Borrower) and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit C.

“guarantee obligations” shall mean, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness of any primary obligor in any manner, whether directly or indirectly, including any obligation of such Person, whether or not

contingent, (i) to purchase any such Indebtedness or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (a) for the purchase or payment of any such Indebtedness or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such Indebtedness of the ability of the primary obligor to make payment of such Indebtedness, or (iv) otherwise to assure or hold harmless the owner of such Indebtedness against loss in respect thereof; *provided, however*, that the term guarantee obligations shall not include endorsements of instruments for deposit or collection in the ordinary course of business or customary and reasonable indemnity obligations or product warranties in effect on the Fourth Amendment Effective Date or entered into in connection with any acquisition or disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any guarantee obligation shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such guarantee obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

“Guarantors” shall mean (i) Holdings and (ii) on and after the Fourth Amendment Effective Date, each Subsidiary of the Borrower that becomes a party to a Guarantee pursuant to Section 9.9 or otherwise; *provided*, for the avoidance of doubt, (x) no Subsidiary that is an Excluded Subsidiary shall be a Guarantor until and unless it ceases to be an Excluded Subsidiary, and (y) the Borrower may cause any Restricted Subsidiary that is not a Guarantor to guarantee the Obligations by causing such Restricted Subsidiary to become a Guarantor under a Guarantee and a grantor under the applicable Security Documents in accordance with Section 9.9, and any such Restricted Subsidiary shall be a Guarantor hereunder and under the other Credit Documents for all purposes.

“Hazardous Materials” shall mean (i) any petroleum or petroleum products, radioactive materials, friable asbestos, polychlorinated biphenyls, and radon gas; (ii) any chemicals, materials, or substances defined as or included in the definition of “hazardous substances”, “hazardous waste”, “hazardous materials”, “extremely hazardous waste”, “restricted hazardous waste”, “toxic substances”, “toxic pollutants”, “contaminants”, “pollutants” or words of similar import, under any Environmental Law; and (iii) any other chemical, material, or substance, which is prohibited, limited, or regulated due to its dangerous or deleterious properties or characteristics by, any Environmental Law.

“Hedge Agreements” shall mean (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Hedge Bank” shall mean (i) any Person that, at the time it enters into a Hedge Agreement, is a Lender, an Agent or an Affiliate of a Lender or an Agent and (ii) with respect to

any Hedge Agreement entered into prior to the Fourth Amendment Effective Date, any Person that is a Lender or an Agent or an Affiliate of a Lender or an Agent on the Fourth Amendment Effective Date or the Closing Date; *provided* that, if such Person is not a Lender, such Person executes and delivers to the Administrative Agent and the Borrower a letter agreement in form and substance reasonably acceptable to the Administrative Agent and the Borrower pursuant to which such Person (a) appoints the Administrative Agent as its agent under the applicable Credit Documents and (b) agrees to be bound by the provisions of Article VI and Sections 7.1 and 8.13 of the Canadian Pledge Agreement, Sections 4.3, 6.6, 7.4, 7.6, 8.1 and 8.18 of the Canadian Security Agreement and corresponding or similar provisions in any other Security Document, in each case, as if it were a Lender.

“Hedging Obligations” shall mean, with respect to any Person, the obligations of such Person under any Hedge Agreements.

“Historical Financial Statements” shall mean (i) the audited consolidated balance sheet and the related audited consolidated statements of income or operations and cash flows of Holdings, the Borrower and its Subsidiaries for the fiscal year ended March 29, 2020, and (ii) the unaudited consolidated balance sheet and the related unaudited consolidated statements of income or operations and cash flows of Holdings, the Borrower and its Subsidiaries for the three-month period ended June 28, 2020.

“Holdings” shall mean (i) Holdings (as defined in the preamble to this Agreement) or (ii) after the Fourth Amendment Effective Date any other Person or Persons (“New Holdings”) that is a Subsidiary of (or are Subsidiaries of) Holdings or of any direct or indirect parent of Holdings (or the previous New Holdings, as the case may be) but not the Borrower (“Previous Holdings”); *provided* that (a) such New Holdings directly owns 100% of the Equity Interests of the Borrower, (b) New Holdings shall expressly assume all the obligations of Previous Holdings under this Agreement and the other Credit Documents pursuant to a supplement hereto or thereto in form and substance reasonably satisfactory to the Administrative Agent and the Borrower, (c) if reasonably requested by the Administrative Agent, an opinion of counsel covering matters reasonably requested by the Administrative Agent shall be delivered on behalf of the Borrower to the Administrative Agent, (d) all Capital Stock of the Borrower and substantially all of the other assets of Previous Holdings are contributed or otherwise transferred, directly or indirectly, to such New Holdings and pledged to secure the Obligations, (e) (x) no Event of Default has occurred and is continuing at the time of such substitution and such substitution does not result in any Event of Default, (y) such substitution does not result in any material adverse tax consequences to any Credit Party and (z) such substitution does not result in any adverse tax consequences to any Lender (unless reimbursed hereunder) or to the Administrative Agent (unless reimbursed hereunder), (f) no Change of Control shall occur, (g) the Administrative Agent shall have received at least five (5) Business Days’ prior written notice of the proposed transaction and Previous Holdings, New Holdings and the Borrower shall promptly and in any event at least two (2) Business Days’ prior to the consummation of the transaction provide all information any Lender or any Agent may reasonably request to satisfy its “know your customer” and other similar requirements necessary for such Person to comply with its internal compliance and regulatory requirements with respect to the proposed successor New Holdings, (h) if reasonably requested by the Administrative Agent, the Credit Parties shall execute and deliver amendments, supplements and other modifications to all Credit Documents, instruments and agreements executed in connection therewith necessary to perfect and protect the liens and security interests in the Collateral of New Holdings and customary legal opinions, in each case in form and substance reasonably satisfactory to the Administrative Agent, and (i) the Borrower delivers a certificate of an Authorized Officer with respect to the satisfaction of the conditions set forth in clauses (a), (e)(x) and (y) and (f) of this definition; *provided, further*, that if each of the foregoing is satisfied, Previous Holdings shall be automatically released of all its obligations

under the Credit Documents and any reference to “Holdings” in the Credit Documents shall refer to New Holdings.

“Holdings Loan Agreement” shall mean, collectively, that certain (i) senior subordinated grid note, dated as of December 9, 2013, issued by the Borrower in favor of Holdings and (ii) any unsecured subordinated promissory notes issued from time to time by the Borrower in favor of Holdings in connection with the reinvestment by Holdings of a portion of the interest paid by the Borrower on the Holdings Subordinate Debt in accordance with the Holdings Subordination Agreement, in the case of each of the notes described in the foregoing clauses (i) and (ii), as such agreement may be amended, revised, replaced, supplemented or restated from time to time in accordance with the terms of the Holdings Subordination Agreement, including increases to the principal amount outstanding thereunder as set forth therein.

“Holdings Subordinate Debt” shall mean all amounts owing by the Borrower to Holdings pursuant to the Holdings Loan Agreement.

“Holdings Subordination Agreement” shall mean the subordination and postponement agreement, dated as of June 3, 2016, among Holdings, the Borrower and the ABL Administrative Agent, as such agreement may be amended, revised, replaced, supplemented or restated from time to time.

“IFRS” shall mean International Financial Reporting Standards, as adopted by the International Accounting Standards Board, as in effect from time to time; *provided, however*, that if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in IFRS or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in IFRS or in the application thereof, then such provision shall be interpreted on the basis of IFRS as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Furthermore, at any time after the Fourth Amendment Effective Date, the Borrower may elect to apply for all purposes of this Agreement, in lieu of IFRS, GAAP or U.S. GAAP and, upon such election, references herein to IFRS and IFRS concepts will be construed to refer to GAAP or U.S. GAAP, as applicable, and corresponding GAAP or U.S. GAAP concepts as in effect from time to time; *provided* that (1) all financial statements and reports to be provided, after such election, pursuant to this Agreement shall be prepared on the basis of GAAP or U.S. GAAP, as applicable, as in effect from time to time, and (2) from and after such election, all ratios, computations, and other determinations based on IFRS contained in this Agreement shall still be required to be computed in conformity with IFRS. The Borrower shall give written notice of any such election made in accordance with this definition to the Administrative Agent. For the avoidance of doubt, solely making an election (without any other action) referred to in this definition will not be treated as an incurrence of Indebtedness. Notwithstanding any other provision contained herein, the amount of any Indebtedness under IFRS with respect to Capitalized Lease Obligations shall be determined in accordance with the definition of Capitalized Lease Obligations and Section 1.3(c).

“Impacted Loans” shall have the meaning provided in Section 2.10(a).

“Increased Amount Date” shall have the meaning provided in Section 2.14(a).

“Incremental Loans” shall have the meaning provided in Section 2.14(c).

“Incremental Revolving Credit Commitments” shall have the meaning provided in Section 2.14(a).

“Incremental Revolving Credit Loans” shall have the meaning provided in Section 2.14(b).

“Incremental Revolving Credit Maturity Date” shall mean the date on which any Class of Incremental Revolving Credit Loans that is made pursuant to the Lenders’ Incremental Revolving Credit Commitments matures.

“Incremental Revolving Loan Lenders” shall have the meaning provided in Section 2.14(b).

“Incurrence-Based Amounts” shall have the meaning provided in Section 1.11(b).

“Indebtedness” shall mean, with respect to any Person, (i) any indebtedness (including principal and premium), of such Person (a) in respect of borrowed money, (b) evidenced by bonds, notes, debentures, or similar instruments or letters of credit or bankers’ acceptances (or, without double counting, reimbursement agreements in respect thereof), (c) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations), or (d) representing any Hedging Obligations, if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a net liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with IFRS; *provided* that Indebtedness of any direct or indirect parent company appearing upon the balance sheet of the Borrower solely by reason of push-down accounting under IFRS shall be excluded, (ii) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations of the type referred to in clause (i) of another Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business, and (iii) to the extent not otherwise included, the obligations of the type referred to in clause (i) of another Person secured by a Lien on any asset owned by such Person, whether or not such Indebtedness is assumed by such Person; *provided* that notwithstanding the foregoing, Indebtedness shall be deemed not to include (1) Contingent Obligations incurred in the ordinary course of business, (2) obligations under or in respect of Receivables Facilities and Securitization Facilities, (3) prepaid or deferred revenue arising in the ordinary course of business, (4) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy warrants or other unperformed obligations of the seller of such asset, (5) trade accounts and accrued expenses payable in the ordinary course of business and accruals for payroll and other liabilities accrued in the ordinary course of business, (6) any earn-out obligation until such obligation, within 60 days of becoming due and payable, has not been paid and such obligation is reflected as a liability on the balance sheet of such Person in accordance with IFRS or (7) customary obligations under employment agreements and deferred compensation. The amount of Indebtedness of any Person for purposes of clause (iii) above shall (unless such Indebtedness has been assumed by such Person) be deemed to be equal to the lesser of (x) the aggregate unpaid amount of such Indebtedness and (y) the Fair Market Value of the property encumbered thereby as determined by such Person in good faith.

For all purposes hereof, (i) the Indebtedness of the Borrower and the Restricted Subsidiaries, shall exclude all intercompany Indebtedness having a term not exceeding 365 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business and (ii) the Indebtedness of a Restricted Subsidiary that is subject to a Deemed Subsidiary Election shall not include, with respect to such Restricted Subsidiary, such portion of the Indebtedness (or guarantee obligations in respect of obligations) of such Restricted Subsidiary that corresponds to the equity interest share of third parties in such Restricted Subsidiary.

“Indemnified Liabilities” shall have the meaning provided in Section 13.5.

“Indemnified Persons” shall have the meaning provided in Section 13.5.

“Indemnified Taxes” shall mean all Taxes imposed on or with respect to any payment by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, other than Excluded Taxes or Other Taxes.

“Independent Financial Advisor” shall mean an accounting firm, appraisal firm, investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of the Borrower, qualified to perform the task for which it has been engaged and that is disinterested with respect to the applicable transaction.

“Initial Term B-1 Loan” shall mean each Initial Term Loan made by an Initial Term Loan Lender in respect of its Initial Term B-1 Loan Commitment.

“Initial Term B-1 Loan Commitment” shall have the meaning provided in the definition of the term Initial Term Loan Commitment.

“Initial Term B-2 Lender” shall mean a Lender with an Initial Term B-2 Loan Commitment or an outstanding Initial Term B-2 Loan.

“Initial Term B-2 Loan” shall mean each Initial Term Loan made by an Initial Term Loan Lender in respect of its Initial Term B-2 Loan Commitment.

“Initial Term B-2 Loan Commitment” shall have the meaning provided in the definition of the term Initial Term Loan Commitment.

“Initial Term Loan” shall have the meaning provided in Section 2.1(a); *provided* that prior to the six-month anniversary of the Closing Date, Initial Term Loan shall mean each Initial Term B-1 Loan and each Initial Term B-2 Loan. For the avoidance of doubt, on and after the six-month anniversary of the Closing Date, each Initial Term B-1 Loan and each Initial Term B-2 Loan shall constitute an “Initial Term Loan” and be of the same Class for all purposes under this Agreement.

“Initial Term Loan Commitment” shall mean, in the case of each Lender that is a Lender on the Closing Date, the sum of the amounts set forth opposite such Lender’s name on Schedule 1.1(a) as such Lender’s (i) Initial Term B-1 Loan Commitment (each such commitment, an “Initial Term B-1 Loan Commitment”) and (ii) Initial Term B-2 Loan Commitment (each such commitment, an “Initial Term B-2 Loan Commitment”). The aggregate amount of the Initial Term Loan Commitments as of the Closing Date is U.S.\$162,582,257.

“Initial Term Loan Lenders” shall mean a Lender with an Initial Term Loan Commitment or an outstanding Initial Term Loan.

“Insolvency Laws” shall mean the *Companies’ Creditors Arrangement Act* (Canada), the BIA, the Bankruptcy Code, the *Winding-Up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous legislation applicable to any Credit Party, any of their respective Subsidiaries or any jurisdiction in which Collateral is located.

“Insolvent” shall mean, with respect to any Multiemployer Plan, the condition that such Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA.

“Intellectual Property” shall mean U.S., Canadian and foreign intellectual property, including all (i) (a) patents, inventions, processes, developments, technology, and know-how; (b) copyrights and works of authorship in any media, including graphics, advertising materials,

labels, package designs, and photographs; (c) trademarks, service marks, trade names, brand names, corporate names, domain names, logos, trade dress, and other source indicators, and the goodwill of any business symbolized thereby; and (d) trade secrets, confidential, proprietary, or non-public information and (ii) all registrations, issuances, applications, renewals, extensions, substitutions, continuations, continuations-in-part, divisions, re-issues, re-examinations, foreign counterparts, or similar legal protections related to the foregoing.

“Intercompany License Agreement” shall mean any cost sharing agreement, commission or royalty agreement, license or sub-license agreement, distribution agreement, services agreement, Intellectual Property rights transfer agreement or any related agreements, in each case where all the parties to such agreement are one or more of the Borrower and any Restricted Subsidiary thereof.

“Intercompany Note” shall mean any intercompany note substantially in the form of Exhibit D.

“Interest Coverage Ratio” shall mean, as of any date of determination, the ratio of (i) Consolidated EBITDA for the Test Period then last ended to (ii) the Consolidated Interest Expense of the Borrower and its Restricted Subsidiaries for such Test Period.

“Interest Period” shall mean, with respect to any Loan, the interest period applicable thereto, as determined pursuant to Section 2.9.

“Investment” shall mean, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances, or capital contributions (excluding accounts receivable, credit card and debit card receivables, trade credit, advances to customers, commission, travel, and similar advances to officers, directors, managers and employees, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests, or other securities issued by any other Person or the purchase or other acquisition, in one transaction or a series of related transactions, of all or substantially all of the assets of another Person or assets constituting a business unit, line of business or division of such Person; *provided* that Investments shall not include, in the case of the Borrower and the Restricted Subsidiaries, intercompany loans, advances, or Indebtedness made to or owing by the Borrower or a Restricted Subsidiary having a term not exceeding 365 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business; *provided, further*, that, in the event that any Investment is made by Holdings, the Borrower or any Restricted Subsidiary in any Person through substantially concurrent interim transfers of any amount through the Borrower or any Restricted Subsidiaries, then such other substantially concurrent interim transfers shall be disregarded for purposes of Section 10.5.

For purposes of the definition of Unrestricted Subsidiary and Section 10.5,

(i) Investments shall include the portion (proportionate to the Borrower’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary of the Borrower at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided* that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Borrower shall be deemed to continue to have a permanent Investment in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Borrower’s “Investment” in such Subsidiary at the time of such redesignation *less* (b) the portion (proportionate to the Borrower’s equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and

(ii) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment, or other amount received by the Borrower or a Restricted Subsidiary in respect of such Investment (*provided* that, with respect to amounts received other than in the form of cash or Cash Equivalents, such amount shall be equal to the Fair Market Value of such consideration).

“Investment Grade Rating” shall mean a rating equal to or higher than Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P, or an equivalent rating by any other rating agency.

“Investment Grade Securities” shall mean:

(i) securities issued or directly and fully guaranteed or insured by the Canadian Government or the United States government or, in each case, any agency or instrumentality thereof (other than Cash Equivalents),

(ii) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among the Borrower and its Subsidiaries,

(iii) investments in any fund that invests all or substantially all of its assets in investments of the type described in clauses (i) and (ii) which fund may also hold immaterial amounts of cash pending investment or distribution, and

(iv) corresponding instruments in countries other than Canada and the United States customarily utilized for high-quality investments.

“IP Security Agreement” shall mean one or more Intellectual Property security agreements by and among one or more of the Credit Parties and the Collateral Agent.

“ITA” shall mean the *Income Tax Act* (Canada).

“Joinder Agreement” shall mean an agreement substantially in the form of Exhibit E.

“Joint Bookrunners” shall mean the Joint Bookrunners identified on the cover page to this Agreement.

“Joint Lead Arrangers” shall mean the Joint Lead Arrangers identified on the cover page to this Agreement.

“Junior Debt” shall mean any (i) Indebtedness that is secured by a Lien ranking junior to the Lien on the Collateral securing any First Lien Obligations, including on the ABL Priority Collateral, (ii) unsecured Indebtedness and (iii) Subordinated Indebtedness. For the avoidance of doubt, Indebtedness under the ABL Credit Facility shall not be considered Junior Debt.

“Junior Lien Intercreditor Agreement” shall mean an intercreditor agreement substantially in the form of Exhibit A-2 (with such changes to such form as may be reasonably acceptable to the Administrative Agent and the Borrower) among the Administrative Agent, the Collateral Agent, the Credit Parties and the representatives for purposes thereof for holders of one or more classes of Indebtedness.

“Latest Term Loan Maturity Date” shall mean, at any date of determination, the latest maturity or expiration date applicable to any Term Loan hereunder at such time, including the latest maturity or expiration date of any New Term Loan, any Extended Term Loan, any Refinancing Term Loan or any Replacement Term Loan, in each case as extended in accordance with this Agreement from time to time.

“L/C Borrowing” shall mean an extension of credit resulting from a drawing under any letter of credit issued hereunder, if any, which has not been reimbursed on the date when made or refinanced as a Borrowing of Revolving Loans.

“L/C Credit Extension” shall mean, with respect to any letter of credit issued hereunder, the issuance thereof or extension of the expiry date thereof, or the renewal or increase of the amount thereof.

“L/C Obligations” shall mean, as at any date of determination, the aggregate undrawn amount of all outstanding letters of credit issued hereunder *plus* the aggregate of the amount of all unreimbursed drawings in respect of letters of credit issued hereunder, including all L/C Borrowings.

“LCT Election” shall have the meaning provided in Section 1.12(f).

“LCT Test Date” shall have the meaning provided in Section 1.12(f).

“Lender” shall have the meaning provided in the preamble to this Agreement.

“Lender Default” shall mean (i) the refusal or failure of any Lender to make available its portion of any incurrence of Loans, which refusal or failure is not cured within one Business Day after the date of such refusal or failure, (ii) the failure of any Lender to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless the subject of a good faith dispute, (iii) a Lender has notified the Borrower and the Administrative Agent that it does not intend to comply with its funding obligations under this Agreement or has made a public statement to that effect with respect to its funding obligations under this Agreement, (iv) a Lender has failed to confirm in a manner reasonably satisfactory to the Administrative Agent and the Borrower that it will comply with its funding obligations under this Agreement, (v) a Distressed Person has admitted in writing that it is insolvent or such Distressed Person becomes subject to a Lender-Related Distress Event or (vi) a Lender has become the subject of a Bail-In Action.

“Lender Parties” shall have the meaning provided in Section 12.1(c).

“Lender-Related Distress Event” shall mean, with respect to any Lender or any other Person that directly or indirectly controls such Lender (each, a “Distressed Person”), (a)(i) that such Distressed Person is or becomes subject to a voluntary or involuntary case with respect to such Distressed Person under any debt relief law, (b) a custodian, conservator, receiver, or similar official is appointed for such Distressed Person or any substantial part of such Distressed Person’s assets, or (c) such Distressed Person is subject to a forced liquidation, makes a general assignment for the benefit of creditors or is otherwise adjudicated as, or determined by any Governmental Authority having regulatory authority over such Distressed Person or its assets to be, insolvent or bankrupt; *provided* that a Lender-Related Distress Event shall not be deemed to have occurred solely by virtue of the ownership or acquisition of any equity interests in any Lender or any Person that directly or indirectly controls such Lender by a Governmental Authority or an instrumentality thereof.

“Letter of Credit” shall have the meaning provided to the term “Letter of Credit” in the ABL Credit Agreement.

“Lien” shall mean with respect to any asset, any mortgage, lien, pledge, hypothecation, charge, security interest, preference, priority, or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, and any lease in the nature thereof; *provided* that in no event shall an operating lease or a license to use Intellectual Property be deemed to constitute a Lien.

“Limited Condition Transaction” shall mean (i) any Permitted Acquisition or other permitted acquisition whose consummation is not conditioned on the availability of, or on obtaining, third party financing and (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment.

“Loan” shall mean any Revolving Loan, Term Loan or any other loan made by any Lender hereunder.

“Management Equityholders” shall mean any of (i) Daniel Reiss, (ii) any other current or former director, officer, employee or member of management of Holdings or any of its Subsidiaries or any direct or indirect parent company thereof who, on the Closing Date, is an equityholder in Holdings or any direct or indirect parent thereof, (iii) any trust, partnership, limited liability company, corporate body or other entity established by Daniel Reiss, any such director, officer, employee or member of management of Holdings or any of its Subsidiaries or any direct or indirect parent thereof or any Person described in the succeeding clauses (iv) and (v), as applicable, to hold an investment in Holdings or any direct or indirect parent thereof in connection with such Person’s estate or tax planning, (iv) any spouse, parents or grandparents of Daniel Reiss or any such director, officer, employee or member of management of Holdings or any of its Subsidiaries or any direct or indirect parent thereof, and any and all descendants (including adopted children and step-children) of the foregoing, together with any spouse of any of the foregoing Persons, who are transferred an investment in Holdings or any direct or indirect parent thereof by Daniel Reiss or any such director, officer, employee or member of management of Holdings or any of its Subsidiaries or any direct or indirect parent thereof in connection with such Person’s estate or tax planning and (v) any Person who acquires an investment in Holdings or any direct or indirect parent thereof by will or by the laws of intestate succession as a result of the death of Daniel Reiss or any such director, officer, employee or member of management of Holdings or any of its Subsidiaries or any direct or indirect parent thereof.

“Master Agreement” shall have the meaning provided in the definition of the term Hedge Agreement.

“Material Adverse Effect” shall mean a material and adverse effect on (i) the business, results of operations or financial condition of the Borrower and its Restricted Subsidiaries, taken as a whole, or (ii) the material rights and remedies (taken as a whole) of the Administrative Agent and the Lenders under the Credit Documents.

“Material Subsidiary” shall mean, at any date of determination, each Wholly-Owned Restricted Subsidiary (together with its Subsidiaries) (i) whose total assets at the last day of the Test Period ending on the last day of the most recent fiscal period for which Section 9.1 Financials have been delivered were equal to or greater than 5.00% of the Consolidated Total Assets of the Borrower and the Restricted Subsidiaries at such date or (ii) whose revenues during such Test Period were equal to or greater than 5.00% of the consolidated revenues of the Borrower and the Restricted Subsidiaries for such period (in the case of any determination

relating to any Specified Transaction, on a Pro Forma Basis including the revenues of any Person being acquired in connection therewith), in each case determined in accordance with IFRS; *provided* that if, at any time and from time to time after the Closing Date, Restricted Subsidiaries that are not Material Subsidiaries (other than Restricted Subsidiaries that are Excluded Subsidiaries other than by virtue of clause (b) of the definition of “Excluded Subsidiary”) have, in the aggregate, (a) total assets at the last day of such Test Period equal to or greater than 7.50% of the Consolidated Total Assets of the Borrower and the Restricted Subsidiaries at such date or (b) revenues during such Test Period equal to or greater than 7.50% of the consolidated revenues of the Borrower and the Restricted Subsidiaries for such period, in each case determined in accordance with IFRS, then the Borrower shall, on or prior to the date on which financial statements for the last quarter of such Test Period are delivered pursuant to this Agreement, designate in writing to the Administrative Agent one or more of such Restricted Subsidiaries as Material Subsidiaries for each fiscal period until this proviso is no longer applicable.

“Maturity Date” shall mean the Term Loan Maturity Date, any New Term Loan Maturity Date, any Incremental Revolving Credit Maturity Date, or the maturity date of an Extended Term Loan, a Replacement Term Loan, a Refinancing Term Loan, an Extended Revolving Credit Loan or a Refinancing Revolving Credit Loan, as applicable.

“Maximum Incremental Facilities Amount” shall mean, at any date of determination after the Fourth Amendment Effective Date, an aggregate principal amount equal to the sum of:

(i) the greater of (x) \$212,000,000 and (y) 100.0% of Consolidated EBITDA for the most recent Test Period then ended, *minus*, subject to the last sentence in this definition, the sum of (1) the aggregate principal amount of Incremental Loans incurred (including any unused commitments obtained) pursuant to Section 2.14(a) prior to such date in reliance on this clause (i) and (2) the aggregate principal amount of Permitted Other Indebtedness issued or incurred (including any unused commitments obtained) pursuant to Section 10.1(x)(a) prior to such date in reliance on this clause (i), *plus*

(ii) the sum of (I) the aggregate principal amount of (w) voluntary prepayments, redemptions, repurchases and buybacks of 2020 Refinancing Term Loans (including open market purchases of 2020 Refinancing Term Loans at or below par and payments through Dutch auction procedures and payments of 2020 Refinancing Term Loans utilizing Section 13.7 or any other analogous “yank-a-bank” provision (in each case, in the principal amount of the 2020 Refinancing Term Loans subject thereto)) by Holdings, the Borrower or any of its Subsidiaries, (x) permanent commitment reductions in respect of revolving credit commitments established in reliance on clause (i) above or this clause (ii) (or clause (iii) below with respect to Indebtedness or revolving credit commitments described or referenced in this clause (ii)), (y) voluntary prepayments, redemptions, repurchases and buybacks (including open market purchases at or below par and payments through Dutch auction procedures and payments utilizing Section 13.7 or any other analogous “yank-a-bank” provision (in each case, in the principal amount of the Indebtedness subject thereto)) by Holdings, the Borrower or any of its Subsidiaries of Incremental Loans or Permitted Other Indebtedness, in each case under this clause (y), to the extent such Indebtedness was incurred in reliance on clause (i) above or this clause (ii) (or clause (iii) below with respect to Indebtedness or revolving credit commitments described or referenced in this clause (ii)) and (z) voluntary prepayments, redemptions, repurchases and buybacks (including open market purchases at or below par and payments through Dutch auction procedures and payments utilizing Section 13.7 or any other analogous “yank-a-bank” provision (in each case, in the principal amount of the Indebtedness subject thereto)) by Holdings, the Borrower or any of its Subsidiaries of any Incremental Loans, Permitted Other Indebtedness or any other Indebtedness, in each case

under this clause (z), to the extent such Indebtedness is secured by Liens on the Collateral ranking *pari passu* to the Liens securing the First Lien Obligations, in the case of each of clauses (w), (x), (y) and (z) above, other than from proceeds of incurrences of long-term Indebtedness (other than (1) any Indebtedness under any revolving credit facility, (2) any intercompany loans made to effect the underlying transaction or (3) Incremental Loans or Permitted Other Indebtedness then being incurred in reliance on this clause (ii) or clause (iii) below) or one or more bridge facilities that are refinanced or otherwise replaced with proceeds of long-term Indebtedness (other than revolving indebtedness), *minus* (II) subject to the last sentence of this definition, and without duplication, the sum of (1) the aggregate principal amount of Incremental Loans incurred (including any unused commitments obtained) pursuant to Section 2.14(a) prior to such date in reliance on this clause (ii) and (2) the aggregate principal amount of Permitted Other Indebtedness issued or incurred (including any unused commitments obtained) pursuant to Section 10.1(x)(a) prior to such date in reliance on this clause (ii), *plus*

(iii) the sum of (I) the aggregate principal amount of voluntary prepayments, redemptions, repurchases and buybacks (including open market purchases at or below par and payments through Dutch auction procedures and payments utilizing Section 13.7 or any other analogous “yank-a-bank” provision (in each case, in the principal amount of the Indebtedness subject thereto)) (or, solely with respect to revolving credit commitments, the aggregate principal amount of permanent commitment reductions effected thereunder) by Holdings, the Borrower or any of its Subsidiaries of any Refinancing Indebtedness (including any Refinancing Permitted Other Indebtedness) or Refinancing Loans previously applied, directly or indirectly, to the prepayment, redemption, repurchase, buyback or permanent commitment reduction, as applicable, of any Indebtedness or revolving credit commitment, as applicable, described in clause (ii) above, in each case under this clause (iii), to the extent such voluntary prepayment, redemption, repurchase or buyback was not financed with the proceeds of long-term Indebtedness (other than any Indebtedness under any revolving credit facility or intercompany loans made to effect the underlying transaction) of the Borrower or the Restricted Subsidiaries, *minus* (II) subject to the last sentence of this definition, and without duplication, the sum of (1) the aggregate principal amount of Incremental Loans incurred (including any unused commitments obtained) pursuant to Section 2.14(a) prior to such date in reliance on this clause (iii) and (2) the aggregate principal amount of Permitted Other Indebtedness issued or incurred (including any unused commitments obtained) pursuant to Section 10.1(x)(a) prior to such date in reliance on this clause (iii) (this clause (iii), together with clause (i) and (ii) above, the “Free and Clear Basket”), *plus*

(iv) an unlimited amount, so long as in the case of this clause (iii) only, such amount at such date of determination can be incurred without causing (x) in the case of Incremental Loans or Permitted Other Indebtedness secured with a Lien on the Collateral ranking *pari passu* with the Liens securing any First Lien Obligations, the First Lien Net Leverage Ratio to exceed 3.00 to 1.00 as of the most recently ended Test Period, or (y) in the case of Incremental Loans or Permitted Other Indebtedness consisting of Junior Debt or Indebtedness secured by assets not constituting Collateral, the Total Net Leverage Ratio to exceed 5.50 to 1.00 as of the most recently ended Test Period, in each case on a Pro Forma Basis, and after giving effect to any Specified Transaction consummated in connection therewith and assuming for purposes of this calculation that (1) the full committed amount of any new Incremental Revolving Credit Commitments and/or any Permitted Other Indebtedness constituting a revolving credit commitment then being incurred shall be treated as outstanding Indebtedness, and (2) any cash proceeds of any new Incremental Loans and/or Permitted Other Indebtedness, as applicable, then being incurred shall not be netted from the numerator in the First Lien Net Leverage

Ratio or Total Net Leverage Ratio, as applicable, for purposes of calculating the First Lien Net Leverage Ratio or Total Net Leverage Ratio, as applicable, under this clause (iv) for purposes of determining whether such Incremental Loans and Permitted Other Indebtedness can be incurred (*provided, however*, that if amounts incurred under this clause (iv) are incurred concurrently with the incurrence of Incremental Loans and/or Permitted Other Indebtedness (in each case, including any unused commitments obtained) in reliance on clause (i), clause (ii) and/or clause (iii) above, the First Lien Net Leverage Ratio or the Total Net Leverage Ratio shall be calculated without giving effect to such amounts incurred (or commitments obtained) in reliance on the foregoing clause (i), clause (ii) and/or clause (iii)); *provided, further* for the avoidance of doubt, to the extent the proceeds of any Incremental Loans are being utilized to repay Indebtedness, such calculations shall give *pro forma* effect to such repayments).

The Borrower may elect to use clause (iv) above regardless of whether the Borrower has capacity under clause (i), clause (ii) or clause (iii) above. Further, the Borrower may elect to use clause (iv) above prior to using clause (i), clause (ii) or clause (iii) above, and if both clause (iv), on the one hand, and clause (i), clause (ii) and/or clause (iii), on the other hand, are available and the Borrower does not make an election, then the Borrower will be deemed to have elected to use clause (iv) above. Notwithstanding the foregoing, the Borrower may re-designate any Indebtedness originally designated as incurred under clause (i), clause (ii) and/or clause (iii) above as having been incurred under clause (iv), so long as at the time of such re-designation, the Borrower would be permitted to incur under clause (iv) the aggregate principal amount of Indebtedness being so re-designated (for purposes of clarity, with any such re-designation having the effect of increasing the Borrower's ability to incur Indebtedness under clause (i), clause (ii) and/or clause (iii) on and after the date of such re-designation by the amount of Indebtedness so re-designated).

“MFN Provision” shall have the meaning provided in Section 2.14(d)(iv).

“Minimum Borrowing Amount” shall mean (i) with respect to a Borrowing of Term SOFR Loans, U.S.\$250,000 (or, if less, the entire remaining applicable Commitments at the time of such Borrowing), and (ii) with respect to a Borrowing of ABR Loans, U.S.\$250,000 (or, if less, the entire remaining applicable Commitments at the time of such Borrowing).

“Minimum Tender Condition” shall have the meaning provided in Section 2.15(b).

“MNPI” shall mean, with respect to any Person, information and documentation that is (a) of a type that would not be publicly available (and could not be derived from publicly available information) if such Person and its Subsidiaries were public reporting companies and (b) material with respect to such Person, its Subsidiaries or the respective securities of such Person and its Subsidiaries for purposes of Canadian Securities Laws or United States federal and state securities laws, in each case, assuming such laws were applicable to such Person and its Subsidiaries.

“Moody's” shall mean Moody's Investors Service, Inc. or any successor by merger or consolidation to its business.

“Mortgage” shall mean a mortgage, deed of trust, deed to secure debt, trust deed, deed of hypothec, or other security document entered into by the owner of a Mortgaged Property and the Collateral Agent for the benefit of the Secured Parties in respect of that Mortgaged Property to secure the Obligations, in form and substance reasonably acceptable to the Collateral Agent and the Borrower, together with such terms and provisions as may be required by local laws.

“Mortgaged Property” shall mean each parcel of fee-owned real property located in the United States or Canada and improvements thereto with respect to which a Mortgage is granted pursuant to Section 9.12, if any.

“Multiemployer Plan” shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which any Credit Party or ERISA Affiliate makes or is obligated to make contributions, or during the five preceding calendar years, has made or been obligated to make contributions.

“Net Cash Proceeds” shall mean, with respect to any Prepayment Event, any incurrence of Permitted Other Indebtedness, Refinancing Term Loans or Replacement Term Loans or a Qualifying IPO, (i) the gross cash proceeds (including payments from time to time in respect of installment obligations, if applicable, but only as and when received) received by or on behalf of the Borrower or any of the Restricted Subsidiaries (or, in the case of any Qualifying IPO, by Holdings or any direct or indirect parent thereof) in respect of such Prepayment Event, incurrence of Permitted Other Indebtedness, Refinancing Term Loans or Replacement Term Loans or Qualifying IPO, as the case may be, less (ii) the sum of:

(a) the amount, if any, of all taxes (including, in each case, in connection with any repatriation of funds) paid or estimated to be payable by the Borrower or any of the Restricted Subsidiaries (or, in the case of any Qualifying IPO, by Holdings or any direct or indirect parent thereof) in connection with such Prepayment Event, incurrence of Permitted Other Indebtedness, Refinancing Term Loans or Replacement Term Loans or Qualifying IPO,

(b) the amount of any reasonable reserve established in accordance with IFRS against any liabilities (other than any taxes deducted pursuant to clause (a) above) (1) associated with the assets that are the subject of such Prepayment Event and (2) retained by the Borrower or any of the Restricted Subsidiaries; *provided* that the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such a Prepayment Event occurring on the date of such reduction,

(c) the amount of any Indebtedness (other than the Loans and Permitted Other Indebtedness) secured by a Lien on the assets that are the subject of such Prepayment Event to the extent that the instrument creating or evidencing such Indebtedness requires that such Indebtedness be repaid upon consummation of such Prepayment Event,

(d) in the case of any Asset Sale Prepayment Event or Casualty Event, the amount of any proceeds of such Prepayment Event that the Borrower or any Restricted Subsidiary has reinvested (or intends to reinvest within the Reinvestment Period or has entered into a binding commitment prior to the last day of the Reinvestment Period to reinvest) in the business of the Borrower or any of the Restricted Subsidiaries, including by using such proceeds to acquire, maintain, develop, construct, improve, upgrade or repair any asset used or useful in the business of the Borrower or its Restricted Subsidiaries or to make Permitted Acquisitions or any acquisition or Investments not prohibited by this Agreement; *provided* that an amount equal to any portion of such proceeds that has not been so reinvested within such Reinvestment Period (with respect to such Prepayment Event, the “Deferred Net Cash Proceeds”) shall, unless the Borrower or a Restricted Subsidiary has entered into a binding commitment prior to the last day of such Reinvestment Period to reinvest such proceeds no later than 180 days following the last day of such Reinvestment Period, (1) be deemed to be Net Cash Proceeds of an Asset Sale Prepayment Event or Casualty Event occurring on the last day of such Reinvestment Period or, if later, 180 days after the date the Borrower or such Restricted Subsidiary has entered into such binding commitment, as applicable (such last day or 180th day, as applicable, the “Deferred Net Cash Proceeds Payment Date”), and (2) be applied to the repayment of Term Loans in accordance with Section 5.2(a)(i) (it being understood that, so long as an amount equal to the

amount of Net Cash Proceeds required to be applied in accordance with Section 5.2(a)(i) is applied by the Borrower, nothing in this Agreement (including Section 5) shall be construed to require any Foreign Subsidiary to repatriate cash),

(e) in the case of any Asset Sale Prepayment Event or Casualty Event by a non-Wholly-Owned Restricted Subsidiary, the *pro rata* portion of the Net Cash Proceeds thereof (calculated without regard to this clause (e)) attributable to minority interests and not available for distribution to or for the account of the Borrower or a Wholly-Owned Restricted Subsidiary as a result thereof,

(f) in the case of any Asset Sale Prepayment Event, any funded escrow established pursuant to the documents evidencing any such sale or disposition to secure any indemnification obligations or adjustments to the purchase price associated with any such sale or disposition; *provided* that the amount of any subsequent reduction of such escrow (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such a Prepayment Event occurring on the date of such reduction solely to the extent that the Borrower and/or any Restricted Subsidiaries receives cash in an amount equal to the amount of such reduction, and

(g) all fees and out of pocket expenses paid by the Borrower or a Restricted Subsidiary (or, in the case of any Qualifying IPO, Holdings or any direct or indirect parent thereof) in connection with any of the foregoing (for the avoidance of doubt, including, (1) in the case of the issuance of Indebtedness or a Qualifying IPO, any fees, underwriting discounts, premiums, and other costs and expenses incurred in connection with such issuance and (2) attorney's fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, underwriting discounts and commissions, other customary expenses, and brokerage, consultant, accountant, and other customary fees),

in each case, only to the extent not already deducted in arriving at the amount referred to in clause (i) above.

“Net Income” shall mean, with respect to any Person, the net income (loss) of such Person and its Restricted Subsidiaries, determined in accordance with IFRS and before any reduction in respect of preferred Capital Stock dividends.

“New Holdings” shall have the meaning provided in the definition of Holdings.

“New Loan Commitments” shall have the meaning provided in Section 2.14(a).

“New Refinancing Revolving Credit Commitments” shall have the meaning provided in Section 2.14(h).

“New Refinancing Term Loan Commitments” shall have the meaning provided in Section 2.14(h).

“New Term Loan” shall have the meaning provided in Section 2.14(c).

“New Term Loan Commitments” shall have the meaning provided in Section 2.14(a).

“New Term Loan Lender” shall have the meaning provided in Section 2.14(c).

“New Term Loan Maturity Date” shall mean the date on which a New Term Loan matures.

“New Term Loan Repayment Amount” shall have the meaning provided in Section 2.5(c).

“New Term Loan Repayment Date” shall have the meaning provided in Section 2.5(c).

“Non-Consenting Lender” shall have the meaning provided in Section 13.7(b).

“Non-Defaulting Lender” shall mean and include each Lender other than a Defaulting Lender.

“Notice of Borrowing” shall mean a notice of borrowing substantially in the form of Exhibit I.

“Notice of Conversion or Continuation” shall have the meaning provided in Section 2.6(a).

“Obligations” shall mean all advances to, and debts, liabilities, obligations, covenants, and duties of, any Credit Party arising under any Credit Document or otherwise with respect to any Commitment or any Loan or under any Secured Cash Management Agreement, Secured Bank Product Agreement or Secured Hedge Agreement (other than with respect to any Credit Party’s obligations that constitute Excluded Swap Obligations solely with respect to such Credit Party), in each case, entered into with the Borrower or any of the Restricted Subsidiaries, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Credit Party or any Affiliate thereof of any proceeding under any bankruptcy or insolvency law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Obligations of the Credit Parties under the Credit Documents (and any of their Subsidiaries to the extent they have obligations under the Credit Documents) include the obligation (including guarantee obligations) to pay principal, premium, interest, charges, expenses, fees, attorney costs, indemnities, and other amounts payable by any Credit Party under any Credit Document.

“OFAC” shall have the meaning set forth in Section 8.20(c).

“Organizational Documents” shall mean, with respect to any Person, such Person’s charter, memorandum and articles of association, articles or certificate of organization or incorporation and bylaws or other organizational or governing or constitutive documents of such Person.

“Other Connection Taxes” shall mean, with respect to any of the Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of the Borrower or any other Credit Party hereunder or under any other Credit Document, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than any such connection arising solely from this Agreement or any other Credit Documents).

“Other Taxes” shall mean all present or future stamp, registration, court or documentary Taxes or any other excise, property, intangible, mortgage recording, filing or similar Taxes arising from any payment made hereunder or under any other Credit Document or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, this Agreement or any other Credit Document; *provided* that such term shall not include (i) any Taxes that result from an assignment, grant of a participation pursuant to Section 13.6(c) or transfer or assignment to or designation of a new lending office or other office for receiving

payments under any Credit Document (“Assignment Taxes”), except to the extent that any such action described in this proviso is requested or required by the Borrower or (ii) Excluded Taxes.

“Outstanding Amount” shall mean (a) with respect to the Loans on any date, the outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Term Loans and Revolving Loans (including any refinancing of outstanding unpaid drawings under letters of credit issued hereunder or L/C Credit Extensions as a Borrowing of Revolving Loans), as the case may be, occurring on such date; and (b) with respect to any L/C Obligations on any date, the outstanding amount thereof on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes thereto as of such date, including as a result of any reimbursements of outstanding unpaid drawings under any letters of credit issued hereunder (including any refinancing of outstanding unpaid drawings under letters of credit issued hereunder or L/C Credit Extensions as a Borrowing of Revolving Loans) or any reductions in the maximum amount available for drawing under letters of credit issued hereunder taking effect on such date.

“Overnight Rate” shall mean, for any day, the greater of (a) the Federal Funds Effective Rate and (b) an overnight rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

“Pari Intercreditor Agreement” shall mean an intercreditor agreement substantially in the form of Exhibit A-3 (with such changes to such form as may be reasonably acceptable to the Administrative Agent and the Borrower) among the Administrative Agent, the Collateral Agent, the Credit Parties and the representatives for purposes thereof for holders of one or more classes of Indebtedness.

“Participant” shall have the meaning provided in Section 13.6(c)(i).

“Participant Register” shall have the meaning provided in Section 13.6(c)(ii).

“Participating Member State” shall mean any member state of the European Union that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union.

“Patriot Act” shall have the meaning provided in Section 13.18(a).

“PBGC” shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Pension Plan” shall mean any employee pension benefit plan (as defined in Section 3(2) of ERISA, but excluding any Multiemployer Plan) in respect of which any Credit Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4062 or Section 4069 of ERISA be reasonably expected to be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Periodic Term SOFR Determination Day” shall have the meaning specified in the definition of “Term SOFR”.

“Permitted Acquisition” shall have the meaning provided in clause (iii) of the definition of Permitted Investments.

“Permitted Asset Swap” shall mean the concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash

Equivalents between the Borrower or a Restricted Subsidiary and another Person; *provided* that any cash or Cash Equivalents received shall be applied in accordance with Section 10.4.

“Permitted Debt Exchange” shall have the meaning provided in Section 2.15(a).

“Permitted Debt Exchange Notes” shall have the meaning provided in Section 2.15(a).

“Permitted Debt Exchange Offer” shall have the meaning provided in Section 2.15(a).

“Permitted Holder” shall mean any of (i) any Sponsor, any Sponsor’s Affiliates (other than any portfolio company of the Sponsor) and the Management Equityholders and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, the Sponsor, the Sponsor’s Affiliates and the Management Equityholders, collectively, have beneficial ownership of more than 50.0% of the aggregate ordinary voting power of the outstanding Voting Stock of Holdings or any other direct or indirect parent of Holdings; (ii) any direct or indirect parent of the Borrower not formed in connection with, or in contemplation of, a transaction that, assuming such parent was not formed, after giving effect thereto would constitute a Change of Control; and (iii) any Person who is acting solely as an underwriter in connection with a public or private offering of Capital Stock of any direct or indirect parent of Holdings, acting in such capacity.

“Permitted Investments” shall mean:

- (i) any Investment in the Borrower or any Restricted Subsidiary;
- (ii) any Investment in cash, Cash Equivalents, or Investment Grade Securities at the time such Investment is made;
- (iii) any Investment by the Borrower or any Restricted Subsidiary in a Person that is engaged in a Similar Business if as a result of such Investment under this clause (iii) (each, a “Permitted Acquisition”), (x) on the date the definitive agreement for such Permitted Acquisition is executed, no Event of Default shall have occurred and be continuing and (y) either (1) such Person becomes a Restricted Subsidiary or (2) such Person, in one transaction or a series of related transactions, is merged, consolidated, or amalgamated with or into, or transfers or conveys all or substantially all of its assets, or transfers or conveys assets constituting a business unit, line of business or division of such Person, to, or is liquidated into, the Borrower or a Restricted Subsidiary, and, in each case, any Investment held by such Person; *provided* that such Investment was not acquired by such Person in contemplation of such acquisition, merger, consolidation, amalgamation or transfer;
- (iv) any Investment in securities or other assets not constituting cash, Cash Equivalents, or Investment Grade Securities and received in connection with an Asset Sale made pursuant to Section 10.4 or any other disposition of assets not constituting an Asset Sale;
- (v) (a) any Investment existing or contemplated on the Fourth Amendment Effective Date and, in each case, listed on Schedule 10.5 and (b) Investments consisting of any modification, replacement, renewal, refinancing, reinvestment, or extension of any such Investment; *provided* that the amount of any such Investment is not increased from the amount of such Investment on the Fourth Amendment Effective Date except (x) pursuant to the terms of such Investment

(including in respect of any unused commitment), *plus* any accrued but unpaid interest (including any portion thereof which is payable in kind in accordance with the terms of such modified, extended, renewed, refinanced or replaced Investment) and premium payable by the terms of such Investment thereon and fees and expenses associated therewith as in existence on the Fourth Amendment Effective Date and/or (y) as permitted under Section 10.5 or any other clause of this definition of Permitted Investments;

(vi) any Investment acquired by the Borrower or any Restricted Subsidiary (a) in exchange for any other Investment or accounts receivable held by the Borrower or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization, or recapitalization of, or settlement of delinquent accounts or disputes with or judgments against, the issuer, obligor or borrower of such original Investment or accounts receivable, (b) as a result of a foreclosure by the Borrower or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default or (c) as a result of the settlement, compromise or resolution of litigation, arbitration or other disputes with Persons who are not Affiliates;

(vii) Hedging Obligations permitted under Section 10.1, Cash Management Services and Bank Products;

(viii) any Investment in a Similar Business having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (viii) that are at that time outstanding, not to exceed the greater of (a) \$85,000,000 and (b) 40.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the Fair Market Value of each Investment measured at the time made and without giving effect to subsequent changes in value); *provided, however*, that if any Investment pursuant to this clause (viii) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (i) above and shall cease to have been made pursuant to this clause (viii) for so long as such Person continues to be a Restricted Subsidiary;

(ix) Investments the payment for which consists of Equity Interests of the Borrower or any direct or indirect parent company of the Borrower (exclusive of Disqualified Stock); *provided* that such Equity Interests will not increase the amount available for Restricted Payments under Section 10.5(a)(iii)(B);

(x) guarantees of Indebtedness permitted under Section 10.1 and Investments resulting from, or constituting, Liens permitted under Section 10.2;

(xi) (a) any transaction to the extent it constitutes an Investment that is permitted and made in accordance with the provisions of Section 10.10 (other than Section 10.10(b)) and (b) Investments resulting from, or constituting, Restricted Payments, fundamental changes and dispositions permitted under this Agreement, in each case, (x) other than solely by reference to this clause (xi) and (y) other than a disposition effected pursuant to clause (b) of the definition of "Asset Sale" or pursuant to Section 10.3(f) hereof;

(xii) Investments consisting of purchases and acquisitions of inventory, supplies, material, equipment, or other similar assets, or of services, in the ordinary course of business;

(xiii) additional Investments having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (xiii) that are at that time outstanding (without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of, or have not been subsequently sold or transferred for, cash or marketable securities), not to exceed the greater of (a) \$80,000,000 and (b) 37.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided, however*, that if any Investment pursuant to this clause (xiii) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (i) above and shall cease to have been made pursuant to this clause (xiii) for so long as such Person continues to be a Restricted Subsidiary;

(xiv) (a) any Investment in a Receivables Subsidiary or a Securitization Subsidiary in order to effectuate a Receivables Facility or a Qualified Securitization Financing, respectively, or any Investment by a Receivables Subsidiary or a Securitization Subsidiary in any other Person in connection with a Receivables Facility or a Qualified Securitization Financing, respectively; *provided, however*, that any such Investment in a Receivables Subsidiary or a Securitization Subsidiary is in the form of a contribution of additional Receivables Assets or Securitization Assets, as applicable, or as equity, and (b) distributions or payments of Receivables Fees or Securitization Fees and purchases of Receivables Assets or Securitization Assets pursuant to a Securitization Repurchase Obligation in connection with a Receivables Facility or a Qualified Securitization Financing, respectively;

(xv) loans and advances to, or guarantees of Indebtedness of, officers, directors, managers and employees in an aggregate principal amount at any time outstanding under this clause (xv) not in excess of the greater of (a) \$11,500,000 and (b) 5.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment;

(xvi) (a) loans and advances to officers, directors, managers, and employees for business-related travel expenses, payroll advances, moving expenses, and other similar expenses, in each case incurred in the ordinary course of business or to fund such Person's purchase of Equity Interests of the Borrower or any direct or indirect parent thereof and (b) promissory notes received from equityholders of the Borrower, any direct or indirect parent of the Borrower or any Subsidiary thereof in connection with the exercise of stock or other options in respect of the Equity Interests of the Borrower, any direct or indirect parent of the Borrower and its Subsidiaries;

(xvii) Investments consisting of extensions of trade credit in the ordinary course of business;

(xviii) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers consistent with past practices;

(xix) non-cash Investments in connection with Permitted Reorganizations;

(xx) the licensing or contribution of Intellectual Property (A) in the ordinary course of business or (B) which do not materially interfere with the ordinary conduct of the business of the Borrower or any Restricted Subsidiary and do not secure any Indebtedness;

(xxi) [reserved];

(xxii) Investments in deposit accounts and securities accounts opened in the ordinary course of business;

(xxiii) deposits required under any Contractual Requirement or by any Governmental Authority or public utility, including with respect to Taxes and other similar charges;

(xxiv) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business;

(xxv) guarantees by the Borrower or any of its Restricted Subsidiaries of leases (other than Capital Leases) or of other obligations of the Borrower or any Restricted Subsidiary that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(xxvi) any Investment, so long as, after giving Pro Forma Effect to such Investment, the Total Net Leverage Ratio is equal to or less than 3.25 to 1.00 as of the most recently ended Test Period;

(xxvii) Investments solely to the extent such Investments reflect an increase in the value of Investments otherwise permitted under this Agreement;

(xxviii) the redemption, defeasance, prepayment or repurchase and cancellation of Indebtedness in accordance with Section 13.6(h); and

(xxix) any acquisition by the Borrower or any Restricted Subsidiary of Equity Interests in any joint venture, in each case, to the extent required to be made by the Borrower or any Restricted Subsidiary, directly or indirectly, pursuant to any put or similar options or other terms of the applicable joint venture agreement or any other agreement among the holders of the Equity Interests in such joint venture, so long as the acquired Person is engaged in a Similar Business.

“Permitted Liens” shall mean, with respect to any Person:

(i) pledges or deposits or Liens granted by such Person under workmen’s compensation laws, health, disability or unemployment insurance laws, other employee benefit legislation, unemployment insurance legislation and similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness), leases or other obligations of a like nature to which such Person is a party, or deposits or Liens granted to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety, stay, customs, performance or appeal bonds to which such Person is a party, or deposits as security for the payment of rent or deposits made to secure obligations arising from contractual or warranty refunds, in each case incurred in the ordinary course of business or consistent with industry practice;

(ii) (1) Liens imposed by statutory or common law, such as carriers', warehousemen's, materialmen's, landlord's, construction contractor's, repairmen's, and mechanics' Liens, (2) customary Liens (other than in respect of borrowed money) in favor of landlords, so long as, in the cases of clauses (1) and (2), such Liens only secure sums not overdue for a period of more than 60 days or sums being contested in good faith by appropriate actions and (3) other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other actions for review; *provided*, in the case of clauses (1) through (3), adequate reserves with respect thereto are maintained on the books of such Person in accordance with IFRS;

(iii) Liens for taxes, assessments, or other governmental charges not yet overdue for a period of more than 60 days or which are being contested in good faith by appropriate actions diligently conducted, if adequate reserves with respect thereto are maintained on the books of such Person in accordance with IFRS or are not required to be paid pursuant to Section 8.11, or for property taxes on property the Borrower or any Subsidiary thereof has determined to abandon if the sole recourse for such tax, assessment, charge, levy, or claim is to such property;

(iv) (x) Liens (i) in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal, or similar bonds or (ii) with respect to other regulatory requirements or (y) letters of credit or bankers' acceptances issued, and completion guarantees provided for, in each case pursuant to the request of and for the account of such Person in the ordinary course of its business;

(v) minor survey exceptions, minor encumbrances, ground leases, easements, or reservations of, or rights of others for, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph and telephone and cable television lines, gas and oil pipelines, and other similar purposes, or zoning, building codes, or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental, to the conduct of the business of such Person or to the ownership of its properties which were not incurred in connection with Indebtedness and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person, and Liens disclosed as exceptions to coverage in the final title policies and endorsements issued to the Collateral Agent with respect to any Mortgaged Properties;

(vi) Liens securing Indebtedness and obligations (and any guarantees in respect thereof) permitted to be incurred pursuant to clause (a), (d), (l)(ii), (r), (w), (x), (y) or (dd) (so long as such Liens on the Collateral are subject to the ABL/Term Loan Intercreditor Agreement) of Section 10.1 or clause (1) of the first paragraph of Section 10.1; *provided* that

(a) in the case of clause (d) of Section 10.1, such Lien may not extend to any property or equipment (or assets affixed or appurtenant thereto) other than the property or equipment being financed or refinanced under such clause (d) of Section 10.1, replacements of such property, equipment or assets, and additions and accessions and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender;

(b) in the case of clause (r) of Section 10.1, such Lien may not extend to any assets other than assets owned by Restricted Subsidiaries that are not Credit Parties;

(c) in the case of Liens on the Collateral securing Permitted Other Indebtedness Obligations or Permitted Debt Exchange Notes that constitute First Lien Obligations pursuant to this clause (vi), the Collateral Agent, the Administrative Agent and the representative for the holders of such Permitted Other Indebtedness Obligations or Permitted Debt Exchange Notes shall have entered into a Pari Intercreditor Agreement;

(d) in the case of Liens on the Collateral securing Permitted Other Indebtedness Obligations or Permitted Debt Exchange Notes that do not constitute First Lien Obligations pursuant to this clause (vi), the Collateral Agent, the Administrative Agent and the representative for the holders of such Permitted Other Indebtedness Obligations or Permitted Debt Exchange Notes shall have entered into a Junior Lien Intercreditor Agreement;

provided that without any further consent of the Lenders, the Administrative Agent and the Collateral Agent shall be authorized to execute and deliver on behalf of the Secured Parties the ABL/Term Loan Intercreditor Agreement, the Junior Lien Intercreditor Agreement and the Pari Intercreditor Agreement contemplated by this clause (vi);

(i) Liens existing on the Fourth Amendment Effective Date that (a) secure Indebtedness or other obligations not in excess of (x) \$5,000,000 individually or (y) \$10,000,000 in the aggregate (when taken together with all other Liens securing obligations outstanding in reliance on this clause (vii)(a)(y)) or (b) are set forth on Schedule 10.2 (including, in the case of each of the foregoing clauses (a) and (b), Liens securing any modifications, replacements, renewals, refinancings, or extensions of the Indebtedness or other obligations secured by such Liens);

(ii) Liens on property or Equity Interests of a Person at the time such Person becomes a Subsidiary; *provided* such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming a Subsidiary; *provided, further, however*, that such Liens may not extend to any other property owned by the Borrower or any Restricted Subsidiary (other than, with respect to such Person, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property of such Person, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender, it being understood that such requirement to pledge such after-acquired property shall not be permitted to apply to any such after-acquired property to which such requirement would not have applied but for such acquisition);

(iii) Liens on property at the time the Borrower or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger, consolidation or amalgamation with or into the Borrower or any Restricted Subsidiary or the designation of an Unrestricted Subsidiary as a Restricted Subsidiary; *provided* that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition, merger, consolidation, amalgamation or designation; *provided, further, however*, that such Liens may not extend to any other property owned by the Borrower or any Restricted Subsidiary (other than, with respect to such property, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require,

pursuant to their terms at such time, a pledge of after-acquired property, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender, it being understood that such requirement to pledge such after-acquired property shall not be permitted to apply to any such after-acquired property to which such requirement would not have applied but for such acquisition);

(iv) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to the Borrower or another Restricted Subsidiary permitted to be incurred in accordance with Section 10.1;

(v) Liens securing Hedging Obligations, Cash Management Services and Bank Products permitted hereunder (including, for the avoidance of doubt, Secured Hedge Obligations, Secured Cash Management Obligations and Secured Bank Product Obligations), in each case, both as defined under this Agreement and as defined under the ABL Credit Agreement;

(vi) (x) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances, bank guarantees or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment, or storage of such inventory or other goods and (y) Liens that are contractual rights of set-off relating to purchase orders and other agreements entered into by the Borrower or any of the Restricted Subsidiaries in the ordinary course of business;

(vii) leases, franchises, grants, subleases, licenses, sublicenses, covenants not to sue, releases, consents and other forms of license (including of Intellectual Property) granted to others in the ordinary course of business which do not materially interfere with the ordinary conduct of the business of the Borrower or any Restricted Subsidiary and do not secure any Indebtedness;

(viii) Liens arising from Uniform Commercial Code, PPSA or any similar financing statement filings (or similar public filings in other applicable jurisdictions) regarding operating leases or consignments entered into by the Borrower or any Restricted Subsidiary in the ordinary course of business;

(ix) Liens in favor of the Borrower or any Guarantor;

(x) Liens on equipment of the Borrower or any Restricted Subsidiary granted in the ordinary course of business to the Borrower's or such Restricted Subsidiary's client at which such equipment is located;

(xi) Liens on Receivables Assets and related assets incurred in connection with a Receivables Facility and Liens on Securitization Assets and related assets arising in connection with a Qualified Securitization Financing, in each case, in compliance with clause (h) of the definition of "Asset Sale";

(xii) Liens to secure any refinancing, refunding, extension, renewal, or replacement (or successive refinancing, refunding, extensions, renewals, or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in this clause (xviii) and clauses (vi), (vii), (viii), (ix), (x), and (xv) of this definition of Permitted Liens; *provided that (a)* such new Lien shall be limited to all or part of the same property that secured the original Lien (*plus* improvements on such property, replacements of such property, additions and accessions thereto, after-acquired property and the proceeds and

the products of the foregoing and customary security deposits in respect thereof and, in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender), and (b) the aggregate principal amount of the Indebtedness that was originally secured by such Lien under any of clause (vii), (viii), (ix), (x) or (xv) of this definition of Permitted Liens is not increased to an amount greater than the sum of the aggregate outstanding principal amount (*plus* the amount of any unused commitments thereunder) of the Indebtedness being refinanced, refunded, extended, renewed, or replaced, *plus* accrued interest, fees, defeasance costs and premium (including call and tender premiums), if any, under such refinanced Indebtedness, *plus* underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of such Indebtedness and the incurrence or issuance of such refinancing Indebtedness;

(xiii) deposits made or other security provided to secure liabilities to insurance carriers under insurance or self-insurance arrangements, including Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto, in the ordinary course of business;

(xiv) other Liens securing obligations which do not exceed the greater of (a) \$100,000,000 and (b) 46.75% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the incurrence of such Lien;

(xv) Liens securing judgments not constituting an Event of Default under Section 11.10;

(xvi) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(xvii) Liens (a) of a collection bank arising under Section 4-208 of the New York Uniform Commercial Code or any comparable or successor provision on items in the course of collection, (b) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business, and (c) in favor of banking or other financial institutions or other electronic payment service providers arising as a matter of law or customary contract encumbering deposits, including deposits in “pooled deposit” or “sweep” accounts (including the right of set-off) and which are within the general parameters customary in the banking or finance industry;

(xviii) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 10.5; *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(xix) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(xx) Liens that are contractual rights of set-off (a) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (b) relating to pooled deposit or sweep accounts of the Borrower or any of the Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Borrower and the Restricted Subsidiaries, or (c) relating to purchase orders and other agreements entered

into by the Borrower or any of the Restricted Subsidiaries in the ordinary course of business;

(xxi) Liens (a) on any cash earnest money deposits or cash advances made by the Borrower or any of the Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted under this Agreement, (b) on other cash advances in favor of the seller of any property to be acquired in an Investment or other acquisition permitted hereunder to be applied against the purchase price for such Investment or other acquisition or (c) consisting of an agreement to dispose of any property pursuant to a disposition permitted hereunder (or reasonably expected to be so permitted by the Borrower at the time such Lien was granted);

(xxii) rights reserved or vested in any Person by the terms of any lease, license, franchise, grant, or permit held by the Borrower or any of the Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant, or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(xxiii) restrictive covenants affecting the use to which real property may be put; *provided* that the covenants are complied with;

(xxiv) security given to a public utility or any municipality or Governmental Authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business;

(xxv) zoning by-laws and other land use restrictions, including, without limitation, site plan agreements, development agreements, and contract zoning agreements;

(xxvi) Liens arising out of conditional sale, title retention/retention of title arrangement, consignment, or similar arrangements for sale of goods entered into by the Borrower or any Restricted Subsidiary in the ordinary course of business;

(xxvii) Liens arising under the Security Documents;

(xxviii) Liens on goods purchased in the ordinary course of business the purchase price of which is financed by a documentary letter of credit issued for the account of the Borrower or any of its Subsidiaries;

(xxix) (a) Liens on Equity Interests in joint ventures; *provided* that any such Lien is in favor of a creditor of such joint venture and such creditor is not an Affiliate of any partner to such joint venture and (b) purchase options, call, and similar rights of, and restrictions for the benefit of, a third party with respect to Equity Interests held by the Borrower or any Restricted Subsidiary in joint ventures;

(xxx) Liens on cash and Cash Equivalents that are earmarked to be used to satisfy or discharge Indebtedness; *provided* (a) such cash and/or Cash Equivalents are deposited into an account from which payment is to be made, directly or indirectly, to the Person or Persons holding the Indebtedness that is to be satisfied or discharged, (b) such Liens extend solely to the account in which such cash and/or Cash Equivalents are deposited and are solely in favor of the Person or Persons holding the Indebtedness (or any agent or trustee for such Person or Persons) that is to be satisfied or discharged, and (c) the satisfaction or discharge of such Indebtedness is expressly permitted hereunder;

(xxxix) with respect to any Foreign Subsidiary, other Liens and privileges arising mandatorily by any Requirement of Law;

(xxxix) purported Liens (other than Liens securing Indebtedness for borrowed money) evidenced by the filing of precautionary Uniform Commercial Code or PPSA (or equivalent statute) financing statements or similar public filings;

(xxxix) Liens on Equity Interests of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;

(xxxix) Liens on property of any Restricted Subsidiary that is not a Credit Party, which Liens secure Indebtedness permitted under Section 10.1 (or other obligations not constituting Indebtedness), in each case, so long as such Liens do not secure Indebtedness for borrowed money of any Credit Party;

(xxxix) Liens or rights of set-off against credit balances of the Borrower or any of the Restricted Subsidiaries with credit card issuers or credit card processors or amounts owing by such credit card issuers or credit card processors to the Borrower or any Restricted Subsidiaries in the ordinary course of business to secure the obligations of any Subsidiary to the credit card issuers or credit card processors as a result of fees and charges; and

(xxxix) additional Liens, so long as (i) (x) with respect to Indebtedness that is secured by Liens on the Collateral that rank *pari passu* with the Liens on the Collateral securing the First Lien Obligations (without regard to control of remedies), immediately after the incurrence thereof, on a Pro Forma Basis, the First Lien Net Leverage Ratio is no greater than 3.00 to 1.00 as of the most recently ended Test Period and (y) with respect to Indebtedness that is secured by Liens on the Collateral that rank junior to the Liens on the Collateral securing the First Lien Obligations (without regard to control of remedies) or Indebtedness that is secured solely by assets that do not constitute Collateral, immediately after the incurrence thereof, on a Pro Forma Basis, the Total Net Leverage Ratio is no greater than 5.50 to 1.00 as of the most recently ended Test Period and (ii) with respect to any such Liens on the Collateral incurred under this clause (xlii), the holder(s) of such Liens (or a representative thereof) shall have entered into the ABL/Term Loan Intercreditor Agreement, the *Pari Intercreditor Agreement*, the Junior Lien Intercreditor Agreement and/or another intercreditor agreement or arrangement reasonably acceptable to the Administrative Agent and the Borrower, as applicable; provided that any cash proceeds of any new Indebtedness then being incurred shall not be netted from the numerator in the First Lien Net Leverage Ratio or Total Net Leverage Ratio, as applicable for purposes of calculating the First Lien Net Leverage Ratio or Total Net Leverage Ratio, as applicable, under this clause (xlii) for purposes of determining whether such Liens can be incurred.

For purposes of this definition, the term Indebtedness shall be deemed to include interest, premiums (if any), fees, expenses and other obligations on such Indebtedness. For all purposes under this Agreement and the other Credit Documents, references to any "Permitted Lien" shall include reference to Liens permitted under Section 10.2(a)(ii).

"Permitted Other Indebtedness" shall mean subordinated or senior Indebtedness (which Indebtedness may (i) be unsecured, (ii) consist of notes or loans secured by Liens on a *pari passu* basis with the First Lien Obligations (without regard to control of remedies) or (iii) be secured by Liens ranking junior to the Liens securing the First Lien Obligations), in each case, issued or incurred by a Credit Party, which:

(a) (1) in the case of any unsecured Permitted Other Indebtedness or Permitted Other Indebtedness secured by a Lien ranking junior to the Lien securing the First Lien Obligations, shall have a final maturity not sooner than 91 days after the Latest Term Loan Maturity Date, as determined at the time of issuance or incurrence of such Permitted Other Indebtedness, and (2) in the case of any Permitted Other Indebtedness secured by a Lien ranking *pari passu* with the First Lien Obligations, shall have a final maturity not sooner than the Latest Term Loan Maturity Date, as determined at the time of issuance or incurrence of such Permitted Other Indebtedness,

(b) in the case of any secured Permitted Other Indebtedness, shall be subject to customary intercreditor terms (including those in the ABL/Term Loan Intercreditor Agreement, the Pari Intercreditor Agreement, the Junior Lien Intercreditor Agreement and/or any other lien subordination and intercreditor arrangement reasonably satisfactory to the Borrower and the Administrative Agent, as applicable),

(c) shall not provide for any mandatory repayment (except scheduled principal amortization payments), redemption or sinking fund payment obligations prior to the Latest Term Loan Maturity Date, as determined at the time of issuance or incurrence of the Permitted Other Indebtedness (other than, in each case, customary offers or obligations to repurchase, redeem or repay upon a change of control, asset sale, or casualty or condemnation event; AHYDO Payments; customary acceleration rights after an event of default; solely with respect to any Permitted Other Indebtedness constituting Junior Debt secured by a Lien ranking junior to the First Lien Obligations, any payment obligations solely with respect to prepayment amounts declined by any Lender under this Agreement and/or any lender(s) in respect of any other First Lien Obligations being prepaid or that constitute a customary prepayment provision with respect to Refinancing Indebtedness on a *pro rata* basis in connection with such prepayment in accordance with this Agreement; and solely with respect to any Permitted Other Indebtedness secured by a Lien ranking *pari passu* to the First Lien Obligations, any payment obligations that will also be applied to the Term Loans hereunder on a *pro rata* or greater than *pro rata* basis or that constitute a customary prepayment provision with respect to Refinancing Indebtedness),

(d) shall have a Weighted Average Life to Maturity no shorter than the Weighted Average Life to Maturity of the then-outstanding Term Loans,

(e) [reserved],

(f) shall be issued or incurred only when no Event of Default (or, if such Permitted Other Indebtedness is being issued or incurred in connection with a Permitted Acquisition or other acquisition permitted under this Agreement, or to refinance Indebtedness that requires an irrevocable prepayment or redemption notice, no Event of Default under Section 11.1 or Section 11.5) exists or would result from the issuance or incurrence of such Permitted Other Indebtedness,

(g) is not incurred or guaranteed by any Person other than any Credit Party,

(h) if secured, is not secured by any assets other than the Collateral,

(i) other than as required by the preceding clauses (a) through (h), shall contain such terms as are reasonably satisfactory to the Borrower, the borrower thereof (if not the Borrower) and the lender(s) providing such Permitted Other Indebtedness (it being understood that, to the extent that such terms would be favorable to the Lenders existing immediately prior to the incurrence of the applicable Permitted Other Indebtedness, such terms may be, at the option of the Borrower in consultation with the Administrative Agent, incorporated for the benefit of the Lenders existing

immediately prior to the incurrence of the applicable Permitted Other Indebtedness without further amendment or consent by such existing Lenders), and

(ii) to the extent in the form of broadly syndicated term loans secured by Liens on the Collateral on a *pari passu* basis with the 2021 Refinancing Term Loans, shall be subject to the MFN Adjustment (to the extent then applicable, and subject to the MFN Exceptions and all other exceptions and limitations applicable thereto), determined for purposes of this clause (j) as if such Permitted Other Indebtedness were New Term Loans;

provided, the requirements of the foregoing clauses (a), (c), (d) and (j) shall not apply to any customary bridge facility so long as the Indebtedness into which such customary bridge facility is to be converted complies with such requirements.

“Permitted Other Indebtedness Documents” shall mean any document or instrument (including any guarantee, security agreement, or mortgage and which may include any or all of the Credit Documents) issued or executed and delivered with respect to any Permitted Other Indebtedness by any Credit Party.

“Permitted Other Indebtedness Obligations” shall mean, if any Permitted Other Indebtedness is issued or incurred, all advances to, and debts, liabilities, obligations, covenants, and duties of, any Credit Party arising under any Permitted Other Indebtedness Document, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising, and including interest and fees that accrue after the commencement by or against any Credit Party or any Affiliate thereof of any proceeding under any bankruptcy or insolvency law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Permitted Other Indebtedness Obligations of the applicable Credit Parties under the Permitted Other Indebtedness Documents (and any of their Restricted Subsidiaries to the extent they have obligations under the Permitted Other Indebtedness Documents) include the obligation (including guarantee obligations) to pay principal, interest, charges, expenses, fees, attorney costs, indemnities, and other amounts payable by any such Credit Party under any Permitted Other Indebtedness Document.

“Permitted Other Provision” shall have the meaning provided in Section 2.14(g)(i).

“Permitted Reorganization” shall mean re-organizations and other activities related to tax planning and re-organization, so long as, after giving effect thereto, the security interest of the Lenders in the Collateral, taken as a whole, is not materially impaired.

“Permitted Sale Leaseback” shall mean any Sale Leaseback consummated by the Borrower or any of the Restricted Subsidiaries after the Fourth Amendment Effective Date; *provided* that any such Sale Leaseback not between the Borrower and a Restricted Subsidiary or between Restricted Subsidiaries is consummated for fair value as determined at the time of consummation in good faith by (i) the Borrower or such Restricted Subsidiary or (ii) in the case of any Sale Leaseback (or series of related Sale Leasebacks) the aggregate proceeds of which exceed the greater of (a) \$65,000,000 and (b) 31.75% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the consummation of such Sale Leaseback, the board of directors (or analogous governing body) of the Borrower or such Restricted Subsidiary (which such determination may take into account any retained interest or other Investment of the Borrower or such Restricted Subsidiary in connection with, and any other material economic terms of, such Sale Leaseback).

“Person” shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, unlimited liability company, association, trust, or other enterprise or any Governmental Authority.

“Plan” shall mean, in respect of the U.S. Credit Parties, other than any Multiemployer Plan, any employee benefit plan (as defined in Section 3(3) of ERISA), including any employee welfare benefit plan (as defined in Section 3(1) of ERISA), any employee pension benefit plan (as defined in Section 3(2) of ERISA), and any plan which is both an employee welfare benefit plan and an employee pension benefit plan, and in respect of which any Credit Party or any ERISA Affiliate is (or, if such Plan were terminated, would under Section 4062 or Section 4069 of ERISA be reasonably likely to be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Planned Expenditures” shall have the meaning provided in the definition of the term Excess Cash Flow.

“Platform” shall have the meaning provided in Section 13.17(a).

“Pledge Agreement” shall mean each of (i) the U.S. Pledge Agreement, entered into by the U.S. Credit Parties party thereto and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit F-1 (the “U.S. Pledge Agreement”), (ii) the Canadian Pledge Agreement, entered into by the Canadian Credit Parties party thereto and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit F-2 (the “Canadian Pledge Agreement”) and (iii) the U.K. Share Charge, entered into by the Borrower, Canada Goose International Holdings Limited and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit F-3 (the “U.K. Share Charge”).

“Pounds Sterling” shall mean British Pounds Sterling or any successor currency in the United Kingdom.

“PPSA” shall mean (i) with respect to any jurisdiction of Canada other than Quebec, the Personal Property Security Act of such jurisdiction and (ii) with respect to Quebec, the Civil Code of Quebec, in each case, in effect from time to time.

“Prepayment Event” shall mean any Asset Sale Prepayment Event, Debt Incurrence Prepayment Event or Casualty Event.

“Previous Holdings” shall have the meaning provided in the definition of Holdings.

“primary obligations” shall have the meaning provided in the definition of the term Contingent Obligations.

“primary obligor” shall have the meaning provided in the definition of the term Contingent Obligations.

“Prime Rate” shall mean the “U.S. Prime Lending Rate” quoted in the *Wall Street Journal* print edition on the date of determination (or, if the *Wall Street Journal* ceases to quote such rate, the prime lending rate as set forth on the Bloomberg page PRIMBB Index (or successor page) for such day (or such other service as reasonably determined by the Administrative Agent from time to time for purposes of providing quotations of prime lending interest rates)).

“Pro Forma Basis”, “Pro Forma Compliance” and “Pro Forma Effect” shall mean, with respect to compliance with any test or covenant or calculation of any ratio hereunder, the

determination or calculation of such test, covenant or ratio (including in connection with Specified Transactions) in accordance with Section 1.12.

“Prohibited Transaction” shall have the meaning assigned to such term in Section 406 of ERISA or Section 4975(c) of the Code.

“Projections” shall have the meaning provided in Section 9.1(c).

“PTE” shall mean a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Public Company Costs” shall mean costs relating to compliance with the provisions of Canadian Securities Laws, the Sarbanes-Oxley Act of 2002, the Securities Act of 1933 and the Exchange Act, as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, directors’ or managers’ compensation, fees and expense reimbursement, costs relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors’ and officers’ insurance and other executive costs, legal and other professional fees, listing fees and other expenses arising out of or incidental to an entity’s status as a reporting company.

“QFC” shall have the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“Qualified Proceeds” shall mean assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business.

“Qualified Securitization Financing” shall mean any Securitization Facility (and any guarantee of such Securitization Facility), as amended, supplemented, modified, extended, renewed, restated, or refunded from time to time, that meets the following conditions: (i) the Borrower shall have determined in good faith that such Securitization Facility (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Borrower and the Restricted Subsidiaries; (ii) all sales of Securitization Assets and related assets by the Borrower or any Restricted Subsidiary to the Securitization Subsidiary or any other Person are made at fair market value (as determined in good faith by the Borrower); (iii) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Borrower) and may include Standard Securitization Undertakings; and (iv) the obligations under such Securitization Facility are nonrecourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities) to the Borrower or any Restricted Subsidiary (other than a Securitization Subsidiary).

“Qualified Stock” of any Person shall mean Capital Stock of such Person other than Disqualified Stock of such Person.

“Qualifying IPO” shall mean the issuance by the Borrower or any direct or indirect parent thereof of its common Equity Interests in an underwritten primary public offering (other than a public offering pursuant to a registration statement on Form S-8) pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act or a prospectus filed pursuant to any Canadian Securities Laws (whether alone or in connection with a secondary public offering) or in a firm commitment underwritten offering (or series of related offerings of securities to the public pursuant to a final prospectus) made pursuant to the Securities Act or any Canadian Securities Laws.

“Real Estate” shall mean land, buildings, facilities and improvements owned or leased by any Credit Party.

“Receivables Assets” shall mean (a) any accounts receivable owed to the Borrower or a Restricted Subsidiary subject to a Receivables Facility and the proceeds thereof and (b) all collateral securing such accounts receivable, all contracts and contract rights, guarantees or other obligations in respect of such accounts receivable, all records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in connection with a non-recourse accounts receivable factoring arrangement and which are sold, conveyed, assigned or otherwise transferred or pledged in connection with a Receivables Facility.

“Receivables Facility” shall mean any of one or more receivables financing facilities (and any guarantee of such financing facility), as amended, supplemented, modified, extended, renewed, restated, or refunded from time to time, the obligations of which are non-recourse (except for customary representations, warranties, covenants, and indemnities made in connection with such facilities) to the Borrower and the Restricted Subsidiaries (other than a Receivables Subsidiary) pursuant to which the Borrower or any Restricted Subsidiary sells, directly or indirectly, grants a security interest in or otherwise transfers its Receivables Assets to either (i) a Person that is not the Borrower or a Restricted Subsidiary or (ii) a Receivables Subsidiary that in turn funds such purchase by purporting to sell its accounts receivable to a Person that is not the Borrower or a Restricted Subsidiary or by borrowing from such a Person or from another Receivables Subsidiary that in turn funds itself by borrowing from such a Person.

“Receivables Fee” shall mean distributions or payments made directly or by means of discounts with respect to any accounts receivable or participation interest issued or sold in connection with, and other fees paid to a Person that is not the Borrower or a Restricted Subsidiary in connection with, any Receivables Facility.

“Receivables Subsidiary” shall mean any Subsidiary formed for the purpose of facilitating or entering into one or more Receivables Facilities that engages only in activities reasonably related or incidental thereto or another Person formed for the purposes of engaging in a Receivables Facility in which any Subsidiary makes an Investment and to which any Subsidiary transfers accounts receivables and related assets.

“Refinanced Debt” shall have the meaning provided in Section 2.14(h).

“Refinanced Term Loans” shall have the meaning provided in Section 13.1.

“Refinancing” shall mean the repayment in full of all obligations outstanding under the Holdings Subordinate Debt and the Shareholder Subordinate Debt with the proceeds of the Closing Distribution.

“Refinancing Amendment” shall have the meaning provided in Section 2.14(h)(vi).

“Refinancing Commitments” shall have the meaning provided in Section 2.14(h).

“Refinancing Facility Closing Date” shall have the meaning provided in Section 2.14(h)(iii).

“Refinancing Indebtedness” shall have the meaning provided in Section 10.1(m).

“Refinancing Lenders” shall have the meaning provided in Section 2.14(h)(ii).

“Refinancing Loan” shall have the meaning provided in Section 2.14(h)(i).

“Refinancing Loan Request” shall have the meaning provided in Section 2.14(h).

“Refinancing Permitted Other Indebtedness” shall have the meaning provided in Section 10.1(m).

“Refinancing Revolving Credit Commitments” shall have the meaning provided in Section 2.14(h).

“Refinancing Revolving Credit Lender” shall have the meaning provided in Section 2.14(h)(ii).

“Refinancing Revolving Credit Loan” shall have the meaning provided in Section 2.14(h)(i).

“Refinancing Series” shall mean all Refinancing Term Loans, Refinancing Term Loan Commitments, Refinancing Revolving Credit Loans or Refinancing Revolving Credit Commitments, as the case may be, that are established pursuant to the same Refinancing Amendment (or any subsequent Refinancing Amendment to the extent such Refinancing Amendment expressly provides that the Refinancing Term Loans, Refinancing Term Loan Commitments, Refinancing Revolving Credit Loans or Refinancing Revolving Credit Commitments, as the case may be, provided for therein are intended to be a part of any previously established Refinancing Series) and that, in the case of Refinancing Term Loans, provide for the same amortization schedule.

“Refinancing Term Lender” shall have the meaning provided in Section 2.14(h)(ii).

“Refinancing Term Loan” shall have the meaning provided in Section 2.14(h)(i).

“Refinancing Term Loan Commitments” shall have the meaning provided in Section 2.14(h).

“Refinancing Term Loan Repayment Amount” shall have the meaning provided in Section 2.5(c).

“Refinancing Term Loan Repayment Date” shall have the meaning provided in Section 2.5(c).

“Refunding Capital Stock” shall have the meaning provided in Section 10.5(b)(2).

“Register” shall have the meaning provided in Section 13.6(b)(iv).

“Regulation T” shall mean Regulation T of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

“Regulation U” shall mean Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

“Regulation X” shall mean Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

“Reinvestment Period” shall mean 18 months following the date of receipt of Net Cash Proceeds of an Asset Sale Prepayment Event or Casualty Event.

“Rejection Notice” shall have the meaning provided in Section 5.2(f).

“Related Business Assets” shall mean assets (other than cash or Cash Equivalents) used or useful in a Similar Business; *provided* that any assets received by the Borrower or the Restricted Subsidiaries in exchange for assets transferred by the Borrower or a Restricted Subsidiary shall not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

“Related Fund” shall mean, with respect to any Lender that is a Fund, any other Fund that is advised or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of such entity that administers, advises or manages such Lender.

“Related Parties” shall mean, with respect to any specified Person, such Person’s Affiliates and the directors, officers, employees, agents, trustees, and advisors of such Person and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise; *provided* that, for purposes of Section 13.5, “Related Parties” shall not include Excluded Affiliates.

“Release” shall mean any release, spill, emission, discharge, disposal, escaping, leaking, pumping, pouring, dumping, emptying, injection, or leaching into the environment.

“Relevant Governmental Body” shall mean the Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board or the Federal Reserve Bank of New York, or any successor thereto.

“Removal Effective Date” shall have the meaning provided in Section 12.9(b).

“Reorganization” shall mean, with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

“Repayment Amount” shall mean a 2021 Refinancing Term Loan Repayment Amount with respect to the 2021 Refinancing Term Loans, New Term Loan Repayment Amount with respect to any Series, a Replacement Term Loan Repayment Amount with respect to any Replacement Series, a Refinancing Term Loan Repayment Amount with respect to any Refinancing Series or an Extended Term Loan Repayment Amount with respect to any Extension Series, as applicable.

“Replacement Series” shall mean all Replacement Term Loans or Replacement Term Loan Commitments that are established pursuant to the same amendment (or any subsequent amendment to the extent such amendment expressly provides that the Replacement Term Loans or Replacement Term Loan Commitments provided for therein are intended to be a part of any previously established Replacement Series) and that provide for the same amortization schedule.

“Replacement Term Loan Commitment” shall mean the commitments of the Lenders to make Replacement Term Loans.

“Replacement Term Loan Repayment Amount” shall have the meaning provided in Section 2.5(c).

“Replacement Term Loan Repayment Date” shall have the meaning provided in Section 2.5(c).

“Replacement Term Loans” shall have the meaning provided in Section 13.1.

“Reportable Event” shall mean any “reportable event”, as defined in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Pension Plan (other than a Pension Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code), other than those events as to which notice is waived pursuant to DOL Reg. § 4043.

“Repricing Transaction” shall mean (i) the incurrence by the Borrower of any Indebtedness in the form of a senior secured first lien term loan that is broadly marketed or syndicated to banks and other institutional investors (a) with an Effective Yield that is less than the Effective Yield for the 2021 Refinancing Term Loans being refinanced, but excluding Indebtedness incurred in connection with a Qualifying IPO, Change of Control, any Permitted Acquisition or other acquisition or Investment or Restricted Payment permitted hereunder, or any transaction not otherwise permitted under this Agreement or that results in an increase of the Term Loans, and (b) the proceeds of which are used substantially concurrently to prepay (or, in the case of a conversion, deemed to prepay or replace), in whole or in part, outstanding principal of 2021 Refinancing Term Loans, or (ii) any amendment of this Agreement, the primary purposes of which is the effective reduction in the Effective Yield for the 2021 Refinancing Term Loans, except for a reduction in connection with a Qualifying IPO, Change of Control, any Permitted Acquisition, Investment or other acquisition or Restricted Payment permitted hereunder, or any transaction not otherwise permitted under this Agreement or that results in an increase of the Term Loans.

“Required Facility Lenders” shall mean, as of any date of determination, with respect to one or more Credit Facilities, Lenders having or holding a majority of the sum of (a) the Total Outstandings under such Credit Facility or Credit Facilities (with the aggregate amount of each Lender’s risk participation and funded participation in L/C Obligations, if applicable, under such Credit Facility or Credit Facilities being deemed “held” by such Lender for purposes of this definition) and (b) the aggregate unused Commitments under such Credit Facility or Credit Facilities; *provided* that the unused Commitments of, and the portion of the Total Outstandings under such Credit Facility or Credit Facilities held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of the Required Facility Lenders.

“Required Lenders” shall mean, as of any date of determination, Lenders having or holding a majority of the sum of (a) Total Outstandings (with the aggregate amount of each Lender’s risk participation and funded participation in L/C Obligations, if applicable, under such Credit Facility or Credit Facilities being deemed “held” by such Lender for purposes of this definition), (b) aggregate unused Total Term Loan Commitments at such date and (c) aggregate unused Revolving Credit Commitments; *provided* that the unused Commitments of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“Requirement of Law” shall mean, as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule, or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

“Resignation Effective Date” shall have the meaning provided in Section 12.9(a).

“Resolution Authority” shall mean an EEA Resolution Authority or, with respect to any U.K. Financial Institution, a U.K. Resolution Authority.

“Restricted Investment” shall mean an Investment other than a Permitted Investment.

“Restricted Payments” shall have the meaning provided in Section 10.5(a).

“Restricted Subsidiary” shall mean any Subsidiary of the Borrower other than an Unrestricted Subsidiary.

“Retained Declined Proceeds” shall have the meaning provided in Section 5.2(f).

“Retired Capital Stock” shall have the meaning provided in Section 10.5(b)(2).

“Revolving Credit Commitment” shall mean the revolving credit commitments in respect of any Class of Revolving Loans.

“Revolving Credit Commitment Increase” shall have the meaning provided in Section 2.14(a).

“Revolving Credit Commitment Percentage” shall mean at any time, for each Lender, the percentage obtained by dividing (i) such Lender’s Revolving Credit Commitments (or, to the extent referring to any single Class of Commitments, such Lender’s Revolving Credit Commitments in respect of such Class) at such time *by* (ii) the amount of the Total Revolving Credit Commitment (or, to the extent referring to any single Class of Revolving Credit Commitments, the aggregate Revolving Credit Commitments of all Lenders in respect of such Class) at such time; *provided* that at any time when the Total Revolving Credit Commitment (or, to the extent referring to any single Class of Revolving Credit Commitments, the aggregate Revolving Credit Commitments in respect of such Class) shall have been terminated, each Lender’s Revolving Credit Commitment Percentage shall be the percentage obtained by dividing (a) such Lender’s Revolving Credit Exposure (or, to the extent referring to any single Class of Revolving Loans, such Lender’s Revolving Credit Exposure in respect of such Class) at such time *by* (b) the Revolving Credit Exposure of all Lenders at such time (or, to the extent referring to any single Class of Revolving Loans, the Revolving Credit Exposure of all Lenders in respect of such Class).

“Revolving Credit Exposure” shall mean, with respect to any applicable Lender at any time, the sum of (x) the aggregate amount of the principal amount of Revolving Loans of such Lender then outstanding and (y) such Lender’s *pro rata* share of the L/C Obligations at such time under the applicable Revolving Credit Commitment.

“Revolving Credit Facility” shall mean, at any time, the aggregate amount of the Revolving Credit Lenders’ Revolving Credit Commitments at such time.

“Revolving Credit Lender” shall mean, at any time, any Lender that has a Revolving Credit Commitment at such time.

“Revolving Credit Loan Extension Request” shall have the meaning provided in Section 2.14(g)(ii).

“Revolving Loan” shall mean, collectively or individually as the context may require, any (i) Incremental Revolving Credit Loan, (ii) Extended Revolving Credit Loan, or (v) Refinancing Revolving Credit Loan, in each case made pursuant to and in accordance with the terms and conditions of this Agreement.

“S&P” shall mean Standard & Poor’s Ratings Services or any successor by merger or consolidation to its business.

“Sale Leaseback” shall mean any arrangement with any Person providing for the leasing by the Borrower or any Restricted Subsidiary of any real or tangible personal property, which property has been or is to be sold or transferred by the Borrower or such Restricted Subsidiary to such Person in contemplation of such leasing.

“SEC” shall mean the United States Securities and Exchange Commission or any successor thereto.

“Section 2.14 Additional Amendment” shall have the meaning provided in Section 2.14(g)(iv).

“Section 9.1 Financials” shall mean the financial statements delivered, or required to be delivered, pursuant to Section 9.1(a) or (b), together with the accompanying officer’s certificate delivered, or required to be delivered, pursuant to Section 9.1(d).

“Secured Bank Product Agreement” shall mean any Bank Product Agreement that is entered into by and between the Borrower or any of the Restricted Subsidiaries and any Bank Product Provider, which is specified in writing by the Borrower to the Administrative Agent as constituting a Secured Bank Product Agreement hereunder.

“Secured Bank Product Obligations” shall mean Obligations under any Secured Bank Product Agreement.

“Secured Cash Management Agreement” shall mean any Cash Management Agreement that is entered into by and between Holdings, the Borrower or any of the Restricted Subsidiaries and any Cash Management Bank, which is specified in writing by the Borrower to the Administrative Agent as constituting a Secured Cash Management Agreement hereunder.

“Secured Cash Management Obligations” shall mean Obligations under Secured Cash Management Agreements.

“Secured Hedge Agreement” shall mean any Hedge Agreement that is entered into by and between Holdings, the Borrower or any Restricted Subsidiary and any Hedge Bank, which is specified in writing by the Borrower to the Administrative Agent as constituting a “Secured Hedge Agreement” hereunder. For purposes of the preceding sentence, the Borrower may deliver one notice designating all Hedge Agreements entered into pursuant to a specified Master Agreement as “Secured Hedge Agreements”.

“Secured Hedge Obligations” shall mean Obligations under Secured Hedge Agreements.

“Secured Parties” shall mean the Administrative Agent, the Collateral Agent and each Lender, in each case with respect to the Credit Facilities, each Hedge Bank that is party to any Secured Hedge Agreement, each Cash Management Bank that is party to a Secured Cash Management Agreement, each Bank Product Provider that is a party to a Secured Bank Product Agreement and each sub-agent pursuant to Section 12 appointed by the Administrative Agent with respect to matters relating to the Credit Facilities or the Collateral Agent with respect to matters relating to any Security Document.

“Securitization Asset” shall mean (a) any accounts receivable or related assets and the proceeds thereof, in each case, subject to a Securitization Facility and (b) all collateral securing such receivable or asset, all contracts and contract rights, guaranties or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such account or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted), together with accounts or assets in a securitization financing and which in

the case of clause (a) and (b) above are sold, conveyed, assigned or otherwise transferred or pledged in connection with a Qualified Securitization Financing.

“Securitization Facility” shall mean any transaction or series of securitization financings that may be entered into by the Borrower or any Restricted Subsidiary pursuant to which the Borrower or any such Restricted Subsidiary may sell, convey or otherwise transfer, or may grant a security interest in, Securitization Assets to either (a) a Person that is not the Borrower or a Restricted Subsidiary or (b) a Securitization Subsidiary that in turn sells such Securitization Assets to a Person that is not the Borrower or a Restricted Subsidiary, or may grant a security interest in, any Securitization Assets of the Borrower or any of its Subsidiaries.

“Securitization Fees” shall mean distributions or payments made directly or by means of discounts with respect to any Securitization Asset or participation interest therein issued or sold in connection with, and other fees and expenses (including reasonable fees and expenses of legal counsel) paid to a Person that is not the Borrower or a Restricted Subsidiary in connection with, any Qualified Securitization Financing.

“Securitization Repurchase Obligation” shall mean any obligation of a seller (or any guaranty of such obligation) of (i) Receivables Assets under a Receivables Facility to repurchase Receivables Assets or (ii) Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets, in either case, arising as a result of a breach of a representation, warranty or covenant or otherwise, including, without limitation, as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“Securitization Subsidiary” shall mean any Subsidiary of the Borrower in each case formed for the purpose of, and that solely engages in, one or more Qualified Securitization Financings and other activities reasonably related thereto or another Person formed for the purposes of engaging in a Qualified Securitization Financing in which the Borrower or any Restricted Subsidiary makes an Investment and to which the Borrower or such Restricted Subsidiary transfers Securitization Assets and related assets.

“Security Agreement” shall mean each of (i) the U.S. Security Agreement entered into by the applicable U.S. Credit Parties party thereto, and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit G-1 (the “U.S. Security Agreement”), (ii) the Canadian General Security Agreement entered into by the Canadian Credit Parties party thereto, and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit G-2 (the “Canadian Security Agreement”) and (iii) the U.K. Debenture entered into by Canada Goose International Holdings Limited, Canada Goose Services Limited and the Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit G-3 (the “U.K. Debenture”).

“Security Documents” shall mean, collectively, the Pledge Agreements, the Security Agreements, the IP Security Agreement, the Mortgages (if executed), the ABL/Term Loan Intercreditor Agreement, the Junior Lien Intercreditor Agreement (if executed), the Pari Intercreditor Agreement (if executed), all deeds of hypothec executed and delivered under the laws of the Province of Quebec, and each other security agreement or other instrument or document executed and delivered pursuant to Section 9.9, 9.10 or 9.12 or pursuant to any other such Security Documents to secure the Obligations.

“Series” shall have the meaning provided in Section 2.14(a).

“Shareholder” shall mean Brent (BC) Finco S.à r.l., a Luxembourg société à responsabilité limitée, and includes its successors by amalgamation or otherwise.

“Shareholder Loan Agreement” shall mean collectively, that certain (i) senior convertible subordinated note, dated as of December 9, 2013, issued by Holdings in favour of the Shareholder and (ii) any unsecured junior convertible subordinated promissory grid notes issued from time to time by Holdings in favor of the Shareholder in connection with the reinvestment by the Shareholder of a portion of the interest paid by Holdings on the Shareholder Subordinate Debt in accordance with the Shareholder Subordination Agreement, in the case of each of the notes described in the foregoing clauses (i) and (ii), as such agreement may be amended, revised, replaced, supplemented or restated from time to time in accordance with the terms of the Shareholder Subordination Agreement, including increases to the principal amount outstanding thereunder as set forth therein.

“Shareholder Subordinate Debt” shall mean all indebtedness owing by Holdings to the Shareholder pursuant to the Shareholder Loan Agreement.

“Shareholder Subordination Agreement” shall mean the subordination and postponement agreement, dated as of the Closing Date, among the Shareholder, Holdings, and the Administrative Agent, as such agreement may be amended, revised, replaced, supplemented or restated from time to time.

“Significant Subsidiary” shall mean, at any date of determination, (a) any Restricted Subsidiary whose gross revenues for the Test Period most recently ended on or prior to such date were equal to or greater than 10% of the consolidated gross revenues of the Borrower and the Restricted Subsidiaries for such period, determined in accordance with IFRS or (b) each other Restricted Subsidiary that, when such Restricted Subsidiary’s total gross revenues are aggregated with each other Restricted Subsidiary that is the subject of an Event of Default described in Section 11.5 would constitute a “Significant Subsidiary” under clause (a) above.

“Similar Business” shall mean any business conducted or proposed to be conducted by the Borrower and the Restricted Subsidiaries, taken as a whole, on the Closing Date or any other business activities which are reasonable extensions thereof or otherwise similar, incidental, complementary, synergistic, reasonably related, or ancillary to any of the foregoing (including non-core incidental businesses acquired in connection with any Permitted Acquisition or permitted Investment), in each case as determined by the Borrower in good faith.

“Sixth Amendment” shall mean that certain Sixth Amendment to Credit Agreement, dated as of the Sixth Amendment Effective Date, between the Borrower and the Administrative Agent.

“Sixth Amendment Effective Date” shall have the meaning assigned to such term in the Sixth Amendment.

“SOFR” shall mean a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” shall mean the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“Solvent” shall mean, after giving effect to the consummation of the Transactions, that (i) the fair value of the assets (on a going concern basis) of the Borrower and its Restricted Subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise, (ii) the present fair saleable value of the property (on a

going concern basis) of the Borrower and its Restricted Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured in the ordinary course of business, (iii) the Borrower and its Restricted Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured in the ordinary course of business and (iv) the Borrower and its Restricted Subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business contemplated as of the Fourth Amendment Effective Date for which they have unreasonably small capital. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability.

“Specified Existing Revolving Credit Commitment” shall have the meaning provided in Section 2.14(g)(ii).

“Specified Representations” shall mean the representations and warranties with respect to the Credit Parties set forth in Sections 8.1(a) (with respect to the organizational existence of the Credit Parties only), 8.2 (with respect to organizational power and authority of the Credit Parties and due authorization, execution and delivery by the Credit Parties, in each case, as they relate to their entry into and performance of, the Credit Documents, and enforceability of the Credit Documents against the Credit Parties), 8.3(c) (with respect to the Credit Parties only and as related to the borrowing under, guaranteeing under, granting of security interests in the Collateral pursuant to, and performance of, the Credit Documents by the Credit Parties), 8.5, 8.7, 8.17, 8.18 and, subject to the proviso contained in Section 6.1(b), 8.19 of this Agreement.

“Specified Transaction” shall mean, with respect to any period, (i) any Investment that results in a Person becoming a Restricted Subsidiary, (ii) any designation of a Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary, (iii) any Permitted Acquisition, (iv) any disposition that results in a Restricted Subsidiary ceasing to be a Subsidiary, (v) any Investment in, acquisition of or disposition of assets constituting a business unit, line of business or division of, or all or substantially all of the assets of, another Person, (vi) any Restricted Payment, (vii) any borrowing of any New Term Loan or establishment of any Incremental Revolving Credit Commitment, or (viii) any other event that by the terms of this Agreement requires Pro Forma Compliance with a test or covenant hereunder or requires such test or covenant to be calculated on a Pro Forma Basis or giving Pro Forma Effect to any such transaction or event.

“Sponsor” shall mean Bain and/or its Affiliates (including, as applicable, related funds, general partners thereof and limited partners thereof, but solely to the extent any such limited partners are directly or indirectly participating as investors pursuant to a side-by-side investing arrangement, but not including, however, any portfolio company of any of the foregoing).

“Sponsor Management Agreement” shall mean shall mean the Management Agreement, dated as of December 9, 2013, between Sponsor, Holdings and the Borrower, as amended, restated, amended and restated, supplemented or otherwise modified from time to time in any manner that is not adverse to the Lenders in any material respect.

“SPV” shall have the meaning provided in Section 13.6(g).

“Standard Securitization Undertakings” shall mean representations, warranties, covenants and indemnities entered into by the Borrower or any Restricted Subsidiary which the Borrower has determined in good faith to be customary in a Securitization Facility, including, without limitation, those relating to the servicing of the assets of a Securitization Subsidiary, it being understood that any Securitization Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“Stock Equivalents” shall mean all securities convertible into or exchangeable for Capital Stock and all warrants, options, or other rights to purchase or subscribe for any Capital Stock, whether or not presently convertible, exchangeable, or exercisable, excluding from the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock, until any such conversion.

“Store” shall mean any retail store (which includes any real property, fixtures, equipment, inventory and other property related thereto) operated, or to be operated, by the Borrower or any Restricted Subsidiary.

“Subject Lien” shall have the meaning provided in Section 10.2(a).

“Subordinated Indebtedness” shall mean Indebtedness of the Borrower or any Restricted Subsidiary that is a Guarantor that is by its terms subordinated in right of payment to the obligations of the Borrower or such Guarantor, as applicable, under this Agreement or the Guarantee, as applicable.

“Subsequent Transaction” shall have the meaning provided in Section 1.12(f).

“Subsidiary” of any Person shall mean a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise expressly provided, all references herein to a Subsidiary shall mean a Subsidiary of the Borrower.

Notwithstanding the foregoing, without limitation, in each case, at the election of the Borrower (in its sole discretion) (a “Deemed Subsidiary Election”), any Person that constitutes a joint venture of the Borrower or any Restricted Subsidiary that is formed for the purpose of engaging in a Similar Business shall be deemed to constitute a Subsidiary under the Credit Documents (for the avoidance of doubt, to the extent such Person does not otherwise constitute a Subsidiary hereunder), in each case, so long as not less than 50.0% of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) of such joint venture are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by the Borrower or any Restricted Subsidiary of the Borrower.

“Successor Borrower” shall have the meaning provided in Section 10.3(a).

“Swap Obligation” shall mean, with respect to any Credit Party, any obligation to pay or perform under any agreement, contract, or transaction that constitutes a “swap” within the meaning of section 1(a)(47) of the Commodity Exchange Act.

“Tax Distributions” shall mean payments made by the Borrower or any other Credit Party to Holdings or any direct or indirect parent of Holdings, the proceeds of which will be used to pay the amount any such Person would be required to pay in respect of Taxes attributable to the income of the Borrower and its Subsidiaries; *provided, however*, the aggregate of all such payments in respect of any tax year to Holdings and any direct or indirect parent of Holdings shall not exceed the Taxes or the income of such Person that is attributable to the Borrower and its Subsidiaries; *provided, further*, that any such payment in respect of the income of an Unrestricted Subsidiary shall be permitted only to the extent that cash distributions were made by

such Unrestricted Subsidiary to the Borrower or any of its Restricted Subsidiaries for such purpose.

“Taxes” shall mean any and all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings (including backup withholding), fees, or other similar charges imposed by any Governmental Authority and any interest, fines, penalties, or additions to tax with respect to the foregoing.

“Term Loan Commitment” shall mean, with respect to each Lender, such Lender’s Initial Term Loan Commitment, 2019 Refinancing Term Loan Commitment, 2020 New Term Loan Commitment, 2020 Refinancing Term Loan Commitment, 2021 Refinancing Term Loan Commitment and, if applicable, commitment with respect to any Extension Series, New Term Loan Commitment with respect to any Series, Refinancing Term Loan Commitment with respect to any Refinancing Series and Replacement Term Loan Commitment with respect to any Replacement Series.

“Term Loan Extension Request” shall have the meaning provided in Section 2.14(g)(i).

“Term Loan Increase” shall have the meaning provided in Section 2.14(a).

“Term Loan Lender” shall mean, at any time, any Lender that has a Term Loan Commitment or an outstanding Term Loan.

“Term Loan Maturity Date” shall mean October 7, 2027.

“Term Loan Repayment Amount” shall have the meaning provided in Section 2.5(b).

“Term Loan Repayment Date” shall have the meaning provided in Section 2.5(b).

“Term Loans” shall mean the Initial Term Loans, the 2019 Refinancing Term Loans, the 2020 Refinancing Term Loans (including the 2020 New Term Loans), the 2021 Refinancing Term Loans, any New Term Loans, any Replacement Term Loans, any Refinancing Term Loans, and any Extended Term Loans, collectively.

“Term Priority Collateral” shall mean the “Term Priority Collateral” as defined in the ABL/Term Loan Intercreditor Agreement.

“Term SOFR” shall mean,

(i) for any calculation with respect to a Term SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “Periodic Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(ii) for any calculation with respect to an ABR Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “Base Rate Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (New York City time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day.

“Term SOFR Adjustment” means, for any calculation with respect to a SOFR Loan, a percentage per annum as set forth below for the applicable Interest Period therefor:

| <u>Interest Period</u> | <u>Percentage</u> |
|------------------------------------|-------------------|
| One month (or less than one month) | 0.11448 % |
| Three months | 0.26161% |
| Six months | 0.42826% |
| Twelve months | 0.71513% |

“Term SOFR Administrator” shall mean CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

“Term SOFR Loan” shall mean a Loan that bears interest at a rate based on Adjusted Term SOFR, other than pursuant to clause (iii) of the definition of “ABR”.

“Term SOFR Reference Rate” shall mean the forward-looking term rate based on SOFR.

“Test Period” shall mean, for any determination under this Agreement, the four consecutive fiscal quarters of the Borrower then last ended and for which Section 9.1 Financials shall have been delivered (or were required to be delivered) to the Administrative Agent (or, before the first delivery of Section 9.1 Financials, the most recent period of four fiscal quarters at the end of which financial statements are available).

“Third Amendment” shall mean that certain Third Amendment to Credit Agreement, dated as of May 10, 2019, among Holdings, the Borrower, the Subsidiaries of the Borrower party thereto, the Lenders party thereto, the Administrative Agent and the Collateral Agent.

“Third Amendment Effective Date” shall have the meaning assigned to such term in the Third Amendment.

“Total Credit Exposure” shall mean, at any date, the sum, without duplication, of (i) the Total Revolving Credit Commitments at such date (or, if any applicable Total Revolving Credit Commitments shall have terminated on such date, the aggregate Revolving Credit Exposure of all applicable Revolving Credit Lenders at such date), (ii) the Total Term Loan Commitment at such date, and (iii) without duplication of clause (ii), the aggregate outstanding principal amount of all Term Loans at such date.

“Total Net Leverage Ratio” shall mean, as of any date of determination, the ratio of (i) Consolidated Total Debt as of such date of determination, *minus* cash and Cash Equivalents (in each case, free and clear of all Liens other than Permitted Liens) of the Borrower and the Restricted Subsidiaries (other than the proceeds of any Indebtedness then being incurred and giving rise to the need to calculate the Total Net Leverage Ratio) to (ii) Consolidated EBITDA for the Test Period then last ended.

“Total Outstandings” shall mean, at any time, the aggregate Outstanding Amount of all Loans and all L/C Obligations at such time.

“Total Revolving Credit Commitment” shall mean the sum of the Revolving Credit Commitments and, if applicable, any Extended Revolving Credit Commitments, Incremental Revolving Credit Commitments and Refinancing Revolving Credit Commitments, in each case, of all the Lenders.

“Total Term Loan Commitment” shall mean the sum of the 2021 Refinancing Term Loan Commitments and, if applicable, any New Term Loan Commitments, Replacement Term Loan Commitments, Refinancing Term Loan Commitments, or commitments in respect of Extended Term Loans, in each case, of all the Lenders.

“Transaction Expenses” shall mean any fees, costs, or expenses incurred or paid by Holdings, the Borrower or any of their respective Affiliates in connection with the Transactions (including expenses in connection with hedging transactions, if any, and payments to officers, employees and directors as change of control payments, severance payments, special or retention bonuses, payments on account of phantom units and charges for repurchase or rollover of, or modifications to, equity options and/or restricted equity), this Agreement and the other Credit Documents and the transactions contemplated hereby and thereby, including any currency hedges entered into in connection with the financing of the Transactions.

“Transactions” shall mean, collectively, the transactions constituting or contemplated by this Agreement and the other Credit Documents, the Closing Distribution and any repayment, repurchase, prepayment, or defeasance of Indebtedness of the Borrower or any of its Subsidiaries in connection therewith, the consummation of any other transactions in connection with the foregoing (including the payment of the fees, costs and expenses incurred in connection with any of the foregoing (including the Transaction Expenses)).

“Transferee” shall have the meaning provided in Section 13.6(e).

“Type” shall mean as to any Loan, its nature as an ABR Loan or a Term SOFR Loan.

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

Commercial Code” shall mean the Uniform Commercial Code as in effect in such other jurisdiction from time to time for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be.

“UK Collateral Documents” shall mean the U.K. Debenture and the U.K. Share Charge.

“U.K. Debenture” shall have the meaning provided in the definition of Security Agreement.

“U.K. Financial Institution” shall mean any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“U.K. Resolution Authority” shall mean the Bank of England or any other public administrative authority having responsibility for the resolution of any U.K. Financial Institution.

“U.K. Share Charge” shall have the meaning provided in the definition of Pledge Agreement.

“U.K. Subsidiary” shall mean each Subsidiary of the Borrower that is organized under the laws of England and Wales.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Unrestricted Subsidiary” shall mean (i) any Subsidiary of the Borrower which at the time of determination is an Unrestricted Subsidiary (as designated by the Borrower, as provided below) and (ii) any Subsidiary of an Unrestricted Subsidiary.

The Borrower may designate any Subsidiary of the Borrower (including any existing Subsidiary and any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, the Borrower or any Subsidiary of the Borrower (other than any Subsidiary of the Subsidiary to be so designated or any Unrestricted Subsidiary); *provided that*,

(a) such designation complies with Section 10.5, and

(b) immediately after giving effect to such designation no Event of Default shall have occurred and be continuing or would result therefrom.

The Borrower may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided that*, immediately after giving effect to such designation no Event of Default shall have occurred and be continuing.

Any such designation by the Borrower shall be notified by the Borrower to the Administrative Agent by promptly delivering to the Administrative Agent a certificate of an Authorized Officer of the Borrower certifying that such designation complied with the foregoing provisions. For the avoidance of doubt, for so long as any ABL Credit Documents are in effect, no Subsidiary shall be an Unrestricted Subsidiary hereunder unless such Subsidiary is also an

Unrestricted Subsidiary (as defined in the ABL Credit Agreement) under the ABL Credit Documents.

“U.S.” and “United States” shall mean the United States of America.

“U.S. Dollars” and “U.S.\$” shall mean dollars in lawful currency of the United States.

“U.S. GAAP” shall mean generally accepted accounting principles in the United States, as in effect from time to time.

“U.S. Government Securities Business Day” shall mean any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“U.S. Pledge Agreement” shall have the meaning provided in the definition of Pledge Agreement.

“U.S. Security Agreement” shall have the meaning provided in the definition of Security Agreement.

“U.S. Subsidiary” shall mean each Subsidiary of the Borrower that is organized under the laws of the United States, any state thereof, or the District of Columbia.

“Voting Stock” shall mean, with respect to any Person as of any date, the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors (or analogous governing body) of such Person.

“Weighted Average Life to Maturity” shall mean, when applied to any Indebtedness, Disqualified Stock or preferred Capital Stock, as the case may be, at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required scheduled payments of principal, including payment at final scheduled maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (b) the then outstanding principal amount of such Indebtedness, Disqualified Stock or preferred Capital Stock; *provided* that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness, Disqualified Stock or preferred Capital Stock that is being modified, refinanced, refunded, renewed, replaced or extended (the “Applicable Indebtedness”), the effects of any prepayments or amortization made on such Applicable Indebtedness prior to the date of the applicable modification, refinancing, refunding, renewal, replacement or extension shall be disregarded.

“Wholly-Owned Restricted Subsidiary” of any Person shall mean a Restricted Subsidiary of such Person, 100% of the outstanding Capital Stock or other ownership interests of which (other than (x) directors’ qualifying shares or other ownership interests and (y) a nominal number of shares or other ownership interests issued to foreign nationals to the extent required by applicable laws) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

“Wholly-Owned Subsidiary” of any Person shall mean a Subsidiary of such Person, 100% of the outstanding Capital Stock or other ownership interests of which (other than (x) directors’ qualifying shares or other ownership interests and (y) a nominal number of shares or other ownership interests issued to foreign nationals to the extent required by applicable laws)

shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person.

“Withdrawal Liability” shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Title IV of ERISA.

“Withholding Agent” shall mean any Credit Party, the Administrative Agent and any other applicable withholding agent.

“Write-Down and Conversion Powers” shall mean, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any U.K. Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.2. Other Interpretive Provisions. With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document:

- (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.
- (b) The words “herein”, “hereto”, “hereof” and “hereunder” and words of similar import when used in any Credit Document shall refer to such Credit Document as a whole and not to any particular provision thereof.
- (c) Section, Exhibit, and Schedule references are to the Credit Document in which such reference appears.
- (d) The term “including” is by way of example and not limitation. The word “or” is not exclusive.
- (e) The term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.
- (f) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”; and the word “through” means “to and including”. On and after April 1, 2019, references herein to “month”, “quarter” and “year” shall be construed to reflect the following convention: (a) each quarter shall consist of 13 weeks, (b) (i) the first month of each quarter shall be comprised of the first consecutive four week period of such quarter (the “First Month”), (ii) the second month of each quarter shall be comprised of the consecutive four week period immediately following the First Month of such quarter (the “Second Month”); *provided* that for certain years as reasonably determined by the Borrower, the Second Month of the fourth quarter of such year shall be comprised of five weeks, and (iii) the third month of each quarter shall be comprised of the consecutive five week period immediately following the Second Month of such quarter, and (c) each year shall consist of four such quarters; *provided* that the foregoing

shall not apply in connection with (x) the calculation of any Interest Period or any interest due on any Term SOFR Loans or ABR Loans, including, without limitation, Sections 2.8, 2.9, and 5.5, (y) the definition of “Reinvestment Period and (z) the applicability of any sunset or time period with respect to which any “most favored nation” pricing protection or prepayment premium applies hereunder.

(g) Section headings herein and in the other Credit Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Credit Document.

(h) 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.

(i) All references to “knowledge” or “awareness” of any Credit Party or any Restricted Subsidiary thereof means the actual knowledge of an Authorized Officer of such Credit Party or such Restricted Subsidiary.

(j) All references to “in the ordinary course of business” of the Borrower or any Subsidiary thereof means (i) in the ordinary course of business of, or in furtherance of an objective that is in the ordinary course of business of the Borrower or such Subsidiary, as applicable, (ii) customary and usual in the industry or industries of the Borrower and its Subsidiaries in Canada, the United States or any other jurisdiction in which the Borrower or any Subsidiary does business, as applicable, or (iii) generally consistent with the past or current practice of the Borrower or such Subsidiary, as applicable, or any similarly situated businesses in Canada, the United States or any other jurisdiction in which the Borrower or any Subsidiary does business, as applicable.

(k) Any reference herein to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, limited partnership or trust, or an allocation of assets to a series of a limited liability company, limited partnership or trust (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale or transfer, or similar term, as applicable, to, of or with a separate Person.

Section 1.3. Accounting Terms.

(a) Except as expressly provided herein, all accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, IFRS, applied in a consistent manner.

(b) Where reference is made to “the Borrower and the Restricted Subsidiaries on a consolidated basis” or similar language, such consolidation shall not include any Subsidiaries of the Borrower other than Restricted Subsidiaries.

(c) Notwithstanding anything in this Agreement to the contrary, unless the Borrower has requested an amendment after the Third Amendment Effective Date pursuant to the definition of “IFRS” with respect to the treatment of leases (including operating leases and Capital Leases) under IFRS 16 (*Leases*) and until such amendment has become effective, each provision under this Agreement, shall, in each case, be determined without giving effect to IFRS 16 (*Leases*) (except that financial statements delivered pursuant to Section 9.1 may be prepared in accordance with IFRS (including giving effect to IFRS 16 (*Leases*)) as in effect at the time of such delivery).

Section 1.4. Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number.

Section 1.5. References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to Organizational Documents, agreements (including the Credit Documents), and other Contractual Requirements shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements, modifications, replacements, refinancings, renewals, or increases, but only to the extent that such amendments, restatements, amendment, and restatements, extensions, supplements, modifications, replacements, refinancings, renewals, or increases are not prohibited by any Credit Document; and (b) references to any Requirement of Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting such Requirement of Law.

Section 1.6. Exchange Rates.

(a) Any amount specified in this Agreement (other than in Sections 2 (excluding Section 2.14), 12 and 13) or any of the other Credit Documents to be in Dollars or U.S. Dollars, as applicable, shall also include the equivalent of such amount in any currency other than Dollars or U.S. Dollars, respectively, such equivalent amount to be determined at the rate of exchange quoted by the Reuters World Currency Page (or, in the event such rate does not appear on any Reuters World Currency page, by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such agreement, by reference to such publicly available service for displaying exchange rates as the Administrative Agent selects in its reasonable discretion) for the applicable currency at 11:00 a.m. (London time) either, at the Borrower's election, (i) in the case of any Indebtedness, (x) on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt or (y) on the date of pricing or allocation, whichever the Borrower elects, of such Indebtedness and (ii) in the case of the making of any Investment, any disposition or any other transaction, (x) on the date of consummation of such Investment, disposition or other transaction or (y) the date the agreement governing such Investment, disposition or other transaction was executed.

(b) For purposes of determining the First Lien Net Leverage Ratio and the Total Net Leverage Ratio, the amount of Indebtedness shall reflect the currency translation effects, determined in accordance with IFRS, of Hedge Agreements permitted hereunder for currency exchange risks with respect to the applicable currency in effect on the date of determination of the Dollar or U.S. Dollar, as applicable, equivalent of such Indebtedness.

(c) Notwithstanding the foregoing, for purposes of determining compliance with Sections 2.14, 10.1, 10.2, 10.4 and 10.5 and the definitions of "Asset Sale", "Maximum Incremental Facilities Amount", "Permitted Investments" and "Permitted Liens" with respect to the amount of any Indebtedness, Lien, Asset Sale, disposition, Investment or Restricted Payment in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of currency exchange occurring after the time such Indebtedness or Lien is incurred or such disposition, Asset Sale, Investment or Restricted Payment is made (so long as such Indebtedness, Lien, disposition, Asset Sale, Investment or Restricted Payment at the time incurred or made was permitted hereunder).

(d) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify with the

Borrower's consent to appropriately reflect a change in currency of any country and any relevant market conventions or practices relating to such change in currency.

Section 1.7. Rates. The Administrative Agent does not warrant, nor accept any responsibility, nor shall the Administrative Agent have any liability with respect to, the continuation of, administration of, submission of, calculation of or any other matter related to ABR, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, ABR, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR, such Benchmark or any other Benchmark prior to its discontinuance or unavailability. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of ABR, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR, any other Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain ABR, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR or any other Benchmark, or any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 1.8. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

Section 1.9. Timing of Payment or Performance. Except as otherwise expressly provided herein, when the payment of any obligation or the performance of any covenant, duty, or obligation is stated to be due or performance required on (or before) a day which is not a Business Day, the date of such payment (other than as described in the definition of Interest Period) or performance shall extend to the immediately succeeding Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

Section 1.10. Certifications. All certifications to be made hereunder by an officer or representative of a Credit Party shall be made by such a Person in his or her capacity solely as an officer or a representative of such Credit Party, on such Credit Party's behalf and not in such Person's individual capacity.

Section 1.11. Compliance with Certain Sections.

(a) For purposes of determining compliance with Section 10, in the event that any Lien, Investment, Indebtedness (whether at the time of incurrence or upon application of all or a portion of the proceeds thereof), disposition, Restricted Payment, Affiliate transaction, Contractual Requirement, or prepayment of Indebtedness meets the criteria of one, or more than one, of the "baskets" or categories of transactions then permitted pursuant to any clause or subsection of Section 10, such transaction (or portion thereof) at any time shall be permitted under one or more of such clauses at the time of such transaction or any later time from time to time, in each case, as determined by the Borrower in its sole discretion at such time and thereafter may be reclassified by the Borrower in any manner not expressly prohibited by this Agreement.

(b) With respect to any amounts incurred or transactions entered into (or consummated) in reliance upon a provision of this Agreement that does not require compliance with a financial ratio or leverage test (any such amounts, the “Fixed Amounts”) substantially concurrently with any amounts incurred or transactions entered into (or consummated) in reliance on a provision of this Agreement that requires compliance with a financial ratio or leverage test (any such amounts, the “Incurrence-Based Amounts”), it is understood and agreed that the Fixed Amounts shall be disregarded in the calculation of the financial ratio or leverage test applicable to the Incurrence-Based Amounts. In addition, any Indebtedness (and associated Liens, subject to the applicable priorities required pursuant to the applicable Incurrence-Based Amounts), Investments, prepayments of debt and Restricted Payments incurred in reliance on Fixed Amounts may be reclassified at any time, as the Borrower may elect from time to time, as incurred under any applicable Incurrence-Based Amounts if the Borrower subsequently meets the applicable ratio or leverage test for such Incurrence-Based Amounts on a Pro Forma Basis (or would have met such ratio or leverage test, in which case, such reclassification shall be deemed to have automatically occurred if not elected by the Borrower).

(c) If any Lien, Investment, Indebtedness, Disqualified Stock or preferred Capital Stock, disposition or other sale or transfer of assets, Restricted Payment, Affiliate transaction, prepayment or redemption of Indebtedness or other transaction or action is incurred, issued or consummated in reliance on a provision measured by reference to a percentage of Consolidated EBITDA or Consolidated Total Assets, and any such Lien, Investment, Indebtedness, Disqualified Stock or preferred Capital Stock, disposition or other sale or transfer of assets, Restricted Payment, Affiliate transaction, prepayment or redemption of Indebtedness or other transaction or action would subsequently exceed the applicable percentage of Consolidated EBITDA or Consolidated Total Assets, as applicable, under such provision if calculated based on the Consolidated EBITDA or Consolidated Total Assets, as applicable, on a later date (including the date of any refinancing), such percentage of Consolidated EBITDA or Consolidated Total Assets, as applicable, will be deemed not to be exceeded; *provided* that, in the case of refinancing any Indebtedness, Disqualified Stock or preferred Capital Stock (and any related Lien) in reliance on this clause (c), the principal amount of such refinancing Indebtedness, Disqualified Stock or preferred Capital Stock does not exceed the aggregate outstanding principal amount, accreted value or liquidation preference of the refinanced Indebtedness, Disqualified Stock or preferred Capital Stock, *plus* the amount of any unused commitments thereunder, plus accrued interest, fees, expenses, defeasance costs and premium (including call and tender premiums), if any, under the refinanced Indebtedness, Disqualified Stock or preferred Capital Stock, *plus* underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of such Indebtedness, Disqualified Stock or preferred Capital Stock and the incurrence or issuance of such refinancing Indebtedness, Disqualified Stock or preferred Capital Stock.

Section 1.12. Pro Forma and Other Calculations.

(a) Notwithstanding anything to the contrary herein, financial ratios and tests, including the Interest Coverage Ratio, the First Lien Net Leverage Ratio and the Total Net Leverage Ratio, and compliance with covenants determined by reference to Consolidated EBITDA or Consolidated Total Assets, shall be calculated in the manner prescribed by this Section 1.12; *provided* that notwithstanding anything to the contrary in clauses (b), (c), (d) or (e) of this Section 1.12, when calculating the First Lien Net Leverage Ratio for purposes of Section 5.2(a)(ii), in each case, the events described in this Section 1.12 that occurred subsequent to the end of the applicable Test Period shall not be given *pro forma* effect.

(b) For purposes of calculating any financial ratio or test or compliance with any covenant determined by reference to Consolidated EBITDA or Consolidated Total Assets, Specified Transactions (with any incurrence or repayment of any Indebtedness in connection

therewith to be subject to clause (d) of this Section 1.12) that have been made (i) during the applicable Test Period or (ii) other than as described in the proviso to clause (a) above, subsequent to such Test Period and prior to or simultaneously with the event for which the calculation of any such ratio or test, or any such calculation of Consolidated EBITDA or Consolidated Total Assets, is made shall be calculated on a *pro forma* basis assuming that all such Specified Transactions (and any increase or decrease in Consolidated EBITDA and the component financial definitions used therein attributable to any Specified Transaction) had occurred on the first day of the applicable Test Period (or, in the case of Consolidated Total Assets, on the last day of the applicable Test Period). If since the beginning of any applicable Test Period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Borrower or any of the Restricted Subsidiaries since the beginning of such Test Period shall have made any Specified Transaction that would have required adjustment pursuant to this Section 1.12, then such financial ratio or test (or Consolidated EBITDA or Consolidated Total Assets) shall be calculated to give *pro forma* effect thereto in accordance with this Section 1.12.

(c) Whenever *pro forma* effect is to be given to a Specified Transaction, the *pro forma* calculations shall be made in good faith by an Authorized Officer of the Borrower and may include, for the avoidance of doubt, the amount of “run-rate” cost savings, operating expense reductions and synergies resulting from or relating to such Specified Transaction projected by the Borrower in good faith to be realized as a result of actions taken or with respect to which substantial steps have been taken or are expected to be taken (calculated on a *pro forma* basis as though such cost savings, operating expense reductions and synergies had been realized on the first day of such period and as if such cost savings, operating expense reductions and synergies were realized during the entirety of such period and such that “run-rate” means the full recurring benefit for a period that is associated with any action taken, for which substantial steps have been taken or are expected to be taken (including any savings expected to result from the elimination of a public target’s compliance costs with public company requirements) net of the amount of actual benefits realized during such period from such actions), and any such adjustments shall be included in the initial *pro forma* calculations of such financial ratios or tests relating to such Specified Transaction (and in respect of any subsequent *pro forma* calculations in which such Specified Transaction or cost savings, operating expense reductions and synergies are given *pro forma* effect) and during any applicable subsequent Test Period for any subsequent calculation of such financial ratios and tests; *provided that* (A) such amounts are reasonably identifiable and factually supportable in the good faith judgment of the Borrower, (B) such actions are taken or substantial steps with respect to such actions are or are expected to be taken no later than twenty-four (24) months after the date of such Specified Transaction, and (C) no amounts shall be added to the extent duplicative of any amounts that are otherwise added back in computing Consolidated EBITDA (or any other components thereof), whether through a *pro forma* adjustment or otherwise, with respect to such period.

(d) In the event that (x) the Borrower or any Restricted Subsidiary incurs (including by assumption or guarantees) or repays (including by repurchase, redemption, repayment, retirement, discharge, defeasance or extinguishment) any Indebtedness (in each case, other than Indebtedness incurred or repaid under any revolving credit facility or line of credit in the ordinary course of business for working capital purposes) or (y) the Borrower or any Restricted Subsidiary issues, repurchases or redeems Disqualified Stock, (i) during the applicable Test Period or (ii) subsequent to the end of the applicable Test Period and prior to or simultaneously with the event for which the calculation of any such ratio is made, then such financial ratio or test shall be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, repurchase, redemption, repayment, retirement, discharge, defeasance or extinguishment of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock, in each case to the extent required, as if the same had occurred on the last day of the applicable Test Period (except (I) in the case of calculating the “Average Revolver Debt”, any

such incurrence or repayment of any revolving loans, including under the ABL Credit Agreement and this Agreement (if any), will be given effect as if the same had occurred on the first day of the applicable Test Period and (II) in the case of the Interest Coverage Ratio (or similar ratio), in which case such incurrence, assumption, guarantee, repurchase, redemption, repayment, retirement, discharge, defeasance or extinguishment of Indebtedness or such issuance, repurchase or redemption of Disqualified Stock will be given effect as if the same had occurred on the first day of the applicable Test Period).

(e) If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of the event for which the calculation of the Interest Coverage Ratio is made had been the applicable rate for the entire period (taking into account any interest hedging arrangements applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by an Authorized Officer of the Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Borrower or any applicable Restricted Subsidiary may designate.

(f) In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of:

(i) determining compliance with any provision of this Agreement which requires the calculation of any financial ratio or test, including the First Lien Net Leverage Ratio, the Interest Coverage Ratio and the Total Net Leverage Ratio; or

(ii) testing availability under baskets set forth in this Agreement (including baskets measured as a percentage of Consolidated EBITDA or Consolidated Total Assets);

in each case, at the option of the Borrower (the Borrower's election to exercise such option in connection with any Limited Condition Transaction, an "LCT Election"), the date of determination of whether any such action is permitted hereunder shall be either (i) on the date of the execution of the definitive agreement with respect to such Limited Condition Transaction or (ii) on the date of the consummation of such Limited Condition Transaction (the date chosen pursuant to such LCT Election, the "LCT Test Date"), and if, after giving Pro Forma Effect to the Limited Condition Transaction, the Borrower or any of its Restricted Subsidiaries would have been permitted to take such action on the relevant LCT Test Date in compliance with such ratio, test or basket, such ratio, test or basket shall be deemed to have been complied with. For the avoidance of doubt, if the Borrower has made an LCT Election and any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date would have failed to have been satisfied as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA or Consolidated Total Assets of the Borrower or the Person subject to such Limited Condition Transaction, at any time other than the LCT Test Date at or prior (as applicable) to the consummation of the relevant transaction or action, such baskets, tests or ratios will not be deemed to have failed to have been satisfied as a result of such fluctuations. If the Borrower has made an LCT Election for any Limited Condition Transaction, then in connection with any event or transaction occurring after the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement or date for redemption, repurchase, defeasance, satisfaction and discharge or repayment specified in an irrevocable notice for such Limited Condition Transaction is terminated, expires or passes, as applicable, without consummation of such Limited Condition Transaction (a "Subsequent Transaction") in connection with which a ratio,

test or basket availability calculation must be made on a Pro Forma Basis or giving Pro Forma Effect to such Subsequent Transaction, for purposes of determining whether such ratio, test or basket availability has been complied with under this Agreement, any such ratio, test or basket shall be required to be satisfied on a Pro Forma Basis assuming such Limited Condition Transaction and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated until such time as the applicable Limited Condition Transaction has actually closed or the definitive agreement with respect thereto has been terminated.

(g) Each reference in this Agreement with respect to the priority of Liens shall be determined without regard to the control of applicable remedies, in each case, unless otherwise expressly stated in this Agreement.

Section 1.13. Quebec Matters. For purposes of any assets, liabilities or entities located in the Province of Quebec and for all other purposes pursuant to which the interpretation or construction of this Agreement may be subject to the laws of the Province of Quebec or a court or tribunal exercising jurisdiction in the Province of Quebec, (a) “personal property” shall include “movable property”, (b) “real property” or “real estate” shall include “immovable property”, (c) “tangible property” shall include “corporeal property”, (d) “intangible property” shall include “incorporeal property”, (e) “security interest”, “mortgage” and “security” shall include a “hypothec”, “right of retention”, “prior claim” and a resolatory clause, (f) all references to filing, perfection, priority, remedies, registering or recording under the Uniform Commercial Code or a PPSA shall include publication under the Civil Code of Quebec, (g) all references to “perfection” of or “perfected” security or security interest shall include a reference to an “opposable” or “set up” hypothec, security or security interest as against third parties, (h) any “right of offset”, “right of setoff” or similar expression shall include a “right of compensation”, (i) “goods” shall include “corporeal movable property” other than chattel paper, documents of title, instruments, money and securities, (j) an “agent” shall include a “mandatary”, (k) “construction lien” shall include a “legal hypothec in favour of persons having taken part in the construction or renovation of an immovable”, (l) “joint and several” shall include “solidary”, (m) “gross negligence or willful misconduct” shall be deemed to be “intentional or gross fault”, (n) “beneficial ownership” shall include “ownership”, (o) “legal title” shall be deemed to include “holding title on behalf of an owner as mandatary or *prête-nom*”, (p) “easement” shall include “servitude”, (q) “priority” shall include “prior claim” or “rank”, as applicable, (r) “survey” shall include “certificate of location and plan”, (s) “state” shall include “province”, (t) “fee simple title” shall include “ownership”, (u) “accounts” shall include “claims”, (v) “ground lease” shall be deemed to include “emphyteusis” or a “lease with a right of superficies”, as applicable, (w) “leasehold interest” shall be deemed to include “a valid lease”, (x) “lease” shall be deemed to include a “contract of leasing (*crédit-bail*)”, and (y) “deposit account” shall include a “financial account” as defined in Article 2713.6 of the *Civil Code of Québec*.

Section 1.14. Benchmark Replacement Setting.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Credit Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-In Election, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement for all purposes hereunder and under any Credit Document in respect of any Benchmark setting at or after. Any such amendment with respect to a Benchmark Transition Event or an Early Opt-In Election, as applicable, will become effective at 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all affected Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the

Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 1.14(a) will occur prior to the applicable Benchmark Transition Start Date.

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, or with the use or administration of Term SOFR, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes (subject to the consultation rights of the Borrower as set forth in such definition) from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Benchmark Replacement Conforming Changes in connection with the use or administration of Term SOFR.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement or an Early Opt-in Election, as applicable and (ii) the effectiveness of any Benchmark Replacement Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 1.14(d) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent, in consultation with the Borrower as expressly set forth in this Section 1.14, or, if applicable, any Lender (or group of Lenders) pursuant to this Section 1.14, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Credit Document, except, in each case, as expressly required pursuant to this Section 1.14.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Credit Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion and in consultation with the Borrower or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may, in consultation with the Borrower, modify the definition of “Interest Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may, in consultation with the Borrower, modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, (i) the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Term SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or

conversion to ABR Loans and (ii) during the continuance of any Benchmark Unavailability Period, any outstanding affected Term SOFR Loans will be deemed to have been converted to ABR Loans at the end of the applicable Interest Period. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR.

Section 1.15. Divisions. Any reference herein or in any other Credit Document to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of, or by, a limited liability company, limited partnership or trust, or an allocation of assets to a series of a limited liability company, limited partnership or trust (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company, limited partnership or trust shall constitute a separate Person under this Agreement and the other Credit Documents (and each division of any limited liability company, limited partnership or trust that is a Subsidiary, Unrestricted Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

SECTION 2

Amount and Terms of Credit

Section 1.1. Commitments.

(a) Each Lender having an Initial Term Loan Commitment on the Closing Date made a loan or loans denominated in U.S. Dollars (each, an “Initial Term Loan”) to the Borrower on the Closing Date in an amount equal to such Lender’s Initial Term Loan Commitment.

(b) Each Lender having a 2019 Refinancing Term Loan Commitment on the Third Amendment Effective Date made a loan or loans denominated in U.S. Dollars (each, a “2019 Refinancing Term Loan”) to the Borrower on the Third Amendment Effective Date in an amount equal to such Lender’s 2019 Refinancing Term Loan Commitment.

(c) Each Lender having a 2020 Refinancing Term Loan Commitment on the Fourth Amendment Effective Date made a loan or loans denominated in U.S. Dollars (each, a “2020 Refinancing Term Loan”) to the Borrower on the Fourth Amendment Effective Date in an amount equal to such Lender’s 2020 Refinancing Term Loan Commitment.

(d) Each Lender having a 2020 New Term Loan Commitment on the Fourth Amendment Effective Date made a loan or loans denominated in U.S. Dollars (each, a “2020 New Term Loan”) to the Borrower on the Fourth Amendment Effective Date in an amount equal to such Lender’s 2020 New Term Loan Commitment.

(e) Subject to and upon the terms and conditions set forth in the Fifth Amendment, each Lender having a 2021 Refinancing Term Loan Commitment severally agrees to make to the Borrower on the Fifth Amendment Effective Date 2021 Refinancing Term Loans denominated in U.S. Dollars in an aggregate amount equal to such Lender’s 2021 Refinancing Term Loan Commitment, in each case, as further set forth in the Fifth Amendment. The 2021 Refinancing Term Loans (i) may at the option of the Borrower be incurred and maintained as, and/or converted into, ABR Loans or Term SOFR Loans; *provided* that all Term Loans made by each of the Lenders pursuant to the same Borrowing shall, unless otherwise specifically provided herein, consist entirely of Term Loans of the same Type, (ii) may be repaid or prepaid (without

premium or penalty (except as set forth in Section 5.1(c)) in accordance with the provisions hereof, but once repaid or prepaid, may not be reborrowed and (iii) shall or did not exceed for any such Lender the 2021 Refinancing Term Loan Commitment of such Lender. On the Term Loan Maturity Date, all then unpaid 2021 Refinancing Term Loans shall be repaid in full in U.S. Dollars.

Section 1.2. Minimum Amount of Each Borrowing; Maximum Number of Borrowings. The aggregate principal amount of each Borrowing of Term Loans shall be in a minimum amount of at least the Minimum Borrowing Amount for such Type of Loans and in a multiple of U.S.\$100,000 in excess thereof. More than one Borrowing may be incurred on any date; *provided* that at no time shall there be outstanding more than eight Borrowings of Term SOFR Loans that are Term Loans and ten Borrowings of Term SOFR Loans that are Revolving Loans (as applicable) under this Agreement (or, in the case of either of the foregoing limits, such greater number as may be acceptable to the Administrative Agent).

Section 1.3. Notices of Borrowing.

(a) For Borrowings of Term Loans, the Borrower shall deliver to the Administrative Agent at the Administrative Agent's Office (i) in the case of ABR Loans, an executed Notice of Borrowing prior to 3:00 p.m. (New York City time) at least one Business Day prior to the date of the proposed Borrowing and (ii) in the case of Term SOFR Loans, an executed Notice of Borrowing prior to 1:00 p.m. (New York City time) at least one Business Day prior to the date of the proposed Borrowing (or, in each case, such shorter notice as is approved by the Administrative Agent in its reasonable discretion). Each such Notice of Borrowing shall specify (A) the aggregate principal amount of the Term Loans to be made, (B) the date of the Borrowing, (C) whether such Term Loans shall consist of ABR Loans and/or Term SOFR Loans and (D) with respect to any Term SOFR Loans, the Interest Period to be initially applicable thereto. If no election as to the Type of Borrowing is specified in any such notice, then the requested Borrowing shall be (x) so long as such notice was delivered with the advance notice required under Section 2.3(a)(ii), a Term SOFR Loan and (y) otherwise, an ABR Loan. If no Interest Period with respect to any Borrowing of Term SOFR Loans is specified in any such notice, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. The Administrative Agent shall promptly advise the applicable Lenders of any notice given pursuant to this Section 2.3 (and the contents thereof), and of each Lender's *pro rata* share of the requested Borrowing.

(b) Without in any way limiting the obligation of the Borrower to confirm in writing any notice it shall give hereunder by telephone (which such obligation is absolute), the Administrative Agent may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice believed by the Administrative Agent in good faith to be from an Authorized Officer of the Borrower.

(c) The notice in respect of the Initial Term Loans on the Closing Date, the 2019 Refinancing Term Loans on the Third Amendment Effective Date, the 2020 Refinancing Term Loans and/or the 2020 New Term Loans on the Fourth Amendment Effective Date, the 2021 Refinancing Term Loans on the Fifth Amendment Effective Date or in connection with any Permitted Acquisition or other acquisition permitted under this Agreement, or in connection with any Borrowing under any Joinder Agreement, Refinancing Amendment, Extension Amendment or amendment in respect of Replacement Term Loans, may be rescinded, or revised to change the requested date for the making of the Loans contemplated thereby, by the Borrower by giving written notice to the Administrative Agent prior to 10:00 a.m. (New York City time) (or, such later time as the Administrative Agent may approve in its sole discretion) on the date of the proposed Borrowing.

Section 1.4. Disbursement of Funds.

(a) No later than 1:00 p.m. (New York City time) on the date specified in each Notice of Borrowing, each Lender shall make available its *pro rata* portion, if any, of each Borrowing requested to be made on such date in the manner provided below; *provided* that on the Closing Date, such funds in respect of Initial Term B-1 Loans and Initial Term B-2 Loans may be made available at such time as may be agreed among the Lenders providing such Initial Term Loans, the Borrower and the Administrative Agent for the purpose of consummating the Transactions.

(b) Each Lender shall make available all amounts it is to fund to the Borrower under any Borrowing for its applicable Commitments (including, (i) on the Closing Date, each Initial Term Loan Lender's Initial Term B-1 Loan Commitment and Initial Term B-2 Loan Commitment, (ii) on the Third Amendment Effective Date, each 2019 Refinancing Term Lender's 2019 Refinancing Term Loan Commitment, (iii) on the Fourth Amendment Effective Date, each 2020 Refinancing Term Lender's 2020 Refinancing Term Loan Commitment, (iv) on the Fourth Amendment Effective Date, the 2020 New Term Loan Lender's 2020 New Term Loan Commitment and (v) on the Fifth Amendment Effective Date, each 2021 Refinancing Term Lender's 2021 Refinancing Term Loan Commitment), and in immediately available funds, to the Administrative Agent at the Administrative Agent's Office and the Administrative Agent will make available to the Borrower, by depositing to an account or accounts designated by the Borrower to the Administrative Agent the aggregate of the amounts so made available in U.S. Dollars. Unless the Administrative Agent shall have been notified by any Lender prior to the date of any such Borrowing that such Lender does not intend to make available to the Administrative Agent its portion of the Borrowing or Borrowings to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing, and the Administrative Agent, in reliance upon such assumption, may (in its sole discretion and without any obligation to do so) make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender and the Administrative Agent has made available such amount to the Borrower, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower and the Borrower shall immediately pay (or cause to be paid) such corresponding amount to the Administrative Agent in U.S. Dollars. The Administrative Agent shall also be entitled to recover from such Lender or the Borrower interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (i) if paid by such Lender, the Overnight Rate or (ii) if paid by the Borrower, the then-applicable rate of interest or fees, calculated in accordance with Section 2.8, for the respective Loans.

(c) Nothing in this Section 2.4 shall be deemed to relieve any Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to fulfill its commitments hereunder).

Section 1.5. Repayment of Loans; Evidence of Debt.

(a) The Borrower shall repay to the Administrative Agent, for the benefit of the applicable Lenders, on the Term Loan Maturity Date, the then-outstanding 2021 Refinancing Term Loans. To the extent applicable, the Borrower shall repay to the Administrative Agent for

the benefit of the applicable Lenders, on each Maturity Date of any Class of Loans (other than 2021 Refinancing Term Loans), the then outstanding amount of Loans of such Class.

(b) The Borrower shall repay to the Administrative Agent on the last Business Day of each March, June, September and December, commencing with the last Business Day of the first fiscal quarter ending after the Fifth Amendment Effective Date and ending with the last such Business Day prior to the Term Loan Maturity Date (each, a “2021 Refinancing Term Loan Repayment Date”), for the benefit of the 2021 Refinancing Term Lenders, a principal amount equal to 0.25% of the aggregate principal amount of all 2021 Refinancing Term Loans outstanding on the Fifth Amendment Effective Date (each such repayment, a “2021 Refinancing Term Loan Repayment Amount”) (which 2021 Refinancing Term Loan Repayment Amount shall be reduced by the amount of the relevant scheduled principal payment that has been prepaid or deemed prepaid in accordance with this Agreement, including as set forth in Section 5.1, Section 5.2(c) and Section 13.6(h)).

(c) In the event that any New Term Loans are made, such New Term Loans shall, subject to Section 2.14(d), be repaid by the Borrower in the amounts (each, a “New Term Loan Repayment Amount”) and on the dates (each, a “New Term Loan Repayment Date”) set forth in the applicable Joinder Agreement, and as required pursuant to, the terms of any applicable Joinder Agreement involving a Term Loan Increase to the 2021 Refinancing Term Loans. In the event that any Extended Term Loans are established, such Extended Term Loans shall, subject to Section 2.14(g), be repaid by the Borrower in the amounts (each such amount with respect to any Extended Term Loan Repayment Date, an “Extended Term Loan Repayment Amount”) and on the dates (each, an “Extended Term Loan Repayment Date”) set forth in the applicable Extension Amendment. In the event that any Refinancing Term Loans are made, such Refinancing Term Loans shall, subject to Section 2.14(h), be repaid by the Borrower in the amounts (each, a “Refinancing Term Loan Repayment Amount”) and on the dates (each, a “Refinancing Term Loan Repayment Date”) set forth in the applicable Refinancing Amendment. In the event that any Replacement Term Loans are made, such Replacement Term Loans shall, subject to the sixth paragraph in Section 13.1, be repaid by the Borrower in the amounts (each, a “Replacement Term Loan Repayment Amount”) and on the dates (each, a “Replacement Term Loan Repayment Date”) set forth in the applicable amendment to this Agreement in respect of such Replacement Term Loans.

(d) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Borrower to the appropriate lending office of such Lender resulting from each Loan made by such lending office of such Lender from time to time, including the amounts of principal and interest payable and paid to such lending office of such Lender from time to time under this Agreement.

(e) The Administrative Agent shall maintain the Register pursuant to Section 13.6(b), and a subaccount for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Loan made hereunder, whether such Loan is an Initial Term Loan, 2021 Refinancing Term Loan, New Term Loan, Extended Term Loan, Refinancing Term Loan, Replacement Term Loan or Revolving Loan, as applicable, the Type of each Loan made, the name of the Borrower and the Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender’s share thereof.

(f) The entries made in the Register and accounts and subaccounts maintained pursuant to clauses (d) and (e) of this Section 2.5 shall, to the extent permitted by applicable law, be prima facie evidence, absent manifest error, of the existence and amounts of the obligations of the Borrower therein recorded; *provided, however*, that the failure of any Lender or the

Administrative Agent to maintain such accounts, such Register or subaccounts, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such entries, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

(g) The Borrower hereby agrees that, upon request of any Lender at any time and from time to time after the Borrower has made an initial borrowing hereunder, the Borrower shall provide to such Lender, at the Borrower's own expense, a promissory note, substantially in the form of Exhibit H-1 or Exhibit H-2, as applicable, evidencing the applicable Loans owing to such Lender. Thereafter, unless otherwise agreed to by the applicable Lender, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 13.6) be represented by one or more promissory notes in such form payable to the payee named therein (or, if requested by such payee, to such payee and its registered assigns).

Section 1.6. Conversions and Continuations.

(a) Subject to the penultimate sentence of this clause (a), (x) the Borrower shall have the option on any Business Day to convert all or a portion equal to at least U.S.\$250,000 of the outstanding principal amount of Term Loans of one Type or Revolving Loans of one Type into a Borrowing or Borrowings of another Type and (y) the Borrower shall have the option on any Business Day to continue all or a portion of the outstanding principal amount of any Term SOFR Loans as Term SOFR Loans for an additional Interest Period; *provided* that (i) no partial conversion of Term SOFR Loans shall reduce the outstanding principal amount of Term SOFR Loans made pursuant to a single Borrowing to less than the Minimum Borrowing Amount, (ii) ABR Loans may not be converted into Term SOFR Loans if an Event of Default is in existence on the date of the conversion and the Administrative Agent has or the applicable Required Facility Lenders have determined in its or their sole discretion not to permit such conversion, (iii) Term SOFR Loans may not be continued as Term SOFR Loans for an additional Interest Period if an Event of Default is in existence on the date of the proposed continuation and the Administrative Agent has or the applicable Required Facility Lenders have determined in its or their sole discretion not to permit such continuation, (iv) Borrowings resulting from conversions pursuant to this Section 2.6 shall be limited in number as provided in Section 2.2 and (v) if less than a full Borrowing of Revolving Loans is converted, such conversion shall be made *pro rata* among the Lenders based upon their Revolving Credit Commitment Percentage of the applicable Class or Classes in accordance with the respective principal amounts of the Revolving Loans comprising such Borrowing held by such Lenders immediately prior to such conversion. Each such conversion or continuation shall be effected by the Borrower by giving the Administrative Agent at the applicable Administrative Agent's Office prior to 1:00 p.m. (New York City time) at least (i) three Business Days' prior written notice, in the case of a continuation of or conversion to Term SOFR Loans, or (ii) one Business Day prior written notice in the case of a conversion into ABR Loans (each, a "Notice of Conversion or Continuation") substantially in the form of Exhibit I) specifying the Loans to be so converted or continued, the Type of Loans to be converted or continued into and, if such Loans are to be converted into or continued as Term SOFR Loans, the Interest Period to be initially applicable thereto. If no Interest Period is specified in any such notice with respect to any conversion to or continuation of a Term SOFR Loan, the Borrower shall be deemed to have selected a Term SOFR Loan with an Interest Period of one month's duration. The Administrative Agent shall give each applicable Lender notice as promptly as practicable of any such proposed conversion or continuation affecting any of its Loans.

(b) If any Event of Default is in existence at the time of any proposed continuation of any Term SOFR Loans and the Administrative Agent has or the applicable Required Facility Lenders have determined in its or their sole discretion not to permit such continuation, such Term SOFR Loans shall be automatically converted on the last day of the current Interest Period into ABR Loans. If upon the expiration of any Interest Period in respect of Term SOFR Loans, the Borrower has failed to elect a new Interest Period to be applicable thereto as provided in clause (a), the Borrower shall be deemed to have elected to continue such Borrowing of Term SOFR Loans as Term SOFR Loans with an Interest Period of one month, effective as of the expiration date of such current Interest Period.

Section 1.7. Pro Rata Borrowings. Each Borrowing of Term Loans or Revolving Loans of any Class under this Agreement shall be made by the applicable Lenders *pro rata* on the basis of their then-applicable Commitments with respect to such Class. It is understood that (a) no Lender shall be responsible for any default by any other Lender in its obligation to make Loans hereunder and that each Lender severally but not jointly shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other Lender to fulfill its commitments hereunder and (b) other than as expressly provided herein with respect to a Defaulting Lender, failure by a Lender to perform any of its obligations under any of the Credit Documents shall not release any Person from performance of its obligations under any Credit Document.

Section 1.8. Interest.

(a) The unpaid principal amount of each ABR Loan shall bear interest from the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for ABR Loans *plus* ABR, in each case, in effect from time to time.

(b) The unpaid principal amount of each Term SOFR Loan shall bear interest from the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for Term SOFR Loans *plus* Adjusted Term SOFR.

(c) If all or a portion of (i) the principal amount of any Loan or (ii) any interest payable thereon or any other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise but after giving effect to any grace period set forth herein), such overdue amount shall bear interest at a rate per annum that is (the “Default Rate”) (x) in the case of overdue principal, the rate that would otherwise be applicable thereto *plus* 2.00% or (y) in the case of any other overdue amount, including overdue interest, to the extent permitted by applicable law, the rate described in Section 2.8(a) *plus* 2.00% from the date of such non-payment to the date on which such amount is paid in full (after as well as before judgment).

(d) Interest on each Loan shall accrue from and including the date of any Borrowing to but excluding the date of any repayment thereof; *provided* that any Loan that is repaid on the same date on which it is made shall bear interest for one day. Except as provided below, interest shall be payable (i) in respect of each ABR Loan, quarterly in arrears on the last Business Day of each March, June, September and December, (ii) in respect of each Term SOFR Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three-month intervals after the first day of such Interest Period, and (iii) in respect of each Loan, (A) on any prepayment in respect of Term SOFR Loans, (B) at maturity (whether by acceleration or otherwise), and (C) after such maturity, on demand.

(e) All computations of interest hereunder shall be made in accordance with Section 5.5.

(f) The Administrative Agent, upon determining the interest rate for any Borrowing of Term SOFR Loans, shall promptly notify the Borrower and the relevant Lenders thereof. Each such determination shall, absent clearly demonstrable error, be final and conclusive and binding on all parties hereto.

Section 1.9. Interest Periods. At the time the Borrower gives a Notice of Borrowing or Notice of Conversion or Continuation in respect of the making of, or conversion into or continuation as, a Borrowing of Term SOFR Loans, the Borrower shall give the Administrative Agent written notice of the Interest Period applicable to such Borrowing, which Interest Period shall, at the option of the Borrower be a one, three or six month period (or, if agreed to by the Administrative Agent and available to and agreed by all the Lenders making such Term SOFR Loans as determined by such Lenders in good faith based on prevailing market conditions, a twelve month period or a period shorter than one month).

Notwithstanding anything to the contrary contained above:

(a) the initial Interest Period for any Borrowing of Term SOFR Loans shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of ABR Loans) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(b) if any Interest Period relating to a Borrowing of Term SOFR Loans begins on the last Business Day of a calendar month or begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; *provided* that if any Interest Period in respect of a Term SOFR Loan would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day; and

(d) the Borrower shall not be entitled to elect any Interest Period in respect of any Term SOFR Loan if such Interest Period would extend beyond the Maturity Date of such Loan.

Section 1.10. Increased Costs, Illegality, Etc.

(a) In the event that (x) in the case of clause (i) below, the Administrative Agent and (y) in the case of clauses (ii) and (iii) below, the Required Facility Lenders with respect to any Credit Facility shall have reasonably determined (which determination shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto):

(i) on any date for determining Term SOFR for any Interest Period that, by reason of any changes arising on or after the Sixth Amendment Effective Date, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of Term SOFR; or

(ii) at any time, that such Lenders shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to any Term

SOFR Loans (including any increased costs or reductions attributable to Taxes, other than any increase or reduction attributable to (I) Indemnified Taxes, (II) clauses (ii) through (iii) of the definition of Excluded Taxes, (III) Connection Income Taxes, or (IV) Other Taxes) because of any Change in Law; or

(iii) at any time, that the making or continuance of any Term SOFR Loan has become unlawful by compliance by such Lenders in good faith with any law, governmental rule, regulation, guideline or order (or would conflict with any such governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), or has become impracticable as a result of a contingency occurring after the Sixth Amendment Effective Date that materially and adversely affects SOFR;

(such Loans, “Impacted Loans”), then, and in any such event, such Required Facility Lenders (or the Administrative Agent, in the case of clause (i) above) shall within a reasonable time thereafter give notice (if by telephone, confirmed in writing) to the Borrower, and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders). Thereafter (x) in the case of clause (i) above, Term SOFR Loans shall no longer be available until such time as the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice by the Administrative Agent no longer exist (which notice the Administrative Agent agrees to give at such time when such circumstances no longer exist), and any Notice of Borrowing or Notice of Conversion or Continuation given by the Borrower with respect to Term SOFR Loans that have not yet been incurred shall be deemed rescinded by the Borrower, (y) in the case of clause (ii) above, the Borrower shall pay to such Lenders, promptly after receipt of written demand therefor such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Required Facility Lenders in their reasonable discretion shall determine) as shall be required to compensate such Lenders for such actual increased costs or reductions in amounts receivable hereunder (it being agreed that a written notice as to the additional amounts owed to such Lenders, showing in reasonable detail the basis for the calculation thereof, submitted to the Borrower by such Lenders shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto), and (z) in the case of subclause (iii) above, the Borrower shall take one of the actions specified in subclause (x) or (y), as applicable, of Section 2.10(b) promptly and, in any event, within the time period required by law. For the avoidance of doubt, no amounts shall be payable under this Section 2.10(a) in respect of the Term SOFR Adjustment.

(b) At any time that any Term SOFR Loan is affected by the circumstances described in Section 2.10(a)(i), 2.10(a)(ii) or (iii), the Borrower may (and in the case of a Term SOFR Loan affected pursuant to Section 2.10(a)(iii) shall) either (x) if a Notice of Borrowing or Notice of Conversion or Continuation with respect to the affected Term SOFR Loan has been submitted pursuant to Section 2.3 or Section 2.6, as applicable, but the affected Term SOFR Loan has not been funded or continued, cancel such requested Borrowing by giving the Administrative Agent written notice thereof on the same date that the Borrower was notified by the Administrative Agent pursuant to Section 2.10(a)(i) or the Lenders pursuant to Section 2.10(a)(ii) or (iii), as applicable, or (y) if the affected Term SOFR Loan is then outstanding, upon at least three Business Days’ notice to the Administrative Agent, require the affected Lender to convert each such Term SOFR Loan into an ABR Loan; *provided* that if more than one Lender is affected at any time, then all affected Lenders must be treated in the same manner pursuant to this Section 2.10(b).

(c) If, after the Fourth Amendment Effective Date, any Change in Law relating to capital adequacy or liquidity of any Lender or compliance by any Lender or its parent with any Change in Law relating to capital adequacy or liquidity occurring after the Fourth

Amendment Effective Date, has or would have the effect of reducing the actual rate of return on such Lender's or its parent's or its Affiliate's capital or assets as a consequence of such Lender's commitments or obligations hereunder to a level below that which such Lender or its parent or its Affiliate could have achieved but for such Change in Law (taking into consideration such Lender's or its parent's policies with respect to capital adequacy or liquidity), then from time to time, promptly following written demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such actual additional amount or amounts as will compensate such Lender or its parent for such actual reduction, it being understood and agreed, however, that a Lender shall not be entitled to such compensation as a result of such Lender's compliance with, or pursuant to any request or directive to comply with, any law, rule or regulation as in effect on the Fourth Amendment Effective Date or to the extent such Lender is not imposing such charges on, or requesting such compensation from, borrowers (similarly situated to the Borrower hereunder) under comparable syndicated credit facilities similar to the Credit Facilities. Each Lender, upon determining in good faith that any additional amounts will be payable pursuant to this Section 2.10(c), will give prompt written notice thereof to the Borrower, which notice shall set forth in reasonable detail the basis of the calculation of such additional amounts, although the failure to give any such notice shall not, subject to Section 2.13, release or diminish the Borrower's obligations to pay additional amounts pursuant to this Section 2.10(c) promptly following receipt of such notice.

(d) Other than as set forth in clause (a)(ii) of this Section 2.10, it is understood that this Section 2.10 shall not apply to Taxes.

Section 1.11. Compensation. If (a) any payment of principal of any Term SOFR Loan is made by the Borrower to or for the account of a Lender prior to the last day of the Interest Period for such Term SOFR Loan as a result of a payment or conversion pursuant to Sections 2.5, 2.6, 2.10, 5.1, 5.2 or 13.7, as a result of acceleration of the maturity of the Loans pursuant to Section 11 or for any other reason, (b) any Borrowing of Term SOFR Loans is not made as a result of a revised or withdrawn Notice of Borrowing or a failure to satisfy borrowing conditions, (c) any ABR Loan is not converted into a Term SOFR Loan as a result of a revised or withdrawn Notice of Conversion or Continuation, (d) any Term SOFR Loan is not continued as a Term SOFR Loan, as the case may be, as a result of a revised or withdrawn Notice of Conversion or Continuation or (e) any prepayment of principal of any Term SOFR Loan is not made as a result of a revised or withdrawn notice of prepayment pursuant to Sections 5.1 or 5.2, the Borrower shall, after receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for requesting such amount), promptly pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that such Lender may reasonably incur as a result of such payment, failure to convert, failure to continue or failure to prepay, including any loss, cost or expense (excluding loss of anticipated profits or Applicable Margin) actually incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Term SOFR Loan. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender as specified in this Section 2.11 and setting forth in reasonable detail the manner in which such amount or amounts were determined shall be delivered to the Borrower and shall be conclusive, absent manifest error.

Section 1.12. Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Sections 2.10(a)(ii), 2.10(a)(iii), 2.10(c) or 5.4 with respect to such Lender, it will, if requested by the Borrower use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event; *provided* that such designation is made on such terms that such Lender and its lending office suffer no material unreimbursed cost or other material economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to

the operation of any such Section. Nothing in this Section 2.12 shall affect or postpone any of the obligations of the Borrower or the right of any Lender provided in Sections 2.10 or 5.4.

Section 1.13. Notice of Certain Costs. Notwithstanding anything in this Agreement to the contrary, to the extent any notice required by Sections 2.10, 2.11 or 5.4 is given by any Lender more than 120 days after such Lender has knowledge (or should have had knowledge) of the occurrence of the event giving rise to the additional cost, reduction in amounts, loss, or other additional amounts described in such Sections, such Lender shall not be entitled to compensation under Sections 2.10, 2.11 or 5.4, as the case may be, for any such amounts incurred or accruing prior to the 121st day prior to the giving of such notice to the Borrower.

Section 1.14. Incremental Facilities; Extensions; Refinancing Facilities.

(a) The Borrower may by written notice to the Administrative Agent elect to request the establishment of one or more (x) additional term loans, which may be of the same Class as any then-existing Term Loans (a "Term Loan Increase") or a separate Class of Term Loans (the commitments for additional term loans of the same Class or a separate Class, collectively, the "New Term Loan Commitments"), and/or (y) revolving credit commitments, which may be of the same Class as any then-existing Revolving Credit Commitments (a "Revolving Credit Commitment Increase") or a separate Class of Revolving Credit Commitments (the commitments for revolving credit commitments of the same Class or a separate Class, collectively, the "Incremental Revolving Credit Commitments") and, together with the New Term Loan Commitments, the "New Loan Commitments"), by an aggregate amount not in excess of the Maximum Incremental Facilities Amount at the time of incurrence thereof and not less than U.S.\$5,000,000 individually (or such lesser amount as (x) may be approved by the Administrative Agent or (y) shall constitute the Maximum Incremental Facilities Amount at such time). Each such notice shall specify the date (each, an "Increased Amount Date") on which the Borrower proposes that the New Loan Commitments shall be effective. The Borrower may approach any Lender or any Person (other than a natural Person) to provide all or a portion of the New Loan Commitments; *provided* that any Lender offered or approached to provide all or a portion of the New Loan Commitments may elect or decline, in its sole discretion, to provide a New Loan Commitment, and the Borrower shall have no obligation to approach any existing Lender to provide any New Loan Commitment. In each case, such New Loan Commitments shall become effective as of the applicable Increased Amount Date; *provided* that (i) (x) other than as described in the immediately succeeding clause (y), no Event of Default shall exist on such Increased Amount Date immediately before or immediately after giving effect to such New Loan Commitments or (y) if such New Loan Commitment is being provided in connection with a Permitted Acquisition or other acquisition constituting a permitted Investment, or in connection with refinancing of any Indebtedness that requires an irrevocable prepayment or redemption notice, then no Event of Default under Section 11.1 or Section 11.5 shall exist on such Increased Amount Date, (ii) in connection with any incurrence of Incremental Loans, or establishment of New Loan Commitments, on an Increased Amount Date, there shall be no requirement for the Borrower to bring down the representations and warranties under the Credit Documents unless and until requested by the Persons holding more than 50% of the applicable Incremental Loans or New Loan Commitments (*provided* that, in the case of Incremental Loans or New Loan Commitments used to finance a Permitted Acquisition or other acquisition constituting a permitted Investment, only the Specified Representations (conformed as necessary for such acquisition) shall be required to be true and correct in all material respects if requested by the Persons holding more than 50% of the applicable Incremental Loans or New Loan Commitments), (iii) the New Loan Commitments shall be effected pursuant to one or more Joinder Agreements executed and delivered by the Borrower and the Administrative Agent, and each of which shall be recorded in the Register and shall be subject to the requirements set forth in Section 5.4(e), and (iv) the Borrower shall make any payments required pursuant to Section 2.11 in connection with the New Loan Commitments, as applicable. No Lender shall

have any obligation to provide any Commitments pursuant to this Section 2.14(a). For all purposes of this Agreement, (a) any New Term Loans made on an Increased Amount Date shall be designated (x) a separate series of Term Loans or (y) in the case of a Term Loan Increase, a part of the series of existing Term Loans subject to such increase and (b) any Incremental Revolving Credit Commitments made on an Increased Amount Date shall be designated (x) a separate series of Revolving Credit Commitments or (y) in the case of a Revolving Credit Commitment Increase, a part of the series of existing Revolving Credit Commitments subject to such increase (such new or existing series of Term Loans or Revolving Credit Commitments, each, a “Series”).

(b) On any Increased Amount Date on which Incremental Revolving Credit Commitments are effected, subject to the satisfaction of the foregoing terms and conditions, (i) each loan made under an Incremental Revolving Credit Commitment (each, an “Incremental Revolving Credit Loan”) shall be deemed, for all purposes, a Revolving Loan and (ii) each Lender with an Incremental Revolving Credit Commitment (each, an “Incremental Revolving Loan Lender”) shall become a Revolving Credit Lender with respect to the applicable Incremental Revolving Credit Commitment and all matters relating thereto; *provided* that the Administrative Agent shall have consented (such consent not to be unreasonably withheld, conditioned or delayed) to such Incremental Revolving Loan Lender’s providing such Incremental Revolving Credit Commitment to the extent such consent, if any, would be required under Section 13.6(b) for an assignment of Revolving Loans or Revolving Credit Commitments with respect thereto, as applicable, to such Incremental Revolving Loan Lender.

(c) On any Increased Amount Date on which any New Term Loan Commitments of any Series are effective, subject to the satisfaction of the foregoing terms and conditions, (i) each Lender with a New Term Loan Commitment (each, a “New Term Loan Lender”) of any Series shall make a term loan to the Borrower (a “New Term Loan” and, together with the Incremental Revolving Credit Loans, the “Incremental Loans”) in an amount equal to its New Term Loan Commitment of such Series, and (ii) each New Term Loan Lender of any Series shall become a Lender hereunder with respect to the New Term Loan Commitment of such Series and the New Term Loans of such Series made pursuant thereto. The Borrower shall use the proceeds, if any, of the Incremental Loans for any purpose not prohibited by this Agreement and as agreed by the Borrower and the lender(s) providing such Incremental Loans.

(d) The terms and provisions of any New Term Loan Commitments and the related New Term Loans effected pursuant to a Term Loan Increase shall be identical to the terms and provisions applicable to the Class of Term Loans subject to such increase; *provided* that underwriting, arrangement, structuring, ticking, commitment, upfront or similar fees, and other fees payable in connection therewith that are not shared with all relevant lenders providing such New Term Loan Commitments and related New Term Loans, that may be agreed to among the Borrower and the lender(s) providing and/or arranging such New Term Loan Commitments may be paid in connection with such New Term Loan Commitments. The terms and provisions of any New Term Loans and New Term Loan Commitments of any Series not effected pursuant to a Term Loan Increase shall be on terms and documentation set forth in the applicable Joinder Agreement as determined by the Borrower; *provided* that:

(i) the applicable New Term Loan Maturity Date of each Series shall be no earlier than the Term Loan Maturity Date;

(ii) the Weighted Average Life to Maturity of the applicable New Term Loans of each Series shall be no shorter than the then-remaining Weighted Average Life to Maturity of the 2021 Refinancing Term Loans (without giving effect to any previous amortization payments or prepayments of the 2021 Refinancing Term Loans);

(iii) the New Term Loans and New Term Loan Commitments (w) shall rank *pari passu* or junior in right of payment with any First Lien Obligations outstanding under this Agreement, (x) may participate on a *pro rata* basis, greater than *pro rata* basis or less than *pro rata* basis in any voluntary prepayment of any Class of Term Loans hereunder and may participate on a *pro rata* basis or less than *pro rata* basis (but, except as otherwise permitted by this Agreement, not on a greater than *pro rata* basis) in any mandatory prepayments of any Class of Term Loans hereunder, (y) shall not be guaranteed by any Person other than a Guarantor hereunder and (z) shall be unsecured or rank *pari passu* or junior in right of security with any First Lien Obligations outstanding under this Agreement and, if secured, shall not be secured by assets other than Collateral (except in the case of Increment Facilities or Permitted Other Indebtedness incurred pursuant to clause (iii) of the definition of “Maximum Incremental Facilities Amount” that are secured by assets not constituting Collateral) (and, if applicable, shall be subject to a subordination agreement and/or the ABL/Term Loan Intercreditor Agreement, the Junior Lien Intercreditor Agreement, the Pari Intercreditor Agreement or other lien subordination and intercreditor arrangement reasonably satisfactory to the Borrower and the Administrative Agent);

(iv) the pricing, interest rate margins, discounts, premiums, interest rate floors, fees, and amortization schedule applicable to any New Term Loans shall be determined by the Borrower and the lender(s) thereunder; *provided, however*, that, if the Effective Yield in respect of any New Term Loans that (A) rank *pari passu* in right of payment with the 2021 Refinancing Term Loan Loans and are secured by the Collateral on a *pari passu* basis with the Liens on the Collateral securing the 2021 Refinancing Term Loan Loans, (B) is in the form of broadly syndicated term loans, (C) are incurred prior to the date that is 12 months after the Fourth Amendment Effective Date and (D) are initially incurred in reliance on clause (iv)(x) of the Maximum Incremental Facilities Amount (collectively, the “MFN Exceptions”) (*provided* that the Borrower may, in its sole discretion, exclude any New Term Loans from application of the MFN Adjustment that are not otherwise excluded from the MFN Adjustment on account of any MFN Exception in an aggregate initial principal amount, when taken together with all other New Term Loans and Permitted Other Indebtedness excluded from the MFN Adjustment due to operation of this proviso, of the greater of (x) \$106,000,000 and (y) 50.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of funding thereof), as of the date of funding thereof, exceeds the Effective Yield in respect of any 2021 Refinancing Term Loan Loans by more than 0.50%, the Applicable Margin in respect of such 2021 Refinancing Term Loan Loans shall be adjusted so that the Effective Yield in respect of such 2021 Refinancing Term Loan Loans is equal to the Effective Yield in respect of such New Term Loans *minus* 0.50% (all adjustments made pursuant to this clause (iv), the “MFN Adjustment”); *provided, further*, to the extent any change in the Effective Yield of the 2021 Refinancing Term Loans is necessitated by this clause (iv) on the basis of an effective interest rate floor in respect of the New Term Loans, the increased Effective Yield in the 2021 Refinancing Term Loans shall (unless otherwise agreed in writing by the Borrower) have such increase in the Effective Yield effected solely by increases in the interest rate floor(s) applicable to the 2021 Refinancing Term Loans, but only to the extent an increase in the interest rate floor in the 2021 Refinancing Term Loans would cause an increase in Adjusted Term SOFR then in effect for such 2021 Refinancing Term Loans; and

(v) all other terms of any New Term Loans (other than as described in clauses (i), (ii), (iii) and (iv) above) may differ from the terms of the 2021 Refinancing Term Loans if reasonably satisfactory to the Borrower and the lender(s) providing such New Term Loans (it being understood that, to the extent that such terms would be

favorable to the 2021 Refinancing Term Lenders existing immediately prior to the effective date of the applicable Joinder Agreement, such terms may be, at the option of the Borrower in consultation with the Administrative Agent, incorporated for the benefit of the 2021 Refinancing Term Lenders existing immediately prior to the effective date of the applicable Joinder Agreement without further amendment or consent by such existing 2021 Refinancing Term Lenders).

(e) Incremental Revolving Credit Commitments shall be on terms, which may include, for the avoidance of doubt, customary terms and provisions with respect to letter of credit and swingline sub-facilities in respect of such Incremental Revolving Credit Commitments, and documentation set forth in the applicable Joinder Agreement as determined by the Borrower; *provided* that to the extent such terms and documentation are not consistent with the 2021 Refinancing Term Loans, they shall be on market terms or otherwise reasonably satisfactory to the Borrower and the Administrative Agent.

(f) Each Joinder Agreement may, and notwithstanding anything to the contrary in Section 13.1, the Administrative Agent is expressly permitted to, without the consent of any other Lenders, effect technical and corresponding amendments to this Agreement and the other Credit Documents (including, with respect to any Joinder Agreement in respect of Incremental Revolving Credit Commitments, amendments to provide for customary letter of credit and swingline sub-facilities in respect of such Incremental Revolving Credit Commitments) as may be necessary or appropriate, in the opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.14, including to provide to the Lenders of any Class of Loans or Commitments hereunder the benefit of any term or provision that is added under any Joinder Agreement for the benefit of the Lenders of any New Loan Commitments (including to the extent necessary or advisable to allow any New Loan Commitments to be a Term Loan Increase or Revolving Credit Commitment Increase). This Section 2.14 shall supersede any provisions in Section 13.1 to the contrary.

(g) (i) The Borrower may at any time and from time to time request that all or a portion of the Term Loans of any Class (an “Existing Term Loan Class”) be converted to extend the scheduled maturity date(s) of any payment of principal with respect to all or a portion of any principal amount of such Term Loans (any such Term Loans which have been so converted, “Extended Term Loans”) and to provide for other terms consistent with this Section 2.14(g). In order to establish any Extended Term Loans, the Borrower shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders of the applicable Existing Term Loan Class which such request shall be offered equally to all such Lenders) (a “Term Loan Extension Request”) setting forth the proposed terms of the Extended Term Loans to be established, which shall not be materially more restrictive to the Credit Parties (as determined in good faith by the Borrower), when taken as a whole, than the terms of the Term Loans of the Existing Term Loan Class unless (x) the Lenders of the Term Loans of such applicable Existing Term Loan Class receive the benefit of such more restrictive terms or (y) any such provisions apply after the Term Loan Maturity Date (a “Permitted Other Provision”); *provided, however*, that (1) the scheduled final maturity date shall be extended and all or any of the scheduled amortization payments of principal of the Extended Term Loans may be delayed to later dates than the scheduled amortization of principal of the Term Loans of such Existing Term Loan Class (with any such delay resulting in a corresponding adjustment to the scheduled amortization payments reflected in Section 2.5 or in the Joinder Agreement, as the case may be, with respect to the Existing Term Loan Class from which such Extended Term Loans were converted, in each case as more particularly set forth in Section 2.14(g)(iv)), (2)(A) the interest margins and floors with respect to the Extended Term Loans may be higher or lower than the interest margins and floors for the Term Loans of such Existing Term Loan Class and/or (B) additional fees, premiums or AHYDO Payments may be payable to the Lenders providing such Extended Term Loans in addition to or in lieu of any increased margins and floors

contemplated by the preceding clause (A), in each case, to the extent provided in the applicable Extension Amendment, (3) the Extended Term Loans may participate on a *pro rata* basis, greater than *pro rata* basis or less than *pro rata* basis in any voluntary prepayment of any Class of Term Loans hereunder and may participate on a *pro rata* basis or less than *pro rata* basis (but, except as otherwise permitted by this Agreement, not on a greater than *pro rata* basis) in any mandatory prepayments of any Class of Term Loans hereunder, (4) Extended Term Loans may have call protection as may be agreed by the Borrower and the Lenders thereof and (5) to the extent that any Permitted Other Provision (including a financial maintenance covenant) is added for the benefit of any such Indebtedness, no consent shall be required by the Administrative Agent or any of the Lenders if such Permitted Other Provision is also added for the benefit of any corresponding Loans remaining outstanding after the issuance or incurrence of such Extended Term Loans or if such Permitted Other Provision applies only after the Term Loan Maturity Date. No Lender shall have any obligation to agree to have any of its Term Loans of any Existing Term Loan Class converted into Extended Term Loans pursuant to any Extension Request. Any Extended Term Loans of any Extension Series shall constitute a separate Class of Term Loans from the Existing Term Loan Class from which they were converted; *provided* that any Extended Term Loans converted from an Existing Term Loan Class may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any then outstanding Class of Term Loans other than the Existing Term Loan Class from which such Extended Term Loans were converted (in which case scheduled amortization with respect thereto shall be proportionally increased).

(i) The Borrower may at any time and from time to time request that all or a portion of any Revolving Credit Commitments of any Class, each existing at the time of such request (each, an “Existing Revolving Credit Commitment” and any related Revolving Loans thereunder, “Existing Revolving Credit Loans”; each Existing Revolving Credit Commitment and related Existing Revolving Credit Loans together being referred to as an “Existing Revolving Credit Class”) be converted to extend the termination date thereof and the scheduled maturity date(s) of any payment of principal with respect to all or a portion of any principal amount of Revolving Loans related to such Existing Revolving Credit Commitments (any such Existing Revolving Credit Commitments which have been so extended, “Extended Revolving Credit Commitments” and any related Revolving Loans, “Extended Revolving Credit Loans”) and to provide for other terms consistent with this Section 2.14(g). In order to establish any Extended Revolving Credit Commitments, the Borrower shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders of the applicable Class of Existing Revolving Credit Commitments which such request shall be offered equally to all such Lenders) (a “Revolving Credit Loan Extension Request” and, together with a Term Loan Extension Request, an “Extension Request”) setting forth the proposed terms of the Extended Revolving Credit Commitments to be established, which shall not be materially more restrictive to the Credit Parties (as determined in good faith by the Borrower), when taken as a whole, than the terms of the applicable Existing Revolving Credit Commitments (the “Specified Existing Revolving Credit Commitment”) unless (x) the Lenders providing Existing Revolving Credit Commitments receive the benefit of such more restrictive terms or (y) any such provisions apply after the latest maturity date of any Revolving Credit Commitments then outstanding under this Agreement, in each case, to the extent provided in the applicable Extension Amendment; *provided, however*, that (w) all or any of the final maturity dates of such Extended Revolving Credit Commitments may be delayed to later dates than the final maturity dates of the Specified Existing Revolving Credit Commitments, (x) (A) the interest margins and floors with respect to the Extended Revolving Credit Commitments may be higher or lower than the interest margins and floors for the Specified Existing Revolving Credit Commitments and/or (B) additional fees and premiums may be payable to the Lenders providing such Extended Revolving Credit Commitments in addition to or

in lieu of any increased margins and floors contemplated by the preceding clause (A) and (y) the commitment fee rate with respect to the Extended Revolving Credit Commitments may be higher or lower than the commitment fee rate for the Specified Existing Revolving Credit Commitment; *provided* that, notwithstanding anything to the contrary in this Section 2.14(g) or otherwise, assignments and participations of Extended Revolving Credit Commitments and Extended Revolving Credit Loans shall be governed by the same assignment and participation provisions applicable to Revolving Credit Commitments and the Revolving Loans related to such Commitments set forth in Section 13.6. No Lender shall have any obligation to agree to have any of its Revolving Loans or Revolving Credit Commitments of any Existing Revolving Credit Class converted into Extended Revolving Credit Loans or Extended Revolving Credit Commitments pursuant to any Revolving Credit Loan Extension Request. Any Extended Revolving Credit Commitments of any Extension Series shall constitute a separate Class of revolving credit commitments from the Specified Existing Revolving Credit Commitments; *provided* that any Extended Revolving Credit Commitments converted from an Existing Revolving Credit Commitment Class may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any then outstanding Class of Revolving Credit Commitments other than the Existing Revolving Credit Commitment Class from which such Extended Revolving Credit Commitments were converted.

(ii) Any Lender (an “Extending Lender”) wishing to have all or a portion of its Term Loans or Revolving Credit Commitment of the Existing Class or Existing Classes subject to such Extension Request converted into Extended Term Loans or Extended Revolving Credit Commitments, as applicable, shall notify the Administrative Agent (an “Extension Election”) on or prior to the date specified in such Extension Request of the amount of its Term Loans or Revolving Credit Commitments of the Existing Class or Existing Classes, as applicable, subject to such Extension Request that it has elected to convert into Extended Term Loans or Extended Revolving Credit Commitments, as applicable. In the event that the aggregate amount of Term Loans or Revolving Credit Commitments of the Existing Class or Existing Classes, as applicable, subject to Extension Elections exceeds the amount of Extended Term Loans or Extended Revolving Credit Commitments, as applicable, requested pursuant to the Extension Request, Term Loans or Revolving Credit Commitments of the Existing Class or Existing Classes, as applicable, subject to Extension Elections shall be converted to Extended Term Loans or Extended Revolving Credit Commitments, as applicable, on a *pro rata* basis based on the amount of Term Loans or Revolving Credit Commitments included in each such Extension Election. Notwithstanding the conversion of any Existing Revolving Credit Commitment into an Extended Revolving Credit Commitment, such Extended Revolving Credit Commitment shall be treated identically to all then-outstanding Revolving Credit Commitments for purposes of the obligations of a Revolving Credit Lender under such Extended Revolving Credit Commitment in respect of any swingline loans and letters of credit under this Agreement, except that the applicable Extension Amendment may provide that the swingline maturity date and/or the letter of credit facility maturity date, as applicable, may be extended and the related obligations to make swingline loans and issue letters of credit may be continued so long as the swingline lender and/or the letter of credit issuer, as applicable, at such time have consented to such extensions in their sole discretion (it being understood that no consent of any other Lender shall be required in connection with any such extension).

(iii) Extended Term Loans or Extended Revolving Credit Commitments, as applicable, shall be established pursuant to an amendment (an “Extension Amendment”) to this Agreement (which, except to the extent expressly contemplated by the last sentence of this Section 2.14(g)(iv), and notwithstanding anything to the contrary set forth in Section 13.1, shall not require the consent of any

Lender other than the Extending Lenders with respect to the Extended Term Loans or Extended Revolving Credit Commitments, as applicable, established thereby) executed by the Borrower, the Administrative Agent and the Extending Lenders. No Extension Amendment shall provide for any Class of Extended Term Loans or Extended Revolving Credit Commitments in an aggregate principal amount that is less than U.S.\$5,000,000 (it being understood that the actual principal amount thereof provided by the applicable Lenders may be lower than such minimum amount), and the Borrower may condition the effectiveness of any Extension Amendment on an Extension Minimum Condition, which may be waived by the Borrower in its sole discretion. In addition to any terms and changes required or permitted by Section 2.14(g)(i), each Extension Amendment (x) shall amend the scheduled amortization payments pursuant to Section 2.5 or the applicable Joinder Agreement with respect to the Existing Term Loan Class from which the Extended Term Loans were converted to reduce each scheduled Repayment Amount (if any) for the Existing Term Loan Class in the same proportion as the amount of Term Loans of the Existing Term Loan Class is to be converted pursuant to such Extension Amendment (it being understood that the amount of any Repayment Amount payable with respect to any individual Term Loan of such Existing Term Loan Class that is not an Extended Term Loan shall not be reduced as a result thereof) and (y) may, but shall not be required to, impose additional requirements (not inconsistent with the provisions of this Agreement in effect at such time) with respect to the final maturity and Weighted Average Life to Maturity of New Term Loans incurred following the date of such Extension Amendment. Notwithstanding anything to the contrary in this Section 2.14(g) and without limiting the generality or applicability of Section 13.1 to any Section 2.14 Additional Amendments, any Extension Amendment may provide for additional terms and/or additional amendments other than those referred to or contemplated above (any such additional amendment, a "Section 2.14 Additional Amendment") to this Agreement and the other Credit Documents; *provided* that such Section 2.14 Additional Amendments are within the requirements of Section 2.14(g)(i) and Section 2.14(g)(ii) and do not become effective prior to the time that such Section 2.14 Additional Amendments have been consented to (including, without limitation, pursuant to (1) consents applicable to holders of New Term Loans and Incremental Revolving Credit Commitments provided for in any Joinder Agreement and (2) consents applicable to holders of any Extended Term Loans or Extended Revolving Credit Commitments provided for in any Extension Amendment) by such of the Lenders, Credit Parties and other parties (if any) as may be required in order for such Section 2.14 Additional Amendments to become effective in accordance with Section 13.1.

(iv) Notwithstanding anything to the contrary contained in this Agreement, (A) on any date on which any Existing Class is converted to extend the related scheduled maturity date(s) in accordance with clause (g)(i) and/or clause (g)(ii) above (an "Extension Date"), (I) in the case of the existing Term Loans of each Extending Lender, the aggregate principal amount of such existing Term Loans shall be deemed reduced by an amount equal to the aggregate principal amount of Extended Term Loans so converted by such Lender on such date, and the Extended Term Loans shall be established as a separate Class of Term Loans; *provided* that any Extended Term Loans converted from an Existing Term Loan Class may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any then outstanding Class of Term Loans other than the Existing Term Loan Class from which such Extended Term Loans were converted (in which case scheduled amortization with respect thereto shall be proportionally increased), and (II) in the case of the Specified Existing Revolving Credit Commitments of each Extending Lender, the aggregate principal amount of such Specified Existing Revolving Credit Commitments shall be deemed reduced by an amount equal to the aggregate principal amount of Extended Revolving Credit Commitments so converted by such Lender on such date, and such Extended Revolving

Credit Commitments shall be established as a separate Class of revolving credit commitments from the Specified Existing Revolving Credit Commitments; *provided* that any Extended Revolving Credit Commitments converted from an Existing Revolving Credit Commitment Class may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any then outstanding Class of Revolving Credit Commitments other than the Existing Revolving Credit Commitment Class from which such Extended Revolving Credit Commitments were converted and (B) if, on any Extension Date, any Loans of any Extending Lender are outstanding under the applicable Specified Existing Revolving Credit Commitments, such Loans (and any related participations) shall be deemed to be allocated as Extended Revolving Credit Loans (and related participations) and Existing Revolving Credit Loans (and related participations) in the same proportion as such Extending Lender's Specified Existing Revolving Credit Commitments to Extended Revolving Credit Commitments.

(v) The Administrative Agent and the Lenders hereby consent to the consummation of the transactions contemplated by this Section 2.14 (including, for the avoidance of doubt, payment of any interest, fees, or premium in respect of any Extended Term Loans and/or Extended Revolving Credit Commitments on such terms as may be set forth in the relevant Extension Amendment) and hereby waive the requirements of any provision of this Agreement (including, without limitation, any *pro rata* payment or amendment section) or any other Credit Document that may otherwise prohibit or restrict any such extension or any other transaction contemplated by this Section 2.14.

(vi) No conversion of Loans pursuant to any extension in accordance with this Section 2.14(g) shall constitute a voluntary or mandatory payment or prepayment for purposes of this Agreement.

(h) The Borrower may, at any time or from time to time after the Fourth Amendment Effective Date, by notice to the Administrative Agent (a "Refinancing Loan Request"), request (A) (i) the establishment of one or more new Classes of term loans under this Agreement (any such new Class, "New Refinancing Term Loan Commitments") or (ii) increases to one or more existing Classes of term loans under this Agreement (*provided* that the loans under such new commitments shall be fungible for U.S. federal income tax purposes with the existing Class of Term Loans proposed to be increased on the Refinancing Facility Closing Date for such increase) (any such increase to an existing Class, collectively with New Refinancing Term Loan Commitments, "Refinancing Term Loan Commitments"), or (B) (i) the establishment of one or more new Classes of Revolving Credit Commitments under this Agreement (any such new Class, "New Refinancing Revolving Credit Commitments") or (ii) increases to one or more existing Classes of Revolving Credit Commitments (any such increase to an existing Class, collectively with the New Refinancing Revolving Credit Commitments, "Refinancing Revolving Credit Commitments" and, collectively with any Refinancing Term Loan Commitments, "Refinancing Commitments"), in each case, established in exchange for, or to extend, renew, replace, repurchase, retire or refinance, in whole or in part, as selected by the Borrower, any one or more then existing Class or Classes of Loans or Commitments (with respect to a particular Refinancing Commitment or Refinancing Loan, such existing Loans or Commitments, "Refinanced Debt"), whereupon the Administrative Agent shall promptly deliver a copy of each such notice to each of the Lenders.

(i) Any Refinancing Term Loans made pursuant to New Refinancing Term Loan Commitments or any New Refinancing Revolving Credit Commitments made on a Refinancing Facility Closing Date shall be designated a separate Class of Refinancing Term Loans or Refinancing Revolving Credit Commitments, as applicable, for all purposes of this Agreement unless designated as a part of an existing Class of Term Loans or Revolving Credit Commitments in accordance with this Section 2.14(h).

On any Refinancing Facility Closing Date on which any Refinancing Term Loan Commitments of any Class are effected, subject to the satisfaction of the terms and conditions in this Section 2.14(h), (x) each Refinancing Term Lender of such Class shall make a term loan to the Borrower (each, a “Refinancing Term Loan”) in an amount equal to its Refinancing Term Loan Commitment of such Class and (y) each Refinancing Term Lender of such Class shall become a Lender hereunder with respect to the Refinancing Term Loan Commitment of such Class and the Refinancing Term Loans of such Class made pursuant thereto. On any Refinancing Facility Closing Date on which any Refinancing Revolving Credit Commitments of any Class are effected, subject to the satisfaction of the terms and conditions in this Section 2.14(h), (x) each Refinancing Revolving Credit Lender of such Class shall make its Refinancing Revolving Credit Commitment available to the Borrower (when borrowed, a “Refinancing Revolving Credit Loan”) and collectively with any Refinancing Term Loan, a “Refinancing Loan”) and (y) each Refinancing Revolving Credit Lender of such Class shall become a Lender hereunder with respect to the Refinancing Revolving Credit Commitment of such Class and the Refinancing Revolving Credit Loans of such Class made pursuant thereto.

(ii) Each Refinancing Loan Request from the Borrower pursuant to this Section 2.14(h) shall set forth the requested amount and proposed terms of the relevant Refinancing Term Loans or Refinancing Revolving Credit Commitments and identify the Refinanced Debt with respect thereto. Refinancing Term Loans may be made, and Refinancing Revolving Credit Commitments may be provided, by any existing Lender (but no existing Lender will have an obligation to make any Refinancing Commitment, nor will the Borrower have any obligation to approach any existing Lender to provide any Refinancing Commitment) or by any Additional Lender (each such existing Lender or Additional Lender providing such Commitment or Loan, a “Refinancing Revolving Credit Lender” or “Refinancing Term Lender”, as applicable, and, collectively, “Refinancing Lenders”); *provided* that (i) the Administrative Agent shall have consented (such consent not to be unreasonably conditioned, withheld or delayed) to such Additional Lender’s making such Refinancing Term Loans or providing such Refinancing Revolving Credit Commitments to the extent such consent, if any, would be required under Section 13.6(b) for an assignment of Loans or Revolving Credit Commitments, as applicable, to such Additional Lender, (ii) with respect to Refinancing Term Loans, any Affiliated Lender providing a Refinancing Term Loan Commitment shall be subject to the same restrictions set forth in Section 13.6(h)(iii) as they would otherwise be subject to with respect to any purchase by or assignment to such Affiliated Lender of Term Loans and (iii) Affiliated Lenders may not provide Refinancing Revolving Credit Commitments.

(iii) The effectiveness of any Refinancing Amendment, and the Refinancing Commitments thereunder, shall be subject to the satisfaction on the date thereof (each, a “Refinancing Facility Closing Date”) of each of the following conditions, together with any other conditions set forth in the Refinancing Amendment:

(A) each Refinancing Commitment shall be in an aggregate principal amount that is not less than U.S.\$5,000,000 (*provided* that such amount may be less than U.S.\$5,000,000 if such amount is equal to (x) the entire outstanding principal amount of Refinanced Debt that is in the form of Term Loans or (y) the entire outstanding principal amount of Refinanced Debt (or commitments) that is in the form of Revolving Credit Commitments), and

(B) the Refinancing Term Loans made pursuant to any increase in any existing Class of Term Loans shall be added to (and form part of) each Borrowing of outstanding Term Loans under the respective Class so incurred on a

pro rata basis (based on the principal amount of each Borrowing) so that each Lender under such Class will participate proportionately in each then outstanding Borrowing of Term Loans under such Class.

(iv) Upon any Refinancing Facility Closing Date on which Refinancing Revolving Credit Commitments are effected, (a) each Refinancing Revolving Credit Commitment shall be deemed for all purposes a Revolving Credit Commitment and each Refinancing Revolving Credit Loan made thereunder shall be deemed, for all purposes, a Revolving Loan and (b) each Refinancing Revolving Credit Lender shall become a Lender with respect to the Refinancing Revolving Credit Commitments and all matters relating thereto. Upon any Refinancing Facility Closing Date on which Refinancing Revolving Credit Commitments are effected through the establishment of a new Class of Revolving Credit Commitments pursuant to this Section 2.14(h), if, on such date, there are any Revolving Loans under any Revolving Credit Commitments then outstanding, such Revolving Loans shall be prepaid from the proceeds of a new Borrowing of the Refinancing Revolving Credit Loans under such new Class of Refinancing Revolving Credit Commitments in such amounts as shall be necessary in order that, after giving effect to such Borrowing and all such related prepayments, all Revolving Loans under all Revolving Credit Commitments will be held by all Revolving Credit Lenders with Revolving Credit Commitments (including Lenders providing such Refinancing Revolving Credit Commitments) ratably in accordance with all of their respective Revolving Credit Commitments of all Classes (after giving effect to the establishment of such Refinancing Revolving Credit Commitments). Upon any Refinancing Facility Closing Date on which Refinancing Revolving Credit Commitments are effected through the increase to any existing Class of Revolving Credit Commitments pursuant to this Section 2.14(h), if, on the date of such increase, there are any Revolving Loans outstanding under such Class of Revolving Credit Commitments being increased, each of the Revolving Credit Lenders under such Class shall automatically and without further act be deemed to have assigned to each of the Refinancing Revolving Credit Lenders under such Class, and each of such Refinancing Revolving Credit Lenders shall automatically and without further act be deemed to have purchased and assumed, at the principal amount thereof, such interests in the Revolving Loans of such Class outstanding on such Refinancing Facility Closing Date as shall be necessary in order that, after giving effect to all such assignments and assumptions, such Revolving Loans of such Class will be held by existing Revolving Credit Lenders under such Class and Refinancing Revolving Credit Lenders under such Class ratably in accordance with their respective Revolving Credit Commitments of such Class after giving effect to the addition of such Refinancing Revolving Credit Commitments to such existing Revolving Credit Commitments under such Class. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, *pro rata* borrowing and *pro rata* payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the two preceding sentences.

(v) The terms, provisions and documentation of the Refinancing Term Loans and Refinancing Term Loan Commitments or the Refinancing Revolving Credit Loans and Refinancing Revolving Credit Commitments, as the case may be, of any Class shall be as agreed between the Borrower and the applicable Refinancing Lenders providing such Refinancing Commitments, and except as otherwise set forth herein, to the extent not identical to (or constituting a part of) any Class of Term Loans or Revolving Credit Commitments, as applicable, each existing on the Refinancing Facility Closing Date, shall be consistent with clauses (A) or (B) below, as applicable, and otherwise shall either, at the option of the Borrower, (x) reflect market terms and conditions (taken as a whole) at the time of incurrence or issuance (as determined by the Borrower) or (y) if not consistent with the terms of the corresponding Class of Term

Loans or Revolving Credit Commitments, as applicable, not be materially more restrictive to the Borrower (as determined by the Borrower), when taken as a whole, than the terms of the applicable Class of Term Loans or Revolving Credit Commitments, as applicable, being refinanced or replaced (except (1) covenants or other provisions applicable only to periods after the Maturity Date (as of the applicable Refinancing Facility Closing Date) of such Class being refinanced and (2) pricing, fees, rate floors, premiums, optional prepayment or redemption terms (which shall be determined by the Borrower) unless the Lenders under the Term Loans or Revolving Credit Commitments, as applicable, each existing on the Refinancing Facility Closing Date, receive the benefit of such more restrictive terms. In any event:

(A) the Refinancing Term Loans:

(1) (I) shall rank *pari passu* or junior in right of payment with any First Lien Obligations outstanding under this Agreement and (II) shall be unsecured or rank *pari passu* or junior in right of security with any First Lien Obligations outstanding under this Agreement and, if secured, shall not be secured by assets other than Collateral (and, if applicable, shall be subject to a subordination agreement and/or the ABL/Term Loan Intercreditor Agreement, the Junior Lien Intercreditor Agreement, the Pari Intercreditor Agreement or other lien subordination and intercreditor arrangement reasonably satisfactory to the Borrower and the Administrative Agent);

(2) as of the Refinancing Facility Closing Date, shall not have a Maturity Date earlier than the Maturity Date of the Refinanced Debt;

(3) shall have an amortization schedule as determined by the Borrower and the applicable new Refinancing Term Lenders; *provided* that, as of the Refinancing Facility Closing Date, such Refinancing Term Loans shall have a Weighted Average Life to Maturity not shorter than the remaining Weighted Average Life to Maturity of the Refinanced Debt on the date of incurrence of such Refinancing Term Loans;

(4) shall have an Effective Yield determined by the Borrower and the applicable Refinancing Term Lenders;

(5) may provide for the ability to participate on a *pro rata* basis or less than or greater than a *pro rata* basis in any voluntary repayments or prepayments of principal of Term Loans hereunder and on a *pro rata* basis or less than a *pro rata* basis (but, except as otherwise permitted by this Agreement, not on a greater than *pro rata* basis) in any mandatory repayments or prepayments of principal of Term Loans hereunder;

(6) shall not have a greater principal amount than the principal amount of the Refinanced Debt (*plus* the amount of any unused commitments thereunder), *plus* accrued interest, fees, defeasance costs and premium (including call and tender premiums), if any, under the Refinanced Debt, *plus* underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of such Refinanced Debt and the

incurrence or issuance of such Refinancing Term Loans, *plus* an additional amount if such amount is permitted to be incurred under Section 10.1 hereof (it being understood that such additional amount shall reduce the applicable basket under Section 10.1 by a like amount); and

(7) may not be guaranteed by any Person other than a Guarantor;

(B) the Refinancing Revolving Credit Commitments and Refinancing Revolving Credit Loans:

(1) (I) shall rank *pari passu* in right of payment and (II) shall be *pari passu* in right of security with the Revolving Loans;

(2) shall not mature earlier than, or provide for mandatory scheduled commitment reductions prior to, the maturity date with respect to the Refinanced Debt;

(3) shall provide that the borrowing, prepayments and repayment (except for (1) payments of interest and fees at different rates on Refinancing Revolving Credit Commitments (and related outstandings), (2) repayments required upon the maturity date of the Refinancing Revolving Credit Commitments and (3) repayment made in connection with a permanent repayment and termination of commitments (subject to clause (4) below)) of Revolving Loans with respect to Refinancing Revolving Credit Commitments after the associated Refinancing Facility Closing Date shall be made on a *pro rata* basis with all other Revolving Credit Commitments existing on the Refinancing Facility Closing Date;

(4) shall provide that the permanent repayment of Revolving Loans with respect to, and termination or reduction of, Refinancing Revolving Credit Commitments after the associated Refinancing Facility Closing Date be made on a *pro rata* basis or less than *pro rata* basis (but not greater than *pro rata* basis, except that (x) Refinancing Revolving Credit Commitments may participate on a greater than *pro rata* basis in any permanent prepayments and termination with other Revolving Credit Commitments, and (y) the Borrower shall be permitted to permanently repay and terminate Commitments in respect of any such Class of Revolving Loans on a greater than *pro rata* basis as compared to any other Class of Revolving Loans with a later maturity date than such Class or in connection with any refinancing thereof permitted by this Agreement) with all other Revolving Credit Commitments existing on the Refinancing Facility Closing Date;

(5) shall have an Effective Yield determined by the Borrower and the applicable Refinancing Revolving Credit Lenders;

(6) shall not have a greater principal amount of Commitments than the principal amount of the utilized Commitments of the Refinanced Debt (*plus* the amount of any unused commitments thereunder), *plus* accrued interest, fees, defeasance costs and premium (including call and tender premiums), if any, under the Refinanced Debt, *plus* underwriting discounts, fees, commissions and expenses (including

original issue discount, upfront fees and similar items) in connection with the refinancing of such Refinanced Debt and the incurrence or issuance of such Refinancing Revolving Credit Commitments or Refinancing Revolving Credit Loans, *plus* an additional amount if such amount is permitted to be incurred under Section 10.1 hereof (it being understood that such additional amount shall reduce the applicable basket under Section 10.1 by a like amount); and

(7) may not be guaranteed by any Person other than a Guarantor.

(vi) Commitments in respect of Refinancing Term Loans and Refinancing Revolving Credit Commitments shall become additional Commitments under this Agreement pursuant to an amendment (a “Refinancing Amendment”) to this Agreement and, as appropriate, the other Credit Documents, executed by the Borrower, each Refinancing Lender providing such Commitments and the Administrative Agent. The Refinancing Amendment may, without the consent of any other Credit Party, Agent or Lender, effect such amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.14(h). The Borrower will use the proceeds, if any, of the Refinancing Term Loans and Refinancing Revolving Credit Commitments in exchange for, or to extend, renew, replace, repurchase, retire or refinance, and shall permanently terminate applicable commitments under, substantially concurrently, the applicable Refinanced Debt.

(vii) The Administrative Agent and the Lenders hereby consent to the consummation of the transactions contemplated by this Section 2.14(h) (including, for the avoidance of doubt, payment of any interest, fees, or premium in respect of any Refinanced Debt on such terms as may be set forth in the relevant Refinancing Amendment) and hereby waive the requirements of any provision of this Agreement (including, without limitation, any *pro rata* payment or amendment section) or any other Credit Document that may otherwise prohibit or restrict any such refinancing or any other transaction contemplated by this Section 2.14.

Section 1.15. Permitted Debt Exchanges.

(a) Notwithstanding anything to the contrary contained in this Agreement, pursuant to one or more offers (each, a “Permitted Debt Exchange Offer”) made from time to time by the Borrower, the Borrower may from time to time following the Closing Date consummate one or more exchanges of Term Loans for Permitted Other Indebtedness in the form of notes or mezzanine Indebtedness, in the case of securities, whether issued in a public offering, Rule 144A or other private placement or any bridge facility in lieu of the foregoing or otherwise (such notes or mezzanine Indebtedness, “Permitted Debt Exchange Notes”, and each such exchange a “Permitted Debt Exchange”), so long as the following conditions are satisfied or waived: (i) no Event of Default shall have occurred and be continuing at the time the final offering document in respect of a Permitted Debt Exchange Offer is delivered to the relevant Lenders, (ii) the aggregate principal amount (calculated on the face amount thereof) of Term Loans exchanged shall equal no more than the aggregate principal amount (calculated on the face amount thereof) of Permitted Debt Exchange Notes issued in exchange for such Term Loans; *provided* that the aggregate principal amount of the Permitted Debt Exchange Notes may include accrued interest, fees and premium (if any) under the Term Loans exchanged and underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the exchange of such Term Loans and the issuance of such Permitted Debt Exchange Notes, *plus* an additional amount if such amount is permitted to be

incurred under Section 10.1 hereof (it being understood that such additional amount shall reduce the applicable basket under Section 10.1 by a like amount), (iii) the aggregate principal amount (calculated on the face amount thereof) of all Term Loans exchanged under each applicable Class by the Borrower pursuant to any Permitted Debt Exchange shall automatically be cancelled and retired by the Borrower on the date of the settlement thereof (and, if requested by the Administrative Agent, any applicable exchanging Lender shall execute and deliver to the Administrative Agent an Assignment and Acceptance, or such other form as may be reasonably requested by the Administrative Agent, in respect thereof pursuant to which the respective Lender assigns its interest in the Term Loans being exchanged pursuant to the Permitted Debt Exchange to the Borrower for immediate cancellation), (iv) if the aggregate principal amount of all Term Loans of a given Class (calculated on the face amount thereof) tendered by Lenders in respect of the relevant Permitted Debt Exchange Offer (with no Lender being permitted to tender a principal amount of Term Loans which exceeds the principal amount thereof of the applicable Class actually held by it) shall exceed the maximum aggregate principal amount of Term Loans of such Class offered to be exchanged by the Borrower pursuant to such Permitted Debt Exchange Offer, then the Borrower shall exchange Term Loans subject to such Permitted Debt Exchange Offer tendered by such Lenders ratably up to such maximum amount based on the respective principal amounts so tendered, (v) all documentation in respect of such Permitted Debt Exchange shall be consistent with the foregoing, and all written communications generally directed to the Lenders in connection therewith shall be in form and substance consistent with the foregoing and made in consultation with the Borrower and the Auction Agent, and (vi) any applicable Minimum Tender Condition shall be satisfied (or waived by the Borrower in its sole discretion).

(b) With respect to all Permitted Debt Exchanges effected by the Borrower pursuant to this Section 2.15, (i) such Permitted Debt Exchanges (and the cancellation of the exchanged Term Loans in connection therewith) shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 5.1 or 5.2, and (ii) such Permitted Debt Exchange Offer shall be made for not less than U.S.\$5,000,000 in aggregate principal amount of Term Loans; *provided* that subject to the foregoing clause (ii) the Borrower may at its election specify as a condition (a “Minimum Tender Condition”) to consummating any such Permitted Debt Exchange that a minimum amount (to be determined and specified in the relevant Permitted Debt Exchange Offer in the Borrower’s discretion) of Term Loans of any or all applicable Classes be tendered.

(c) In connection with each Permitted Debt Exchange, the Borrower and the Auction Agent shall mutually agree to such procedures as may be necessary or advisable to accomplish the purposes of this Section 2.15 and without conflict with Section 2.15(d); *provided* that the terms of any Permitted Debt Exchange Offer shall provide that the date by which the relevant Lenders are required to indicate their election to participate in such Permitted Debt Exchange shall be not less than a reasonable period (in the discretion of the Borrower and the Auction Agent) of time following the date on which the Permitted Debt Exchange Offer is made.

(d) The Borrower shall be responsible for compliance with, and hereby agrees to comply with, all applicable securities and other laws in connection with each Permitted Debt Exchange, it being understood and agreed that (x) none of the Auction Agent, the Administrative Agent nor any Lender assumes any responsibility in connection with the Borrower’s compliance with such laws in connection with any Permitted Debt Exchange and (y) each Lender shall be solely responsible for its compliance with any applicable “insider trading” laws and regulations to which such Lender may be subject under the Exchange Act.

Section 1.16. Defaulting Lenders.

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definitions of Required Lenders and Required Facility Lenders and Section 13.1.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 11 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 13.8 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, as the Borrower may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; third, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released *pro rata* in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; fourth, to the payment of any amounts owing to the Borrower and the Lenders as a result of any judgment of a court of competent jurisdiction obtained by the Borrower or any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and fifth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the applicable conditions to the Borrowing of any Revolving Loan were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders *pro rata* in accordance with the Commitments hereunder. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. No Defaulting Lender shall be entitled to receive any fee payable under Section 4 or any interest at the Default Rate payable under Section 2.8(c) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee or interest that otherwise would have been required to have been paid to that Defaulting Lender).

(b) Defaulting Lender Cure. If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans to be held on a *pro rata* basis by the Lenders in accordance with their *pro rata* share of the applicable Class of Revolving Credit Commitments, whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and *provided*,

further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

Section 1.17. Inability to Determine Rates Subject to Section 1.14, if, on or prior to the first day of any Interest Period for any Term SOFR Loan:

- (a) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that "Term SOFR" cannot be determined pursuant to the definition thereof, or
- (b) the Required Lenders determine that for any reason in connection with any request for a Term SOFR Loan or a conversion thereto or a continuation thereof that Adjusted Term SOFR for any requested Interest Period with respect to a proposed Term SOFR Loan does not adequately and fairly reflect the cost to such Lenders of making and maintaining such Loan, and the Required Lenders have provided notice of such determination to the Administrative Agent, then, in each case, the Administrative Agent will promptly so notify the Borrower and each Lender.

Upon notice thereof by the Administrative Agent to the Borrower, any obligation of the Lenders to make Term SOFR Loans, and any right of the Borrower to continue Term SOFR Loans or to convert ABR Loans to Term SOFR Loans, shall be suspended (to the extent of the affected Term SOFR Loans or affected Interest Periods) until the Administrative Agent (with respect to clause (b), at the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (i) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of Term SOFR Loans (to the extent of the affected Term SOFR Loans or affected Interest Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to ABR Loans in the amount specified therein and (ii) any outstanding affected Term SOFR Loans will be deemed to have been converted into ABR Loans at the end of the applicable Interest Period. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to Section 2.11. Subject to Section 1.14, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that "Term SOFR" cannot be determined pursuant to the definition thereof on any given day, the interest rate on ABR Loans shall be determined by the Administrative Agent without reference to clause (iii) of the definition of "ABR" until the Administrative Agent revokes such determination.

SECTION 3

[Reserved].

SECTION 4

Fees and Commitment Reductions

Section 1.1. Fees. Without duplication, the Borrower agrees to pay (i) to the Administrative Agent in U.S. Dollars, (i) for its own account, administrative agent fees as have been previously agreed in writing, or as may be agreed in writing, by the Borrower from time to time, and (ii) to the applicable Person entitled thereto in U.S. Dollars, any other fees required to be paid by the Borrower or any other Credit Party in accordance with the Fourth Amendment Fee Letter.

Section 1.2. Voluntary Reduction or Termination of Revolving Credit Commitments. Upon at least two Business Days' prior written notice to the Administrative Agent at the Administrative Agent's Office (or such shorter period of time as agreed to by the Administrative Agent in its reasonable discretion) (which notice the Administrative Agent shall promptly transmit to each of the Lenders), the Borrower shall have the right, without premium or penalty, on any day, to permanently terminate or reduce any Revolving Credit Commitments of any Class in whole or in part; *provided that* (a) any such reduction shall apply proportionately and permanently to reduce the Revolving Credit Commitment of each of the Revolving Credit Lenders of any applicable Class, except that (i) notwithstanding the foregoing, in connection with the establishment on any date of any Extended Revolving Credit Commitments pursuant to Section 2.14(g), the Revolving Credit Commitments of any one or more Revolving Credit Lenders providing any such Extended Revolving Credit Commitments on such date shall be reduced in an amount equal to the amount of Revolving Credit Commitments so extended on such date (*provided that* (x) after giving effect to any such reduction and to the repayment of any Revolving Loans made on such date, the Revolving Credit Exposure of any such Lender does not exceed any Revolving Credit Commitment thereof and (y) for the avoidance of doubt, any such repayment of Revolving Loans contemplated by the preceding clause shall be made in compliance with the requirements of Section 5.3(a) with respect to the ratable allocation of payments hereunder, with such allocation being determined after giving effect to any conversion pursuant to Section 2.14(g) of Revolving Credit Commitments and Revolving Loans of any existing Class into Extended Revolving Credit Commitments and Extended Revolving Credit Loans pursuant to Section 2.14(g) prior to any reduction being made to the Revolving Credit Commitment of any other Lender) and (ii) the Borrower may at its election permanently reduce any Revolving Credit Commitment of a Defaulting Lender to U.S.\$0 without affecting the Revolving Credit Commitments of any other Lender, (b) any partial reduction pursuant to this Section 4.2 shall be in the amount of at least U.S.\$500,000, and (c) after giving effect to such termination or reduction and to any prepayments of the Revolving Loans made on the date thereof in accordance with this Agreement, the aggregate amount of the Lenders' Revolving Credit Exposures shall not exceed the Total Revolving Credit Commitment and the aggregate amount of the Lenders' Revolving Credit Exposures in respect of any Class shall not exceed the aggregate Revolving Credit Commitment of such Class. Notwithstanding anything to the contrary contained in this Agreement, the Borrower may by giving written notice to the Administrative Agent rescind, or extend the date for termination or reduction specified in, any notice delivered under this Section 4.2 prior to 10:00 a.m. (New York City time) (or, such later time as the Administrative Agent may approve in its sole discretion) on the date of such termination or reduction if such termination or reduction would have occurred in connection with a refinancing of all or any portion of any Credit Facility or Credit Facilities or other conditional event, which refinancing or other conditional event shall not be consummated or shall otherwise be delayed.

Section 1.3. Mandatory Termination of Commitments. The 2021 Refinancing Term Loan Commitments shall terminate on the Fifth Amendment Effective Date, contemporaneously with the Borrowing of the 2021 Refinancing Term Loans on the Fifth Amendment Effective Date.

SECTION 5

Payments

Section 1.1. Voluntary Prepayments.

(a) The Borrower shall have the right to prepay Loans, including Term Loans and Revolving Loans, as applicable, in each case, other than as set forth in Section 5.1(c), without premium or penalty, in whole or in part from time to time on the following terms and

conditions: (a) the Borrower shall give the Administrative Agent at the Administrative Agent's Office written notice of its intent to make such prepayment, the amount of such prepayment and (in the case of Term SOFR Loans) the specific Borrowing(s) pursuant to which made, which notice shall be given by the Borrower no later than 2:00 p.m. (New York City time) (i) in the case of Term SOFR Loans, three Business Days prior to or (ii) in the case of ABR Loans, one (1) Business Day prior to the date of such prepayment (or, in any case under the foregoing clause (a)(i) or clause (a)(ii), such shorter period of time as agreed to by the Administrative Agent in its reasonable discretion) and shall promptly be transmitted by the Administrative Agent to each of the Lenders, as the case may be; (b) each partial prepayment of (i) any Borrowing of Term SOFR Loans shall be in a minimum amount of U.S.\$250,000 and in multiples of U.S.\$100,000 in excess thereof, and (ii) any ABR Loans shall be in a minimum amount of U.S.\$250,000 and in multiples of U.S.\$100,000 in excess thereof; *provided* that no partial prepayment of Term SOFR Loans made pursuant to a single Borrowing shall reduce the outstanding Term SOFR Loans made pursuant to such Borrowing to an amount less than the applicable Minimum Borrowing Amount for such Term SOFR Loans; and (c) in the case of any prepayment of Term SOFR Loans pursuant to this Section 5.1 on any day prior to the last day of an Interest Period applicable thereto, the applicable Borrower shall, promptly after receipt of a written request by any applicable Lender (which request shall set forth in reasonable detail the basis for requesting such amount), pay to the Administrative Agent for the account of such Lender any amounts required pursuant to Section 2.11. Each prepayment in respect of any Loans pursuant to this Section 5.1 shall be (1) applied to the Class or Classes of Loans as the Borrower may specify and (2) with respect to prepayments of Term Loans, applied to reduce any 2021 Refinancing Term Loan Repayment Amount, any New Term Loan Repayment Amounts, any Replacement Term Loan Repayment Amount, any Refinancing Term Loan Repayment Amount and any Extended Term Loan Repayment Amounts, as the case may be, in each case, in such order (including order of application to scheduled amortization payments) as the Borrower may specify. Notwithstanding the foregoing, prior to the six-month anniversary of the Closing Date, all prepayments pursuant to this Section 5.1(a) shall have been applied to the outstanding Initial Term B-2 Loans until such Initial Term B-2 Loans, together with all accrued but unpaid interest thereon, have been paid in full. Subject to the immediately preceding sentence, in the event that the Borrower does not specify the order in which to apply prepayments of Term Loans to reduce scheduled installments of principal or as between Classes of Term Loans, the Borrower shall be deemed to have elected that such prepayment be applied to reduce the scheduled installments of principal in direct order of maturity on a *pro rata* basis with the applicable Class or Classes, if a Class or Classes were specified, or among all Classes of Term Loans then outstanding, if no Class was specified. At the Borrower's election in connection with any prepayment pursuant to this Section 5.1, such prepayment shall not be applied to any Term Loan or Revolving Loan of a Defaulting Lender.

(b) Notwithstanding anything to the contrary contained in this Agreement, the Borrower may by giving written notice to the Administrative Agent rescind, or extend the date for prepayment specified in, any notice of prepayment under Section 5.1(a) prior to 10 a.m. (New York City time) (or, such later time as the Administrative Agent may approve in its sole discretion) on the date of such prepayment if such prepayment would have resulted from a refinancing of all or any portion of any Credit Facility or Credit Facilities or other conditional event, which refinancing or other conditional event shall not be consummated or shall otherwise be delayed.

(c) In the event that, prior to the six-month anniversary of the Fifth Amendment Effective Date, the Borrower (i) makes any prepayment of 2021 Refinancing Term Loans in connection with any Repricing Transaction the primary purpose (as determined by the Borrower in good faith) of which is to decrease the Effective Yield on such 2021 Refinancing Term Loans or (ii) effects any amendment of this Agreement resulting in a Repricing Transaction the primary purpose (as determined by the Borrower in good faith) of which is to decrease the Effective Yield on the 2021 Refinancing Term Loans, the Borrower shall pay to the

Administrative Agent, for the ratable account of each of the applicable Lenders, (x) in the case of clause (i), a prepayment premium of 1.00% of the principal amount of 2021 Refinancing Term Loans being prepaid in connection with such Repricing Transaction and (y) in the case of clause (ii), a premium equal to 1.00% of the aggregate principal amount of the 2021 Refinancing Term Loans outstanding immediately prior to such amendment that are subject to an effective pricing reduction pursuant to such Repricing Transaction.

Section 1.2. Mandatory Prepayments.

(a) Term Loan Prepayments.

(i) On each occasion that a Prepayment Event occurs, the Borrower shall, within three (3) Business Days after receipt of the Net Cash Proceeds of a Debt Incurrence Prepayment Event and within ten (10) Business Days after the receipt of Net Cash Proceeds of any other Prepayment Event (or, in the case of Deferred Net Cash Proceeds, within ten (10) Business Days after the Deferred Net Cash Proceeds Payment Date), prepay (or cause to prepay), in accordance with Section 5.2(c), Term Loans with an equivalent principal amount equal to 100.0% of the Net Cash Proceeds from such Prepayment Event; *provided* that, with respect to the Net Cash Proceeds of an Asset Sale Prepayment Event or Casualty Event, the Borrower may use a portion of such Net Cash Proceeds to prepay or repurchase Permitted Other Indebtedness (and with such prepaid or repurchased Permitted Other Indebtedness permanently extinguished) with a Lien on the Collateral ranking *pari passu* with the Liens securing any First Lien Obligations outstanding under this Agreement to the extent any applicable Permitted Other Indebtedness Document requires the issuer of such Permitted Other Indebtedness to prepay or make an offer to purchase or prepay such Permitted Other Indebtedness with the proceeds of such Prepayment Event, in each case in an amount not to exceed the product of (x) the amount of such Net Cash Proceeds multiplied by (y) a fraction, the numerator of which is the outstanding principal amount of the Permitted Other Indebtedness with a Lien on the Collateral ranking *pari passu* with the Liens securing any First Lien Obligations outstanding under this Agreement and with respect to which such a requirement to prepay or make an offer to purchase or prepay exists and the denominator of which is the sum of the outstanding principal amount of such Permitted Other Indebtedness and the outstanding principal amount of Term Loans.

(ii) Not later than fifteen Business Days after the date on which financial statements are required to be delivered pursuant to Section 9.1(a) for any fiscal year (commencing with and including the fiscal year ending on or about March 31, 2022), the Borrower shall prepay (or cause to be prepaid), in accordance with Section 5.2(c), Term Loans with a principal amount (the “ECF Payment Amount”) equal to (x) 50% of Excess Cash Flow for such fiscal year; *provided* that (A) the percentage in this Section 5.2(a)(ii) shall be reduced to 25% if the First Lien Net Leverage Ratio (prior to giving effect thereto but giving effect to any prepayment described in clause (y) below and as certified by an Authorized Officer of the Borrower) for the most recent Test Period ended on the last day of the applicable fiscal year is less than or equal to 3.00 to 1.00 but greater than 2.50 to 1.00 and (B) no payment of any Term Loans shall be required under this Section 5.2(a)(ii) if the First Lien Net Leverage Ratio (prior to giving effect thereto but giving effect to any prepayment described in clause (y) below and as certified by an Authorized Officer of the Borrower) for the most recent Test Period ended on the last day of the applicable fiscal year is less than or equal to 2.50 to 1.00, *minus* (y) (i) the principal amount of 2021 Refinancing Term Loans and any other Term Loans that are secured on a *pari passu* basis with the 2021 Refinancing Term Loans voluntarily prepaid pursuant to Section 5.1 or Section 13.6 (in each case, including purchases of the Term Loans by Holdings, the Borrower and its Subsidiaries at or below par, in which case the amount of

voluntary prepayments of Term Loans shall be deemed not to exceed the actual purchase price of such Term Loans below par) during such fiscal year (without duplication of any prepayments in such fiscal year that reduced the amount of Excess Cash Flow required to be repaid pursuant to this Section 5.2(a)(ii) for any prior fiscal year) or after such fiscal year and prior to the date of the required Excess Cash Flow payment, (ii) to the extent accompanied by permanent reductions of the applicable revolving credit commitments, payments of Revolving Loans, revolving loans under the ABL Credit Agreement or loans under other revolving credit facilities during such fiscal year (without duplication of any prepayments in such fiscal year that reduced the amount of Excess Cash Flow required to be repaid pursuant to this Section 5.2(a)(ii) for any prior fiscal year) or after such fiscal year and prior to the date of the required Excess Cash Flow payment and (iii) at the option of the Borrower, cash amounts used to make prepayments pursuant to “excess cash flow sweep” provisions applicable to any term loans incurred as Permitted Other Indebtedness (to the extent any amounts payable thereunder are paid on a *pro rata* basis with prepayments of the Term Loans as required by this Section 5.2(a)(ii)), in each case, other than to the extent any such prepayment is funded with the proceeds of Funded Debt (other than revolving Indebtedness); *provided* that a prepayment of the principal amount of Term Loans pursuant to this Section 5.2(a)(ii) in respect of any fiscal year shall only be required in the amount by which the ECF Payment Amount for such fiscal year exceeds the greater of (i) U.S.\$10,000,000 and (ii) 4.70% of Consolidated EBITDA (calculated on a Pro Forma Basis) for the most recently ended Test Period.

(iii) On each occasion that Permitted Other Indebtedness is issued or incurred pursuant to Section 10.1(w), or any Refinancing Term Loans or Replacement Term Loans are incurred, to refinance any Class (or Classes) of Term Loans resulting in Net Cash Proceeds (as opposed to such Permitted Other Indebtedness, Refinancing Term Loans or Replacement Term Loans arising out of an exchange of existing Term Loans for such Permitted Other Indebtedness, Refinancing Term Loans or Replacement Term Loans), the Borrower shall within three Business Days of receipt of the Net Cash Proceeds of such Permitted Other Indebtedness, Refinancing Term Loans or Replacement Term Loans prepay, in accordance with Section 5.2(c), such Class (or Classes) of Term Loans in a principal amount equal to 100% of the Net Cash Proceeds from such issuance or incurrence of Permitted Other Indebtedness, Refinancing Term Loans or Replacement Term Loans, as applicable.

(iv) Notwithstanding any other provisions of this Section 5.2, (A) to the extent that any or all of the Net Cash Proceeds of any Prepayment Event by a Foreign Subsidiary giving rise to a prepayment pursuant to clause (i) above (a “Foreign Prepayment Event”) or Excess Cash Flow giving rise to a prepayment pursuant to clause (ii) above are prohibited or delayed by any Requirement of Law or any material agreement binding on such Foreign Subsidiary (so long as any prohibition is not created in contemplation of such prepayment) from being repatriated to any Credit Party, an amount equal to the portion of such Net Cash Proceeds or Excess Cash Flow so affected will not be required to be applied to repay Term Loans at the times provided in clauses (i) and (ii) above, as the case may be, but only so long as the applicable Requirement of Law or material agreement will not permit repatriation to any Credit Party (the Credit Parties hereby agreeing to cause the applicable Foreign Subsidiary to promptly take all actions reasonably required by the applicable Requirement of Law or material agreement to permit such repatriation to a Credit Party), and once a repatriation of any of such affected Net Cash Proceeds or Excess Cash Flow is permitted under the applicable Requirement of Law or material agreement, an amount equal to such Net Cash Proceeds or Excess Cash Flow will be promptly (and in any event not later than ten (10) Business Days after such repatriation is permitted) applied (net of any taxes, costs or expenses that would be payable or reserved against if such amounts were actually repatriated whether or not they

are repatriated) pursuant to clauses (i) and (ii) above, as applicable, and (B) to the extent that the Borrower has determined in good faith that any of or all the repatriation of Net Cash Proceeds of any Foreign Prepayment Event or Excess Cash Flow could have a material adverse tax consequence with respect to such Net Cash Proceeds or Excess Cash Flow, an amount equal to the Net Cash Proceeds or Excess Cash Flow so affected may be retained by the applicable Foreign Subsidiary until such time as it may repatriate such amount without incurring such material adverse tax consequences (at which time such amount shall be promptly applied to repay the Term Loans in accordance with this Section 5.2). For the avoidance of doubt, so long as an amount equal to the amount of Net Cash Proceeds or Excess Cash Flow, as applicable, required to be applied in accordance with Section 5.2(a)(i) or 5.2(a)(ii), respectively, is applied by the Borrower, nothing in this Agreement (including this Section 5) shall be construed to require any Foreign Subsidiary to repatriate cash.

(v) [Reserved].

(b) Repayment of Revolving Loans. If on any date the aggregate amount of the Lenders' Revolving Credit Exposures in respect of any Class of Revolving Loans for any reason exceeds 100% of the Revolving Credit Commitment of such Class then in effect, the Borrower shall promptly repay on such date Revolving Loans of such Class in an aggregate amount equal to such excess.

(c) Application to Repayment Amounts. Subject to Section 5.2(f), except as may otherwise be set forth in any Joinder Agreement, any Refinancing Amendment, any Extension Amendment or any amendment in respect of Replacement Term Loans, each prepayment of Term Loans required by Section 5.2(a)(i), (ii) or (v) (A) shall be allocated pro rata among the 2021 Refinancing Term Loans and any New Term Loans, Refinancing Term Loans, Extended Term Loans and Replacement Term Loans then outstanding based on the applicable remaining principal amounts due thereunder and (B) shall be applied within each Class of Term Loans in respect of such Term Loans in direct forward order of scheduled maturity thereof or as otherwise directed by the Borrower; *provided* any Class of New Term Loans, Refinancing Term Loans, Extended Term Loans and Replacement Term Loans may specify that one or more other Classes of Term Loans may be prepaid prior to such Class of New Term Loans, Refinancing Term Loans, Extended Term Loans and Replacement Term Loans. Any prepayment of Term Loans with the Net Cash Proceeds of, or in exchange for, Permitted Other Indebtedness, Refinancing Term Loans or Replacement Term Loans pursuant to Section 5.2(a)(iii) shall be applied solely to each applicable Class or Classes of Term Loans being refinanced as selected by the Borrower.

(d) Application to Term Loans. With respect to each prepayment of Term Loans required by Section 5.2(a), the Borrower may, if applicable, designate the Types of Term Loans that are to be prepaid and the specific Borrowing(s) pursuant to which made; *provided* that, if any Lender has provided a Rejection Notice in compliance with Section 5.2(f), such prepayment shall be applied with respect to the Term Loans to be prepaid on a *pro rata* basis across all outstanding Types of such Term Loans in proportion to the percentage of such outstanding Term Loans to be prepaid represented by each such Class. In the absence of a Rejection Notice or a designation by the Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.11.

(e) Application to Revolving Loans. With respect to each prepayment of Revolving Loans required by Section 5.2(b), the Borrower may designate (i) the Types of Revolving Loans that are to be prepaid and the specific Borrowing(s) pursuant to which made and (ii) the Revolving Loans to be prepaid; *provided* that (x) each prepayment of any Revolving

Loans made pursuant to a Borrowing shall be applied *pro rata* among such Revolving Loans; and (y) notwithstanding the provisions of the preceding clause (x), no prepayment of Revolving Loans shall be applied to the Revolving Loans of any Defaulting Lender unless otherwise agreed in writing by the Borrower. In the absence of a designation by the Borrower as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.11. The mandatory prepayments set forth in this Section 5.2 shall not reduce the aggregate amount of Commitments and amounts prepaid may be reborrowed in accordance with the terms hereof.

(f) Rejection Right. The Borrower shall notify the Administrative Agent in writing of any mandatory prepayment of Term Loans required to be made pursuant to Section 5.2(a) at least three Business Days prior to the date such prepayment is required to be made (or such shorter period of time as agreed to by the Administrative Agent in its reasonable discretion); *provided, however*, that, notwithstanding anything to the contrary contained in this Agreement, the Borrower may rescind, or extend the date for prepayment specified in, any notice of prepayment under this Section 5.2(f) if such prepayment would have resulted from a refinancing of all or any portion of any Credit Facility or Credit Facilities or other conditional event, which refinancing or other conditional event shall not be consummated or shall otherwise be delayed. Each such notice shall specify the anticipated date of such prepayment and provide a reasonably detailed calculation of the amount of such prepayment. The Administrative Agent will promptly notify each Lender holding Term Loans to be prepaid in accordance with such prepayment notice of the contents of such prepayment notice and of such Lender's *pro rata* share of the prepayment. Each Term Loan Lender (other than, prior to the six-month anniversary of the Closing Date, the Initial Term B-2 Lenders) may reject all (but not less than all) of its *pro rata* share of any mandatory prepayment of Term Loans required to be made pursuant to Section 5.2(a) other than any such mandatory prepayment with respect to a Debt Incurrence Prepayment Event under Section 5.2(a)(i) or any mandatory prepayment under Section 5.2(a)(iii) or Section 5.2(a)(v) (such declined amounts, the "Declined Proceeds") by providing written notice (each, a "Rejection Notice") to the Administrative Agent and the Borrower no later than 5:00 p.m. (New York City time) one Business Day after the date of such Lender's receipt of notice from the Administrative Agent regarding such prepayment. If a Lender fails to deliver a Rejection Notice to the Administrative Agent within the time frame specified above, or such Rejection Notice fails to specify the principal amount of the Term Loans to be rejected, any such failure will be deemed an acceptance of the total amount of such mandatory prepayment of Term Loans. Any Declined Proceeds shall be retained by the Borrower ("Retained Declined Proceeds").

Section 1.3. Method and Place of Payment.

(a) Except as otherwise specifically provided herein, all payments under this Agreement shall be made by the Borrower, without set-off, counterclaim or deduction of any kind, to the Administrative Agent for the ratable account of the Lenders entitled thereto not later than 2:00 p.m. (New York City time), in each case, on the date when due and shall be made in immediately available funds at the Administrative Agent's Office or at such other office as the Administrative Agent shall specify for such purpose by written notice to the Borrower, it being understood that written or facsimile notice by the Borrower to the Administrative Agent to make a payment from the funds in the Borrower's account at the Administrative Agent's Office shall constitute the making of such payment to the extent of such funds held in such account. All repayments or prepayments of any Loans (whether of principal, interest or otherwise) hereunder shall be made in U.S. Dollars. The Administrative Agent will thereafter cause to be distributed on the same day (if payment was actually received by the Administrative Agent prior to 2:00 p.m. (New York City time) or, otherwise, on the next Business Day in the Administrative Agent's sole discretion) like funds relating to the payment of principal or interest or Fees ratably to the Lenders entitled thereto.

(b) Any payments under this Agreement that are made later than 2:00 p.m. (New York City time) may be deemed to have been made on the next succeeding Business Day in the Administrative Agent's sole discretion for purposes of calculating interest thereon. Except as otherwise provided herein, whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable during such extension at the applicable rate in effect immediately prior to such extension.

Section 1.4. Net Payments.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Credit Party hereunder or under any other Credit Document shall to the extent permitted by applicable laws be made free and clear of and without reduction or withholding for any Taxes.

(ii) If any applicable Credit Party, the Administrative Agent or any other Withholding Agent shall be required by applicable law to withhold or deduct any Taxes from any payment, then (A) such Withholding Agent shall withhold or make such deductions as are reasonably determined by such Withholding Agent to be required by applicable law, (B) such Withholding Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes or Other Taxes, the sum payable by the applicable Credit Party shall be increased as necessary so that after any required withholding or deductions have been made (including withholding or deductions applicable to additional sums payable under this Section 5.4) each Lender (or, in the case of a payment to the Administrative Agent for its own account, the Administrative Agent) receives an amount equal to the sum it would have received had no such withholding or deductions been made.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law or, at the option of the Administrative Agent, timely reimburse the Administrative Agent or any Lender for the payment of any Other Taxes.

(c) Tax Indemnifications. Without limiting the provisions of subsection (a) or (b) above, the Borrower shall indemnify the Administrative Agent and each Lender, and shall make payment in respect thereof within 15 days after demand therefor, for the full amount of Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 5.4) paid or payable by the Administrative Agent or such Lender, as the case may be, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability (along with a written statement setting forth in reasonable detail the basis and calculation of such amounts) delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. If the Borrower reasonably believes that any such Indemnified Taxes or Other Taxes were not correctly or legally asserted, the Administrative Agent and/or each affected Lender will use reasonable efforts to cooperate with the Borrower in pursuing a refund of such Indemnified Taxes or Other Taxes so long as such efforts would not, in the sole

determination exercised in good faith of the Administrative Agent or affected Lender, result in any additional costs, expenses or risks or be otherwise disadvantageous to it.

(d) Evidence of Payments. After any payment of Taxes by any Credit Party or the Administrative Agent to a Governmental Authority as provided in this Section 5.4, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.

(e) Status of Lenders and Tax Documentation.

(i) Each Lender shall deliver to the Borrower and to the Administrative Agent, at such time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable laws or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit the Borrower or the Administrative Agent, as the case may be, to determine (A) whether or not any payments made hereunder or under any other Credit Document are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) such Lender's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of any payments to be made to such Lender by any Credit Party pursuant to any Credit Document or otherwise to establish such Lender's status for withholding tax purposes in the applicable jurisdiction. Any documentation and information required to be delivered by a Lender pursuant to this Section 5.4(e) shall be delivered by such Lender (i) on or prior to the Fourth Amendment Effective Date (or on or prior to the date it becomes a party to this Agreement), (ii) on or before any date on which such documentation expires or becomes obsolete or invalid, (iii) after the occurrence of any change in the Lender's circumstances requiring a change in the most recent documentation previously delivered by it to the Borrower and the Administrative Agent, and (iv) from time to time thereafter if reasonably requested by the Borrower or the Administrative Agent, and each such Lender shall promptly notify in writing the Borrower and the Administrative Agent if such Lender is no longer legally eligible to provide any documentation previously provided.

(ii) Notwithstanding anything to the contrary in this Section 5.4, no Lender or the Administrative Agent shall be required to deliver any documentation that it is not legally eligible to deliver.

(f) Treatment of Certain Refunds. If the Administrative Agent or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by any Credit Party or with respect to which any Credit Party has paid additional amounts pursuant to this Section 5.4, the Administrative Agent or such Lender (as applicable) shall promptly pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Credit Parties under this Section 5.4 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) incurred by the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that the Borrower, upon the request of the Administrative Agent or such Lender, agree to repay the amount paid over to the Borrower (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. In such event, the Administrative Agent or such Lender, as the

case may be, shall, at the Borrower's request, provide the Borrower with a copy of any notice of assessment or other evidence of the requirement to repay such refund received from the relevant taxing authority (*provided* that the Administrative Agent or such Lender may delete any information therein that it deems confidential). Notwithstanding anything to the contrary in this Section 5.4(f), in no event will the Administrative Agent or any Lender be required to pay any amount to an indemnifying party pursuant to this Section 5.4(f) the payment of which would place the Administrative Agent or any Lender in a less favorable net after-Tax position than the Administrative Agent or any Lender would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require the Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Credit Party or any other Person.

(g) For the avoidance of doubt, for purposes of this Section 5.4, the term "applicable law" includes FATCA.

(h) Each party's obligations under this Section 5.4 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under the Credit Documents.

Section 1.5. Computations of Interest and Fees.

(a) Except as provided in the next succeeding sentence, interest on Term SOFR Loans shall be calculated on the basis of a 360-day year for the actual days elapsed. Interest on ABR Loans shall be calculated on the basis of a 365- (or 366-, in the case of a leap year) day year for the actual days elapsed.

(b) Fees shall be calculated on the basis of a 360-day year for the actual days elapsed.

(c) For the purposes of this Agreement, whenever interest is to be calculated on the basis of a period of time other than a calendar year, the annual rate of interest to which each rate of interest determined pursuant to such calculation is equivalent for the purposes of the *Interest Act* (Canada) is such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days used in the basis of such determination.

Section 1.6. Limit on Rate of Interest.

(a) No Payment Shall Exceed Lawful Rate. Notwithstanding any other term of this Agreement, the Borrower shall not be obliged to pay any interest or other amounts under or in connection with this Agreement or otherwise in respect of the Obligations in excess of the amount or rate permitted under or consistent with any applicable law, rule or regulation.

(b) Payment at Highest Lawful Rate. If the Borrower is not obliged to make a payment that it would otherwise be required to make, as a result of Section 5.6(a), the Borrower shall make such payment to the maximum extent permitted by or consistent with applicable laws, rules, and regulations.

(c) Adjustment if Any Payment Exceeds Lawful Rate. If any provision of this Agreement or any of the other Credit Documents would obligate the Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate

that would be prohibited by any applicable law, rule or regulation, then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law (the "Maximum Rate"), such adjustment to be effected, to the extent necessary, first, by reducing the amount or rate of interest required to be paid by the Borrower to the affected Lender under Section 2.8, and, to the extent necessary, thereafter, by reducing any fees, commissions, premiums or other amounts which would be treated as or constitute interest under applicable law; *provided* that to the extent lawful, the interest or other amounts that would have been payable but were not payable as a result of the operation of this Section shall be cumulated and the interest payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Lender shall have received from the Borrower an amount in excess of the maximum permitted by any applicable law, rule or regulation, then the Borrower shall be entitled, by notice in writing to the Administrative Agent to obtain reimbursement from that Lender in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by that Lender to the Borrower.

SECTION 6

Conditions Precedent to Initial Borrowing

Section 1.1. Conditions Precedent. The initial Borrowing of the 2021 Refinancing Term Loans under this Agreement on the Fifth Amendment Effective Date is subject solely to the satisfaction or waiver of the conditions precedent set forth in Section 3 of the Fifth Amendment. For purposes of determining compliance with the conditions specified in Section 3 of the Fifth Amendment on the Fifth Amendment Effective Date, each Lender that has funded a Loan under this Agreement on such date shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to a Lender.

SECTION 7

[Reserved]

SECTION 8

Representations and Warranties

In order to induce the Lenders to enter into this Agreement, to make the Loans as provided for herein, the Borrower makes the following representations and warranties to the Lenders, all of which shall survive the execution and delivery of this Agreement and the making of the Loans (it being understood that the following representations and warranties shall be deemed made with respect to any Foreign Subsidiary only to the extent relevant under applicable law):

Section 1.1. Corporate Status. Each Credit Party (a) is a duly organized and validly existing corporation, limited liability company, unlimited liability company or other entity in good standing (if applicable) under the laws of the jurisdiction of its organization and has the corporate, limited liability company, unlimited liability company or other organizational power and authority to own its property and assets and to transact the business in which it is engaged and (b) has duly qualified and is authorized to do business and is in good standing (if applicable)

in all jurisdictions where it is required, to be so qualified, except where the failure to be so qualified, authorized and in good standing would not reasonably be expected to result in a Material Adverse Effect.

Section 1.2. Corporate Power and Authority. Each Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each Credit Party has duly executed and delivered each Credit Document to which it is a party and each such Credit Document constitutes the legal, valid, and binding obligation of such Credit Party enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and subject to general principles of equity (*provided* that, with respect to the creation and perfection of security interests with respect to Indebtedness, Capital Stock and Stock Equivalents of Foreign Subsidiaries, only to the extent the creation and perfection of such obligations is governed by the Uniform Commercial Code or the PPSA).

Section 1.3. No Violation. Neither the execution, delivery or performance by any Credit Party of the Credit Documents to which it is a party nor compliance with the terms and provisions thereof nor the consummation of the Transactions contemplated hereby will (a) contravene any applicable provision of any law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality, other than any such contravention that would not reasonably be expected to result in a Material Adverse Effect, (b) violate any provision of the certificate of incorporation, by-laws, articles or other Organizational Documents of such Credit Party or any of the Restricted Subsidiaries or (c) result in a breach or contravention of the documentation governing any Indebtedness of a Credit Party, in each case under this clause (c), in a manner that would be reasonably expected to result in a Material Adverse Effect.

Section 1.4. Litigation. There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened in writing against the Borrower or any of the Restricted Subsidiaries that would reasonably be expected to result in a Material Adverse Effect.

Section 1.5. Margin Regulations. Neither the making of any Loan hereunder nor the use of the proceeds thereof will violate the provisions of Regulation T, U or X of the Board.

Section 1.6. Governmental Approvals. The execution, delivery and performance of each Credit Document by any Credit Party does not require any consent or approval of, registration or filing with, or other action by, any Governmental Authority, except for (i) such as have been obtained or made and are in full force and effect, (ii) filings, consents, approvals, registrations and recordings in respect of the Liens created pursuant to the Security Documents (and to release existing Liens), and (iii) such licenses, approvals, authorizations, registrations, filings, consents or other actions the failure of which to obtain or make would not reasonably be expected to result in a Material Adverse Effect.

Section 1.7. Investment Company Act. No Credit Party is required to be registered as an "investment company" under the Investment Company Act of 1940.

Section 1.8. True and Complete Disclosure.

(a) None of the written factual information and written data (taken as a whole) concerning the Borrower, the Restricted Subsidiaries and their respective businesses heretofore or contemporaneously furnished by or on behalf of the Borrower or any of the Restricted Subsidiaries or any of their respective authorized representatives, to the Administrative Agent,

any Joint Lead Arranger, any Joint Bookrunner, and/or any Lender on or before the Fourth Amendment Effective Date (including all such written information and data contained in the Credit Documents) for purposes of or in connection with this Agreement or any transaction contemplated herein contained any untrue statement of any material fact or omitted to state any material fact necessary to make such information and data (taken as a whole) not materially misleading at such time in light of the circumstances under which such information or data was furnished (after giving effect to all supplements and updates from time to time), it being understood and agreed that for purposes of this Section 8.8(a), such factual information and data shall not include *pro forma* financial information, projections, estimates (including financial estimates, forecasts, and other forward-looking information) or other forward looking information or information of a general economic or general industry nature.

(b) The projections (including financial estimates and forecasts) contained in the information and data referred to in clause (a) above were based on good faith estimates and assumptions believed by the Borrower to be reasonable at the time made, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts or a guarantee of performance, are subject to significant uncertainties and contingencies, many of which are beyond the control of the Borrower and its Subsidiaries, and that actual results during the period or periods covered by any such projections may differ from the projected results and such differences may be material.

Section 1.9. Financial Condition; Financial Statements.

(a) The Historical Financial Statements present fairly, in all material respects, the consolidated financial position of the Borrower and its Subsidiaries, in each case, at the respective dates thereof and their consolidated results of operations for the respective periods covered thereby in accordance with GAAP consistently applied throughout the periods covered thereby, except as otherwise expressly noted therein (subject, in the case of the any unaudited Historical Financial Statements to changes resulting from normal year-end adjustments and the absence of footnotes).

(b) There has been no Material Adverse Effect since the Fourth Amendment Effective Date.

Each Lender and the Administrative Agent hereby acknowledges and agrees that the Borrower and its Subsidiaries may be required to restate historical financial statements as the result of the implementation of changes in GAAP or IFRS, or the respective interpretation thereof, and that such restatements (or the preparation of GAAP or IFRS financial statements for such historical periods) will not result in a Default or an Event of Default under the Credit Documents.

Section 1.10. Compliance with Laws. Each Credit Party is in compliance with all Requirements of Law applicable to it or its property, except where the failure to be so in compliance would not reasonably be expected to result in a Material Adverse Effect.

Section 1.11. Tax Matters. Except as would not reasonably be expected to have a Material Adverse Effect, (a) the Borrower and each of the Restricted Subsidiaries has filed all Tax returns required to be filed by it and has timely paid all Taxes payable by it (whether or not shown on a Tax return and including in its capacity as withholding agent) that have become due, other than those being contested in good faith and by proper actions if it has maintained adequate reserves (in the good faith judgment of management of the Borrower or such Restricted Subsidiary, as applicable) with respect thereto to the extent required by IFRS and (b) the Borrower and each of the Restricted Subsidiaries has paid, or has provided adequate reserves (in the good faith judgment of management of the Borrower or such Restricted Subsidiary, as

applicable) in accordance with IFRS for the payment of all Taxes not yet due and payable. As of the Fourth Amendment Effective Date, there is no current or proposed Tax assessment, deficiency or other claim against the Borrower or any Restricted Subsidiary that would reasonably be expected to result in a Material Adverse Effect.

Section 1.12. Pension Plans; Compliance with ERISA.

(a) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) no steps have been taken to terminate any Canadian Pension Plan (wholly or in part) which could result in any Credit Party being required to make a material additional contribution to any Canadian Pension Plan; (ii) no contribution failure has occurred with respect to any Canadian Pension Plan sufficient to give rise to a Lien under any applicable pension benefits laws of any other jurisdiction (for certainty, not including payments in respect of contributions payable but not yet due); and (iii) no condition exists and no event or transaction has occurred with respect to any Canadian Pension Plan which is reasonably likely to result in any Credit Party incurring any liability, fine or penalty. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) each Canadian Pension Plan is in compliance with all applicable pension benefits and tax laws; (ii) all contributions (including employee contributions made by authorized payroll deductions or other withholdings) required to be made to the appropriate funding agency have been made in accordance with all Requirements of Law and the terms of each Canadian Pension Plan; (iii) all liabilities under each Canadian Pension Plan are funded in accordance with the terms of the respective Canadian Pension Plans, the requirements of applicable pension benefits laws and of applicable Governmental Authorities and (v) no event has occurred and no conditions exist with respect to any Canadian Pension Plan that has resulted or could reasonably be expected to result in any Canadian Pension Plan having its registration revoked or refused by any administration of any relevant pension benefits regulatory authority or being required to pay any taxes (other than taxes the amounts of which are immaterial) or penalties under any applicable pension benefits or tax laws. As of the Fourth Amendment Effective Date, none of the Credit Parties maintains, sponsors, contributes to or otherwise has any liability or contingent liability in respect of a Canadian DB Plan.

(b) Except as would not reasonably be expected to have a Material Adverse Effect, no ERISA Event or Foreign Plan Event has occurred or is reasonably expected to occur.

(c) Except as set forth on Schedule 8.12, as of the Fourth Amendment Effective Date, no Foreign Plan of any Credit Party or any of their respective Related Parties is a pension plan or subject to any pension benefits legislation. Except as set forth on Schedule 8.12, as of the Fourth Amendment Effective Date, no Canadian Credit Party has any Canadian Pension Plan.

Section 1.13. Subsidiaries. Schedule 8.13 lists each Subsidiary of Holdings and the Borrower, in each case, existing on the Fourth Amendment Effective Date, after giving effect to the Transactions.

Section 1.14. Intellectual Property. Each of the Borrower and the Restricted Subsidiaries owns or has the right to use all Intellectual Property that is used in or otherwise necessary for the operation of their respective businesses as currently conducted, except where the failure of the foregoing would not reasonably be expected to have a Material Adverse Effect. The operation of their respective businesses by the Borrower and the Restricted Subsidiaries does not infringe upon, misappropriate, violate or otherwise conflict with the Intellectual Property of any third party, except, in each case, as would not reasonably be expected to have a Material Adverse Effect.

Section 1.15. Environmental Laws.

(a) Except as set forth on Schedule 8.15, or as would not reasonably be expected to have a Material Adverse Effect: (i) each of the Borrower and the Restricted Subsidiaries and their respective operations and properties are in compliance with all applicable Environmental Laws; (ii) none of the Borrower or any Restricted Subsidiary has received written notice of any Environmental Claim; (iii) none of the Borrower or any Restricted Subsidiary is conducting any investigation, removal, remedial or other corrective action pursuant to any Environmental Law at any location; and (iv) to the knowledge of the Borrower, no underground or above ground storage tank or related piping, or any impoundment or other disposal area containing Hazardous Materials is located at, on or under any Real Estate currently owned or leased by the Borrower or any of the Restricted Subsidiaries.

(b) Except as set forth on Schedule 8.15, none of the Borrower or any of the Restricted Subsidiaries has treated, stored, transported, Released or arranged for disposal or transport for disposal or treatment of Hazardous Materials at, on, under or from any currently or, formerly owned or operated property nor, to the knowledge of the Borrower, has there been any other Release of Hazardous Materials at, on, under or from any such properties, in each case, in a manner that would reasonably be expected to have a Material Adverse Effect.

Section 1.16. Properties.

(a) Each of the Borrower and the Restricted Subsidiaries has good and valid record title to, valid leasehold interests in, or rights to use, all properties that are necessary for the ordinary operation of their respective businesses as currently conducted, free and clear of all Liens (other than any Liens permitted by this Agreement) and except where the failure to have such title, interest or rights would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, and no Mortgage, if any, encumbers improved Real Estate that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards within the meaning of the National Flood Insurance Act of 1968 unless flood insurance available under such Act has been obtained in accordance with Section 9.3(b).

(b) Set forth on Schedule 8.16 is a list of each real property located in Canada or the United States owned in fee by any Credit Party as of the Fourth Amendment Effective Date having a book value in excess of \$5,000,000, if any.

Section 1.17. Solvency. On the Fifth Amendment Effective Date, after giving effect to the 2021 Refinancing Transactions (as defined in the Fifth Amendment), immediately following the making of the 2021 Refinancing Term Loans, and after giving effect to the application of the proceeds of such 2021 Refinancing Term Loans, the Borrower, on a consolidated basis with the Restricted Subsidiaries, will be Solvent.

Section 1.18. Patriot Act; Anti-Terrorism Laws. On the Fifth Amendment Effective Date, no proceeds of the 2021 Refinancing Term Loans will be used by Holdings, the Borrower or their respective Subsidiaries (a) in violation of United States Foreign Corrupt Practices Act of 1977, (b) in violation of the Patriot Act, (c) in violation of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), *Criminal Code* (Canada), *Freezing Assets of Corrupt Foreign Officials Act* (Canada), *Special Economic Measures Act* (Canada), *United Nations Act* (Canada) or any other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” laws of Canada or any province or territory thereof or (d) for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC, in each case, in any material respect.

Section 1.19. Security Interest in Collateral. Subject to the terms of the proviso contained in Section 6.1(b), the provisions of this Agreement and the other Credit Documents create legal and valid Liens on all of the Collateral in favor of the Collateral Agent, for the benefit of itself and the other Secured Parties (*provided* that, with respect to the creation and perfection of security interests with respect to Indebtedness, Capital Stock and Stock Equivalents of Foreign Subsidiaries, only to the extent the creation and perfection of such obligation is governed by the Uniform Commercial Code or PPSA), and upon the making of such filings and taking of such other actions required to be taken hereby or by the applicable Credit Documents (including the filing of appropriate Uniform Commercial Code and PPSA financing statements with the office of the Secretary of State of the state of organization of each Credit Party or applicable filing office in Canada, respectively, the filing of appropriate notices with the Canadian Intellectual Property Office, the U.S. Patent and Trademark Office and the U.S. Copyright Office, and the proper recordation of Mortgages and fixture filings with respect to any Mortgaged Property, in each case, in favor of the Collateral Agent for the benefit of the Secured Parties and the delivery to the Collateral Agent of any stock or equivalent certificates or promissory notes required to be delivered pursuant to the applicable Credit Documents), such Liens constitute perfected Liens on the Collateral of the type required by the Security Documents securing the Obligations to the extent such Liens may be perfected by such filings and the taking of such other actions. Notwithstanding the foregoing, the parties hereto agree that no Credit Party or any Subsidiary thereof shall be required to take any action outside the United States, Canada and the United Kingdom to grant, maintain or perfect any security interest in the Collateral (including the execution of any agreement, document or other instrument governed by the law of any jurisdiction other than the United States, Canada, any State or province thereof or the District of Columbia, or the United Kingdom), and the foregoing representation and warranty in this Section 8.19 shall be construed not to require any such actions.

Section 1.20. Anti-Terrorism Laws.

(a) To the extent applicable, each of Holdings, the Borrower and each Restricted Subsidiary is in compliance, in all material respects, with the Trading with the Enemy Act and each of the foreign assets control regulations of the United States Treasury Department (31 CFR Subtitle B, Chapter V) and any other enabling legislation or executive order relating thereto.

(b) No part of the proceeds of the Loans will be used by Holdings, the Borrower or any of the Restricted Subsidiaries, directly or, to the knowledge of the Borrower, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business, or to obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977 or under similar Requirements of Law in Canada.

(c) None of Holdings, the Borrower or any Restricted Subsidiary nor, to the knowledge of the Borrower, any director, officer or employee of Holdings, the Borrower or any Restricted Subsidiary, (i) is a person on the list of “*Specially Designated Nationals and Blocked Persons*” or (ii) is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department (“OFAC”).

SECTION 9

Affirmative Covenants

The Borrower hereby covenants and agrees that on the Fourth Amendment Effective Date and thereafter, until the Commitments have terminated and the Loans, together with interest,

Fees and all other Obligations incurred hereunder (other than contingent obligations, Secured Hedge Obligations, Secured Bank Product Obligations and Secured Cash Management Obligations), are paid in full:

Section 1.1. Information Covenants. The Borrower will furnish to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a) Annual Financial Statements. On or before the date that is 120 days after the end of each fiscal year, commencing with the fiscal year ending on or about March 31, 2021, the consolidated balance sheets of Holdings, the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations and cash flows for such fiscal year, and setting forth comparative consolidated figures for the prior fiscal year, all in reasonable detail and prepared in accordance with IFRS, and, in each case, certified by Deloitte, LLP or independent certified public accountants of recognized national standing whose opinion shall not be qualified as to the scope of audit or as to the status of the Borrower or any Restricted Subsidiaries as a going concern (other than any exception, explanatory paragraph or qualification, that is expressly solely with respect to, or expressly resulting solely from, (i) an upcoming maturity date under any Indebtedness of the Borrower and its Restricted Subsidiaries occurring within one year from the time such opinion is delivered or (ii) any prospective or actual default of a financial maintenance covenant), together with a narrative providing a summary description of the highlights of results of operations of the Borrower and its Restricted Subsidiaries for such fiscal year commencing with the fiscal quarter ending on or about March 31, 2019; *provided* that if at the end of any applicable fiscal year there are any Unrestricted Subsidiaries, the Borrower shall also furnish the related consolidating balance sheets of the Borrower and its Restricted Subsidiaries as at the end of such fiscal year, and the related consolidating statements of income or operations and cash flows for such fiscal year, in each case, reflecting the adjustments necessary to eliminate such Unrestricted Subsidiaries from the consolidated balance sheets of the Borrower and its Restricted Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations and cash flows for such fiscal year; *provided, further*, that no consolidating financial statements provided pursuant to the immediately preceding proviso shall be required to be audited.

(b) Quarterly Financial Statements. On or before the date that is 45 days after the end of each of the first three fiscal quarters of each fiscal year, commencing with the fiscal quarter ending on or about September 30, 2020, the consolidated balance sheets of Holdings, the Borrower and its Subsidiaries as at the end of such fiscal quarter and the related consolidated statements of income or operations for such fiscal quarter and for the elapsed portion of the fiscal year ended with the last day of such fiscal quarter, and the related consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of such fiscal quarter, and a narrative providing a summary description of the highlights of results of operations of the Borrower and its Restricted Subsidiaries for such fiscal quarter and for the elapsed portion of the fiscal year ended with the last day of such fiscal quarter and commencing with the fiscal quarter ending on or about June 30, 2019 setting forth comparative consolidated figures for the related periods in the prior fiscal year or, in the case of such consolidated balance sheet, for the last day of the related period in the prior fiscal year, all of which shall be certified by an Authorized Officer of the Borrower as fairly presenting in all material respects the financial position, results of operations and cash flows of the Borrower and its Subsidiaries in accordance with IFRS (except as noted therein), subject to changes resulting from normal year-end adjustments and the absence of footnotes; *provided* that if at the end of any applicable fiscal quarter there are any Unrestricted Subsidiaries, the Borrower shall also furnish the related consolidating balance sheets of the Borrower and its Restricted Subsidiaries as at the end of such fiscal quarter, and the related consolidating statements of income or operations and cash flows for such fiscal quarter, in each case, reflecting the adjustments necessary to eliminate such Unrestricted Subsidiaries

from the consolidated balance sheets of the Borrower and its Restricted Subsidiaries as at the end of such fiscal quarter, and the related consolidated statements of income or operations and cash flows for such fiscal quarter.

(c) [Reserved].

(d) Officer's Certificates. Not later than five days after the delivery of the financial statements provided for in Sections 9.1(a) and (b), a certificate of an Authorized Officer of the Borrower to the effect that no Event of Default exists or, if any Event of Default does exist, specifying the nature and extent thereof, as the case may be, which certificate shall set forth a specification of any change in the identity of the Restricted Subsidiaries and Unrestricted Subsidiaries as at the end of such fiscal year or period, as the case may be, from the Restricted Subsidiaries and Unrestricted Subsidiaries, respectively, identified to the Administrative Agent on the Fourth Amendment Effective Date, the date of the most recent certificate delivered pursuant to this clause (d) or the most recent disclosure of any such information to the Administrative Agent, as the case may be. At the time of the delivery of the financial statements provided for in Section 9.1(a), a certificate of an Authorized Officer of the Borrower setting forth changes to the legal name, jurisdiction of formation, type of entity and organizational number (or equivalent) (to the extent such Person is organized in a jurisdiction where an organizational identification number is required to be included in a Uniform Commercial Code or PPSA financing statement (or equivalent document)), in each case for each Credit Party or confirming that there has been no change in such information since the Fourth Amendment Effective Date, the date of the most recent certificate delivered pursuant to this clause (d), or the most recent disclosure of any such information to the Administrative Agent, as the case may be.

(e) Notice of Default or Litigation. Promptly after an Authorized Officer of the Borrower or any Restricted Subsidiary obtains knowledge thereof, notice of (i) the occurrence of any event that constitutes a Default or an Event of Default, which notice shall specify the nature thereof, the period of existence thereof and what action the Borrower proposes to take with respect thereto and (ii) any litigation or governmental proceeding pending against the Borrower or any of the Restricted Subsidiaries that would reasonably be expected to result in a Material Adverse Effect.

(f) Other Information. Promptly upon filing thereof, copies of any filings (including on the Annual Information Form, Form 10-K, 10-Q or 8-K) or prospectus or registration statements with, and reports to, any Canadian provincial or territorial securities regulator, the SEC or any analogous Governmental Authority in any relevant jurisdiction by the Borrower or any of the Restricted Subsidiaries (other than amendments to any prospectus or registration statement (to the extent such prospectus or registration statement, in the form it becomes effective, is delivered to the Administrative Agent), exhibits to any of the foregoing and, if applicable, any registration statements on Form S-8 or any analogous form under Canadian Securities Laws) and copies of all financial statements, notices of default, and reports that the Borrower or any of the Restricted Subsidiaries shall send or otherwise make available to the holders of any publicly issued debt of the Borrower or any of the Restricted Subsidiaries, in their capacity as such holders (in each case to the extent not theretofore delivered to the Administrative Agent pursuant to this Agreement) and, with reasonable promptness, such other information (financial or otherwise) as the Administrative Agent on its own behalf or on behalf of any Lender (acting through the Administrative Agent) may reasonably request in writing from time to time; *provided* that none of the Borrower nor any Restricted Subsidiary will be required to disclose or permit the inspection or discussion of, any document, information or other matter (unless such information is otherwise in such filing or other information sent or made available to the holders of any publicly issued debt in their capacity as such holder) (i) that constitutes non-registered Intellectual Property, non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or

their respective contractors) is prohibited by law or any binding agreement or (iii) that is subject to attorney-client or similar privilege or constitutes attorney work product.

(g) Lender Calls. Solely to the extent required by holders of debt securities of the Borrower, the Borrower shall conduct a conference call that the Lenders may attend to discuss the financial condition and results of operations of the Borrower and its Restricted Subsidiaries for the most recently ended measurement period for which financial statements have been delivered pursuant to Section 9.1(a), at a date and time to be determined by the Borrower with reasonable advance notice to the Administrative Agent; *provided* that if the Borrower is holding a conference call open to the public to discuss the financial condition and results of operations of the Borrower and its Restricted Subsidiaries for the most recently ended measurement period for which financial statements have been delivered pursuant to Section 9.1(a), the Borrower will not be required to hold a second, separate call for the Lenders as long as the Lenders are provided access to such initial conference call and the ability to ask questions thereon.

Notwithstanding the foregoing, the obligations in clauses (a) and (b) of this Section 9.1 may be satisfied with respect to financial information of Holdings, the Borrower and the Restricted Subsidiaries by furnishing (A) the applicable financial statements of any direct or indirect parent of the Borrower or (B) the Form 10-K or 10-Q (or any equivalent form under applicable Canadian Securities Laws), as applicable, of the Borrower or any direct or indirect parent of the Borrower, as applicable, filed with the SEC or Canadian Securities Administrator (or the Ontario Securities Commission, British Columbia Securities Commission or other securities commission in Canada or any province or territory thereof); *provided* that, with respect to each of subclauses (A) and (B) of this paragraph, to the extent such information relates to a parent of the Borrower, such information is accompanied by unaudited consolidating or other information that explains in reasonable detail the differences between the information relating to such parent, on the one hand, and the information relating to the Borrower and the Restricted Subsidiaries on a standalone basis, on the other hand.

Documents required to be delivered pursuant to clauses (a), (b), and (f) of this Section 9.1 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the earliest date on which (i) the Borrower posts such documents, or provides a link thereto, on the Borrower's website on the Internet; (ii) such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency, Syndtrak or another website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent), or (iii) such financial statements and/or other documents are posted on the SEC's website on the internet at www.sec.gov (or equivalent website of the Canadian Securities Administrator or the Ontario Securities Commission, British Columbia Securities Commission or other securities commission in Canada or any province or territory thereof); *provided* that (A) the Borrower shall, at the request of the Administrative Agent, continue to deliver copies (which delivery may be by electronic transmission) of such documents to the Administrative Agent and (B) the Borrower shall notify (which notification may be by facsimile or electronic transmission) the Administrative Agent of the posting of any such documents on any website described in this paragraph. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents.

Section 1.2. Books, Records, and Inspections.

(a) The Borrower will, and will cause each Restricted Subsidiary to, permit officers and designated representatives of the Administrative Agent to visit and inspect any of the properties or assets of the Borrower and any such Restricted Subsidiary in whomsoever's possession to the extent that it is within such party's control to permit such inspection (and shall

use commercially reasonable efforts to cause such inspection to be permitted to the extent that it is not within such party's control to permit such inspection), and to examine the books and records of the Borrower and any such Restricted Subsidiary and discuss the affairs, finances and accounts of the Borrower and any such Restricted Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, all at such reasonable times and intervals, and reasonable advance notice, and to such reasonable extent as the Administrative Agent may request (and subject, in the case of any such meetings or advice from such independent accountants, to such accountants' customary policies and procedures); *provided* that, excluding any such visits and inspections during the continuation of an Event of Default, (1) only the Administrative Agent on behalf of the Required Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 9.2, (2) the Administrative Agent shall not exercise such rights more than one time in any calendar year, which such visit will be at the Borrower's expense, and (3) notwithstanding anything to the contrary in this Section 9.2, none of the Borrower or any of the Restricted Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (x) constitutes non-registered Intellectual Property, non-financial trade secrets or non-financial proprietary information, (y) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any binding agreement or (z) is subject to attorney-client or similar privilege or constitutes attorney work product; *provided, further*, that when an Event of Default exists, the Administrative Agent (or any of its respective representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent shall give the Borrower the opportunity to participate in any discussions with the Borrower's independent public accountants.

(b) The Borrower will, and will cause each Restricted Subsidiary to, maintain proper books of record and account, in which entries that are full, true and correct in all material respects and are in conformity, in all material respects, with IFRS shall be made of all material financial transactions and matters involving the assets of the business of the Borrower or such Restricted Subsidiary, as the case may be (it being understood and agreed that any Restricted Subsidiary may maintain its individual books and records in conformity with local standards or customs and that such maintenance shall not constitute a breach of the representations, warranties or covenants hereunder).

Section 1.3. Maintenance of Insurance. (a) The Borrower will, and will cause each Material Subsidiary to, at all times maintain in full force and effect, pursuant to self-insurance arrangements or with insurance companies that the Borrower believes (in the good faith judgment of the management of the Borrower) are financially sound and responsible at the time the relevant coverage is placed or renewed, insurance in at least such amounts (after giving effect to any self-insurance which the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business and the availability of insurance on a cost-effective basis) and against at least such risks (and with such risk retentions) as the Borrower believes (in the good faith judgment of management of the Borrower) is reasonable and prudent in light of the size and nature of its business and the availability of insurance on a cost-effective basis; and will furnish to the Administrative Agent, promptly following written request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried (*provided* that, for so long as no Event of Default has occurred and is continuing, the Administrative Agent shall be entitled to make such request only once in any calendar year) and (b) with respect to any Mortgaged Property, the Borrower will obtain flood insurance in such total amount as may reasonably be required by the Collateral Agent, if at any time the area in which any improvements located on any Mortgaged Property is designated a "special flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), and otherwise comply with

the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973. Each such policy of insurance maintained by the Borrower or other Credit Party shall (i) in the case of each general liability and umbrella liability insurance policy, name the Collateral Agent, on behalf of the Secured Parties as an additional insured thereunder as its interests may appear and (ii) in the case of each casualty insurance policy, contain a loss payable clause or endorsement that names the Collateral Agent, on behalf of the Secured Parties as a loss payee thereunder.

Section 1.4. Payment of Taxes. The Borrower will pay and discharge, and will cause each of the Restricted Subsidiaries to pay and discharge, all Taxes imposed upon it (including in its capacity as a withholding agent) or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful claims in respect of any Taxes imposed, assessed or levied that, if unpaid, would reasonably be expected to become a material Lien upon any properties of the Borrower or any of the Restricted Subsidiaries; *provided* that neither the Borrower nor any of the Restricted Subsidiaries shall be required to pay or discharge any such Tax (x) that is being contested in good faith and by proper actions if it has maintained adequate reserves (in the good faith judgment of management of the Borrower) with respect thereto to the extent required by IFRS or (y) the failure to pay or discharge would not reasonably be expected to result in a Material Adverse Effect.

Section 1.5. Preservation of Existence; Consolidated Corporate Franchises. The Borrower will, and will cause each Material Subsidiary to, take all actions necessary (a) to preserve and keep in full force and effect its existence, organizational rights and authority and (b) to maintain its rights, privileges (including its good standing (if applicable)), permits, licenses and franchises necessary in the normal conduct of its business, in each case, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect; *provided, however*, that the Borrower and its Subsidiaries may consummate any transaction permitted under Permitted Investments and Sections 10.2, 10.3, 10.4 or 10.5.

Section 1.6. Compliance with Statutes, Regulations, Etc. The Borrower will, and will cause each Restricted Subsidiary to, comply with all laws, rules, regulations and orders of any Governmental Authority (including all Environmental Laws) applicable to it or its property (owned or leased), except where the failure to do so would not reasonably be expected to have a Material Adverse Effect; *provided* that this Section 9.6 shall not apply to laws related to Taxes.

Section 1.7. [Reserved].

Section 1.8. Maintenance of Properties. The Borrower will, and will cause each of the Restricted Subsidiaries to, keep and maintain all tangible property material to the conduct of its business in good working order and condition, ordinary wear and tear, casualty, and condemnation excepted, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

Section 1.9. Additional Guarantors and Grantors. In each case subject to any applicable limitations set forth in the Credit Documents, the Borrower shall cause each (x) direct or indirect Subsidiary (other than, in each case, any Excluded Subsidiary) of the Borrower formed or otherwise purchased or acquired after the Fourth Amendment Effective Date (including pursuant to a Permitted Acquisition) and (y) other Subsidiary which would otherwise be required to provide a Guarantee but for its classification as an Excluded Subsidiary that ceases to constitute an Excluded Subsidiary to, within sixty (60) days from the date of the applicable formation, acquisition or cessation, as applicable (or such later date as the Administrative Agent may determine in its reasonable discretion), and the Borrower may at its option cause any Subsidiary to, execute a supplement to each of the Guarantee, the applicable Pledge Agreement and the applicable Security Agreement in order to become a Guarantor under the applicable

Guarantee and a grantor under such Security Documents, respectively, or, to the extent reasonably requested by the Collateral Agent, enter into an appropriate new Guarantee and appropriate new Security Document substantially consistent with the analogous existing Guarantee or Security Documents or otherwise in form and substance reasonably satisfactory to the Borrower and the Collateral Agent and take all other action reasonably requested by the Collateral Agent to grant a perfected (with respect to Collateral consisting of Intellectual Property, if and to the extent required under the Security Documents of existing Credit Parties in the applicable jurisdiction) security interest in its assets to substantially the same extent as created by the Credit Parties and only if and to the extent required under, and in accordance with, the Security Documents. Notwithstanding anything to the contrary herein or in any other Credit Document, it is understood and agreed that: (i) no Credit Party or any Subsidiary shall be required to take any action outside the United States, Canada or the United Kingdom to guarantee the Obligations or grant, maintain or perfect any security interest in the Collateral (including the execution of any agreement, document or other instrument governed by the law of any jurisdiction other than the United States, Canada, any State or province thereof or the District of Columbia, or the United Kingdom); and (ii) no environmental reports shall be required to be delivered hereunder or under any other Credit Document.

Section 1.10. Pledge of Additional Stock and Evidence of Indebtedness. Subject to any applicable limitations set forth in the Credit Documents and other than (x) when in the reasonable determination of the Administrative Agent and the Borrower (as agreed in writing), the cost, burden or other consequences of doing so would be excessive in view of the benefits to be obtained by the Lenders therefrom or (y) to the extent doing so could result in a material adverse tax consequence as reasonably determined by the Borrower in consultation with the Administrative Agent, the Borrower will cause (i) all certificates representing Capital Stock of any Restricted Subsidiary (other than any Excluded Stock and Stock Equivalents) held directly by the Borrower or any Guarantor, (ii) all evidences of Indebtedness for borrowed money in excess of \$5,000,000 received by the Borrower or any of the Guarantors in connection with any disposition of assets pursuant to Section 10.4(b), and (iii) any promissory notes executed after the Fourth Amendment Effective Date evidencing Indebtedness for borrowed money in excess of \$5,000,000 that is owing to the Borrower or any Guarantor, in each case, to be delivered to the Collateral Agent as security for the Obligations accompanied by undated instruments of transfer executed in blank pursuant to the terms of the applicable Security Documents; *provided, however*, that in no event shall Holdings be required to deliver the DTR Note to the Collateral Agent. Notwithstanding the foregoing, any promissory note among the Borrower or its Subsidiaries need not be delivered to the Collateral Agent pursuant to this Section 9.10 so long as (i) a global intercompany note, including any Intercompany Note, superseding or supplementing such promissory note has been delivered to the Collateral Agent, (ii) such promissory note is not delivered to any other party other than the Borrower or its Subsidiaries, in each case, owed money thereunder, and (iii) such promissory note indicates on its face that it is subject to the security interest of the Collateral Agent.

Section 1.11. Use of Proceeds. The proceeds of the Initial Term Loans will be applied (i) on the Closing Date to pay the Closing Distribution; (ii) with respect to the proceeds of the Initial Term B-1 Loans, to pay Transaction Expenses; and (iii) with respect to any remaining proceeds of the Initial Term B-1 Loans, to fund cash to the Borrower's balance sheet and for other general corporate purposes. The proceeds of the 2019 Refinancing Term Loans made on the Third Amendment Effective Date will be applied to prepay in full the outstanding principal amount of all Initial Term Loans. The proceeds of the 2020 Refinancing Term Loans (other than the 2020 New Term Loans) made on the Fourth Amendment Effective Date will be applied to refinance in full the outstanding principal amount of all 2019 Refinancing Term Loans. The proceeds of the 2020 New Term Loans shall be used (x) to finance working capital of the Borrower and its Restricted Subsidiaries, (y) to pay fees and expenses incurred in connection with the Fourth Amendment and the transactions contemplated thereto and (z) for general

corporate purposes (including any transaction not prohibited by this Agreement). The proceeds of the 2021 Refinancing Term Loans made on the Fifth Amendment Effective Date will be applied to prepay in full the outstanding principal amount of all 2020 Refinancing Term Loans.

Section 1.12. Further Assurances.

(a) Subject to the terms of, and limitations and exceptions contained in, Sections 9.9, and 9.10, this Section 9.12 and the Security Documents, the Borrower will, and will cause each other Credit Party to, execute any and all further documents, financing statements, agreements, and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust, and other documents) that may be required under any applicable law, or that the Collateral Agent or the Required Lenders may reasonably request, in order to grant, preserve, protect, and perfect (if and to the extent required under the Security Documents) the validity and priority of the security interests created or intended to be created by the applicable Security Documents, all at the expense of the Borrower.

(b) Subject to any applicable limitations set forth in the Security Documents and other than (x) when in the reasonable determination of the Administrative Agent and the Borrower (as agreed to in writing), the cost or other consequences of doing so could be excessive in view of the benefits to be obtained by the Lenders therefrom or (y) to the extent doing so could result in a material adverse tax consequence as reasonably determined by the Borrower in consultation with the Administrative Agent, if any assets (other than Excluded Property) (including any fee-owned real property located in the United States or Canada or improvements thereto or any interest therein but excluding Capital Stock and Stock Equivalents of any Subsidiary and excluding any real estate which the Borrower or applicable Credit Party intends to dispose of pursuant to a Permitted Sale Leaseback so long as actually disposed of within 270 days of acquisition (or such longer period as the Administrative Agent may reasonably agree)) with a book value in excess of \$5,000,000 (at the time of acquisition) are acquired by the Borrower or any other Credit Party after the Fourth Amendment Effective Date (other than assets constituting Collateral under a Security Document that become subject to the Lien of the applicable Security Document upon acquisition thereof) that are of a nature secured by a Security Document or that constitute fee-owned real property in the United States or Canada, the Borrower will notify the Collateral Agent, and, if requested by the Collateral Agent, the Borrower will cause such assets to be subjected to a Lien securing the Obligations (*provided* that in the event such real property required to be subject to a Mortgage pursuant to this Section 9.12(b) is located in a jurisdiction which imposes mortgage recording tax, intangibles tax or any similar taxes, fees or charges, such Mortgage shall only secure an amount equal to the Fair Market Value of such real property) and will take, and cause the other applicable Credit Parties to take, such actions as shall be necessary or reasonably requested by the Collateral Agent, as soon as commercially reasonable but in no event later than 90 days, unless extended by the Administrative Agent in its reasonable discretion, to grant and perfect such Liens consistent with the applicable requirements of the Security Documents, including actions described in clause (a) of this Section 9.12.

(c) Any Mortgage delivered to the Collateral Agent in accordance with the preceding clause (b) shall, if requested by the Collateral Agent, be received no later than 90 days after acquisition of such Mortgaged Property, unless extended by the Administrative Agent in its reasonable discretion, and shall be accompanied by (w) a policy or policies (or an unconditional binding commitment therefor to be replaced by a final title policy) of title insurance issued by a nationally recognized title insurance company, in such amounts as are reasonably acceptable to the Administrative Agent not to exceed the Fair Market Value of the applicable Mortgaged Property, insuring the Lien of each Mortgage as a valid first Lien on the Mortgaged Property described therein, free of any other Liens except as permitted by Section 10.2 or as otherwise permitted by the Administrative Agent and otherwise in form and substance reasonably

acceptable to the Administrative Agent and the Borrower, together with such endorsements, coinsurance and reinsurance as the Administrative Agent may reasonably request but only to the extent such endorsements are (i) available in the relevant jurisdiction (*provided* in no event shall the Administrative Agent request a creditors' rights endorsement) and (ii) available at commercially reasonable rates, (x) to the extent reasonably requested by the Collateral Agent, a customary opinion of local counsel to the applicable Credit Party in the jurisdiction in which any Mortgaged Property is located, with respect to the local law enforceability and perfection of the Mortgage(s) in form and substance reasonably satisfactory to the Collateral Agent, (y) a completed "Life-of-Loan" Federal Emergency Management Agency Standard Flood Hazard Determination, and if any improvements on such Mortgaged Property are located in a special flood hazard area, (i) a notice about special flood hazard area status and flood disaster assistance duly executed by the applicable Credit Parties and (ii) certificates of insurance evidencing the insurance required by Section 9.3 in form reasonably satisfactory to the Administrative Agent, and (z) an ALTA survey in a form and substance reasonably acceptable to the Collateral Agent or such existing survey together with a no-change affidavit sufficient for the title company to remove all standard survey exceptions from the title policy related to such Mortgaged Property and issue the endorsements required in clause (w) above.

Section 1.13. Lines of Business. The Borrower and the Restricted Subsidiaries, taken as a whole, will not fundamentally and substantively alter the character of their business, taken as a whole, from the business conducted or proposed to be conducted by the Borrower and the Restricted Subsidiaries, taken as a whole, on the Fourth Amendment Effective Date and other business activities which are extensions thereof or otherwise similar, incidental, complementary, synergistic, reasonably related, or ancillary to any of the foregoing (and non-core incidental businesses acquired in connection with any Permitted Acquisition or permitted Investment), in each case as determined by the Borrower in good faith.

Section 1.14. Canadian Pension Benefit Plan. In each case except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect, each Canadian Credit Party shall cause each of its Canadian Pension Plans to be administered in all respects in compliance with, as applicable, the *Supplemental Pension Plans Act* (Quebec), the *Pension Benefits Act* (Ontario), all other applicable laws (including regulations, orders and directives) and the terms of the Canadian Pension Plans and any agreements relating thereto. In each case except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect, each Canadian Credit Party shall ensure: (a) it has no unfunded, solvency, or deficiency on windup liability and no accumulated funding deficiency (whether or not waived), or any amount of unfunded benefit liabilities in respect of any Canadian Pension Plan; (b) no liability upon it or them or Lien on any of its or their asset property arises or exists in respect of any Canadian Pension Plan; and (c) it makes all required contributions to Canadian Pension Plans when due.

SECTION 10

Negative Covenants

The Borrower hereby covenants and agrees that on the Fourth Amendment Effective Date and thereafter, until the Commitments have terminated and the Loans, together with interest, Fees and all other Obligations incurred hereunder (other than contingent obligations, Secured Hedge Obligations, Secured Bank Product Obligations and Secured Cash Management Obligations), are paid in full:

Section 1.1. Limitation on Indebtedness. The Borrower will not, and will not permit any Restricted Subsidiary to, create, incur, issue, assume, guarantee or otherwise become liable, contingently or otherwise (collectively, "incur" and collectively, an "incurrence"), with respect

to any Indebtedness (including Acquired Indebtedness) and the Borrower will not, and will not permit any Restricted Subsidiary to, issue any shares of Disqualified Stock or, in the case of Restricted Subsidiaries that are not Guarantors, preferred Capital Stock; *provided* that the Borrower may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of preferred Capital Stock, in an aggregate outstanding principal amount at the time of incurrence or issuance not greater than (1) the greater of (x) \$80,000,000 and (y) 37.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such incurrence or issuance, in each case *plus* (2) additional amounts if, after giving effect thereto, for the most recently ended Test Period (on a Pro Forma Basis) at the time of incurrence or issuance, the Interest Coverage Ratio is not less than 2.00 to 1.00; *provided* that the amount of Indebtedness (other than Acquired Indebtedness), Disqualified Stock and preferred Capital Stock that may be incurred and issued pursuant to the foregoing, together with any amounts incurred under Section 10.1(n)(x) by Restricted Subsidiaries that are not Guarantors, shall not exceed an aggregate principal amount equal to at any one time outstanding the greater of (x) \$107,000,000 and (y) 50.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis).

The foregoing limitations will not apply to:

- (a) Indebtedness arising under the Credit Documents;
- (b) Indebtedness representing deferred compensation to, or similar arrangements with, employees and independent contractors of the Borrower or any Restricted Subsidiary to the extent incurred in the ordinary course of business;
- (c) (i) Indebtedness (including any unused commitment) outstanding on the Fourth Amendment Effective Date listed on Schedule 10.1 and (ii) intercompany Indebtedness (including any unused commitment) outstanding on the Fourth Amendment Effective Date owed by the Borrower to a Restricted Subsidiary, by a Restricted Subsidiary to the Borrower or by a Restricted Subsidiary to another Restricted Subsidiary;
- (d) Indebtedness (including Capitalized Lease Obligations), Disqualified Stock and preferred Capital Stock incurred or issued by the Borrower or any Restricted Subsidiary to finance the purchase, lease, construction, installation, maintenance, replacement or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets and Indebtedness arising from the conversion of the obligations of the Borrower or any Restricted Subsidiary under or pursuant to any “synthetic lease” transactions to on-balance sheet Indebtedness of the Borrower or such Restricted Subsidiary, in an aggregate principal amount which, when aggregated with the principal amount of all other Indebtedness, Disqualified Stock and preferred Capital Stock then outstanding and incurred or issued pursuant to this clause (d), does not exceed the greater of (x) \$80,000,000 and (y) 37.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance; *provided* that Capitalized Lease Obligations incurred by the Borrower or any Restricted Subsidiary pursuant to this clause (d) in connection with a Permitted Sale Leaseback shall not be subject to the foregoing limitation so long as the Net Cash Proceeds of such Permitted Sale Leaseback are used by the Borrower or such Restricted Subsidiary to permanently repay outstanding Term Loans or other Indebtedness secured by a Lien on the assets subject to such Permitted Sale Leaseback;
- (e) Indebtedness incurred by the Borrower or any Restricted Subsidiary (including letter of credit obligations constituting reimbursement obligations with respect to

letters of credit issued in the ordinary course of business), in respect of workers' compensation claims, bid, appeal, performance or surety bonds, performance or completion guarantees, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement or indemnification type obligations regarding workers' compensation claims, bid, appeal, performance or surety bonds, performance or completion guarantees, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance;

(f) Indebtedness constituting any part of any Permitted Reorganization;

(g) Indebtedness of the Borrower owing, or Disqualified Stock of the Borrower issued, to Holdings or a Restricted Subsidiary; *provided* that any Indebtedness under this clause (g) owing to a Restricted Subsidiary that is not a Credit Party must be subordinated in right of payment to the Obligations pursuant to an Intercompany Note or otherwise and any such Indebtedness owing by the Borrower to Holdings shall be subject to the Holdings Subordination Agreement for so long as the Holdings Subordination Agreement is in effect in accordance with its terms prior to the Closing Distribution; *provided, further*, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any applicable Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness or Disqualified Stock (except to Holdings, the Borrower or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case to be an incurrence of such Indebtedness, or issuance of such Disqualified Stock, as applicable, not permitted by this clause (g);

(h) Indebtedness of a Restricted Subsidiary owing, or Disqualified Stock or preferred Capital Stock of a Restricted Subsidiary issued, to the Borrower or another Restricted Subsidiary; *provided* that if a Guarantor incurs such Indebtedness owing to a Restricted Subsidiary that is not a Guarantor, such Indebtedness is subordinated in right of payment to the Guarantee of such Guarantor; *provided, further*, that any subsequent transfer of any such Indebtedness, Disqualified Stock or preferred Capital Stock (except to Holdings, the Borrower or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case to be an incurrence of such Indebtedness, or issuance of Disqualified Stock or preferred Capital Stock, as applicable, not permitted by this clause (h);

(i) to the extent constituting Indebtedness, customer deposits and advance payments (including progress payments) received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;

(j) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes) and obligations in respect of Bank Products, in each case, both as defined under this Agreement and as defined under the ABL Credit Agreement;

(k) obligations in respect of self-insurance, performance, bid, appeal, and surety bonds and completion guarantees and similar obligations provided by the Borrower or any Restricted Subsidiary or obligations in respect of letters of credit, bankers' acceptances, warehouse receipts, bank guarantees or similar instruments related thereto, in each case, in the ordinary course of business;

(l) (i) Indebtedness, Disqualified Stock and preferred Capital Stock of the Borrower or any Restricted Subsidiary in an aggregate principal amount or liquidation preference up to 100.0% of the net cash proceeds received by the Borrower since the Fourth Amendment Effective Date from the issue or sale of Equity Interests of the Borrower or cash contributed to the capital of the Borrower (in each case, other than Excluded Contributions, proceeds of Disqualified Stock or proceeds of sales of Equity Interests to the Borrower or any of its

Subsidiaries) as determined in accordance with Sections 10.5(a)(iii)(B) and 10.5(a)(iii)(C) to the extent such net cash proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to Section 10.5(b) or to make Permitted Investments (other than Permitted Investments specified in clauses (i) and (iii) of the definition thereof) and (ii) Indebtedness, Disqualified Stock or preferred Capital Stock of the Borrower or any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and preferred Capital Stock then outstanding and incurred or issued pursuant to this clause (l)(ii), does not at any one time outstanding exceed the greater of (x) \$100,000,000 and (y) 46.75% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance (it being understood that any Indebtedness, Disqualified Stock or preferred Capital Stock incurred or issued pursuant to this clause (l)(ii) shall cease to be deemed incurred, issued or outstanding for purposes of this clause (l)(ii) but shall be deemed incurred or issued for the purposes of the first paragraph of this Section 10.1 from and after the first date on which the Borrower or such Restricted Subsidiary could have incurred or issued such Indebtedness, Disqualified Stock or preferred Capital Stock under the first paragraph of this Section 10.1 without reliance on this clause (l)(ii));

(m) the incurrence or issuance by the Borrower or any Restricted Subsidiary of Indebtedness, Disqualified Stock or preferred Capital Stock which serves to refinance any Indebtedness, Disqualified Stock or preferred Capital Stock incurred or issued as permitted under (i) the first paragraph of this Section 10.1, (ii) Sections 10.1(c), (d), (l)(i), (n), (w), (x), (y) and (dd) and this Section 10.1(m) or (iii) any Indebtedness, Disqualified Stock or preferred Capital Stock incurred or issued to so refinance, replace, refund, extend, renew, defease, restructure, amend, restate or otherwise modify (collectively, “refinance”) such Indebtedness, Disqualified Stock or preferred Capital Stock (the “Refinancing Indebtedness”) on or prior to its respective maturity, so long as the aggregate principal amount, accreted value or liquidation preference, as applicable, of such Refinancing Indebtedness shall equal no more than the aggregate outstanding principal amount, accreted value or liquidation preference of the refinanced Indebtedness, Disqualified Stock or preferred Capital Stock (*plus* the amount of any unused commitments thereunder), *plus* accrued interest, fees, defeasance costs and premium (including call and tender premiums), if any, under the refinanced Indebtedness, Disqualified Stock or preferred Capital Stock, *plus* underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of such Indebtedness, Disqualified Stock or preferred Capital Stock and the incurrence or issuance of such Refinancing Indebtedness; *provided* that such Refinancing Indebtedness (other than such Refinancing Indebtedness incurred or issued in respect of Indebtedness under Section 10.1(d) or Section 10.1(dd)) (1) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or preferred Capital Stock being refinanced, (2) to the extent such Refinancing Indebtedness refinances (I) Indebtedness that is secured by a Lien ranking junior to the Liens securing any First Lien Obligations, such Refinancing Indebtedness is unsecured or secured by a Lien ranking junior to the Liens securing any First Lien Obligations or (II) Disqualified Stock or preferred Capital Stock, such Refinancing Indebtedness must consist of Disqualified Stock or preferred Capital Stock, respectively, and (3) shall not include Indebtedness, Disqualified Stock or preferred Capital Stock of a Subsidiary of the Borrower that is not a Guarantor that refinances Indebtedness, Disqualified Stock or preferred Capital Stock of the Borrower or a Guarantor; *provided, further*, that in the case of a refinancing of Permitted Other Indebtedness incurred pursuant to Section 10.1(x)(b) with other Refinancing Indebtedness (“Refinancing Permitted Other Indebtedness”), such Refinancing Permitted Other Indebtedness, if secured, may only be secured by a Lien ranking junior to the Lien securing the First Lien Obligations outstanding under this Agreement and in the case of Refinancing Indebtedness with respect to clauses (d), (n) (but only to the extent such Refinancing Indebtedness is incurred by

non-Credit Parties) and (dd) of this Section 10.1, the incurrence of such Refinancing Indebtedness shall be without duplication of any amounts outstanding under any such clauses;

(n) Indebtedness, Disqualified Stock or preferred Capital Stock of (x) the Borrower or a Restricted Subsidiary incurred, assumed or issued to finance an acquisition, merger, amalgamation or consolidation; *provided* that the outstanding principal amount of Indebtedness, Disqualified Stock and preferred Capital Stock that may be incurred or issued pursuant to the foregoing, together with any outstanding principal amounts incurred or issued under the first paragraph of this Section 10.1 (other than Acquired Indebtedness), in each case, by Restricted Subsidiaries that are not Guarantors shall not exceed the greater of (A) \$107,000,000 and (B) 50.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance, and (y) Persons that are acquired by the Borrower or any Restricted Subsidiary or merged into or amalgamated or consolidated with the Borrower or a Restricted Subsidiary in accordance with the terms hereof (including designating an Unrestricted Subsidiary a Restricted Subsidiary); *provided* that, after giving effect to any such acquisition, merger, amalgamation, consolidation or designation described in this clause (n), on a Pro Forma Basis, either: (A) the Interest Coverage Ratio as of the most recently ended Test Period is at least 2.00 to 1.00 or is not less than the Interest Coverage Ratio as of immediately prior to such acquisition, merger, amalgamation, consolidation or designation or (B) the Total Net Leverage Ratio as of the most recently ended Test Period is not greater than 5.50 to 1.00 or is not higher than the Total Net Leverage Ratio as of immediately prior to such acquisition, merger, amalgamation, consolidation or designation; *provided* that any cash proceeds of any new Indebtedness, Disqualified Stock or preferred Capital Stock then being incurred shall not be netted from the numerator in the Total Net Leverage Ratio, as applicable for purposes of calculating the Total Net Leverage Ratio, as applicable, under this clause (n) for purposes of determining whether such Indebtedness, Disqualified Stock or preferred Capital Stock can be incurred;

(o) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business;

(p) (i) Indebtedness of the Borrower or any Restricted Subsidiary supported by a letter of credit, in a principal amount not in excess of the stated amount of such letter of credit so long as such letter of credit is otherwise permitted to be incurred pursuant to this Section 10.1 or (ii) obligations in respect of letters of support, guarantees or similar obligations issued, made or incurred for the benefit of the Borrower or any Subsidiary of the Borrower to the extent required by law or in connection with any statutory filing or the delivery of audit opinions performed in jurisdictions other than within Canada and the United States;

(q) (i) any guarantee by the Borrower or any Restricted Subsidiary of Indebtedness or other obligations of any Restricted Subsidiary so long as in the case of a guarantee of Indebtedness by a Restricted Subsidiary that is not a Guarantor, such Indebtedness could have been incurred directly by the Restricted Subsidiary providing such guarantee or (ii) any guarantee by a Restricted Subsidiary of Indebtedness or other obligations of the Borrower;

(r) Indebtedness of (or Disqualified Stock or preferred Capital Stock issued by) Restricted Subsidiaries that are not Guarantors in a principal amount not to exceed, in the aggregate at any one time outstanding, the greater of (x) \$80,000,000 and (y) 37.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance (it being understood that any Indebtedness, Disqualified Stock or preferred Capital Stock incurred or issued pursuant to this clause (r) shall cease to be deemed incurred, issued or outstanding for purposes of this clause (r)) but shall be deemed incurred or issued for the purposes of the first paragraph of this covenant from and after

the first date on which such Restricted Subsidiary could have incurred such Indebtedness or issued such Disqualified Stock or preferred Capital Stock under the first paragraph of this Section 10.1 without reliance on this clause (r);

(s) Indebtedness of the Borrower or any Restricted Subsidiary consisting of (i) the financing of insurance premiums or (ii) take or pay obligations contained in supply arrangements in each case, incurred in the ordinary course of business;

(t) Indebtedness of the Borrower or any Restricted Subsidiary undertaken in connection with cash management (including netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs and related or similar services or activities) with respect to the Borrower or any of its Subsidiaries or with respect to any joint venture in the ordinary course of business, including with respect to financial accommodations of the type described in the definition of Cash Management Services;

(u) Indebtedness consisting of Indebtedness issued by the Borrower or any Restricted Subsidiary to future, current or former officers, directors, managers and employees thereof, their respective trusts, heirs, estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of the Borrower or any direct or indirect parent company of the Borrower to the extent described in Section 10.5(b)(4);

(v) [Reserved];

(w) Indebtedness in respect of Permitted Other Indebtedness to the extent that the Net Cash Proceeds therefrom are applied to the prepayment of Term Loans in the manner set forth in Section 5.2(a)(iii);

(x) Indebtedness in respect of Permitted Other Indebtedness; *provided* that either (a) the aggregate principal amount of such Permitted Other Indebtedness issued or incurred pursuant to this clause (x)(a) shall not exceed the Maximum Incremental Facilities Amount at the time of incurrence or issuance thereof or (b) the Net Cash Proceeds thereof shall be applied no later than ten (10) Business Days after the receipt thereof to repurchase, repay, redeem or otherwise defease Junior Debt (*provided*, in the case of this clause (x)(b), such Permitted Other Indebtedness is unsecured or secured by a Lien ranking junior to the Lien securing any First Lien Obligations);

(y) Indebtedness in respect of Permitted Debt Exchange Notes incurred pursuant to a Permitted Debt Exchange in accordance with Section 2.15;

(z) Indebtedness arising from agreements of the Borrower or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnout or any similar obligations, in each case, incurred or assumed in connection with any transaction not expressly prohibited by this Agreement;

(aa) Indebtedness to the seller of any business or assets permitted to be acquired by the Borrower or any Restricted Subsidiary under this Agreement; *provided* that the aggregate principal amount of Indebtedness outstanding under this clause (aa) shall not exceed the greater of (x) \$35,000,000 and (y) 16.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance;

(ab) obligations in respect of Disqualified Stock and preferred Capital Stock in an amount not to exceed \$7,000,000 outstanding at any time;

(ac) Indebtedness incurred in connection with any accounts receivable factoring facility in compliance with clause (h) of the definition of “Asset Sale” and in the ordinary course of business;

(ad) Indebtedness under the ABL Credit Documents, and any guarantee thereof, in an aggregate principal amount at any time outstanding not to exceed the product of (x) 115% and (y) the greater of (A) \$550,000,000 and (B) the Borrowing Base (as defined in, and calculated in accordance with, the ABL Credit Agreement); and

(ae) to the extent constituting Indebtedness, all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (a) through (dd) above.

For purposes of determining compliance with this Section 10.1: (i) in the event that an item of Indebtedness, Disqualified Stock or preferred Capital Stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or preferred Capital Stock described in clauses (a) through (ee) above or is entitled to be incurred pursuant to the first paragraph of this Section 10.1, the Borrower, in its sole discretion, will classify and may reclassify such item of Indebtedness, Disqualified Stock or preferred Capital Stock (or any portion thereof) and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or preferred Capital Stock in one of the above clauses or paragraphs; and (ii) at the time of incurrence or issuance or at the time of any reclassification, the Borrower will be entitled to divide and classify (or reclassify) an item of Indebtedness, Disqualified Stock or preferred Capital Stock in more than one of the types of Indebtedness, Disqualified Stock or preferred Capital Stock described in this Section 10.1.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or preferred Capital Stock will not be deemed to be an incurrence or issuance of Indebtedness, Disqualified Stock or preferred Capital Stock for purposes of this covenant.

For purposes of determining compliance with any Dollar-denominated or U.S. Dollar-denominated restriction on the incurrence of Indebtedness (including pursuant to Sections 2.14 and 2.15 or in connection with the incurrence of Replacement Term Loans pursuant to Section 13.1), as applicable, the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on, at the Borrower’s election, either (x) the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt or (y) the date of pricing or allocation, whichever the Borrower elects, of such Indebtedness; *provided* that if such Indebtedness is incurred to refinance other Indebtedness denominated in another currency, and such refinancing would cause the applicable Dollar or U.S. Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing or the date of pricing or allocation of such Indebtedness, as applicable, such Dollar or U.S. Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (i) the principal amount of such Indebtedness being refinanced (*plus* unused commitments thereunder) *plus* (ii) the aggregate amount of accrued interest, premiums (including call and tender premiums), defeasance costs, underwriting discounts, fees, commissions, costs and expenses (including original issue discount, upfront fees and similar items) incurred in connection with such refinancing.

The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based

on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

This Agreement will not treat (1) unsecured Indebtedness as subordinated or junior to secured Indebtedness merely because it is unsecured or (2) senior Indebtedness as subordinated or junior to any other senior Indebtedness merely because it has a junior priority with respect to the same collateral.

Section 1.2. Limitation on Liens.

(a) The Borrower will not, and will not permit any of the Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any property or assets of any kind (real or personal, tangible or intangible) of the Borrower or any Restricted Subsidiary, whether now owned or hereafter acquired (each, a “Subject Lien”) that secures obligations under any Indebtedness on any asset or property of the Borrower or any Restricted Subsidiary, except:

(i) in the case of Subject Liens on any Collateral, if such Subject Lien is a Permitted Lien; and

(ii) in the case of any other asset or property, any Subject Lien if (A) the Obligations are equally and ratably secured with (or on a senior basis to, in the case such Subject Lien secures any secured Junior Debt) the obligations secured by such Subject Lien or (B) such Subject Lien is a Permitted Lien (*provided, however*, that any Lien upon any Intellectual Property owned or licensed by Canada Goose International AG that is incurred in reliance on this Section 10.2(a)(ii)(B) may not be incurred in reliance on clause (vi) (other than Liens securing Indebtedness and obligations (and any guarantee in respect thereof) permitted to be incurred pursuant to clause (a), (r) or (dd) of Section 10.1), (xviii) (solely with respect to Liens to secure the refinancing, refunding, extension, renewal, or replacement (or successive refinancing, refunding, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clause (vi) of the definition of Permitted Liens (other than Liens securing Indebtedness and obligations (and any guarantee in respect thereof) permitted to be incurred pursuant to clause (a), (r) or (dd) of Section 10.1), (xx) or (xlii) of the definition of Permitted Liens).

(b) Any Lien created for the benefit of the Secured Parties pursuant to Section 10.2(a)(ii) shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Subject Lien that gave rise to the obligation to so secure the Obligations.

Section 1.3. Limitation on Fundamental Changes. The Borrower will not, and will not permit any of the Restricted Subsidiaries to, merge, consolidate or amalgamate, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all its business units, assets or other properties, except that:

(a) so long as no Event of Default has occurred and is continuing or would result therefrom, any Subsidiary of the Borrower or any other Person may be merged, amalgamated or consolidated with or into the Borrower; *provided* that (A) the Borrower shall be the continuing or surviving entity or (B) if the Person formed by or surviving any such merger, amalgamation or consolidation is not the Borrower (such other Person, the “Successor Borrower”), (1) the Successor Borrower shall be an entity organized or existing under the laws of Canada or any province thereof or of the United States, any state thereof or the District of Columbia, (2) the Successor Borrower shall expressly assume all the obligations of the Borrower

under this Agreement and the other Credit Documents in a manner and pursuant to documentation reasonably satisfactory to the Administrative Agent, (3) each Guarantor, unless it is the other party to such merger, amalgamation or consolidation, shall have by a supplement to the Guarantee confirmed that its guarantee thereunder shall apply to any Successor Borrower's obligations under this Agreement, (4) each Subsidiary grantor and each Subsidiary pledgor, unless it is the other party to such merger, amalgamation or consolidation, shall have by a supplement to any applicable Security Document affirmed that its obligations thereunder shall apply to its Guarantee as reaffirmed pursuant to clause (3), (5) each mortgagor of a Mortgaged Property, if any, unless it is the other party to such merger, amalgamation or consolidation, shall have affirmed that its obligations under the applicable Mortgage shall apply to its Guarantee as reaffirmed pursuant to clause (3), (6) the Successor Borrower shall have delivered to the Administrative Agent (x) an officer's certificate of an Authorized Officer stating that such merger, amalgamation, or consolidation complies with the applicable requirements set forth in this clause (a) and (y) if reasonably requested by the Administrative Agent, an opinion of counsel as to corporate matters and to the effect that the provisions set forth in the preceding clauses (3) through (5), preserve the enforceability of the Guarantee and the perfection of the Liens created under the applicable Security Documents, (7) such transaction does not result in any adverse tax consequences to any Lender (unless reimbursed hereunder) or to the Administrative Agent (unless reimbursed hereunder), and (8) the Administrative Agent shall have received at least five (5) Business Days' prior written notice of the proposed transaction and the Borrower shall promptly and in any event at least two (2) Business Days' prior to the consummation of the transaction provide all information any Lender or any Agent may reasonably request to satisfy its "know your customer" and other similar requirements necessary for such Person to comply with its internal compliance and regulatory requirements with respect to the proposed Successor Borrower (it being understood that if the foregoing are satisfied, the Successor Borrower will succeed to, and be substituted for, such Borrower under this Agreement);

(b) so long as no Event of Default has occurred and is continuing or would result therefrom, any Subsidiary of the Borrower or any other Person (in each case, other than the Borrower) may be merged, amalgamated or consolidated with or into any one or more Subsidiaries of the Borrower; *provided* that (i) in the case of any merger, amalgamation or consolidation involving one or more Restricted Subsidiaries, (A) a Restricted Subsidiary shall be the continuing or surviving Person or (B) the Borrower shall cause the Person formed by or surviving any such merger, amalgamation or consolidation (if other than a Restricted Subsidiary) to become a Restricted Subsidiary and (ii) in the case of any merger, amalgamation or consolidation involving a Credit Party, the Borrower shall have delivered to the Administrative Agent an officer's certificate stating that such merger, amalgamation or consolidation complies with the applicable requirements set forth in this clause (b);

(c) the Transactions may be consummated;

(d) any Restricted Subsidiary may convey, sell, lease, assign, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or dissolution or otherwise) to the Borrower or to any other Restricted Subsidiary; *provided* that the consideration for any such disposition paid to any Person other than a Guarantor shall not exceed the fair value of such assets;

(e) any Restricted Subsidiary may liquidate, dissolve or wind up if the Borrower determines in good faith that such liquidation, dissolution or winding up is in the best interests of the Borrower and the Restricted Subsidiaries, taken as a whole, and is not materially disadvantageous to the Lenders;

(f) the Borrower and the Restricted Subsidiaries may consummate a merger, amalgamation, dissolution, liquidation, consolidation, investment or conveyance, sale, lease,

license, sublicense, assignment or disposition, the purpose of which is to effect (i) a disposition otherwise permitted hereunder, other than a disposition effected pursuant to clause (b) of the definition of “Asset Sale” or (ii) a dividend, distribution or Investment permitted pursuant to Section 10.5, including an Investment that constitutes a Permitted Investment;

(g) so long as no Event of Default has occurred and is continuing or would result therefrom, the Borrower or any Restricted Subsidiary may change its legal form;

(h) the Borrower or any Restricted Subsidiary may consummate any Permitted Reorganization;

(i) the Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries may enter into and consummate any Intercompany License Agreement; and

(j) any merger, consolidation or amalgamation the purpose and only substantive effect of which is to reincorporate or reorganize the Borrower or any Restricted Subsidiary in a jurisdiction in the Borrower’s or any applicable Restricted Subsidiary’s country of organization shall be permitted.

Section 1.4. Limitation on Sale of Assets. The Borrower will not, and will not permit any Restricted Subsidiary to, consummate an Asset Sale, unless:

(a) the Borrower or such Restricted Subsidiary, as the case may be, receives consideration at least equal to the Fair Market Value (as determined at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of; and

(b) except in the case of a Permitted Asset Swap, if the property or assets sold or otherwise disposed of have a Fair Market Value in excess of the greater of (x) \$44,500,000 and (y) 21.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Asset Sale, at least 75% of the consideration therefor received by the Borrower or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; *provided* that the amount of:

(i) any liabilities (as reflected on the Borrower’s or such Restricted Subsidiary’s most recent consolidated balance sheet or in the footnotes thereto, or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Borrower’s consolidated balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on or prior to the date of such balance sheet, as determined in good faith by the Borrower) of the Borrower or such Restricted Subsidiary, other than liabilities that are by their terms subordinated to the Loans or any guarantee of the Loans, that (A) are assumed by the transferee of any such assets or (B) are otherwise cancelled, extinguished or terminated in connection with the transactions relating to such Asset Sale and, in the case of clause (A), only, for which the Borrower and all such Restricted Subsidiaries have been validly released by all applicable creditors in writing;

(ii) any securities, notes or other obligations or assets received by the Borrower or such Restricted Subsidiary from such transferee that are converted by the Borrower or such Restricted Subsidiary into cash or Cash Equivalents, or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received), in each case, within 180 days following the closing of such Asset Sale;

(iii) Indebtedness, other than liabilities that are by their terms subordinated to the Loans, that is of any Person that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Borrower and all Restricted Subsidiaries have been validly released from any guarantee of payment of such Indebtedness in connection with such Asset Sale;

(iv) consideration consisting of Indebtedness of any Credit Party (other than Subordinated Indebtedness) received after the Fourth Amendment Effective Date from Persons who are not Restricted Subsidiaries; and

(v) any Designated Non-Cash Consideration received by the Borrower or such Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (v) that is at that time outstanding, not to exceed the greater of \$30,000,000 and 14.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the receipt of such Designated Non-Cash Consideration, with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value,

shall be deemed to be cash for purposes of this clause (b) and for no other purpose.

An amount equal to any Net Cash Proceeds of any Asset Sale permitted by this Section 10.4 shall be applied to prepay Term Loans, Permitted Other Indebtedness and other Indebtedness in accordance with, and to the extent required by, Section 5.2(a)(i).

(c) Pending the final application of an amount equal to any Net Cash Proceeds from any Asset Sale made pursuant to this Section 10.4, the Borrower or the applicable Restricted Subsidiary may apply such Net Cash Proceeds temporarily to reduce Indebtedness outstanding under the Revolving Credit Facility, the ABL Credit Facility or any other revolving credit facility or otherwise invest such Net Cash Proceeds in any manner not prohibited by this Agreement.

Section 1.5. Limitation on Restricted Payments.

(a) The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly:

(1) declare or pay any dividend or make any payment or distribution on account of the Borrower's or any Restricted Subsidiary's Equity Interests, including any dividend or distribution payable in connection with any merger or consolidation, other than:

(A) dividends or distributions by the Borrower payable in Equity Interests (other than Disqualified Stock) of the Borrower or in options, warrants or other rights to purchase such Equity Interests; or

(B) dividends or distributions by any Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Subsidiary other than a Wholly-Owned Subsidiary, the Borrower or a Restricted Subsidiary, as applicable, receives at least its *pro rata* share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities;

(1) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Borrower or any direct or indirect parent of the Borrower, including in connection with any merger, amalgamation or consolidation, in each case held by Persons other than the Borrower or a Restricted Subsidiary which is a Credit Party;

(2) make any voluntary principal payment on, or voluntarily redeem, purchase, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or maturity, any Subordinated Indebtedness with an aggregate principal amount in excess of the greater of (I) \$21,250,000 and (II) 10.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such voluntary principal payment, redemption, purchase, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness (it being understood, for the avoidance of doubt, that payments of regularly scheduled principal, interest and mandatory prepayments shall be permitted), other than (A) Indebtedness permitted under clauses (g) and (h) of Section 10.1 or (B) the purchase, repurchase, redemption, defeasance, retirement for value or other acquisition of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of payment, redemption, repurchase, defeasance, acquisition or retirement; or

(3) make any Restricted Investment;

(all such payments and other actions set forth in clauses (1) through (4) above (other than any exception thereto) being collectively referred to as "Restricted Payments"), unless, at the time of such Restricted Payment:

(i) (x) in the case of Restricted Payments described in clauses (a)(1), (2) and (3) above made in reliance on clause (iii)(A) below, no Event of Default shall have occurred and be continuing and (y) in the case of Restricted Investments made in reliance on clause (iii)(A) below, no Event of Default under Section 11.1 or 11.5 shall have occurred and be continuing;

(ii) in the case of Restricted Payments described in clauses (a)(1), (2) and (3) above made in reliance on clause (iii)(A) below, on a Pro Forma Basis after giving effect thereto, the Interest Coverage Ratio shall not be less than 2.00 to 1.00 as of the most recently ended Test Period; and

(iii) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Borrower and the Restricted Subsidiaries after the Fourth Amendment Effective Date (excluding Restricted Payments permitted by Section 10.5(b)), is less than the sum of (without duplication):

(A) an amount equal to 50% of the Consolidated Net Income of the Borrower for the period (taken as one accounting period) from the first day of the fiscal quarter during which the Fourth Amendment Effective Date occurs to the end of the Borrower's most recently ended fiscal quarter for which financial statements have been delivered pursuant to Section 9.1(a) or (b) (which amount in this clause (A) shall not be less than zero), *plus*

(B) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities or other property received by the Borrower since immediately after the Fourth Amendment Effective Date (other than to the extent such net cash proceeds have been used to incur or issue Indebtedness, Disqualified Stock or preferred Capital Stock pursuant to clause (l)(i) of Section 10.1) from the issue or sale of (x) Equity Interests of the Borrower, including Retired Capital Stock, but excluding cash proceeds and the Fair Market Value of marketable securities or other property received from the sale of (A) Equity Interests to any employee, director, manager or consultant of the Borrower, any direct or indirect parent of the Borrower and any of the Borrower's Subsidiaries after the Fourth Amendment Effective Date to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of Section 10.5(b) below and (B) Designated Preferred Stock, and, to the extent such net cash proceeds are actually contributed to the Borrower, Equity Interests of any direct or indirect parent of the Borrower (excluding contributions of the proceeds from the sale of Designated Preferred Stock to any such parent or contributions to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of Section 10.5(b) below) or (y) Indebtedness, Disqualified Stock or preferred Capital Stock of the Borrower or a Restricted Subsidiary that has been converted into or exchanged for Equity Interests of the Borrower or any direct or indirect parent of the Borrower; *provided* that this clause (B) shall not include the proceeds from (a) Refunding Capital Stock, (b) Equity Interests or Indebtedness that has been converted or exchanged for Equity Interests of the Borrower sold to a Restricted Subsidiary, as the case may be, (c) Disqualified Stock or Indebtedness that has been converted or exchanged into Disqualified Stock or (d) Excluded Contributions, *plus*

(C) 100% of the aggregate amount of cash and the Fair Market Value of marketable securities or other property contributed to the capital of the Borrower following the Fourth Amendment Effective Date (other than to the extent such net cash proceeds (i) have been used to incur Indebtedness, Disqualified Stock or preferred Capital Stock pursuant to clause (l)(i) of Section 10.1), (ii) are contributed by the Borrower or a Restricted Subsidiary or (iii) constitute Excluded Contributions), *plus*

(D) 100% of the aggregate amount received in cash and the Fair Market Value of marketable securities or other property received by means of (A) the sale or other disposition (other than to the Borrower or a Restricted Subsidiary) of Restricted Investments made by the Borrower or any Restricted Subsidiary and repurchases and redemptions of such Restricted Investments from the Borrower or any Restricted Subsidiary and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments made by the Borrower or any Restricted Subsidiary, in each case, after the Fourth Amendment Effective Date; or (B) the sale (other than to the Borrower or a Restricted Subsidiary) of the stock or other ownership interest of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary or joint venture or a dividend from an Unrestricted Subsidiary or joint venture after the Fourth Amendment Effective Date, *plus*

(E) in the case of the redesignation of an Unrestricted Subsidiary as, or merger, consolidation or amalgamation of an Unrestricted Subsidiary with or into, a Restricted Subsidiary after the Fourth Amendment Effective Date, the Fair Market Value of the Investment in such Unrestricted Subsidiary at the time of the redesignation of such Unrestricted Subsidiary as, or

merger, consolidation or amalgamation of such Unrestricted Subsidiary with or into, a Restricted Subsidiary, other than to the extent the Investment in such Unrestricted Subsidiary was made by the Borrower or a Restricted Subsidiary pursuant to Section 10.5(b)(7) below or to the extent such Investment constituted a Permitted Investment, *plus*

(F) the aggregate amount of any (1) Retained Declined Proceeds since the Fourth Amendment Effective Date, (2) Net Cash Proceeds of Asset Sales below the Asset Sale Prepayment Trigger since the Fourth Amendment Effective Date and (3) Net Cash Proceeds of Casualty Events below the Casualty Event Prepayment Trigger since the Fourth Amendment Effective Date, *plus*

(G) an amount equal to the greater of \$64,000,000 and 30.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis), *plus*

(H) without duplication of any amounts above, any returns, profits, distributions and similar amounts received on account of a Restricted Investment made in reliance upon this Section 10.5(a) (up to the amount of the original Investment).

(b) The foregoing provisions of Section 10.5(a) will not prohibit:

(1) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of such irrevocable notice, as applicable, if at the date of declaration or the giving of such notice such payment would have complied with the provisions of this Agreement;

(2) (x) the redemption, repurchase, retirement or other acquisition of any Equity Interests of the Borrower or any direct or indirect parent of the Borrower, including any accrued and unpaid dividends or distributions thereon (“Retired Capital Stock”), or Subordinated Indebtedness, in exchange for, or out of the proceeds of, the substantially concurrent sale (other than to Holdings, the Borrower or a Restricted Subsidiary) of, Equity Interests of the Borrower or any direct or indirect parent of the Borrower to the extent contributed to the Borrower (in the case of proceeds only) (in each case, other than Excluded Contributions, Disqualified Stock or sales of Equity Interests to any Subsidiary) (“Refunding Capital Stock”), (y) the declaration and payment of dividends or distributions on Retired Capital Stock out of the proceeds of the substantially concurrent sale or issuance (other than to the Borrower or a Restricted Subsidiary) of Refunding Capital Stock and (z) if immediately prior to the retirement of Retired Capital Stock, the declaration and payment of dividends thereon was permitted under Section 10.5(b)(6) and not made pursuant to clause (y) above, the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of any direct or indirect parent of the Borrower) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Retired Capital Stock immediately prior to such retirement;

(3) the prepayment, redemption, defeasance, repurchase or other acquisition or retirement for value of Subordinated Indebtedness made by exchange for, or out of the proceeds of, the substantially concurrent sale of, new Indebtedness of the Borrower or a Restricted Subsidiary, as the case may be, which is incurred or issued in compliance with Section 10.1 so long as: (A) the principal amount (or accreted value, if applicable) of such new Indebtedness does not exceed the principal amount of (or accreted value, if applicable), *plus* any accrued and unpaid interest on the Subordinated Indebtedness being so redeemed, defeased, repurchased, exchanged, acquired or retired for value, *plus* the amount of any premium (including call and tender premiums), defeasance costs and any reasonable fees and expenses (including original issue discount, upfront fees and similar items) incurred in connection with the incurrence or issuance of such new Indebtedness, (B) such new Indebtedness is subordinated to the Obligations or the applicable Guarantee at least to the same extent, in all material respects, as such Subordinated Indebtedness so purchased, exchanged, redeemed, defeased, repurchased, acquired or retired for value, (C) such new Indebtedness has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Subordinated Indebtedness being so redeemed, defeased, repurchased, exchanged, acquired or retired, (D) if such Subordinated Indebtedness so purchased, exchanged, redeemed, repurchased, acquired or retired for value is (i) unsecured then such new Indebtedness shall be unsecured or (ii) Permitted Other Indebtedness incurred pursuant to Section 10.1(x)(b) and is secured by a Lien ranking junior to the Liens securing any First Lien Obligations then such new Indebtedness shall be unsecured or secured by a Lien ranking junior to the Liens securing any First Lien Obligations, and (E) such new Indebtedness has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness being so redeemed, defeased, repurchased, exchanged, acquired or retired;

(4) any Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Equity Interests (other than Disqualified Stock) of the Borrower or any direct or indirect parent of the Borrower held by any future, present or former employee, director, manager or consultant of the Borrower, any of its Subsidiaries or any direct or indirect parent of the Borrower, or their respective estates, descendants, family, trusts, heirs, spouse or former spouse pursuant to any equityholder, employee or director equity plan or stock or other equity option plan or any other management or employee benefit plan or agreement, other compensatory arrangement or any stock or other equity subscription, co-invest or equityholder agreement (including, for the avoidance of doubt, any principal and interest payable on any notes issued by the Borrower or any direct or indirect parent of the Borrower in connection with such repurchase, retirement or other acquisition), including any arrangement including Equity Interests rolled over by management of the Borrower, any Subsidiary of the Borrower or any direct or indirect parent of the Borrower in connection with the Transactions; *provided* that, except with respect to non-discretionary purchases, the aggregate Restricted Payments made under this clause (4) subsequent to the Fourth Amendment Effective Date do not exceed in any calendar year \$7,000,000 (with unused amounts in any calendar year being carried over to succeeding calendar years); *provided, further*, that such

amount in any calendar year may be increased by an amount not to exceed: (A) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of the Borrower and, to the extent contributed to the Borrower, the cash proceeds from the sale of Equity Interests of any direct or indirect parent of the Borrower, in each case to any future, present or former employees, directors, managers or consultants of the Borrower, any of its Subsidiaries or any direct or indirect parent of the Borrower that occurs after the Fourth Amendment Effective Date, to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of Restricted Payments by virtue of Section 10.5(a)(iii), plus (B) the cash proceeds of key man life insurance policies received by the Borrower and the Restricted Subsidiaries after the Fourth Amendment Effective Date, less (C) the amount of any Restricted Payments previously made pursuant to subclauses (A) and (B) of this clause (4); and *provided, further*, that cancellation of Indebtedness owing to the Borrower or any Restricted Subsidiary from any future, present or former employees, directors, managers or consultants of the Borrower, any direct or indirect parent of the Borrower or any Restricted Subsidiary, or their estates, descendants, family, trusts, heirs, spouse or former spouse pursuant in connection with a repurchase of Equity Interests of the Borrower or any direct or indirect parent of the Borrower will not be deemed to constitute a Restricted Payment for purposes of this Section 10.5 or any other provision of this Agreement;

(5) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Borrower or any Restricted Subsidiary or any class or series of preferred Capital Stock of any Restricted Subsidiary, in each case, issued in accordance with Section 10.1;

(6) (A) the declaration and payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued by the Borrower after the Fourth Amendment Effective Date, (B) the declaration and payment of dividends to any direct or indirect parent of the Borrower, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of such parent; provided that the amount of dividends paid pursuant to this clause (B) shall not exceed the aggregate amount of cash actually contributed to the Borrower from the sale of such Designated Preferred Stock or (C) the declaration and payment of dividends on Refunding Capital Stock in excess of the dividends declarable and payable thereon pursuant to clause (2) of Section 10.5(b); *provided* that, in the case of each of subclauses (A), (B), and (C) of this clause (6), for the most recently ended Test Period as of the date of issuance of such Designated Preferred Stock or the declaration of such dividends on Refunding Capital Stock, after giving effect to such issuance or declaration on a Pro Forma Basis, the Borrower would have had an Interest Coverage Ratio of at least 2.00 to 1.00;

(7) Investments in Unrestricted Subsidiaries and joint ventures, taken together with all other Investments made pursuant to this clause (7) that are at the time outstanding, in an aggregate amount outstanding not to exceed the greater of (x) \$64,000,000 and (y) 30.0% of

Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(8) payments made or expected to be made by the Borrower or any Restricted Subsidiary in respect of withholding, employment or similar taxes payable by any future, present or former employee, director, manager, or consultant of the Borrower or any Restricted Subsidiary or any direct or indirect parent of the Borrower and any repurchases of Equity Interests deemed to occur upon exercise, vesting or settlement of, or payment with respect to, any equity or equity-based award, including, without limitation, stock or other equity options, stock or other equity appreciation rights, warrants, restricted equity units, restricted equity, deferred equity units or similar rights if such Equity Interests are used by the holder of such award to pay a portion of the exercise price of such options, appreciation rights, warrants or similar rights or to satisfy any required withholding or similar taxes with respect to any such award;

(9) Restricted Payments, following consummation of the first public offering of the Borrower's common Equity Interests or the common Equity Interests of any direct or indirect parent of the Borrower after the Closing Date, of up to 6.0% per annum of the net cash proceeds received by or contributed to the Borrower in or from any such public offering and subsequent public equity offerings, in each case, other than public offerings with respect to the Borrower's (or its direct or indirect parent's) common Equity Interests registered on Form S-8 and other than any public sale constituting an Excluded Contribution;

(10) Restricted Payments in an amount that does not exceed the amount of Excluded Contributions made since the Fourth Amendment Effective Date;

(11) Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (11) from and after the Fourth Amendment Effective Date not to exceed the greater of (x) \$64,000,000 and (y) 30.0% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time made;

(12) distributions or payments of Receivables Fees and Securitization Fees;

(13) any Restricted Payment made in connection with the Transactions (and the fees and expenses related thereto) or used to fund amounts owed to Affiliates (including dividends or distributions to any direct or indirect company of the Borrower to permit payment by such parent of such amount) to the extent permitted by Section 10.10 (other than clause (b) thereof), and Restricted Payments in respect of working capital adjustments or purchase price adjustments pursuant to any Permitted Acquisition or other Permitted Investment and to satisfy indemnity and other similar obligations under any Permitted Acquisition or other Permitted Investment;

(14) Restricted Payments; *provided* that after giving Pro Forma Effect to such Restricted Payments the Total Net Leverage Ratio is equal to or less than 3.00 to 1.00 as of the most recently ended Test Period;

(15) the declaration and payment of dividends or distributions by the Borrower to, or the making of loans or advances to, any direct or indirect parent of the Borrower in amounts required for any such direct or indirect parent (or such parent's direct or indirect equity owners) to pay:

(A) (i) franchise, excise and similar taxes, and other fees and expenses, required to maintain its corporate, legal and organizational existence and (ii) distributions to such direct or indirect parent's equity owners in proportion to their equity interests sufficient to allow each such equity owner to receive an amount at least equal to the aggregate amount of its out-of-pocket costs to any unaffiliated third parties directly attributable to creating (including any incorporation or registration fees) and maintaining the existence of the applicable equity owner (including doing business fees, franchise taxes, excise taxes and similar taxes, fees, or expenses), and legal and accounting and other costs directly attributable to maintaining its corporate, legal, or organizational existence and complying with applicable legal requirements, including such costs attributable to the preparation of tax returns or compliance with tax laws,

(B) any Tax Distribution,

(C) customary salary, bonus, severance (including, in each case, payroll, social security and similar taxes in respect thereof) and other benefits payable to, and indemnities provided on behalf of, officers, employees, directors, consultants and managers of any direct or indirect parent of the Borrower to the extent such salaries, bonuses, and other benefits are attributable to the ownership or operation of the Borrower and the Restricted Subsidiaries, including the Borrower's and the Restricted Subsidiaries' proportionate share of such amount relating to such parent being a public company,

(D) general corporate, administrative, compliance or other operating (including, without limitation, expenses related to auditing or other accounting matters) and overhead costs and expenses of any direct or indirect parent of the Borrower to the extent such costs and expenses are attributable to the ownership or operation of the Borrower and the Restricted Subsidiaries, including the Borrower's and the Restricted Subsidiaries' proportionate share of such amount relating to such parent company being a public company,

(E) amounts required for any direct or indirect parent of the Borrower to pay fees and expenses incurred by any direct or indirect parent of the Borrower related to (i) the maintenance by such parent entity of its corporate or other entity existence and (ii) transactions of such parent of the type described in clause (xi) of the definition of Consolidated Net Income,

(F) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Borrower or any direct or indirect parent of the Borrower,

(G) repurchases deemed to occur upon the cashless exercise of stock or other equity options,

(H) to finance Permitted Acquisition and other Investments or other acquisitions otherwise permitted to be made pursuant to this Section 10.5 if made by the Borrower or a Restricted Subsidiary; *provided* that (i) such Restricted Payment shall be made substantially concurrently with the closing of such Investment or other acquisition, (ii) such direct or indirect parent of the Borrower shall, promptly following the closing thereof, cause (1) all property acquired (whether assets or Equity Interests) to be contributed to the Borrower or a Restricted Subsidiary or (2) the merger, amalgamation, consolidation, or sale of the Person formed or acquired into the Borrower or a Restricted Subsidiary (in a manner not prohibited by Section 10.3) in order to consummate such Investment or other acquisition, (iii) such direct or indirect parent of the Borrower and its Affiliates (other than the Borrower or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Borrower or a Restricted Subsidiary could have given such consideration or made such payment in compliance herewith, (iv) any property received in connection with such transaction shall not constitute an Excluded Contribution or increase amounts available for Restricted Payments pursuant to Section 10.5(a)(iii)(C) and (v) to the extent constituting an Investment, such Investment shall be deemed to be made by the Borrower or such Restricted Subsidiary pursuant to another provision of this Section 10.5 or pursuant to the definition of Permitted Investments,

(I) to the extent constituting Restricted Payments, amounts that would be permitted to be paid directly by the Borrower or its Restricted Subsidiaries under Section 10.10 (other than Section 10.10(b)),

(J) AHYDO Payments with respect to Indebtedness of any direct or indirect parent of the Borrower; *provided* that the proceeds of such Indebtedness have been contributed to the Borrower as a capital contribution, and

(K) expenses incurred by any direct or indirect parent of the Borrower in connection with any public offering or other sale of Capital Stock or Indebtedness (i) where the net proceeds of such offering or sale are intended to be received by or contributed to the Borrower or a Restricted Subsidiary, (ii) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed or (iii) otherwise on an interim basis prior to completion of such offering so long as any direct or indirect parent of the Borrower shall cause the amount of such expenses to be repaid to the Borrower or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed;

(1) the repurchase, redemption or other acquisition for value of Equity Interests of the Borrower deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Borrower, in each case, permitted under this Agreement;

(2) the distribution, by dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Borrower or a Restricted Subsidiary by, Unrestricted Subsidiaries or the proceeds thereof;

- (3) any Restricted Payment constituting any part of a Permitted Reorganization;
- (4) Restricted Payments described in clause (a)(3) or (4) above, in an aggregate amount pursuant to this clause (19) not to exceed the greater of (x) \$80,000,000 and (y) 37.5% of Consolidated EBITDA for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time such Restricted Payment is made; and
- (5) AHYDO Payments with respect to Indebtedness permitted under Section 10.1;

provided that at the time of, and after giving effect to, any Restricted Payment described in clauses (a)(1), (2) and (3) above incurred or made in reliance under clauses (b)(11), (14) or (19) above, no Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

The Borrower will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the penultimate sentence of the definition of Unrestricted Subsidiary. For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Borrower and the Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be an Investment in an amount determined as set forth in the last sentence of the definition of Investment. Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time, whether pursuant to Section 10.5(a) or under clauses (7), (10), (11) or (14) of Section 10.5(b), or pursuant to the definition of Permitted Investments, and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in this Agreement.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment or Investment (or a portion thereof) meets the criteria of clauses (1) through (21) above or is entitled to be made pursuant to Section 10.5(a) and/or one or more of the exceptions contained in the definition of Permitted Investments, the Borrower will be entitled to classify or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment (or portion thereof) among such clauses (1) through (21), Section 10.5(a) and/or one or more of the exceptions contained in the definition of “Permitted Investments”, in a manner that otherwise complies with this covenant.

(c) Prior to the Term Loan Maturity Date, to the extent any Permitted Debt Exchange Notes are issued pursuant to Section 10.1(y) for the purpose of consummating a Permitted Debt Exchange, (i) the Borrower will not, and will not permit any Restricted Subsidiary to, prepay, repurchase, redeem or otherwise defease or acquire any Permitted Debt Exchange Notes unless the Borrower or a Restricted Subsidiary shall concurrently voluntarily prepay Term Loans pursuant to Section 5.1(a) on a *pro rata* basis among the Term Loans, in an amount not less than the product of (a) a fraction, the numerator of which is the aggregate principal amount (calculated on the face amount thereof) of such Permitted Debt Exchange Notes that are proposed to be prepaid, repurchased, redeemed, defeased or acquired and the denominator of which is the aggregate principal amount (calculated on the face amount thereof) of all Permitted Debt Exchange Notes in respect of the relevant Permitted Debt Exchange then outstanding (prior to giving effect to such proposed prepayment, repurchase, redemption, defeasance or acquisition) and (b) the aggregate principal amount (calculated on the face amount thereof) of Term Loans then outstanding and (ii) the Borrower will not waive, amend or modify the terms of any Permitted Debt Exchange Notes or any indenture pursuant to which such Permitted Debt Exchange Notes have been issued in any manner inconsistent with the terms of

Section 2.15(a), Section 10.1(y), or the definition of Permitted Other Indebtedness or that would result in a Default hereunder if such Permitted Debt Exchange Notes (as so amended or modified) were then being issued or incurred.

Section 1.6. Limitation on Subsidiary Distributions. The Borrower will not, and will not permit any Restricted Subsidiary that is not a Guarantor to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to:

(a) (i) pay dividends or make any other distributions to the Borrower or any Restricted Subsidiary that is a Guarantor on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits or (ii) pay any Indebtedness owed to the Borrower or any Restricted Subsidiary that is a Guarantor;

(b) make loans or advances to the Borrower or any Restricted Subsidiary that is Guarantor;

(c) sell, lease or transfer any of its properties or assets to the Borrower or any Restricted Subsidiary that is a Guarantor;

except (in each case) for such encumbrances or restrictions (x) which the Borrower has reasonably determined in good faith will not materially impair the Borrower's ability to make payments under this Agreement when due or (y) existing under or by reason of:

(i) contractual encumbrances or restrictions in effect on the Fourth Amendment Effective Date, including pursuant to this Agreement and the related documentation and related Hedging Obligations;

(ii) the ABL Credit Documents and the ABL Loans;

(iii) purchase money obligations and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (a), (b) or (c) above on the property so acquired, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to such arrangement, the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender (it being understood that such restriction shall not be permitted to apply to any property to which such restriction would not have applied but for such acquisition);

(iv) Requirement of Law or any applicable rule, regulation or order, or any request of any Governmental Authority having regulatory authority over the Borrower or any of its Subsidiaries;

(v) any agreement or other instrument of a Person acquired by or merged or consolidated with or into the Borrower or any Restricted Subsidiary, or of an Unrestricted Subsidiary that is designated a Restricted Subsidiary, or that is assumed in connection with the acquisition of assets from such Person, in each case that is in existence at the time of such transaction (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or designated, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to such agreement or instrument, the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided

by any lender, other equipment financed by such lender (it being understood that such encumbrance or restriction shall not be permitted to apply to any property to which such encumbrance or restriction would not have applied but for such acquisition);

(vi) contracts for the sale of assets, including customary restrictions with respect to a Subsidiary of the Borrower pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary and restrictions on transfer of assets subject to Permitted Liens;

(vii) (x) secured Indebtedness otherwise permitted to be incurred pursuant to Sections 10.1 and 10.2 that limit the right of the debtor to dispose of the assets securing such Indebtedness and (y) restrictions on transfers of assets subject to Permitted Liens (but, with respect to any such Permitted Lien, only to the extent that such transfer restrictions apply solely to the assets that are the subject of such Permitted Lien);

(viii) restrictions on cash or other deposits or net worth imposed by customers under, or made necessary or advisable by, contracts entered into in the ordinary course of business;

(ix) other Indebtedness, Disqualified Stock or preferred Capital Stock of Restricted Subsidiaries permitted to be incurred subsequent to the Fourth Amendment Effective Date pursuant to the provisions of Section 10.1;

(x) customary provisions in joint venture agreements or arrangements and other similar agreements or arrangements relating solely to such joint venture and the Equity Interests issued thereby;

(xi) customary provisions contained in leases, sub-leases, licenses, sub-licenses or similar agreements, in each case, entered into in the ordinary course of business;

(xii) restrictions created in connection with any Receivables Facility or any Securitization Facility that, in the good faith determination of the board of directors (or analogous governing body) of the Borrower, are necessary or advisable to effect such Receivables Facility or Securitization Facility, as the case may be;

(xiii) customary restrictions on leases, subleases, licenses, sublicenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate to property interest, rights or the assets subject thereto;

(xiv) customary provisions restricting assignment of any agreement entered into in the ordinary course of business; or

(xv) any encumbrances or restrictions of the type referred to in clauses (a), (b) and (c) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (i) through (xiv) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements, or refinancings (x) are, in the good faith judgment of the Borrower, no more restrictive in any material respect with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing or (y) do not materially impair the Borrower's ability to pay its obligations

under the Credit Documents as and when due (as determined in good faith by the Borrower);

provided that (x) the priority of any preferred Capital Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Borrower or any Restricted Subsidiary that is a Guarantor to other Indebtedness incurred by the Borrower or any Restricted Subsidiary that is a Guarantor shall not be deemed to constitute such an encumbrance or restriction.

Section 1.7. Organizational and Subordinated Indebtedness Documents. The Borrower will not, and will not permit any Restricted Subsidiary to:

(a) amend its Organizational Documents after the Fourth Amendment Effective Date in a manner that is materially adverse to the Lenders, except as required by law; or

(b) amend documentation governing Subordinated Indebtedness having a principal amount of more than \$8,000,000 in a manner materially adverse to the Lenders, other than in connection with (i) a refinancing or replacement of such Indebtedness permitted hereunder or (ii) in a manner expressly permitted by, or not prohibited under, the applicable intercreditor or subordination terms or agreement(s) governing the relationship between the Lenders, on the one hand, and the lenders or purchasers of the applicable Subordinated Indebtedness, on the other hand.

Section 1.8. Permitted Activities. Holdings will not engage in any material operating or business activities; *provided* that the following and any activities incidental thereto shall be permitted in any event: (i) its ownership of the Equity Interests of the Borrower and its other Subsidiaries, including receipt and payment of Restricted Payments and other amounts in respect of Equity Interests, (ii) the maintenance of its legal existence (including the ability to incur and pay, as applicable, fees, costs and expenses and taxes relating to such maintenance), (iii) the performance of its obligations with respect to the Transactions, the Credit Documents, the ABL Credit Documents and any other documents governing Indebtedness permitted hereby, (iv) any public offering of its common equity or any other issuance or sale of its Equity Interests, (v) financing activities, including the issuance of securities, incurrence of debt, receipt and payment of dividends and distributions, making contributions to the capital of its Subsidiaries, guaranteeing the obligations of the Borrower and its other Subsidiaries and receipt of the DTR Note and any transaction involving the satisfaction of the DTR Note in accordance with its terms, (vi) if applicable, participating in tax, accounting and other administrative matters as a member of the consolidated group and the provision of administrative and advisory services (including treasury and insurance services) to its Subsidiaries of a type customarily provided by a holding company to its Subsidiaries, (vii) holding any cash or property (but not operate any property), (viii) making and receiving of any Restricted Payments or Investments permitted hereunder, (ix) providing indemnification to officers and directors, (x) activities relating to any Permitted Reorganization, (xi) merging, amalgamating or consolidating with or into any direct or indirect parent or subsidiary of Holdings (in compliance with the definitions of “Holdings” and “New Holdings” in this Agreement), (xii) repurchases of Indebtedness through open market purchases and Dutch auctions, (xiii) activities incidental to Permitted Acquisitions or similar Investments consummated by the Borrower and the Restricted Subsidiaries, including the formation of acquisition vehicle entities and intercompany loans and/or Investments incidental to such Permitted Acquisitions or similar Investments, (xiv) any transaction with the Borrower or any Restricted Subsidiary to the extent expressly permitted under this Section 10 and (xv) any activities incidental or reasonably related to the foregoing.

Section 1.9. Fiscal Year. The Borrower will not change its fiscal year to end on a date inconsistent with past practice; *provided, however*, that the Borrower may, upon written notice from the Borrower to the Administrative Agent, change the financial reporting convention specified above (x) to align the dates of such fiscal year and for any Restricted Subsidiary whose fiscal years end on dates different from those of the Borrower or (y) to any other financial reporting convention reasonably acceptable to the Administrative Agent, in which case the Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary in order to reflect such change in financial reporting.

Section 1.10. Affiliate Transactions. The Borrower will not conduct, and will not permit the Restricted Subsidiaries to conduct, any transactions (or series of related transactions) with an aggregate value in excess of \$10,000,000 with any of the Borrower's Affiliates (other than Holdings, the Borrower and the Restricted Subsidiaries or any entity that becomes a Restricted Subsidiary as a result of such transaction), unless such transaction is on terms that are not materially less favorable to the Borrower or such Restricted Subsidiary than those that would have been obtained in a comparable arm's-length transaction with a Person that is not an Affiliate (and for any such transactions with a value in excess of \$7,500,000, such determination shall be made by the board of directors (or analogous governing body) of the Borrower or such Restricted Subsidiary in good faith); *provided* that the foregoing restrictions shall not apply to:

(a) (i) the payment of management, monitoring, consulting, advisory and other fees (including termination and transaction fees) to the Sponsor pursuant to the Sponsor Management Agreement (*plus* any unpaid management, monitoring, consulting, advisory and other fees (including transaction and termination fees) accrued in any prior year); *provided* that the annual management fee payable under this clause (a)(i) may accrue but may not be paid during the continuance of an Event of Default under Section 11.1 or Section 11.5, (ii) customary payments by the Borrower or any of the Restricted Subsidiaries to the Sponsor made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities (including in connection with acquisitions or divestitures), which payments are approved by the majority of the members of the board of directors (or analogous governing body) or a majority of the disinterested members of the board of directors (or analogous governing body) of the Borrower in good faith and (iii) indemnification and reimbursement of expenses pursuant to the Sponsor Management Agreement (*plus* any unpaid indemnities and expenses accrued in any prior year),

(b) Restricted Payments permitted by Section 10.5 or Investments permitted by the definition of Permitted Investments and other transactions expressly permitted under Sections 10.1 through 10.8 (other than solely by reference to this Section 10.10),

(c) the consummation of the Transactions and the payment of fees and expenses (including the Transaction Expenses) related to the Transactions,

(d) the issuance and transfer of Qualified Stock or Stock Equivalents of the Borrower (or any direct or indirect parent thereof) or any of its Subsidiaries not otherwise prohibited by the Credit Documents,

(e) loans, advances and other transactions between or among the Borrower, any Restricted Subsidiary or any joint venture (regardless of the form of legal entity) in which the Borrower or any Subsidiary has invested (and which Subsidiary or joint venture would not be an Affiliate of the Borrower but for the Borrower's or a Subsidiary of the Borrower's ownership of Capital Stock or Stock Equivalents in such joint venture or Subsidiary) to the extent permitted under Section 10,

(f) (i) employment, consulting and severance arrangements between the Borrower and the Restricted Subsidiaries (or any direct or indirect parent of the Borrower) and their respective officers, employees, directors or consultants in the ordinary course of business (including loans and advances in connection therewith) and (ii) transactions pursuant to any equityholder, employee or director equity plan or stock or other equity option plan or any other management or employee benefit plan or agreement, other compensatory arrangement or any stock or other equity subscription, co-invest or equityholder agreement, including any arrangement including Equity Interests rolled over by management of the Borrower, any Restricted Subsidiary or any direct or indirect parent of the Borrower in connection with the Transactions,

(g) payments by the Borrower (and any direct or indirect parent thereof) and any Subsidiaries thereof pursuant to tax sharing agreements among the Borrower (and any such parent thereof) and such Subsidiaries on customary terms to the extent attributable to the ownership or operations of the Borrower and the Restricted Subsidiaries; *provided* that in each case the amount of such payments in any fiscal year does not exceed the amount that the Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent of the amount received from Unrestricted Subsidiaries) would have been required to pay in respect of such foreign, federal, state and/or local taxes for such fiscal year had the Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent described above) paid such taxes separately from any such direct or indirect parent of the Borrower,

(h) the payment of customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors, managers, consultants, officers, employees of the Borrower (or any direct or indirect parent thereof) and the other Subsidiaries,

(i) transactions undertaken pursuant to membership in a purchasing consortium,

(j) transactions pursuant to any agreement or arrangement as in effect as of the Fourth Amendment Effective Date, or any amendment, modification, supplement or replacement thereto (so long as any such amendment, modification, supplement or replacement is not disadvantageous in any material respect to the Lenders when taken as a whole as compared to the applicable agreement as in effect on the Fourth Amendment Effective Date as determined by the Borrower in good faith),

(k) transactions in which Holdings, the Borrower or any Restricted Subsidiary, as the case may be, delivers to the Administrative Agent a letter from an Independent Financial Advisor stating that such transaction is fair to the Borrower or such Restricted Subsidiary from a financial point of view or meets the requirements of Section 10.10,

(l) the existence and performance of agreements and transactions with any Unrestricted Subsidiary that were entered into prior to the designation of a Restricted Subsidiary as such Unrestricted Subsidiary to the extent that the transaction was permitted at the time that it was entered into with such Restricted Subsidiary and transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the redesignation of any such Unrestricted Subsidiary as a Restricted Subsidiary; *provided* that such transaction was not entered into in contemplation of such designation or redesignation, as applicable,

(m) Affiliate repurchases of the Loans or Commitments to the extent permitted hereunder, and the holding of such Loans or Commitments and, in the case of each of the foregoing, the payments and other transactions reasonably related thereto,

(n) (i) investments by Permitted Holders in securities of the Borrower or any Restricted Subsidiary (and payment of reasonable out-of-pocket expenses incurred by such Permitted Holders in connection therewith) so long as the investment is being offered by the Borrower or such Restricted Subsidiary generally to other investors on the same or more favorable terms, and (ii) payments to Permitted Holders in respect of securities or loans of the Borrower or any Restricted Subsidiary contemplated in the foregoing clause (i) or that were acquired from Persons other than the Borrower and the Restricted Subsidiaries, in each case, in accordance with the terms of such securities or loans; *provided* that with respect to securities of the Borrower or any Restricted Subsidiary contemplated in clause (i) above, such investment constitutes less than 10% of the proposed or outstanding issue amount of such class of securities,

(o) transactions pursuant to any arrangement or agreement set forth on Schedule 10.10, or any amendment, modification or replacement of any such arrangement or agreement (so long as any such amendment, modification or replacement is not adverse to the Lenders in any material respect in the good faith judgment of the Borrower when taken as a whole),

(p) any customary transactions with a Receivables Subsidiary effected as part of a Receivables Facility and any customary transactions with a Securitization Subsidiary effected as part of a Qualified Securitization Financing, and

(q) the payment of reasonable out-of-pocket costs and expenses relating to registration rights and indemnities provided to shareholders of Holdings or any direct or indirect parent thereof pursuant to the equityholders agreement, limited liability company agreement or the registration rights agreement entered into on or after the Fourth Amendment Effective Date.

Section 1.11. Canadian Pension Plans. No Credit Party shall, without the consent of the Administrative Agent, maintain, administer, establish or contribute to, or shall become liable in respect of, any Canadian DB Plan.

SECTION 11

Events of Default

Each of the following specified events referred to in Sections 11.1 through 11.11 shall constitute an “Event of Default”:

Section 1.1. Payments. The Borrower shall (a) default in the payment when due of any principal of the Loans, (b) default, and such default shall continue for five or more Business Days, in the payment when due of any interest on the Loans or (c) default, and such default shall continue for ten or more Business Days, in the payment when due of any Fees or of any other amounts owing hereunder or under any other Credit Document; or

Section 1.2. Representations, Etc. Any representation and warranty made or deemed made by any Credit Party herein or in any other Credit Document or any certificate delivered or required to be delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made, and, to the extent capable of being cured, such incorrect representation and warranty shall remain incorrect in any material respect for a period of 30 days after written notice thereof from the Administrative Agent to the Borrower; or

Section 1.3. Covenants. Any Credit Party shall:

(a) default in the due performance or observance by it of any term, covenant or agreement contained in Section 9.1(e)(i), Section 9.5(a) (solely with respect to the Borrower's existence) or Section 10; or

(b) default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in Section 11.1 or 11.2 or clause (a) of this Section 11.3) contained in this Agreement or any Security Document and such default shall continue unremedied for a period of at least 30 days after receipt by the Borrower of written notice thereof from the Administrative Agent; or

Section 1.4. Default Under Other Agreements. (a) Holdings, the Borrower or any of the Restricted Subsidiaries shall (i) default in any payment with respect to any Indebtedness (other than the Obligations) in excess of \$20,000,000 in the aggregate, for Holdings, the Borrower and such Restricted Subsidiaries, beyond the period of grace and following all required notices, if any, provided in the instrument or agreement under which such Indebtedness was created or (ii) default in the observance or performance of any agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist (after giving effect to all applicable grace periods and delivery of all required notices) (other than, with respect to Indebtedness consisting of any Hedge Agreements, termination events or equivalent events pursuant to the terms of such Hedge Agreements (it being understood that clause (i) shall apply to any failure to make any payment in excess of \$20,000,000 that is required as a result of any such termination or similar event and that is not otherwise being contested in good faith)), the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, any such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or (b) without limiting the provisions of clause (a) above, any such Indebtedness shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment or as a mandatory prepayment (and, with respect to Indebtedness consisting of any Hedge Agreements, other than due to a termination event or equivalent event pursuant to the terms of such Hedge Agreements (it being understood that clause (a)(i) above shall apply to any failure to make any payment in excess of \$20,000,000 that is required as a result of any such termination or equivalent event and that is not otherwise being contested in good faith)), prior to the stated maturity thereof; *provided* that clauses (a) and (b) shall not apply to (x) secured Indebtedness that becomes due as a result of the sale, transfer or other disposition (including as a result of a casualty or condemnation event) of the property or assets securing such Indebtedness (to the extent such sale, transfer or other disposition is not prohibited under this Agreement or is otherwise reasonably expected to be permitted), (y) Indebtedness which is convertible into Equity Interests and converts to Equity Interests in accordance with its terms and such conversion is not prohibited hereunder, or (z) any breach or default that is (I) remedied, or being contested in good faith, by Holdings, the Borrower or the applicable Restricted Subsidiary or (II) waived (including in the form of amendment) by the required holders of the applicable item of Indebtedness, in either case, prior to the acceleration of Loans pursuant to this Section 11. Notwithstanding the foregoing provisions of this Section 11.4, no breach, default or event of default under the ABL Credit Documents shall constitute an Event of Default under this Section 11.4, except (W) any event of default, giving effect to any applicable grace period, under Section 12.1 or Section 12.5 of the ABL Credit Agreement (or any successor provision thereto), (X) any event of default (except any event of default described in the immediately preceding clause (W) or under Section 11.11 of the ABL Credit Agreement (or any successor provision thereto)), giving effect to any applicable grace period, under the ABL Credit Agreement that remains unremedied and unwaived for thirty (30) consecutive days after the occurrence thereof, (Y) any acceleration of the ABL Loans or termination of the Revolving Credit Commitments (as defined in the ABL Credit Agreement) prior to the scheduled

maturity thereof as a result of an event of default under the ABL Credit Documents or (Z) the exercise of any secured creditor remedy by the ABL Administrative Agent or any other agent under the ABL Credit Documents (excluding, for the avoidance of doubt, the exercise of cash dominion rights during a Cash Dominion Period under, and as defined in, the ABL Credit Agreement); or

Section 1.5. Bankruptcy, Etc. Except as otherwise permitted by Section 10.3, Holdings, the Borrower or any Significant Subsidiary shall commence a voluntary case, proceeding or action concerning itself under any applicable Insolvency Law, including, Title 11 of the United States Code entitled “Bankruptcy” (the “Bankruptcy Code”), the BIA or the *Companies’ Creditors Arrangement Act* (Canada), in each case as now or hereafter in effect, or any successor thereto; or an involuntary case, proceeding or action is commenced against Holdings, the Borrower or any Significant Subsidiary and the petition is not dismissed or stayed within 60 days after commencement of the case, proceeding or action; or a custodian (as defined in the Bankruptcy Code), judicial manager, compulsory manager, receiver, receiver manager, trustee, liquidator, administrator, administrative receiver or similar Person is appointed for, or takes charge of, all or substantially all of the property of Holdings, the Borrower or any Significant Subsidiary; or Holdings, the Borrower or any Significant Subsidiary commences any other voluntary proceeding or action under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency, winding-up, administration or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to Holdings, the Borrower or any Significant Subsidiary; or there is commenced against Holdings, the Borrower or any Significant Subsidiary any such proceeding or action that remains undismissed or unstayed for a period of 60 days; or Holdings, the Borrower or any Significant Subsidiary is adjudicated bankrupt; or any order of relief or other order approving any such case or proceeding or action is entered; or Holdings, the Borrower or any Significant Subsidiary suffers any appointment of any custodian receiver, receiver manager, trustee, administrator or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 60 days; or Holdings, the Borrower or any Significant Subsidiary makes a general assignment for the benefit of creditors; or

Section 1.6. ERISA; Canadian Pension Plan.

(a) An ERISA Event or a Foreign Plan Event shall have occurred, and such ERISA Event or Foreign Plan Event, alone or together with all other such ERISA Events and Foreign Plan Events, if any, would reasonably be expected to result in a Material Adverse Effect; or

(b) (i) any event or condition shall occur or exist with respect to a Canadian Pension Plan that would reasonably be expected to subject the Borrower or any other Canadian Credit Party to any tax, penalty or other liabilities under the *Supplemental Pension Plans Act* (Quebec), the *Pension Benefits Act* (Ontario) or any other applicable laws which would reasonably be expected to result in a Material Adverse Effect, or (ii) the Borrower or any other Canadian Credit Party is in default with respect to required payments to a Canadian Pension Plan, which default would reasonably be expected to result in a Material Adverse Effect; or

Section 1.7. Guarantee. Any Guarantee provided by Holdings or any Guarantor that is a Material Subsidiary, or any material provision thereof, shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof) or any Credit Party shall deny or disaffirm in writing any such Guarantor’s material obligations under its Guarantee; or

Section 1.8. Pledge Agreements. Any Security Document pursuant to which the Capital Stock of the Borrower or any Material Subsidiary is pledged or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof, as a result of acts or omissions of the Collateral Agent or any Lender or as a result of the

Collateral Agent's failure to maintain possession of any Capital Stock that has been previously delivered to it) or any Credit Party shall deny or disaffirm in writing such Credit Party's obligations under any Security Document; or

Section 1.9. Security Agreements. Any Security Agreement or any other Security Document pursuant to which the assets of Holdings, the Borrower or any Material Subsidiary are pledged as Collateral or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof, as a result of acts or omissions of the Collateral Agent in respect of certificates, promissory notes or instruments actually delivered to it or as a result of the Collateral Agent's failure to file a Uniform Commercial Code continuation statement (or equivalent filing under other applicable law)), which results in the Collateral Agent ceasing to have (on behalf of the Lenders) a perfected security interest on a material portion of the Collateral on the terms and conditions set forth in such Security Documents or any Credit Party shall deny or disaffirm in writing its obligations under any Security Agreement or any other Security Document; or

Section 1.10. Judgments. One or more final judgments or decrees shall be entered against Holdings, the Borrower or any of the Restricted Subsidiaries involving a liability requiring the payment of money in an amount of \$20,000,000 or more in the aggregate for all such final judgments and decrees against Holdings, the Borrower and the Restricted Subsidiaries (to the extent not paid or covered by insurance or indemnities as to which the applicable insurance company or third party has not denied coverage) and any such final judgments or decrees shall not have been satisfied, vacated, discharged or stayed or bonded pending appeal within 60 days after the entry thereof; or

Section 1.11. Change of Control. A Change of Control shall occur.

Section 1.12. Remedies Upon Event of Default. If an Event of Default occurs and is continuing, the Administrative Agent shall, upon the written request of the Required Lenders, by written notice to the Borrower, take any or all of the following actions, without prejudice to the rights of the Administrative Agent or any Lender to enforce its claims against Holdings and the Borrower, except as otherwise specifically provided for in this Agreement (*provided* that, if an Event of Default specified in Section 11.5 shall occur with respect to Holdings or the Borrower, the result that would occur upon the giving of written notice by the Administrative Agent as specified in clauses (i) and (ii) below shall occur automatically without the giving of any such notice): (i) declare the Total Revolving Credit Commitment terminated, whereupon the Revolving Credit Commitments, if any, of each Lender shall forthwith terminate immediately and any Fees theretofore accrued shall forthwith become due and payable without any other notice of any kind and/or (ii) declare the principal of and any accrued interest and fees in respect of all Loans and all Obligations to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower to the extent permitted by applicable law.

Section 1.13. Application of Proceeds. Subject to the terms of the ABL/Term Loan Intercreditor Agreement, the Junior Lien Intercreditor Agreement, the Pari Intercreditor Agreement and any other intercreditor agreement permitted by this Agreement, any amount received by the Administrative Agent or the Collateral Agent from any Credit Party (or from proceeds of any Collateral) following any acceleration of the Obligations under this Agreement or any Event of Default with respect to the Borrower under Section 11.5 shall be applied:

(i) first, to the payment of all reasonable and documented costs and expenses incurred by the Administrative Agent or the Collateral Agent in connection with any collection or sale of the Collateral or otherwise in connection with any Credit Document, including all court costs and the reasonable fees and expenses of its agents

and legal counsel, the repayment of all advances made by the Administrative Agent or the Collateral Agent hereunder or under any other Credit Document on behalf of any Credit Party and any other reasonable and documented costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Credit Document to the extent reimbursable hereunder or thereunder;

(ii) second, to the Secured Parties, an amount equal to all Obligations owing to them on the date of any distribution; and

(iii) third, any surplus then remaining shall be paid to the applicable Credit Parties or their successors or assigns or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Notwithstanding the foregoing, amounts received from any Guarantor that is not an “Eligible Contract Participant” (as defined in the Commodity Exchange Act) shall not be applied to its Obligations that are Excluded Swap Obligations.

SECTION 12

The Agents

Section 1.1. Appointment.

(a) Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Credit Documents and irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. The provisions of this Section 12 (other than Section 12.1(c) with respect to any Joint Lead Arranger and any Joint Bookrunner and Sections 12.1, 12.9, 12.11, 12.12 and 12.13 with respect to the Borrower) are solely for the benefit of the Agents and the Lenders, and none of Holdings, the Borrower or any other Credit Party shall have rights as third party beneficiary of any such provision. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Administrative Agent. In performing its functions and duties hereunder, each Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Holdings, the Borrower or any of their respective Subsidiaries.

(b) The Administrative Agent and each Lender hereby irrevocably designate and appoint the Collateral Agent as the agent with respect to the Collateral, and each of the Administrative Agent and each Lender irrevocably authorizes the Collateral Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall not have any duties or responsibilities except those expressly set forth herein, or any fiduciary relationship with any of the Administrative Agent or the Lenders, and no implied

covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against the Collateral Agent.

(c) Each Lender on behalf of itself and its Affiliates (“Lender Parties”) hereby appoints the Collateral Agent to act as its trustee under, and in relation to, any UK Collateral Document and to hold the assets subject to the security thereby created as trustee for the Lender Parties on the trusts and other terms contained in any UK Collateral Document. Each Lender Party hereby irrevocably authorizes the Collateral Agent in its capacity as security trustee of Lender Parties to exercise such rights, remedies, powers and discretions as are specifically delegated to the Collateral Agent as security trustee of the Lender Parties by the terms of any UK Collateral Documents or otherwise under this Agreement, together with all such rights, remedies, powers and discretions as are reasonably incidental thereto, in each case, in accordance with, and subject to the terms of, such UK Collateral Documents and this Agreement.

(d) The Joint Lead Arrangers and Joint Bookrunners, in their capacity as such, shall not have any obligations, duties or responsibilities under this Agreement but shall be entitled to all benefits of this Section 12.

Section 1.2. Delegation of Duties. The Administrative Agent and the Collateral Agent may each execute any of its duties under this Agreement and the other Credit Documents by or through agents, sub-agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The exculpatory, indemnification and other provisions of this Section 12 shall apply to any such sub-agent and to the Affiliates of the Administrative Agent or the Collateral Agent, as applicable, and any such sub-agent, and shall apply, without limiting the foregoing, to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent. Neither the Administrative Agent nor the Collateral Agent shall be responsible for the negligence or misconduct of any agents, subagents or attorneys-in-fact selected by it in the absence of its bad faith, gross negligence or willful misconduct (as determined in the final non-appealable judgment of a court of competent jurisdiction).

Section 1.3. Exculpatory Provisions. No Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by any of them under or in connection with this Agreement or any other Credit Document (except for its or such Person’s own bad faith, gross negligence or willful misconduct, or such Person’s material breach of this Agreement or any other Credit Document, as determined in the final non-appealable judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein) or (b) responsible in any manner to any of the Lenders or any participant for any recitals, statements, representations or warranties made by any Credit Party or any officer thereof contained in this Agreement or any other Credit Document or in any certificate, report, statement or other document referred to or provided for in, or received by such Agent under or in connection with, this Agreement or any other Credit Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Credit Document, or the perfection or priority of any Lien or security interest created or purported to be created under the Security Documents, or for any failure of any Credit Party to perform its obligations hereunder or thereunder. No Agent shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party or any Affiliate thereof. The Collateral Agent shall not be under any obligation to the Administrative Agent or any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party.

Section 1.4. Reliance by Agents. The Administrative Agent and the Collateral Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or instruction believed by it (in good faith) to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent or the Collateral Agent. Each Agent also may rely upon any statement made to it orally and believed by it to be made by a proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may deem and treat the Lender specified in the Register with respect to any amount owing hereunder as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent and the Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent and the Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans; *provided* that the Administrative Agent and the Collateral Agent shall not be required to take any action that, in its opinion or in the opinion of its counsel, may expose it to liability or that is contrary to any Credit Document or applicable law.

Section 1.5. Notice of Default. Neither the Administrative Agent nor the Collateral Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent or the Collateral Agent has received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default”. In the event that the Administrative Agent receives such a notice, it shall give notice thereof to the Lenders and the Collateral Agent. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; *provided* that, unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders except to the extent that this Agreement requires that such action be taken only with the approval of the Required Lenders, each directly and adversely affected Lender or each of the Lenders, as applicable.

Section 1.6. Non-Reliance on Administrative Agent, Collateral Agent, and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor the Collateral Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent or the Collateral Agent hereinafter taken, including any review of the affairs of the Borrower or any other Credit Party, shall be deemed to constitute any representation or warranty by the Administrative Agent or the Collateral Agent to any Lender. Each Lender represents to the Administrative Agent and the Collateral Agent that it has, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower and each other Credit Party and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender, and based on such documents and information as it shall

deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Credit Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of any of the Credit Parties. Except for notices, reports, and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, neither the Administrative Agent nor the Collateral Agent shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, assets, operations, properties, financial condition, prospects or creditworthiness of any Credit Party that may come into the possession of the Administrative Agent or the Collateral Agent any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates.

Section 1.7. Indemnification. The Lenders agree to severally indemnify each Agent in its capacity as such (to the extent not reimbursed by the Credit Parties and without limiting the obligation of the Credit Parties to do so), ratably according to their respective portions of the Total Credit Exposure in effect on the date on which indemnification is sought (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with their respective portions of the Total Credit Exposure in effect immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind whatsoever that may at any time (including at any time following the payment of the Loans) be imposed on, incurred by or asserted against an Agent in any way relating to or arising out of the Commitments, this Agreement, any of the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent or the Collateral Agent under or in connection with any of the foregoing; *provided* that no Lender shall be liable to an Agent for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction; *provided, further*, that no action taken by the Administrative Agent in accordance with the directions of the Required Lenders (or such other number or percentage of the Lenders as shall be required by the Credit Documents) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 12.7. In the case of any investigation, litigation or proceeding giving rise to any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time occur (including at any time following the payment of the Loans), this Section 12.7 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person. Without limitation of the foregoing, each Lender shall reimburse each Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including attorneys' fees) incurred by such Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice rendered in respect of rights or responsibilities under, this Agreement, any other Credit Document, or any document contemplated by or referred to herein, to the extent that such Agent is not reimbursed for such expenses by or on behalf of the Borrower; *provided* that such reimbursement by the Lenders shall not affect the Borrower's continuing reimbursement obligations with respect thereto. If any indemnity furnished to any Agent for any purpose shall, in the opinion of such Agent, be insufficient or become impaired, such Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; *provided*, in no event shall this sentence require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender's *pro rata* portion thereof; and *provided, further*, this sentence shall not be deemed to require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement resulting from such

Agent's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction. The agreements in this Section 12.7 shall survive the payment of the Loans and all other amounts payable hereunder. The indemnity provided to each Agent under this Section 12.7 shall also apply to such Agent's respective Affiliates, directors, officers, members, controlling persons, employees, trustees, investment advisors and agents and successors.

Section 1.8. Agents in Their Individual Capacities. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent in its individual capacity as a Lender hereunder. Each Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Credit Party as though such Agent were not an Agent hereunder and under the other Credit Documents. With respect to the Loans made by it, each Agent shall have the same rights and powers under this Agreement and the other Credit Documents as any Lender and may exercise the same as though it were not an Agent, and the terms Lender and Lenders shall include each Agent in its individual capacity.

Section 1.9. Successor Agents.

(a) Each of the Administrative Agent and the Collateral Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to the consent of the Borrower (not to be unreasonably withheld or delayed) so long as no Event of Default under Sections 11.1 or 11.5 (with respect to the Borrower) is continuing, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States (in each case, other than any Disqualified Lender). If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation (the "Resignation Effective Date"), then the retiring Agent may on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above (including receipt of the Borrower's consent); *provided* that if the Administrative Agent or the Collateral Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice.

(b) If the Person serving as the Administrative Agent is a Defaulting Lender by virtue of clause (v) or (vi) of the definition of Lender Default, the Required Lenders or the Borrower may, in each case, to the extent permitted by applicable law by notice in writing to, in the case of a notice from the Required Lenders, the Borrower, or, in the case of a notice from the Borrower, the Required Lenders, and, in each case, such Person, remove such Person as the Administrative Agent, and, if such appointment is by the Required Lenders (as opposed to the Borrower) with the consent of the Borrower (not to be unreasonably withheld or delayed) so long as no Event of Default under Section 11.1 or 11.5 (with respect to the Borrower) is continuing or, if such appointment is by the Borrower, with the consent of the Required Lenders (not to be unreasonably withheld or delayed), appoint a successor. If no such successor shall have been so appointed by the Required Lenders or the Borrower (with the consent of the Borrower or the Required Lenders, as applicable, as required above) and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders and the Borrower) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), (1) the retiring or removed agent shall be discharged from its duties and obligations hereunder (other than its obligations under Section 13.16) and under the other Credit Documents (except that in the case of any collateral security held by the Collateral Agent on

behalf of the Lenders under any of the Credit Documents, the retiring or removed Collateral Agent shall continue to hold such collateral security as nominee until such time as a successor Collateral Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the retiring or removed Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders or the Borrower, as applicable, appoint a successor Agent as provided for above in this paragraph (and otherwise subject to the terms in this Section 12.9). Upon the acceptance of a successor's appointment as the Administrative Agent or the Collateral Agent, as the case may be, hereunder, and upon the execution and filing or recording of such financing statements, or amendments thereto, and such amendments or supplements to the Mortgages, and such other instruments or notices, as may be necessary or desirable, or as the Required Lenders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Security Documents, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) or removed Agent, and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder (other than its obligations under Section 13.16) or under the other Credit Documents (if not already discharged therefrom as provided above in this Section 12.9). Except as provided above, any resignation or removal of Credit Suisse AG, Cayman Islands Branch, or any successor thereto, as the Administrative Agent pursuant to this Section 12.9 shall also constitute the resignation or removal of such Person as the Collateral Agent. The fees payable by the Borrower (following the effectiveness of such appointment) to such Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Agent's resignation or removal hereunder and under the other Credit Documents, the provisions of this Section 12 (including Section 12.7) and Section 13.5 shall continue in effect for the benefit of such retiring or removed Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Agent was acting as an Agent.

Section 1.10. Withholding Tax. To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender under any Credit Document an amount equivalent to any applicable withholding Tax. If the Canada Revenue Agency or Internal Revenue Service or any authority of Canada or the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including, because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstances that rendered the exemption from, or reduction of, withholding Tax ineffective) or if the Administrative Agent reasonably determines that a payment was made to a Lender pursuant to this Agreement without deduction of applicable withholding Tax from such payment, such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by any applicable Credit Party and without limiting the obligation of any applicable Credit Party to do so) fully for all amounts paid, directly or indirectly, by the Administrative Agent as Tax or otherwise, including penalties, additions to Tax and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Credit Document against any amount due to the Administrative Agent under this Section 12.10. The agreements in this Section 12.10 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

Section 1.11. Agents Under Security Documents and Guarantee. Each Secured Party hereby further authorizes the Administrative Agent or the Collateral Agent, as applicable, on behalf of and for the benefit of the Secured Parties, to be the agent for and representative of the

Secured Parties with respect to the Collateral and the Security Documents; *provided* that neither the Administrative Agent nor the Collateral Agent shall owe any fiduciary duty, duty of loyalty, duty of care, duty of disclosure or any other obligation whatsoever to any holder of Secured Hedge Obligations. Subject to Section 13.1, without further written consent or authorization from any Secured Party, the Administrative Agent or the Collateral Agent, as applicable, may execute any documents or instruments necessary to (a) release any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent (or any sub-agent thereof) under any Credit Document (i) upon the payment in full of all Obligations (except for contingent obligations in respect of which a claim has not yet been made, Secured Hedge Obligations, Secured Bank Product Obligations and Secured Cash Management Obligations), (ii) that is sold or to be sold or transferred as part of or in connection with any sale or other transfer permitted hereunder or under any other Credit Document to a Person that is not a Credit Party or in connection with the designation of any Restricted Subsidiary as an Unrestricted Subsidiary, (iii) if the property subject to such Lien is owned by a Credit Party, upon the release of such Credit Party from its Guarantee otherwise in accordance with the Credit Documents, (iv) as to the extent provided in the Security Documents or (v) if approved, authorized or ratified in writing in accordance with Section 13.1; (b) release any Guarantor from its obligations under the Guarantee if such Person ceases to be a Restricted Subsidiary (or becomes an Excluded Subsidiary) as a result of a transaction or designation permitted hereunder; (c) subordinate any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent under any Credit Document to the holder of any Lien permitted under clauses (v), (vi) (solely with respect to Section 10.1(d) and Section 10.1(n)(y)), (vii), (viii), (ix) and (xviii) of the definition of Permitted Liens; or (d) enter into subordination or intercreditor agreements with respect to Indebtedness to the extent the Administrative Agent or the Collateral Agent is otherwise contemplated herein as being a party to such intercreditor or subordination agreement, including the ABL/Term Loan Intercreditor Agreement, the Junior Lien Intercreditor Agreement and the Pari Intercreditor Agreement.

The Collateral Agent shall have its own independent right to demand payment of the amounts payable by the Borrower under this Section 12.11, irrespective of any discharge of the Borrower's obligations to pay those amounts to the other Lenders resulting from failure by them to take appropriate steps in insolvency proceedings affecting the Borrower to preserve their entitlement to be paid those amounts.

Any amount due and payable by the Borrower to the Collateral Agent under this Section 12.11 shall be decreased to the extent that the other Lenders have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Credit Documents and any amount due and payable by the Borrower to the Collateral Agent under those provisions shall be decreased to the extent that the Collateral Agent has received (and is able to retain) payment in full of the corresponding amount under this Section 12.11.

Section 1.12. Right to Realize on Collateral and Enforce Guarantee. Anything contained in any of the Credit Documents to the contrary notwithstanding, the Borrower, the Agents, and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guarantee, it being understood and agreed that all powers, rights, and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Secured Parties in accordance with the terms hereof and all powers, rights, and remedies under the Security Documents may be exercised solely by the Collateral Agent, and (ii) in the event of a foreclosure by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Collateral Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Collateral Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making

settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Agent at such sale or other disposition. No holder of Secured Hedge Obligations, Secured Bank Product Obligations or Secured Cash Management Obligations shall have any rights in connection with the management or release of any Collateral or of the obligations of any Credit Party under this Agreement. No holder of Secured Hedge Obligations, Secured Bank Product Obligations or Secured Cash Management Obligations that obtains the benefits of any Guarantee or any Collateral by virtue of the provisions hereof or of any other Credit Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Credit Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender or Agent and, in such case, only to the extent expressly provided in the Credit Documents. Notwithstanding any other provision of this Agreement to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Hedge Agreements, Secured Bank Product Obligations and Secured Cash Management Agreements, unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be.

Section 1.13. Intercreditor Agreements Govern. The Administrative Agent, the Collateral Agent, and each Lender (a) hereby agrees that it will be bound by and will take no actions contrary to the provisions of any intercreditor agreement entered into pursuant to the terms hereof, (b) hereby authorizes and instructs the Administrative Agent and the Collateral Agent to enter into each intercreditor agreement (including the ABL/Term Loan Intercreditor Agreement, the Junior Lien Intercreditor Agreement and the Pari Intercreditor Agreement) entered into pursuant to the terms hereof and to subject the Liens securing the Obligations to the provisions thereof, (c) hereby authorizes and instructs the Administrative Agent and the Collateral Agent to enter into any intercreditor agreement that includes, or to amend any then existing intercreditor agreement to provide for, the terms described in the definition of Permitted Other Indebtedness and (d) hereby consents to the subordination of the Liens on the Collateral other than Term Priority Collateral securing the Obligations on the terms set forth in the ABL/Term Loan Intercreditor Agreement. In the event of any conflict or inconsistency between the provisions of each intercreditor agreement (including the ABL/Term Loan Intercreditor Agreement, the Junior Lien Intercreditor Agreement and the Pari Intercreditor Agreement) and this Agreement, the provisions of such intercreditor agreement shall control.

Section 1.14. Quebec Security. For the purposes of the grant of security under the laws of the Province of Quebec which may now or in the future be required to be provided by any Canadian Credit Party, Credit Suisse AG, Cayman Islands Branch, or any successor thereto, as part of its duties as the Collateral Agent, is hereby irrevocably authorized and appointed to act as the hypothecary representative (within the meaning of Article 2692 of the *Civil Code of Québec*) for all Secured Parties in order to hold any hypothec granted under the laws of the Province of Quebec pursuant to a deed of hypothec as security for any Obligations and to exercise such rights and duties as are conferred upon a hypothecary representative under the relevant deed of hypothec and applicable laws (with the power to delegate any such rights or duties). The execution prior to the Fifth Amendment Effective Date by the Collateral Agent of any deed of hypothec made pursuant to the laws of the Province of Quebec, is hereby ratified and confirmed. For greater certainty, the Collateral Agent, acting as hypothecary representative, shall have the same rights, powers, immunities, indemnities and exclusions from liability as are prescribed in favour of the Collateral Agent which shall apply *mutatis mutandis*. In the event of the resignation and appointment of a successor Collateral Agent such successor Collateral Agent shall also act as the successor hypothecary representative on behalf of all Secured Parties under each deed of hypothec without any further documentation or other formality being required to

evidence the appointment of the successor hypothecary representative (subject to the registration of a notice of replacement as required by Article 2692 of the *Civil Code of Québec*). Notwithstanding any provision herein to the contrary, this provision shall be governed and construed in accordance with the laws of the Province of Quebec.

Section 1.15. Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agents and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agents and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that:

(i) none of the Agents or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the

reservation or exercise of any rights by the Administrative Agent under this Agreement, any Credit Document or any documents related to hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least \$50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Loans, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Administrative Agent or the Lead Arrangers or any their respective Affiliates for investment advice (as opposed to other services) in connection with the Loans, the Commitments or this Agreement.

(c) The Agents hereby inform the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans or the Commitments for an amount less than the amount being paid for an interest in the Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Credit Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

SECTION 13

Miscellaneous

Section 1.1. Amendments, Waivers, and Releases. Neither this Agreement nor any other Credit Document, nor any terms hereof or thereof, may be amended, supplemented, modified or waived except in accordance with the provisions of this Section 13.1. Except as provided to the contrary under Section 2.14 or 2.15 or the third, fifth, sixth, eighth, ninth, tenth and eleventh paragraphs hereof, and other than with respect to any amendment, modification or waiver contemplated in clause (x)(i), clause (x)(ii), clause (x)(vi), clause (x)(vii), clause (y) or

clause (z) below, which, in each case, shall only require the consent of the Lenders or the Administrative Agent, as applicable, as expressly set forth therein and not Required Lenders, the Required Lenders may, or, with the written consent of the Required Lenders, the Administrative Agent and/or the Collateral Agent may, from time to time, (a) enter into with the relevant Credit Party or Credit Parties written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents for changing in any manner the rights of the Lenders or of the Credit Parties hereunder or thereunder or for any other purpose or (b) waive in writing, on such terms and conditions as the Required Lenders or the Administrative Agent and/or the Collateral Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences; *provided, however*, that each such waiver and each such amendment, supplement or modification shall be effective only in the specific instance and for the specific purpose for which given; and *provided, further*, that no such waiver and no such amendment, supplement or modification shall:

(x)

(i) forgive or reduce any portion of any Loan or extend the final scheduled maturity date of any Loan or reduce the stated interest rate (it being understood that only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the “default rate” or amend Section 2.8(c)), or forgive any portion thereof, or extend the date for the payment of any interest or fee payable hereunder (other than as a result of waiving the applicability of any post-default increase in interest rates), or make any Loan, interest, Fee or other amount payable in any currency other than expressly provided herein, in each case without the written consent of each Lender directly and adversely affected thereby; *provided* that, in each case for purposes of this clause (x)(i) and clause (y) below, a waiver of any condition precedent in Section 6 of this Agreement, the waiver of any Default, Event of Default, default interest, mandatory prepayment or reductions (in each case with respect to waivers of mandatory prepayments or reductions, except as provided in the immediately succeeding clause (x)(i)(B)), any modification, waiver or amendment to the financial definitions or financial ratios or any component thereof or the waiver of any other covenant shall not constitute an increase of any Commitment of a Lender, a reduction or forgiveness of any portion of any Loan or in the interest rates or the fees or premiums or a postponement of any date scheduled for the payment of principal or interest or an extension of the final maturity of any Loan, the scheduled termination date of any Commitment, or

(ii) consent to the assignment or transfer by the Borrower of its rights and obligations under any Credit Document to which it is a party (except as permitted pursuant to Section 10.3), in each case without the written consent of each Lender directly and adversely affected thereby, or

(iii) amend, modify or waive any provision of Section 12 without the written consent of the then-current Administrative Agent and Collateral Agent in a manner that directly and adversely affects such Person, or

(iv) release all or substantially all of the Guarantors under the Guarantees (except as expressly permitted by the Guarantees, the ABL/Term Loan Intercreditor Agreement, the Junior Lien Intercreditor Agreement, the Pari Intercreditor Agreement, any other intercreditor agreement or arrangement permitted under this Agreement or this Agreement) or release all or substantially all of the Collateral under the Security Documents (except as expressly permitted by the Security Documents, the ABL/Term Loan Intercreditor Agreement, the Junior Lien Intercreditor Agreement, the Pari Intercreditor Agreement, any other intercreditor agreement or arrangement permitted

under this Agreement or this Agreement) without the prior written consent of each Lender, or

(v) reduce the percentages specified in the definitions of the terms Required Lenders or Required Facility Lenders or amend, modify or waive any provision of this Section 13.1 that has the effect of decreasing the number of Lenders that must approve any amendment, modification or waiver, without the written consent of each Lender, or

(vi) amend, waive or otherwise modify any term or provision which directly and adversely affects Lenders under one or more of a given Class of Incremental Revolving Credit Commitments, a given Extension Series of Extended Revolving Credit Commitments or a given Class of Refinancing Revolving Credit Commitments and does not directly affect Lenders under any other Credit Facilities, in each case, without the written consent of the Required Facility Lenders under such applicable Credit Facility or Credit Facilities with respect to a given Class of Incremental Revolving Credit Commitments, a given Extension Series of Extended Revolving Credit Commitments or a given Class of Refinancing Revolving Credit Commitments (and in the case of multiple Credit Facilities which are affected, such Required Facility Lenders shall consent together as one Credit Facility); *provided, however*, that the waivers described in this clause (vi) shall not require the consent of any Lenders other than the Required Facility Lenders under such Credit Facility or Credit Facilities (it being understood that any amendment to the conditions of effectiveness of New Loan Commitments set forth in Section 2.14 shall be subject to clause (vii) below), or

(vii) amend, waive or otherwise modify any term or provision (including the availability and conditions to funding under Section 2.14 with respect to New Term Loans and Incremental Revolving Credit Commitments and the rate of interest applicable thereto) which directly affects Lenders of one or more Classes of New Term Loans or Incremental Revolving Credit Commitments and does not directly affect Lenders under any other Credit Facility, in each case, without the written consent of the Required Facility Lenders under such applicable New Term Loans or Incremental Revolving Credit Commitments (and in the case of multiple Credit Facilities which are affected, such Required Facility Lenders shall consent together as one Credit Facility), or

(a) notwithstanding anything to the contrary in clause (x) above (other than the proviso in clause (x)(i)(A)), (i) extend the final expiration date of any Lender's Commitment or (ii) increase the aggregate amount of the Commitments of any Lender, or

(b) in connection with an amendment that addresses solely a repricing transaction in which any Class of Commitments and/or Loans is refinanced with a replacement Class of Commitments and/or Loans bearing (or is modified in such a manner such that the resulting Commitments and/or Loans bear) a lower Effective Yield, require the consent of any Lender other than the Lenders holding Commitments and/or Loans subject to such permitted repricing transaction that will continue as Lenders in respect of the repriced Class of Commitments and/or Loans or modified Class of Commitments and/or Loans.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except (x) that the Commitment of such Lender may not be increased or extended without the consent of such Lender (it being understood that any Commitments or Loans held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders) and (y) for any such amendment, waiver or consent that treats such Defaulting

Lender disproportionately and adversely from the other Lenders of the same Class (other than because of its status as a Defaulting Lender).

Any such waiver and any such amendment, supplement or modification shall apply equally to each of the affected Lenders and shall be binding upon Holdings, the Borrower, such Lenders, the Administrative Agent, the Collateral Agent and all future holders of the affected Loans. In the case of any waiver, Holdings, the Borrower, the Lenders, the Administrative Agent and the Collateral Agent shall be restored to their former positions and rights hereunder and under the other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing, it being understood that no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. In connection with the foregoing provisions, the Administrative Agent may, but shall have no obligations to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender.

Notwithstanding the foregoing, in addition to any credit extensions and related Joinder Agreement(s), Extension Amendment(s) and Refinancing Amendment(s) effectuated without the consent of Lenders in accordance with Section 2.14, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, Holdings and the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Credit Documents with the Term Loans and the Revolving Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and other definitions related to such new Term Loans and Revolving Loans.

In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Administrative Agent, Holdings, the Borrower and the Lenders providing the relevant Replacement Term Loans to permit the refinancing of all outstanding Term Loans of any Class ("Refinanced Term Loans") with a replacement term loan tranche ("Replacement Term Loans") hereunder; *provided* that (a) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Refinanced Term Loans (*plus* an amount equal to all accrued but unpaid interest, fees, premiums, and expenses incurred in connection therewith (including original issue discount, upfront fees and similar items)), (b) [reserved], (c) the Weighted Average Life to Maturity of such Replacement Term Loans shall not be shorter than the Weighted Average Life to Maturity of such Refinanced Term Loans at the time of such refinancing, and (d) the covenants, events of default and guarantees shall not be materially more restrictive to the Borrower (as determined in good faith by the Borrower), when taken as a whole, than the terms of the Refinanced Term Loans (except for (1) covenants or other provisions applicable only to periods after the Maturity Date (as of the date of the refinancing) of such Class of Refinanced Term Loans and (2) pricing, fees, rate floors, premiums, optional prepayment or redemption terms) unless the Lenders under the other Classes of Term Loans existing on the refinancing date (other than the Refinanced Term Loans), receive the benefit of such more restrictive terms.

The Lenders hereby irrevocably agree that the Liens granted to the Collateral Agent by the Credit Parties on any Collateral shall be automatically released (i) in full, upon the termination of this Agreement and the payment of all Obligations hereunder (except for Secured Cash Management Obligations, Secured Bank Product Obligations, Secured Hedge Obligations and contingent obligations in respect of which a claim has not yet been made), (ii) upon the sale or other disposition of such Collateral (including as part of or in connection with any other sale or other disposition permitted hereunder) to any Person other than another Credit Party, to the extent such sale or other disposition is made in compliance with the terms of this Agreement

(and the Collateral Agent may rely conclusively on a certificate to that effect provided to it by any Credit Party upon its reasonable request without further inquiry), (iii) to the extent such Collateral is comprised of property leased to a Credit Party, upon termination or expiration of such lease, (iv) if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders (or such other percentage of the Lenders whose consent may be required in accordance with this Section 13.1), (v) to the extent the property constituting such Collateral is owned by any Guarantor, upon the release of such Guarantor from its obligations under the applicable Guarantee (in accordance with the second following sentence), (vi) as required to effect any sale or other disposition of Collateral in connection with any exercise of remedies of the Collateral Agent pursuant to the Security Documents, and (vii) if such assets constitute Excluded Property or Excluded Stock and Stock Equivalents. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those being released) upon (or obligations (other than those being released) of the Credit Parties in respect of) all interests retained by the Credit Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral except to the extent otherwise released in accordance with the provisions of the Credit Documents. Additionally, the Lenders hereby irrevocably agree that any Restricted Subsidiary that is a Guarantor shall be released from the Guarantees upon consummation of any transaction not prohibited by this Agreement resulting in such Subsidiary ceasing to constitute a Restricted Subsidiary or upon becoming an Excluded Subsidiary. The Lenders hereby authorize the Administrative Agent and the Collateral Agent, as applicable, to, and the Administrative Agent and the Collateral Agent agree to, execute and deliver any instruments, documents, and agreements necessary or desirable or reasonably requested by the Borrower to evidence and confirm the release of any Guarantor or Collateral pursuant to the foregoing provisions of this paragraph, all without the further consent or joinder of any Lender.

Notwithstanding anything herein to the contrary, the Credit Documents may be amended to (i) add syndication or documentation agents and make customary changes and references related thereto and (ii) if applicable, add or modify “parallel debt” language in any jurisdiction in favor of the Collateral Agent or add Collateral Agents, in each case under (i) and (ii), with the consent of only the Borrower and the Administrative Agent, and in the case of clause (ii), the Collateral Agent.

Notwithstanding anything in this Agreement (including, without limitation, this Section 13.1) or any other Credit Document to the contrary, (i) this Agreement and the other Credit Documents may be amended to effect an incremental facility, refinancing facility or extension facility pursuant to Section 2.14 (and the Administrative Agent and the Borrower may effect such amendments to this Agreement and the other Credit Documents without the consent of any other party as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the terms of any such incremental facility, refinancing facility or extension facility); (ii) no Lender consent is required to effect any amendment or supplement to the ABL/Term Loan Intercreditor Agreement, the Junior Lien Intercreditor Agreement, the Pari Intercreditor Agreement or other intercreditor agreement or arrangement permitted under this Agreement that is for the purpose of adding the holders of any Indebtedness as expressly contemplated by the terms of the ABL/Term Loan Intercreditor Agreement, the Junior Lien Intercreditor Agreement, the Pari Intercreditor Agreement or such other intercreditor agreement or arrangement permitted under this Agreement, as applicable (it being understood that any such amendment or supplement may make such other changes to the applicable intercreditor agreement as, in the good faith determination of the Administrative Agent in consultation with the Borrower, are required to effectuate the foregoing; *provided* that such other changes are not adverse, in any material respect, to the interests of the Lenders taken as a whole); *provided, further*, that no such agreement shall amend, modify or otherwise directly and adversely affect the rights or duties of the Administrative Agent hereunder or under any other Credit Document without the prior written consent of the Administrative Agent; (iii) any provision of this Agreement or any other Credit Document (including, for the avoidance of doubt, any exhibit,

schedule or other attachment to any Credit Document) may be amended by an agreement in writing entered into by the Borrower and the Administrative Agent to (x) cure any ambiguity, omission, mistake, defect or inconsistency (as reasonably determined by the Administrative Agent and the Borrower) and (y) to effect administrative changes of a technical or immaterial nature and such amendment shall be deemed approved by the Lenders if the Lenders shall have received at least five Business Days' prior written notice of such change and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment; and (iv) guarantees, collateral documents and related documents executed by the Credit Parties in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with any other Credit Document, entered into, amended, supplemented or waived, without the consent of any other Person, by the applicable Credit Party or Credit Parties and the Administrative Agent or the Collateral Agent in its or their respective sole discretion, to (A) effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, (B) as required by local law or advice of counsel to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable Requirements of Law, or (C) to cure ambiguities, omissions, mistakes or defects (as reasonably determined by the Administrative Agent and the Borrower) or to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Credit Documents.

Notwithstanding anything in this Agreement or any Security Document to the contrary, the Administrative Agent may, in its sole discretion, grant extensions of time for the satisfaction of any of the requirements under Sections 9.9, 9.10 and 9.12 or any Security Documents in respect of any particular Collateral or any particular Subsidiary if it determines that the satisfaction thereof with respect to such Collateral or such Subsidiary cannot be accomplished without undue expense or unreasonable effort or due to factors beyond the control of Holdings, the Borrower and the Restricted Subsidiaries by the time or times at which it would otherwise be required to be satisfied under this Agreement or any Security Document.

Section 1.2. Notices. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Credit Document shall be in writing (including by facsimile or other electronic transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

- (a) if to Holdings, the Borrower, the Administrative Agent or the Collateral Agent, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 13.2 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and
- (b) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to Holdings, the Borrower, the Administrative Agent and the Collateral Agent.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three Business Days after deposit in the mails, postage prepaid; (C) if delivered by

facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail, when delivered; *provided* that notices and other communications to the Administrative Agent or the Lenders pursuant to Sections 2.3, 2.6, 2.9, 4.2 and 5.1 shall not be effective until received.

Section 1.3. No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent, the Collateral Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers, and privileges provided by law.

Section 1.4. Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

Section 1.5. Payment of Expenses; Indemnification.

The Borrower agrees (a) to pay or reimburse the Agents for all their reasonable and documented out-of-pocket costs and expenses (without duplication) incurred in connection with the preparation and execution and delivery of, and any amendment, supplement, waiver or modification to, this Agreement and the other Credit Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby (limited (i) in the case of legal fees and expenses, to the reasonable documented fees, disbursements and other charges of Latham & Watkins LLP (or such other counsel as may be agreed by the Administrative Agent and the Borrower) and, if reasonably necessary, of a single firm of local counsel in each relevant jurisdiction, excluding in all cases allocated costs of in-house counsel, and (ii) in the case of fees and expenses related to any other advisor or consultant, solely to the extent the Borrower has consented to the retention or engagement of such Person), (b) to pay or reimburse each Agent for all its reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Credit Documents and any other documents delivered in connection herewith or therewith upon the occurrence and during the continuance of an Event of Default (limited, in the case of legal fees and expenses of the Agents and the Lenders (taken as a whole), to the reasonable documented fees, disbursements and other charges of Latham & Watkins LLP (or such other counsel as may be agreed by the Administrative Agent and the Borrower) and (x) if reasonably necessary, of a single firm of local counsel in each relevant jurisdiction and (y) if there is an actual conflict of interest, one additional counsel for the affected similarly situated (taken as a whole) Persons), in each case excluding in all cases allocated costs of in-house counsel, and (c) to pay, indemnify, and hold harmless each Lender, each Agent and their respective Affiliates, directors, officers, members, controlling persons, employees, trustees, investment advisors, and agents and successors of the foregoing (in each case, excluding any Excluded Affiliate, the "Indemnified Persons") from and against any and all actual losses, damages, claims, expenses or liabilities of any kind or nature whatsoever (limited (i) in the case of legal fees and expenses, to the reasonable and documented fees, disbursements, and other charges of one primary counsel and, if reasonably necessary, one local counsel in each relevant jurisdiction for all such Indemnified Persons (taken as a whole) and, if there is an actual conflict of interest, one additional counsel for the affected Indemnified Persons similarly situated (taken as a whole), in each case excluding in all cases allocated costs of in-house counsel, and (ii) in the case of fees and expenses related to any other advisor or consultant, solely to the extent the Borrower has consented to the retention or engagement of such Person in writing), in each case to the extent arising out of or relating to any claim,

litigation or other proceeding, regardless whether any such Indemnified Person is a party thereto or whether such claim, litigation or other proceeding is brought by a third party or by the Borrower or any of its Affiliates, that is related to the execution, delivery, enforcement, performance, and administration of this Agreement, the other Credit Documents and other documents delivered in connection herewith or therewith or the use of proceeds of any Credit Facility (all the foregoing in this clause (c), collectively, the “Indemnified Liabilities”); *provided* that the Borrower shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities (i) resulting from disputes between and among any Indemnified Persons (or any of such Indemnified Person’s Affiliates or any of its or their respective officers, directors, employees, agents, controlling persons, members or the successors of any of the foregoing) that does not involve an act or omission by the Borrower or any of its Subsidiaries (other than any claims against the Administrative Agent, any Joint Lead Arranger or any Joint Bookrunner in their respective capacities as such, subject to the immediately succeeding clause (ii)), (ii) to the extent it has been determined by a final non-appealable judgment of a court of competent jurisdiction to have resulted from (x) the gross negligence, bad faith or willful misconduct of such Indemnified Person (or any of such Indemnified Person’s Affiliates or any of its or their respective officers, directors, employees, agents, controlling persons, members or the successors of any of the foregoing) or (y) a material breach of any Credit Document by such Indemnified Person (or any of such Indemnified Person’s Affiliates or any of its or their respective officers, directors, employees, agents, controlling persons, members or the successors of any of the foregoing) or (iii) in its capacity as a financial advisor to the Borrower and any of its Subsidiaries in connection with the Transactions. No Person entitled to indemnification under Section 13.5(c) and no other Person party to this Agreement shall be liable (1) for any damages to any other Indemnified Person or party hereto arising from the use by others of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement except to the extent that such damage resulted from bad faith, willful misconduct or gross negligence of such Indemnified Person, such other Person or any of such Indemnified Person’s or such other Person’s Affiliates or any of its or their respective officers, directors, employees, agents, controlling persons, members or the successors of any of the foregoing or (2) for any special, punitive, indirect or consequential damages relating to this Agreement or any other Credit Document or arising out of its activities in connection herewith or therewith (whether before or after the Fourth Amendment Effective Date); *provided* that this clause (2) shall not limit the Borrower’s indemnity or reimbursement obligations to the extent such special, punitive, indirect or consequential damages are included in any claim by a third party with respect to which the applicable Indemnified Person is entitled to indemnification in accordance with Section 13.5(c). All amounts due under this Section 13.5 shall be paid within thirty (30) days after written demand therefor (together with backup documentation supporting such reimbursement request); *provided, however*, that an Indemnified Person shall promptly refund any amount to the extent that there is a final judicial or arbitral determination that such Indemnified Person was not entitled to indemnification rights with respect to such payment pursuant to this Section 13.5.

The Borrower shall not be liable for any settlement of any proceeding effected without the Borrower’s written consent (which consent shall not be unreasonably withheld or delayed), but if settled with the Borrower’s written consent or if there is a final and non-appealable judgment by a court of competent jurisdiction for the plaintiff in any such proceeding, the Borrower agrees to indemnify and hold harmless each Indemnified Person from and against any and all actual losses, damages, claims, liabilities, and reasonable and documented legal or other out-of-pocket expenses by reason of such settlement or judgment in accordance with, and to the extent provided in, the other provisions of this Section 13.5.

Holdings, the Borrower and their respective Subsidiaries shall not, without the prior written consent of any Indemnified Person (which consent shall not be unreasonably withheld or delayed), effect any settlement of any pending or threatened proceedings in respect of which

indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person in form and substance reasonably satisfactory to such Indemnified Person from all liability or claims that are the subject matter of such proceedings and (ii) does not include any statement as to or any admission of fault, culpability, wrongdoing or a failure to act by or on behalf of any Indemnified Person.

Each Indemnified Person, by its acceptance of the benefits of this Section 13.5, agrees to refund and return any and all amounts paid by the Borrower to it if, pursuant to limitations on indemnification set forth in this Section 13.5, such Indemnified Person was not entitled to receipt of such amounts.

The agreements in this Section 13.5 shall survive repayment of the Loans and all other amounts payable hereunder. This Section 13.5 shall not apply with respect to Taxes, other than any Taxes that represent liabilities, obligations, losses, damages, penalties, judgments, costs, expenses, or disbursements, etc., arising from any non-Tax claim.

Section 1.6. Successors and Assigns; Participations and Assignments.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) except as expressly permitted by Section 10.3, the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 13.6. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in clause (c) of this Section 13.6) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Collateral Agent and the Lenders and each other Person entitled to indemnification under Section 13.5) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in clause (b)(ii) below and Section 13.7, any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Loans of any Class at the time owing to it) with the prior written consent (in each case, such consent not to be unreasonably withheld or delayed; it being understood that, without limitation, the Borrower shall have the right to withhold or delay its consent to any assignment if, (x) in order for such assignment to comply with applicable law, the Borrower would be required to obtain the consent of, or make any filing or registration with, any Governmental Authority or (y) such assignment is to a Disqualified Lender) of:

(A) the Borrower; *provided* that no consent of the Borrower shall be required for (1) an assignment of Term Loans to (X) a Lender, (Y) an Affiliate of a Lender, or (Z) an Approved Fund or (2) an assignment of Loans or Commitments to any assignee if an Event of Default under Section 11.1 or Section 11.5 (with respect to the Borrower) has occurred and is continuing; and

(B) the Administrative Agent; *provided* that no consent of the Administrative Agent shall be required for an assignment of any Commitment or Loan to a Lender, an Affiliate of a Lender, an Approved Fund or, in the case of any Term Loan, Holdings and its Subsidiaries or an Affiliated Lender.

Notwithstanding the foregoing, no such assignment shall be made to a (i) natural Person, Excluded Affiliate, Disqualified Lender or Defaulting Lender and (ii) with respect to any Revolving Credit Commitments or Revolving Loans, the Borrower or any of its Subsidiaries or any Affiliated Lender (other than a Bona Fide Debt Fund). For the avoidance of doubt, the Administrative Agent shall have no obligation with respect to, and shall bear no responsibility or liability for, the monitoring or enforcing of the list of Persons who are Disqualified Lenders (or any provisions relating thereto) at any time.

(i) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than U.S.\$2,500,000 in the case of Revolving Credit Commitments and U.S.\$1,000,000 in the case of Term Loans, unless each of the Borrower and the Administrative Agent otherwise consents (which consents shall not be unreasonably withheld or delayed); *provided* that no such consent of the Borrower shall be required if an Event of Default under Section 11.1 or Section 11.5 (with respect to any Credit Party) has occurred and is continuing; *provided, further*, that contemporaneous assignments by a Lender and its Affiliates or Approved Funds shall be aggregated for purposes of meeting the minimum assignment amount requirements stated above (and simultaneous assignments to or by two or more Related Funds shall be treated as one assignment), if any;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; *provided* that this clause (B) shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance via an electronic settlement system or other method reasonably acceptable to the Administrative Agent, together with a processing and recordation fee in the amount of U.S.\$3,500; *provided* that the Administrative Agent may, in its sole discretion, elect to waive or reduce such processing and recordation fee in the case of any assignment; *provided, further*, that such recordation fee shall not be payable in the case of assignments by any Affiliate of any Joint Lead Arranger or any Joint Bookrunner;

(D) the assignee, if it was not a Lender prior to such assignment, shall deliver to the Administrative Agent an administrative questionnaire in a form approved by the Administrative Agent and the Borrower (the "Administrative Questionnaire") and applicable tax forms (as required under Section 5.4(e)); and

(E) any assignment to the Borrower, any Subsidiary or an Affiliated Lender (other than a Bona Fide Debt Fund) shall also be subject to the requirements of Section 13.6(h).

For the avoidance of doubt, the Administrative Agent shall have no obligation with respect to, and shall bear no responsibility or liability for, the tracking or monitoring of assignments to or participations by any Affiliated Lender.

(ii) Subject to acceptance and recording thereof pursuant to clause (b)(v) of this Section 13.6 from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations (other than under Section 13.16) under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.10, 2.11, 5.4 and 13.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 13.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (c) of this Section 13.6. For the avoidance of doubt, in case of an assignment to a new Lender pursuant to this Section 13.6, (i) the Administrative Agent, the new Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the new Lender been an original Lender signatory to this Agreement with the rights and/or obligations acquired or assumed by it as a result of the assignment and to the extent of the assignment the assigning Lender shall each be released from further obligations under the Credit Documents and (ii) the benefit of each Security Document shall be maintained in favor of the new Lender.

(iii) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans (and stated interest amounts) owing to each Lender pursuant to the terms hereof from time to time (the "Register"). Further, the Register shall contain the name and address of the Administrative Agent and the lending office through which each such Person acts under this Agreement. Notwithstanding anything to the contrary herein, the entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent, the Collateral Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Collateral Agent, the Administrative Agent and its Affiliates and, with respect to itself, any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(iv) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire and applicable tax forms (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in Section 13.6(b)(ii)(C) and any written consent to such assignment required by Section 13.6(b)(i), the Administrative Agent shall promptly accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment, whether or not evidenced by a promissory note, shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this clause (b)(v).

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (other than (x) the Borrower and its Subsidiaries, and (y) any Disqualified Lender *provided, however, that, notwithstanding clause (y) hereof, participations may be sold to Disqualified Lenders unless a list of Disqualified Lenders pursuant to clause (i) or (ii) of the definition thereof has been made available to all Lenders who so request*) (each, a “Participant”) in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); *provided that* (A) such Lender’s obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. For the avoidance of doubt, the Administrative Agent shall have no obligation with respect to, and shall bear no responsibility or liability for, the monitoring or enforcing of the list of Disqualified Lenders with respect to the sales of participations at any time. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to (I) enforce this Agreement and (II) approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Document; *provided that* such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (x)(i) and (x)(iv) of the second proviso to Section 13.1 that directly and adversely affects such Participant. Subject to clause (c)(ii) of this Section 13.6, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10, 2.11 and 5.4 to the same extent as if it were a Lender (subject to the limitations and requirements of those Sections as though it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 13.6, including the requirements of clause (e) of Section 5.4) (it being agreed that any documentation required under Section 5.4(e) shall be provided to the participating Lender, and if additional amounts are required to be paid pursuant to Section 5.4, to the Borrower and the Administrative Agent). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 13.8(b) as though it were a Lender; *provided* such Participant shall be subject to Section 13.8(a) as though it were a Lender.

(i) A participant shall not be entitled to receive any greater payment under Section 2.10, 2.11 or 5.4 than the applicable Lender would have been entitled to receive absent the sale of the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower’s prior written consent (which consent may be withheld in the Borrower’s sole discretion). Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest amounts) of each Participant’s interest in the Loans or other obligations under this Agreement (the “Participant Register”). The entries in the Participant Register shall be conclusive, absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. No Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant’s interest in any commitments, loans or its other obligations under any Credit Document) except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations or as is otherwise required by law.

(d) Any Lender may, without the consent of the Borrower or the Administrative Agent, at any time pledge or assign a security interest in all or any portion of its

rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section 13.6 shall not apply to any such pledge or assignment of a security interest; *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Subject to Section 13.16, the Borrower authorizes each Lender to disclose to any Participant, secured creditor of such Lender or assignee (each, a “Transferee”) and any prospective Transferee any and all financial information in such Lender’s possession concerning the Borrower and its Affiliates that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates pursuant to this Agreement or that has been delivered to such Lender by or on behalf of the Borrower and its Affiliates in connection with such Lender’s credit evaluation of the Borrower and its Affiliates prior to becoming a party to this Agreement.

(f) The words “execution”, “signed”, “signature” and words of like import in any Assignment and Acceptance shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(g) SPV Lender. Notwithstanding anything to the contrary contained herein, any Lender (a “Granting Lender”) may grant to a special purpose funding vehicle (an “SPV”), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make the Borrower pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPV to make any Loan and (ii) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPV hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPV shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPV, it shall not institute against, or join any other Person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of Canada, the United States or any State or province thereof. In addition, notwithstanding anything to the contrary contained in this Section 13.6, any SPV may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by the Borrower and the Administrative Agent) other than a Disqualified Lender providing liquidity and/or credit support to or for the account of such SPV to support the funding or maintenance of Loans and (ii) subject to Section 13.16, disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPV. This Section 13.6(g) may not be amended without the written consent of the SPV. Notwithstanding anything to the contrary in this Agreement but subject to the following sentence, each SPV shall be entitled to the benefits of Sections 2.10, 2.11 and 5.4 to the same extent as if it were a Lender (subject to the limitations and requirements of those Sections as though it were a Lender and had acquired its interest by assignment pursuant

to clause (b) of this Section 13.6, including the requirements of clause (e) of Section 5.4 (it being agreed that any documentation required under Section 5.4(e) shall be provided to the Granting Lender)). Notwithstanding the prior sentence, an SPV shall not be entitled to receive any greater payment under Section 2.10, 2.11 or 5.4 than its Granting Lender would have been entitled to receive absent the grant to such SPV, unless such grant to such SPV is made with the Borrower's prior written consent (which consent shall not be unreasonably withheld). If a Granting Lender grants an option to an SPV as described herein and such grant is not reflected in the Register, the Granting Lender shall maintain a separate register on which it records the name and address of each SPV and the principal amounts (and related interest) of each SPV's interest with respect to the Loans, Commitments or other interests hereunder, which entries shall be conclusive absent manifest error; *provided, further*, that no Lender shall have any obligation to disclose any portion of such register to any Person except to the extent disclosure is necessary to establish that the Loans, Commitments or other interests hereunder are in registered form for United States federal income tax purposes (or as is otherwise required by law).

(h) Notwithstanding anything to the contrary contained herein, (x) any Lender may, at any time, assign all or a portion of its rights and obligations under this Agreement in respect of its Term Loans to Holdings, the Borrower, any Subsidiary or an Affiliated Lender and (y) Holdings, the Borrower and any Subsidiary may, from time to time, purchase or prepay Term Loans, in each case, on a non-*pro rata* basis through (1) Dutch auction procedures open to all applicable Lenders on a *pro rata* basis in accordance with customary procedures to be agreed between the Borrower and the Auction Agent or (2) open market purchases; *provided that*:

(i) any Loans or Commitments acquired by Holdings, the Borrower or any Subsidiary shall be retired and cancelled to the extent permitted by applicable law as determined in good faith by the Borrower or its advisors (and any such Loans not cancelled shall be subject to the voting and other restrictions applicable to Affiliated Lenders);

(ii) by its acquisition of Loans or Commitments, an Affiliated Lender shall be deemed to have acknowledged and agreed that:

(A) it shall not have any right to (x) attend or participate in (including, in each case, by telephone) any meeting (including "Lender only" meetings) or discussions (or portion thereof) among the Administrative Agent or any Lender to which representatives of the Borrower are not then present, (y) receive any information or material prepared by the Administrative Agent or any Lender or any communication by or among the Administrative Agent and one or more Lenders or any other material which is "Lender only", except to the extent such information or materials have been made available to the Borrower or its representatives (and in any case, other than the right to receive notices of prepayments and other administrative notices in respect of its Loans required to be delivered to Lenders pursuant to Section 2) or receive any advice of counsel to the Administrative Agent or (z) make any challenge to the Administrative Agent's or any other Lender's attorney-client privilege on the basis of its status as a Lender; and

(B) except with respect to any amendment, modification, waiver, consent or other action (I) in Section 13.1 requiring the consent of all Lenders, all Lenders directly and adversely affected or specifically such Lender, (II) that alters an Affiliated Lender's *pro rata* share of any payments given to all Lenders, or (III) affects the Affiliated Lender (in its capacity as a Lender) in a manner that is disproportionate to the effect on any Lender in the same Class, the Loans held by an Affiliated Lender shall be disregarded in both the numerator and

denominator in the calculation of any Lender vote (and, in the case of a plan of reorganization that does not affect the Affiliated Lender in a manner that is materially adverse to such Affiliated Lender relative to other Lenders, shall be deemed to have voted its interest in the Term Loans in the same proportion as the other Lenders in the same Class) (and shall be deemed to have been voted in the same percentage as all other applicable Lenders voted if necessary to give legal effect to this paragraph) (but, in any event, in connection with any amendment, modification, waiver, consent or other action, shall be entitled to any consent fee, calculated as if all of such Affiliated Lender's Loans had voted in favor of any matter for which a consent fee or similar payment is offered);

(iii) no such acquisition by an Affiliated Lender shall be permitted if, after giving effect to such acquisition, the aggregate principal amount of Term Loans held by Affiliated Lenders would exceed 25% of the aggregate principal amount of all Term Loans outstanding at the time of such purchase; *provided* that to the extent any assignment to an Affiliated Lender would result in the aggregate principal amount of all Loans held by Affiliated Lenders exceeding such 25% threshold at the time of such purchase, the purchase of such excess amount will be void *ab initio*;

(iv) any such Loans acquired by an Affiliated Lender may, with the consent of the Borrower, be (but shall not be required to be) contributed to the Borrower (whether through any of its direct or indirect parent entities or otherwise) and exchanged for debt or equity securities of the Borrower or such parent entity that are otherwise permitted to be issued by such entity at such time (and such Loans or Commitments contributed to the Borrower shall be retired and cancelled to the extent permitted by applicable law as determined in good faith by the Borrower or its advisors (and any such Loans not cancelled shall be subject to the voting and other restrictions applicable to Affiliated Lenders));

(v) no assignment of Term Loans to Holdings, the Borrower or any Subsidiary (i) may be purchased with the proceeds of any Revolving Loans or (ii) may occur while an Event of Default has occurred and is continuing hereunder;

(vi) in connection with each assignment pursuant to this Section 13.6(h), none of Holdings, the Borrower, any Subsidiary or an Affiliated Lender purchasing any Lender's Term Loans shall be required to make a representation that it is not in possession of MNPI with respect to the Borrower and its Subsidiaries or their respective securities, and all parties to such transaction may render customary "big boy" letters to each other (or to the Auction Agent, if applicable); and

(vii) in the case of any Term Loans (A) acquired by, or contributed to, Holdings, the Borrower or any Subsidiary thereof and (B) cancelled and retired in accordance with this Section 13.6(h), (1) the aggregate outstanding principal amount of the Term Loans of the applicable Class shall be deemed reduced by the full par value of the aggregate principal amount of such Term Loans acquired by, or contributed to, Holdings, the Borrower or such Subsidiary and (2) any scheduled principal repayment installments with respect to the Term Loans of such Class occurring pursuant to Sections 2.5(b) through (c), as applicable, prior to the final maturity date for Term Loans of such Class, shall be reduced *pro rata* by the par value of the aggregate principal amount of Term Loans so purchased or contributed (and subsequently cancelled and retired), with such reduction being applied solely to the remaining Term Loans of the Lenders which sold or contributed such Term Loans.

For avoidance of doubt, the foregoing limitations in Section 13.6(h) shall not be applicable to Bona Fide Debt Funds. Each Lender that sells its Term Loans pursuant to this Section 13.6 acknowledges and agrees that (i) the Affiliated Lenders may come into possession of additional information regarding the Loans or the Credit Parties at any time after a repurchase has been consummated pursuant to an auction hereunder that was not known to such Lender or the Affiliated Lenders at the time such repurchase was consummated and that, when taken together with information that was known to the Affiliated Lenders at the time such repurchase was consummated, may be information that would have been material to such Lender's decision to enter into an assignment of such Term Loans hereunder ("Excluded Information"), (ii) such Lender will independently make its own analysis and determination to enter into an assignment of its Loans and to consummate the transactions contemplated by an auction notwithstanding such Lender's lack of knowledge of Excluded Information and (iii) none of the Sponsors or any of their respective Affiliates, or any other Person, shall have any liability to such Lender with respect to the nondisclosure of the Excluded Information.

Section 1.7. Replacements of Lenders Under Certain Circumstances.

(a) The Borrower shall be permitted (x) to replace any Lender or (y) terminate the Commitment of such Lender and repay all Obligations of the Borrower due and owing to such Lender relating to the Loans and participations held by such Lender as of such termination date that (I) requests reimbursement for amounts owing pursuant to Section 2.10 or 5.4, (II) is affected in the manner described in Section 2.10(a)(iii) and as a result thereof any of the actions described in such Section is required to be taken, (III) becomes a Defaulting Lender or (IV) refuses to make an Extension Election pursuant to Section 2.14, with a replacement bank, other financial institution or other Person (other than a natural Person); *provided* that, solely in the case of the foregoing clause (x), (i) such replacement does not conflict with any Requirement of Law, (ii) the Borrower shall repay (or the replacement bank, other financial institution or other Person (other than a natural Person) shall purchase, at par) all Loans and other amounts pursuant to Section 2.10, 2.11 or 5.4, as the case may be, owing to such replaced Lender (in respect of any applicable Credit Facility only, at the election of the Borrower) prior to the date of replacement, (iii) the replacement bank, other financial institution or other Person (other than a natural Person), if not already a Lender, an Affiliate of a Lender, an Affiliated Lender or Approved Fund, and the terms and conditions of such replacement, shall be reasonably satisfactory to the Administrative Agent, (iv) the replacement bank, other financial institution or other Person (other than a natural Person), if not already a Lender shall be subject to the provisions of Section 13.6(b), (v) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 13.6 (*provided* that, unless otherwise agreed, the Borrower shall be obligated to pay the registration and processing fee referred to therein), and (vi) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

(b) If any Lender (such Lender, a "Non-Consenting Lender") has failed to consent to a proposed amendment, waiver, discharge or termination that pursuant to the terms of Section 13.1 requires the consent of either (i) all of the Lenders of the applicable Class or Classes directly and adversely affected or (ii) all of the Lenders of the applicable Class or Classes, and, in each case, with respect to which the Required Lenders (or Required Facility Lenders in respect of the applicable Class or Classes) shall have granted their consent, then, the Borrower shall have the right (unless such Non-Consenting Lender grants such consent) to (x) replace such Non-Consenting Lender by requiring such Non-Consenting Lender to assign its Loans and its Commitments hereunder (in respect of any applicable Class only, at the election of the Borrower) to one or more assignees reasonably acceptable to the Administrative Agent (to the extent such consent would be required under Section 13.6) or (y) terminate the Commitment of such Lender and repay all Obligations of the Borrower due and owing to such Lender relating to the Loans and participations held by such Lender as of such termination date; *provided* that (I) all

Obligations hereunder of the Borrower owing to such Non-Consenting Lender being replaced shall be paid in full to such Non-Consenting Lender concurrently with such assignment including any amounts that such Lender is owed pursuant to Section 2.11 and (II) the replacement Lender shall purchase the foregoing by paying to such Non-Consenting Lender a price equal to the principal amount thereof *plus* accrued and unpaid interest thereon. In connection with any such assignment, the Borrower, the Administrative Agent, such Non-Consenting Lender and the replacement Lender shall otherwise comply with Section 13.6.

Section 1.8. Adjustments; Set-off.

(a) Except as contemplated in Section 13.6 or elsewhere herein, if any Lender (a “Benefited Lender”) shall at any time receive any payment of all or part of its Loans, or interest thereon, or receive any collateral in respect thereof as part of the exercise of remedies under this Agreement or any other Credit Document (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 11.5, or otherwise), in a greater proportion than any such payment to or such collateral received by any other Lender, if any, in respect of such other Lender’s Loans, or interest thereon, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender’s Loan, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; *provided, however*, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) After the occurrence and during the continuance of an Event of Default, in addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Credit Parties but with the prior consent of the Administrative Agent, any such notice being expressly waived by the Borrower and the other Credit Parties to the extent permitted by applicable law, upon any amount becoming due and payable by the Credit Parties hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final) (other than payroll, trust, tax, fiduciary, employee health and benefits, pension, 401(k), and petty cash accounts (collectively, “Excluded Deposit Accounts”)), in any currency, and any other credits, indebtedness or claims, in any currency, in each case then matured and owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower or the other Credit Parties. Each Lender agrees promptly to notify the Credit Parties and the Administrative Agent after any such set-off and application made by such Lender; *provided* that the failure to give such notice shall not affect the validity of such set-off and application.

Section 1.9. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

Section 1.10. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 1.11. Integration. This Agreement and the other Credit Documents represent the agreement of Holdings, the Borrower, the Collateral Agent, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by Holdings, the Borrower, the Administrative Agent, the Collateral Agent nor any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

Section 1.12. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

Section 1.13. Submission to Jurisdiction; Waivers. The Borrower, on behalf of each Credit Party that is organized under the laws of a jurisdiction outside of the United States, hereby appoints Canada Goose US, Inc., with an office at 601 W 26th Street, Suite 1740, New York, NY, 10001, as its agent for service of process in any matter related to this Agreement or the other Credit Documents. Each party hereto irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Credit Documents to which it is a party to the exclusive general jurisdiction of the courts of the State of New York or the courts of the United States for the Southern District of New York, in each case sitting in New York City in the Borough of Manhattan, and appellate courts from any thereof;

(b) consents that any such action or proceeding shall be brought in such courts and waives (to the extent permitted by applicable law) any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same or to commence or support any such action or proceeding in any other courts;

(c) agrees that service of process in any such action or proceeding shall be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth on Schedule 13.2 at such other address of which the Administrative Agent shall have been notified pursuant to Section 13.2;

(d) agrees that nothing herein shall affect the right of the Administrative Agent, any Lender or another Secured Party to effect service of process in any other manner permitted by law; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 13.13 any special, exemplary, punitive or consequential damages.

Section 1.14. Acknowledgments. The Borrower hereby acknowledges that:

(a) the Borrower and the other Credit Parties are capable of evaluating and understanding, and understand and accept, the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents (including any amendment, waiver or other modification hereof or thereof);

(b) the Administrative Agent, each other Agent and each Affiliate of the foregoing may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and their Affiliates, and neither the Administrative Agent nor any other

Agent has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship;

(c) neither the Administrative Agent nor any other Agent has provided and none will provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Credit Document) and the Borrower have consulted their own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. The Borrower hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against the Administrative Agent or any other Agent with respect to any breach or alleged breach of agency or fiduciary duty in connection with the transactions contemplated hereby or the process leading thereto; and

(d) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrower, on the one hand, and any Lender, on the other hand.

Section 1.15. WAIVERS OF JURY TRIAL. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) THE RIGHT TO TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY ANY PARTY RELATED TO OR ARISING OUT OF THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE PERFORMANCE OF SERVICES HEREUNDER OR THEREUNDER.

Section 1.16. Confidentiality. The Administrative Agent, each other Agent and each Lender (collectively, the “Restricted Persons” and, each, a “Restricted Person”) shall treat confidentially all non-public information provided to any Restricted Person by or on behalf of any Credit Party hereunder in connection with such Restricted Person’s evaluation of whether to become a Lender hereunder or obtained by such Restricted Person pursuant to the requirements of this Agreement (“Confidential Information”) and shall not publish, disclose or otherwise divulge such Confidential Information; *provided* that nothing herein shall prevent any Restricted Person from disclosing any such Confidential Information (a) pursuant to the order of any court or administrative agency or in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable law, rule or regulation or compulsory legal process (in which case such Restricted Person agrees (except with respect to any routine or ordinary course audit or examination conducted by bank accountants or any governmental or bank regulatory authority exercising examination or regulatory authority), to the extent practicable and not prohibited by applicable law, rule or regulation, to inform the Borrower promptly thereof prior to disclosure), (b) upon the request or demand of any regulatory authority having jurisdiction over such Restricted Person or any of its Affiliates (in which case such Restricted Person agrees (except with respect to any routine or ordinary course audit or examination conducted by bank accountants or any governmental or bank regulatory authority exercising examination or regulatory authority) to the extent practicable and not prohibited by applicable law, rule or regulation, to inform the Borrower promptly thereof prior to disclosure), (c) to the extent that such Confidential Information becomes publicly available other than by reason of improper disclosure by such Restricted Person or any of its Affiliates or any Related Parties thereto in violation of any confidentiality obligations owing under this Section 13.16 or other confidentiality obligations owed to the Borrower or its Affiliates, (d) to the extent that such Confidential Information is received by such Restricted Person from a third party that is not, to such Restricted Person’s knowledge, subject to confidentiality obligations owing to any Credit Party or any of their respective Subsidiaries or Affiliates, (e) to the extent that such Confidential Information was already in our possession prior to any duty or other undertaking of confidentiality or is independently developed by the Restricted Persons without the use of such Confidential Information or otherwise subject to any confidentiality obligation, (f) to such

Restricted Person's Affiliates and to its and their respective officers, directors, partners, employees, legal counsel, independent auditors and other experts or agents, in each case who need to know such Confidential Information in connection with providing the Loans or action as an Agent hereunder and who are informed of the confidential nature of such Confidential Information and who are subject to customary confidentiality obligations of professional practice or who agree to be bound by the terms of this Section 13.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 13.16) (with each such Restricted Person, to the extent within its control, responsible for such person's compliance with this paragraph), (g) to potential or prospective Lenders, hedge providers or counterparties to other derivative transactions ("Derivative Counterparties"), participants or assignees, in each case who agree (pursuant to customary syndication practice) to be bound by the terms of this Section 13.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 13.16); *provided* that (i) the disclosure of any such Confidential Information to any Lenders, Derivative Counterparties or prospective Lenders, Derivative Counterparties or participants or prospective participants referred to above shall be made subject to the acknowledgment and acceptance by such Lender, Derivative Counterparty or prospective Lender or participant or prospective participant that such Confidential Information is being disseminated on a confidential basis (on substantially the terms set forth in this Section 13.16 or confidentiality provisions at least as restrictive as those set forth in this Section 13.16) in accordance with the standard syndication processes of such Restricted Person or customary market standards for dissemination of such type of information, which shall in any event require "click through" or other affirmative actions on the part of recipient to access such Confidential Information and (ii) no such disclosure shall be made by such Restricted Person to any person that is at such time a Disqualified Lender, (h) for purposes of establishing a "due diligence" defense, or (i) to rating agencies in connection with obtaining ratings for the Borrower and the Credit Facilities to the extent such rating agencies are subject to customary confidentiality obligations of professional practice or agree to be bound by the terms of this Section 13.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 13.16); *provided* that, no such disclosure shall be made to any Excluded Affiliates other than a limited number of senior employees who are required, in accordance with industry regulations or the relevant Restricted Person's internal policies and procedures to act in a supervisory capacity and such Restricted Person's internal legal, compliance, risk management, credit or investment committee members. Notwithstanding the foregoing, (i) Confidential Information shall not include, with respect to any Person, information available to it or its Affiliates on a non-confidential basis from a source other Holdings, its Subsidiaries or their respective Affiliates, (ii) the Administrative Agent shall not be responsible for compliance with this Section 13.16 by any other Restricted Person (other than its officers, directors or employees), (iii) in no event shall any Lender, the Administrative Agent or any other Agent be obligated or required to return any materials furnished by Holdings or any of its Subsidiaries, (iv) each Agent and each Lender may disclose the existence of this Agreement and the information about this Agreement to market data collectors, similar services providers to the lending industry, and service providers to the Agents and the Lenders in connection with the administration, settlement and management of this Agreement and the other Credit Documents and (v) nothing in any Credit Document shall prevent disclosure of any Confidential Information or other matter to the extent that preventing that disclosure would otherwise cause any transaction contemplated by the Credit Documents or any transaction carried out in connection with any transaction contemplated by the Credit Documents to become an arrangement described in Part II A 1 of Annex IV of Directive 2011/16/EU.

Section 1.17. Direct Website Communications. Each of Holdings and the Borrower may, at its option, provide to the Administrative Agent any information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Credit Documents, including, without limitation, all notices, requests, financial statements, financial, and other reports, certificates, and other information materials, but, unless otherwise agreed by the Administrative Agent, excluding any such communication that (A) relates to a request for a

new, or a conversion of an existing, borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto), (B) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, or (C) provides notice of any default or event of default under this Agreement (all such non-excluded communications being referred to herein collectively as “Communications”), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent to the Administrative Agent at an email address provided by the Administrative Agent from time to time; *provided* that (i) upon written request by the Administrative Agent, the Borrower shall deliver paper copies of such documents to the Administrative Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents. Nothing in this Section 13.17 shall prejudice the right of Holdings, the Borrower, the Administrative Agent, any other Agent or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth on Schedule 13.2 shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Credit Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Credit Documents. Each Lender agrees (A) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender’s e-mail address to which the foregoing notice may be sent by electronic transmission and (B) that the foregoing notice may be sent to such e-mail address.

(a) Each of Holdings and the Borrower further agrees that any Agent may make the Communications available to the Lenders by posting the Communications on Intralinks, Syndtrak or a substantially similar electronic transmission system (the “Platform”), so long as the access to such Platform (i) is limited to the Agents, the Lenders and Transferees or prospective Transferees and (ii) remains subject to the confidentiality requirements set forth in Section 13.16.

(b) THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE”. THE AGENT PARTIES DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF ANY MATERIALS OR INFORMATION PROVIDED BY THE CREDIT PARTIES (THE “BORROWER MATERIALS”) OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall (x) the Administrative Agent or any of its Related Parties (collectively, the “Agent Parties” and, each, an “Agent Party.”) have any liability to the Borrower, any Lender, or any other Person or (y) Holdings, the Borrower or any of their respective Subsidiaries have any liability to any Agent, any Lender or any other Person, for losses, claims, damages, liabilities, or expenses of any kind (whether in tort, contract or otherwise) arising out of any Credit Party’s or the Administrative Agent’s transmission of Borrower Materials through the internet, except to the extent, in the case of clause (x), the liability of any Agent Party resulted from such Agent

Party's (or any of its Related Parties' (other than any trustee or advisor)) gross negligence, bad faith or willful misconduct or material breach of the Credit Documents, in each case, as determined in the final non-appealable judgment of a court of competent jurisdiction or, in the case of clause (y), the liability of any of Holdings, the Borrower or any of their respective Subsidiaries resulted from such Person's (or any of its Related Parties' (other than any trustee or advisor)) gross negligence, bad faith or willful misconduct or material breach of the Credit Documents, in each case, as determined in the final non-appealable judgment of a court of competent jurisdiction.

(c) Each of Holdings and the Borrower and each Lender acknowledge that certain of the Lenders may be "public-side" Lenders (Lenders that do not wish to receive MNPI with respect to the Borrower or its Subsidiaries or their respective securities) and, if documents or notices required to be delivered pursuant to the Credit Documents or otherwise are being distributed through the Platform, any document or notice that Holdings or the Borrower has indicated contains only publicly available information with respect to Holdings or the Borrower may be posted on that portion of the Platform designated for such public-side Lenders. If Holdings or the Borrower has not indicated whether a document or notice delivered contains only publicly available information, the Administrative Agent shall post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive MNPI with respect to the Borrower, its Subsidiaries and their respective securities. Notwithstanding the foregoing, the Borrower shall use commercially reasonable efforts to indicate whether any document or notice to be distributed through the Platform contains only publicly available information; *provided, however*, that the Borrower shall not be required to mark any materials "PUBLIC"; *provided, further*, that the following documents shall be deemed to be marked "PUBLIC", unless the Borrower notifies the Administrative Agent promptly (after the Borrower has been given a reasonable opportunity to review such documents) that any such document contains material nonpublic information: (1) the Credit Documents, (2) any notification of changes in the terms of any Credit Facility and (3) all financial statements and certificates delivered pursuant to Sections 9.1(a) and (b). In no event shall the Administrative Agent distribute Projections delivered hereunder to "public-side" Lenders. Each "public side" Lender agrees to cause at least one individual at or on behalf of such Person to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such "public side" Lender or its delegate, in accordance with such Person's compliance procedures and applicable law, including foreign, Canadian Securities Laws, United States Federal and state securities laws, to make reference to communications that are not made available through the "Public Side Information" and that may contain material non-public information with respect to the Borrower or its securities for purposes of Canadian Securities Laws, United States Federal or state securities laws.

Section 1.18. USA PATRIOT Act; etc.

(a) Each Lender hereby notifies each Credit Party that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act") and the Beneficial Ownership Regulation, it may be required to obtain, verify, and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow such Lender to identify each Credit Party in accordance with the Patriot Act and Beneficial Ownership Regulation; and

(b) pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws, including any guidelines or orders thereunder, the Lenders and the Agents may be required to obtain, verify and record information regarding Holdings, the Borrower, the Guarantors, their directors, authorized signing officers, direct or

indirect shareholders or other Persons in control of Holdings, the Borrower and the Guarantors, and the transactions contemplated hereby. The Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or Agent, or any prospective assignee or participant of a Lender or Agent, in order to comply with such laws, whether now or hereafter in existence; and

(c) each of the Lenders agrees that none of the Agents has any obligation to ascertain the identity of Holdings, the Borrower or any other Guarantor or any authorized signatories of Holdings, the Borrower or any other Guarantor on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from Holdings, the Borrower or any other Guarantor or any such authorized signatory in doing so.

Section 1.19. Payments Set Aside. To the extent that any payment by or on behalf of Holdings or the Borrower is made to any Agent or any Lender, or any Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent or such Lender in its discretion) to be repaid to a trustee, receiver, or any other party, in connection with any proceeding or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by any Agent, *plus* interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect.

Section 1.20. No Fiduciary Duty. Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the “Lenders”), may have economic interests that conflict with those of the Credit Parties, their stockholders and/or their affiliates. Each Credit Party agrees that nothing in the Credit Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and such Credit Party, its stockholders or its affiliates, on the other. The Credit Parties acknowledge and agree that (i) the transactions contemplated by the Credit Documents (including the exercise of rights and remedies hereunder and thereunder) are arm’s-length commercial transactions between the Lenders, on the one hand, and the Credit Parties, on the other, and (ii) in connection therewith and with the process leading thereto, (x) except as otherwise expressly agreed in writing, no Lender has assumed an advisory or fiduciary responsibility in favor of any Credit Party, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Credit Party, its stockholders or its Affiliates on other matters) or any other obligation to any Credit Party except the obligations expressly set forth in the Credit Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Credit Party, its management, stockholders or creditors. Each Credit Party acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Credit Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Credit Party, in connection with such transaction or the process leading thereto.

Section 1.21. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Credit

Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

Section 1.22. Acknowledgment Regarding Any Supported QFCs. To the extent that the Credit Documents provide support, through a guarantee or otherwise, for Hedge Agreements or any other agreement or instrument that is a QFC (such support, “QFC Credit Support” and each such QFC a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Credit Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States): In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Credit Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Credit Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

Section 1.23. Joint and Several Obligations. Notwithstanding any other provision contained herein or in any other Credit Document, if a “secured creditor” (as that term is defined

under the *Bankruptcy and Insolvency Act* (Canada)) is determined by a court of competent jurisdiction not to include a Person to whom obligations are owed on a joint or joint and several basis, then each of the Borrower's Obligations (and the Obligations of each other Credit Party), to the extent such Obligations are secured, shall be several obligations and not joint or joint and several obligations.

Section 1.24. Limitations Acts. Each of the parties hereto agrees that any and all limitation periods provided for in the *Limitations Act, 2002* (Ontario) or *Limitation Act* (British Columbia) shall be excluded from application to the Obligations and any undertaking, covenant, indemnity or other agreement of any Credit Party provided for in any Credit Document to which it is a party in respect thereof, in each case to fullest extent permitted by applicable laws.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

CANADA GOOSE INC.

By: /s/ Jonathan Stuart Sinclair
Name: Jonathan Stuart Sinclair
Title: Chief Financial Officer

By: /s/ David Forrest
Name: David Forrest
Title: Senior Vice President and General Counsel

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as Administrative Agent

By: /s/ Dorren Barr
Name: Doreen Barr
Title: Authorized Signatory

By: /s/ Michael Dieffenbacher
Name: Michael Dieffenbacher
Title: Authorized Signatory

[Canada Goose Credit Agreement]

**THIRD AMENDED AND RESTATED
CREDIT AGREEMENT**

BETWEEN

CANADA GOOSE HOLDINGS INC.,
as Holdings,

- and -

CANADA GOOSE INC.,
as CGI Borrower and as the Borrower Representative,

- and -

CANADA GOOSE INTERNATIONAL AG,
as Swiss Borrower,

- and -

CANADIAN IMPERIAL BANK OF COMMERCE,
as the Administrative Agent, the Letter of Credit Issuer and Swingline Lender,

- and -

THE LENDERS FROM TIME TO TIME PARTY HERETO,
as Lenders

- and -

**CANADIAN IMPERIAL BANK OF COMMERCE
THE TORONTO-DOMINION BANK
BANK OF MONTREAL
BANK OF AMERICA, N.A.
BARCLAYS BANK PLC,**
as Joint Lead Arrangers and Bookrunners

May 15, 2023

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THIRD AMENDED AND RESTATED CREDIT AGREEMENT

THIRD AMENDED AND RESTATED CREDIT AGREEMENT, dated as of May 15, 2023, among CANADA GOOSE HOLDINGS INC., a corporation existing under the laws of British Columbia ("**Holdings**"), CANADA GOOSE INC., a corporation existing under the laws of Ontario ("**CGI Borrower**"), CANADA GOOSE INTERNATIONAL AG, a corporation (*Aktiengesellschaft*) incorporated and existing under the laws of Switzerland ("**Swiss Borrower**"), the lending institutions from time to time parties hereto as lenders (each a "**Lender**" and, collectively, the "**Lenders**"), and CANADIAN IMPERIAL BANK OF COMMERCE, as the administrative agent and collateral agent (in such capacities, the "**Administrative Agent**"), and as the Letter of Credit Issuer and Swingline Lender (such terms and each other capitalized term used but not defined in this preamble shall have the meaning provided in Section 1.1).

WHEREAS Holdings, CGI Borrower and Swiss Borrower previously entered into that certain credit agreement dated as of June 3, 2016, among Holdings, CGI Borrower, Swiss Borrower, Canadian Imperial Bank of Commerce, as administrative agent, and the other Persons party thereto from time to time (as amended, restated, amended and restated, supplemented or otherwise modified prior to the Fourth Closing Date (as defined herein), the "**Original Credit Agreement**");

AND WHEREAS Holdings, CGI Borrower and Swiss Borrower previously entered into an amended and restated credit agreement dated as of May 10, 2019 among Holdings, CGI Borrower, Swiss Borrower, Canadian Imperial Bank of Commerce, as administrative agent and collateral agent, and the Lenders and other Persons party thereto from time to time (as amended pursuant to an amending agreement dated as of February 24, 2020 among Holdings, the Borrowers, the Administrative Agent and the Lenders party thereto, the "**Restated Credit Agreement**"), which amended and restated the Original Credit Agreement;

AND WHEREAS Holdings, CGI Borrower and Swiss Borrower previously entered into a second amended and restated credit agreement dated as of May 26, 2020 among Holdings, CGI Borrower, Swiss Borrower, Canadian Imperial Bank of Commerce, as administrative agent and collateral agent, and the Lenders and other Persons party thereto from time to time (as amended pursuant to an amending agreement dated as of May 25, 2022 among Holdings, the Borrowers, the Administrative Agent and the Lenders party thereto, the "**Existing Credit Agreement**"), which amended and restated the Restated Credit Agreement;

AND WHEREAS the parties hereto wish to amend and restate the Existing Credit Agreement in accordance with the terms hereof;

NOW THEREFORE in consideration of the premises and the covenants and agreements contained herein, the parties hereto hereby agree as follows:

Article 1 **DEFINITIONS**

1.1 **Defined Terms**

As used herein, the following terms shall have the meanings specified in this Section 1.1 unless the context otherwise requires (it being understood that defined terms in this Agreement shall include in the singular number the plural and in the plural the singular):

"10 Non-Bank Rule" means the rule that the aggregate number of Lenders under this Agreement which are not Qualifying Banks must not at any time exceed ten (10), all in accordance with the meaning of the Guidelines or legislation or explanatory notes addressing the same issues that are in force at such time;

"20 Non-Bank Rule" means the rule that the aggregate number of creditors (including the Lenders), other than Qualifying Banks, of a Swiss Borrower under all its outstanding debts relevant for classification as debenture (*Kassenobligation*) must not at any time exceed twenty (20), all in accordance with the meaning of the Guidelines or legislation or explanatory notes addressing the same issues that are in force at such time;

"ABL Priority Collateral" shall mean all present and after acquired, accounts receivable, credit card receivables, inventory, cash, cash equivalents, deposit accounts, securities and commodity accounts, general intangibles (other than Capital Stock and Intellectual Property), the Swiss Intercompany Indebtedness and the Swiss Intercompany Security, all books and records related to the foregoing and general intangibles evidencing, governing, securing or otherwise relating to the foregoing and, in each case, the proceeds thereof; provided, however, that upon execution and delivery of an ABL/Term Loan Intercreditor Agreement by the Administrative Agent, for all purposes under this Agreement, "ABL Priority Collateral" shall have the meaning set forth in such ABL/Term Loan Intercreditor Agreement;

"ABL/Term Loan Intercreditor Agreement" shall mean the intercreditor agreement dated as of the Second Closing Date entered into by the Administrative Agent, Credit Suisse AG, Cayman Islands Branch (as Term Loan Administrative Agent) and the existing Credit Parties as of the Second Closing Date, as amended, restated, amended and restated, supplemented or otherwise modified from time to time;

"ABR" shall mean for any day a fluctuating rate per annum equal to the highest of (i) the Federal Funds Effective Rate, *plus* 1/2 of 1%, (ii) the rate of interest in effect for such day as announced from time to time by Canadian Imperial Bank of Commerce as its "prime rate" at its principal office in New York City, and (iii) the rate per annum determined in the manner set forth the definition of Adjusted Term SOFR for an Interest Period of one month as determined on the date of determination plus 1.00%. Any change in the ABR due to a change in the Federal Funds Effective Rate, Canadian Imperial Bank of Commerce's "prime rate" or the Adjusted Term SOFR shall be effective on the effective date of such change in the Federal Funds Effective Rate, Canadian Imperial Bank of Commerce's "prime rate" or the Adjusted Term SOFR, respectively; provided that ABR shall be no less than 0%;

"ABR Loan" shall mean a Loan in U.S. Dollars made by the Lenders to a Borrower with respect to which such Borrower has specified that interest is to be calculated based on the ABR or is deemed to be calculated based on the ABR;

"Accelerated Borrowing Base Delivery Period" shall mean either (a) any period commencing on the date that Excess Availability shall have been less than the greater of (x) \$10,000,000 and (y) 12.5% of the Line Cap for five (5) consecutive Business Days and ending on the date thereafter that Excess Availability shall have been at least the greater of (i) \$10,000,000 and (ii) 12.5% of the Line Cap for thirty (30) consecutive calendar days, or (b) the period following the occurrence and during the continuation of any Specified Default;

"Acceptable BOL" shall mean with respect to In-Transit Inventory, a negotiable bill of lading that (i) is issued by a common carrier which is not an Affiliate of the applicable vendor or Borrowing Base Party and which is in actual possession of such In-Transit Inventory or by an Eligible NVOCC; (ii) covers only such In-Transit Inventory; (iii) is issued to the order of a Borrowing Base Party or, while an Event of Default exists, if so requested by the Administrative Agent, to the order of the Administrative Agent; (iv) is subject to the Administrative Agent's first priority Lien and no other Lien that is not a Permitted Lien; and (v) has not been identified by the Administrative Agent in writing to the Borrower Representative or the applicable Borrowing Base Party as being in form and content not reasonably acceptable to the Administrative Agent;

"Account(s)" shall mean "accounts" as defined in the Uniform Commercial Code or in the PPSA (or to the extent governed by the *Civil Code of Quebec*, defined as "claims" for the purposes of the *Civil Code of Quebec*), as applicable, and, in each case, includes without limitation a right to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered or (iii) arising out of the use of a credit or charge card or information contained on or for use with the card. The term "Account" does not include (a) commercial tort claims, (b) deposit accounts, (c) investment property or (d) letter-of-credit rights or letters of credit (with PPSA or UCC defined terms, as applicable, not otherwise defined in this Agreement having such defined meanings for the purposes of this sentence);

"ACH" shall mean automated clearing house transfers;

"Acquired Indebtedness" shall mean, with respect to any specified Person, (i) Indebtedness of any other Person existing at the time such other Person is merged, consolidated, or amalgamated with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred in connection with, or in contemplation of, such other Person merging, consolidating, or amalgamating with or into or becoming a Restricted Subsidiary of such specified Person, and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person;

"Adjusted Term SOFR" mean for any day during an Interest Period, the per annum rate equal to the sum of the Term SOFR for such day and the SOFR Credit Adjustment Spread applicable to such Interest Period, provided that if Adjusted Term SOFR is less than the SOFR Floor, Adjusted Term SOFR shall be deemed to be the SOFR Floor.

"Adjusted Total Revolving Credit Commitment" shall mean at any time the Total Revolving Credit Commitment *less* the aggregate Commitments of all Defaulting Lenders;

"Adjustment Date" shall have the meaning provided in the definition of Applicable Margin;

"Administrative Agent" shall mean Canadian Imperial Bank of Commerce, as the administrative agent and collateral agent for the Lenders under this Agreement and the other Credit Documents, or any successor administrative agent and collateral agent pursuant to Section 13.7;

"Administrative Agent's Office" shall mean the Administrative Agent's address and, as appropriate, account as set forth on Schedule 14.2 or such other address or account as the Administrative Agent may from time to time notify the Borrower Representative and the Lenders;

"Administrative Questionnaire" shall have the meaning provided in Section 14.6(b)(ii)(D);

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution;

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with such Person. A Person shall be deemed to control another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of

such other Person, whether through the ownership of voting securities, by contract or otherwise;

"Agent Parties" shall have the meaning provided in Section 14.17(b);

"Agents" shall mean the Administrative Agent, and the Joint Lead Arrangers and Bookrunners;

"Agreement" shall mean this third amended and restated credit agreement, as this agreement may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms hereof;

"Agreement Currency" shall have the meaning provided in Section 14.19;

"AHYDO Payment" shall mean any mandatory prepayment or redemption pursuant to the terms of any Indebtedness that is intended or designed to cause such Indebtedness not to be treated as an "applicable high yield discount obligation" within the meaning of Code Section 163(i);

"Alternative Currency" shall have the meaning provided in Section 2.16;

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to a Credit Party or any of their Restricted Subsidiaries from time to time concerning or relating to bribery or corruption, including, but not limited to, the United States Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the **"FCPA"**);

"Anti-Money Laundering Laws" means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules applicable to a Credit Party or its Restricted Subsidiaries related to terrorism financing or money laundering, including any applicable provision of the Patriot Act;

"Applicable Indebtedness" shall have the meaning provided in the definition of Weighted Average Life to Maturity;

"Applicable Margin" shall mean a percentage per annum equal to:

- (a) on the first day of each fiscal quarter (each, an **"Adjustment Date"**), the Applicable Margin shall be determined from the pricing grid below based upon average daily Excess Availability for the most recently ended fiscal quarter immediately preceding such Adjustment Date, as calculated by the Administrative Agent as of the last day of such fiscal quarter;

| Pricing Level | Average Excess Availability | ABR/Prime Rate Loans | SOFR Loans/CRR Loans/EURIBOR Loans/European Base Rate Loans/BA Stamping Fee Rate/Letter of Credit Fee Rate |
|----------------------|--|-----------------------------|---|
| I | Greater than or equal to 66% of the Line Cap | 0.00% | 1.25% |
| II | Less than 66% of the Line Cap but greater than or equal to 33% of the Line Cap | 0.25% | 1.50% |
| III | Less than 33% of the Line Cap | 0.50% | 1.75% |

Notwithstanding the foregoing, the Applicable Margin in respect of any Class of Extended Revolving Credit Commitments or Revolving Loans made pursuant to any Extended Revolving Credit Commitments shall be the applicable percentages per annum set forth in the relevant Extension Amendment;

"Appraisal Percentage" shall mean during the periods (x) commencing on December 1st of any calendar year and ending on and including May 31st of the immediately following calendar year, ninety percent (90%) and (y) commencing on June 1st of any calendar year and ending on and including November 30th of such calendar year, ninety two and one-half percent (92.5%);

"Appraised Value" shall mean the appraised orderly liquidation value (determined in a manner consistent with the "Conversion Scenario" described in the Appraisal of Canada Goose Inc. inventory appraisal by Hilco, dated as of January 26, 2016 or any subsequent appraisal in respect of Inventory), net of costs and expenses to be incurred in connection with any such liquidation, which value is expressed as a percentage of Cost of the Borrowing Base Parties' Eligible Inventory (including Eligible In-Transit Inventory), or, if set forth separately in such appraisal, Eligible In-Transit Inventory, as applicable, in each case as set forth in the Borrowing Base Parties' inventory stock ledger(s), which value shall be reasonably determined from time to time by reference to the most recent appraisal undertaken by an independent appraiser engaged by the Administrative Agent and reasonably satisfactory to the Borrower Representative;

"Approved Fund" shall mean any Fund that is administered or managed by (i) a Lender, (ii) an Affiliate or branch of a Lender, or (iii) an entity or an Affiliate of an entity that administers, advises or manages a Lender;

"Asset Sale" shall mean:

- (i) the sale, conveyance, transfer, or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale Leaseback) (each a **"disposition"**) of CGI Borrower or any Restricted Subsidiary, or

- (ii) the issuance or sale of Equity Interests of any Restricted Subsidiary (other than preferred Capital Stock of Restricted Subsidiaries issued in compliance with Section 11.1), whether in a single transaction or a series of related transactions,
- (iii) in each case under the foregoing clauses (i) and (ii), other than:
 - (A) any disposition of Cash Equivalents or Investment Grade Securities or obsolete, worn out or surplus property or property (including leasehold property interests) that is no longer economically practical in its business or commercially desirable to maintain or no longer used or useful in the ordinary course of business or any disposition of inventory, immaterial assets, or goods (or other assets) in the ordinary course of business (including giveaway of products in connection with the conduct of any giving program of CGI Borrower and its Subsidiaries);
 - (B) the incurrence of Liens that are permitted to be incurred pursuant to Section 11.2, sales, transfers and other dispositions permitted by Section 11.3 or the making of any Restricted Payment or Permitted Investment, that is permitted to be made, and is made, pursuant to Section 11.5;
 - (C) any disposition of assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of related transactions pursuant to this clause (C) with an aggregate Fair Market Value of less than the greater of (x) \$19,500,000 and (y) 7.5% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such disposition;
 - (D) any disposition of property or assets or issuance of securities (1) by a Restricted Subsidiary to CGI Borrower or (2) by CGI Borrower or a Restricted Subsidiary to a Restricted Subsidiary (so long as, with respect to dispositions of ABL Priority Collateral included in the Borrowing Base from a Credit Party to a Restricted Subsidiary that is not a Credit Party with a Fair Market Value in excess of \$2,000,000, the Borrower Representative has delivered to the Administrative Agent an updated Borrowing Base Certificate giving Pro Forma Effect to such disposition);
 - (E) any disposition in connection with a Permitted Reorganization;
 - (F) any issuance, sale or pledge of Equity Interests in, or Indebtedness, or other securities of, an Unrestricted Subsidiary;
 - (G) foreclosures, condemnation, expropriation, or any similar action on assets or casualty or insured damage to assets;
 - (H) any financing transaction with respect to property built or acquired by CGI Borrower or any Restricted Subsidiary after the Closing Date, including Sale Leasebacks and asset securitizations permitted by this Agreement;
 - (I) CGI Borrower and any Restricted Subsidiary may (i) terminate or otherwise collapse its cost sharing agreements with CGI Borrower or any Subsidiary and settle any crossing payments in connection

therewith, (ii) convert any intercompany Indebtedness to Equity Interests or any Equity Interests to intercompany Indebtedness, other than the Swiss Intercompany Indebtedness, (iii) transfer any intercompany Indebtedness to CGI Borrower or any Restricted Subsidiary, (iv) settle, discount, write off, forgive or cancel any intercompany Indebtedness or other obligation owing by CGI Borrower or any Restricted Subsidiary, other than the Swiss Intercompany Indebtedness, (v) settle, discount, write off, forgive or cancel any Indebtedness owing by any present or former consultants, managers, directors, officers or employees of any Parent Entity, Holdings, CGI Borrower or any Subsidiary or any of their successors or assigns or (vi) surrender or waive contractual rights and settle or waive contractual or litigation claims;

- (J) the sale or discount of accounts receivable or notes receivable or the conversion of accounts receivable to notes receivable, in each case, in the ordinary course of business and relating only to accounts receivable which, if included in the Borrowing Base, the Credit Parties receive in any such sale, discount or conversion not less than the amounts borrowed or available to be borrowed under the Borrowing Base, so long as the Borrower Representative has delivered to the Administrative Agent an updated Borrowing Base Certificate giving Pro Forma Effect to such sale or discount;
- (K) (i) the sale, licensing, sub-licensing or other disposition of Intellectual Property or other general intangibles in the ordinary course of business; (ii) the sale, licensing, sub-licensing or other disposition of Intellectual Property or other general intangibles pursuant to any Intercompany License Agreement, and (iii) the expiration of any patent, trademark or copyright in accordance with its statutory term;
- (L) the unwinding of any Hedging Obligations or obligations in respect of Cash Management Services;
- (M) sales, transfers, and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;
- (N) the lapse or abandonment of Intellectual Property rights in the ordinary course of business, which in the reasonable business judgment of the Borrower Representative are not material to the conduct of the business of CGI Borrower and the Restricted Subsidiaries taken as a whole;
- (O) the issuance of directors' qualifying shares and shares issued to foreign nationals as required by applicable law;
- (P) dispositions of property (other than ABL Priority Collateral) to the extent that (1) such property is exchanged for credit against the purchase price of similar replacement property that is promptly purchased or (2) the proceeds of such disposition are promptly applied to the purchase price of such replacement property (which replacement property is actually promptly purchased);

- (Q) (i) leases, subleases, licenses, sublicenses, covenants not to sue, releases, consents and other forms of license (and terminations thereof), in each case in the ordinary course of business and which do not materially interfere with the business of CGI Borrower and the Restricted Subsidiaries, taken as a whole and (ii) Intercompany License Agreements;
- (R) dispositions of non-core assets acquired in connection with any Permitted Acquisition or Investment permitted hereunder;
- (S) any disposition of assets that do not constitute Collateral in any transaction or series of transactions with an aggregate Fair Market Value of less than \$3,000,000 pursuant to this clause (S);
- (T) (i) bulk sales or other dispositions of Inventory of CGI Borrower or a Restricted Subsidiary not in the ordinary course of business in connection with Store closings, at arm's length so long as (A) the Payment Conditions are satisfied on a Pro Forma Basis and (B) the Borrower Representative has delivered to the Administrative Agent an updated Borrowing Base Certificate excluding such Inventory and (ii) sales or other dispositions by CGI Borrower or any Restricted Subsidiary of assets in connection with the closing or sale of a Store in the ordinary course of business of CGI Borrower and its Subsidiaries which consist of leasehold interests in the premises of such Store, the equipment and fixtures located at such premises and the books and records relating directly to the operations of such Store; provided that as to each and all such sales and closings, each such sale shall be on commercially reasonable prices and terms in a bona fide arm's length transaction; and
- (U) licenses for the conduct of licensed departments within the Stores of CGI Borrower or any Restricted Subsidiary in the ordinary course of business;

"Assignment and Acceptance" shall mean an assignment and acceptance substantially in the form of Exhibit A, or such other form as may be approved by the Administrative Agent and, to the extent Borrower Representative's consent is required in connection with such assignment, the Borrower Representative;

"Assignment Taxes" shall have the meaning provided in the definition of Other Taxes;

"Authorized Officer" shall mean, with respect to any Person, any individual holding the position of chairman of the board (if an officer), the Chief Executive Officer, President, the Chief Financial Officer, the Chief Operating Officer, the Treasurer, the Controller, any Vice President, a Director, a Manager, or any other senior officer or agent with express authority to act on behalf of such Person designated as such by the board of directors or other managing authority of such Person;

"Auto-Extension Letter of Credit" shall have the meaning provided in Section 3.2(d);

"Availability Reserves" shall mean, without duplication of any other Borrowing Base Reserves or items that are otherwise addressed or excluded through eligibility criteria, and without duplication of any of the factors taken into account in determining Appraised Value, such reserves as the Administrative Agent from time to time determines or adjusts in its Permitted Discretion (in accordance with and subject to the limitations of Section 2.19) as reflecting (a) any impediments to the Administrative Agent's ability to realize upon the Collateral included in a Borrowing Base, (b) claims and liabilities that

the Administrative Agent determines in its Permitted Discretion will need to be satisfied in connection with the realization upon the Collateral included in a Borrowing Base, or (c) events, conditions, contingencies or risks (other than events, conditions, contingencies or risks known to the Administrative Agent as of the Closing Date, which shall not be the basis for establishment of any Availability Reserves unless (i) the Administrative Agent establishes such Availability Reserves on or before the Closing Date or (ii) such events, conditions, contingencies or risks shall have changed in an adverse manner to the Administrative Agent and the Lenders since the Closing Date) that adversely affect any component of a Borrowing Base, or the validity or enforceability of this Agreement or the other Credit Documents or any of the rights or remedies of the Secured Parties hereunder or thereunder. Without limiting the generality of the foregoing, by way of example and not limitation, Availability Reserves may include (but are not limited to), in the Administrative Agent's Permitted Discretion, reserves based on: (i) rent and amounts payable to third party manufacturers in possession of Eligible Inventory; provided that the Availability Reserves in respect of leased and other locations described in the succeeding clauses (x) and (y) shall not be established in the Administrative Agent's Permitted Discretion for a period of 90 days after the Closing Date (other than as set forth in the Borrowing Base Certificate delivered on the Closing Date) and shall be limited to an amount equal to the sum of, without duplication, (x) all past due rent for all of the Borrowing Base Parties' leased locations *plus* (y) one month's rent for (A) all of the Borrowing Base Parties' leased locations in Landlord Lien States and (B) distribution centers or warehouses, *plus* (z) amounts due and payable by a Borrowing Base Party to third party manufacturers in possession of Eligible Inventory at third party manufacturing locations (other than, in each case, such locations, distribution centers or warehouses described in clauses (x) through (z) with respect to which the Administrative Agent has received a Collateral Access Agreement); provided, further, that any reserve for any such location, distribution center or warehouse described in clauses (x) through (z) shall not exceed the amount advanced against Collateral consisting of Inventory located at such location, distribution center or warehouse, respectively; (ii) customs duties, freight charges, taxes, tariffs, insurance charges and other charges that may reasonably be expected to become due with respect to any Eligible In-Transit Inventory or any Inventory associated with any Eligible Letter of Credit and other costs associated with Inventory of any Borrowing Base Party which is being imported into the United States, Canada, The Netherlands or Belgium; (iii) outstanding Taxes and other governmental charges due and owing by any Borrowing Base Party but unpaid, including, *ad valorem*, real estate, personal property, sales and other Taxes, and claims of the PBGC, FSCO and other Governmental Authorities in respect of Plans or Canadian Pension Plans, in the case of each of the foregoing items described in this clause (iii) that are secured by Liens that have priority over or are *pari passu* with the Liens of the Administrative Agent in the ABL Priority Collateral; (iv) salaries, wages, vacation pay and benefits due and owing to employees of any Credit Party but unpaid; (v) Canadian Priority Payable Reserves, Dutch Priority Payable Reserves, Swiss Priority Payable Reserves, UK Priority Payable Reserves and other Priority Payable Reserves; (vi) Customer Credit Liabilities; (vii) unpaid warehousemen's or bailees' charges due and owing by any Borrowing Base Party the Liens in respect of which may have priority over or are *pari passu* with the Liens of the Administrative Agent in the ABL Priority Collateral (other than for any location with respect to which the Administrative Agent has received a Collateral Access Agreement); (viii) Cash Management Services Reserves; (ix) Bank Product/Hedge Reserves; and (x) Dilution Reserves;

"Available Commitment" shall mean an amount equal to the excess, if any, of (i) the amount of the aggregate Revolving Credit Commitments over (ii) the sum of the aggregate principal amount of (a) all Revolving Credit Loans (but not Swingline Loans) then outstanding and (b) the Revolving Credit Commitment Percentage of the aggregate Letters of Credit Outstanding at such time attributable to all Lenders with Revolving Credit Commitments at such time;

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark (or component thereof) is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 1.14(d).

"Average Revolver Debt" shall mean, as of any date of determination, an amount equal to (a) the quotient obtained by dividing (i) the sum of each month-end balance of outstanding revolving loans, including the Revolving Loans under this Agreement and the revolving loans under the Term Loan Credit Documents (if any), reflected on a consolidated balance sheet of CGI Borrower (but excluding the notes thereto) prepared as of each such date on a consolidated basis in accordance with IFRS during the most recent Test Period ended on or prior to such date of determination, by (ii) twelve, *minus* (b) the average month-end balance of cash and Cash Equivalents (in each case, free and clear of all Liens other than Permitted Liens) reflected on a consolidated balance sheet of CGI Borrower (but excluding the notes thereto) prepared as of each such date on a consolidated basis in accordance with IFRS during the most recent Test Period ended on or prior to such date of determination;

"Average Revolving Loan Utilization" shall mean, with respect to a given Class of Revolving Commitments, at any Adjustment Date, the average daily aggregate Revolving Credit Exposure (excluding any Revolving Credit Exposure resulting from outstanding Swingline Loans) of such Class for the three-month period immediately preceding such Adjustment Date, *divided* by the aggregate Commitments of such Class at such time;

"BA Discount Proceeds" means, with respect to a particular Banker's Acceptance or BA Equivalent Note, the following amount:

$$\frac{F}{1 + \frac{D \times T}{365}}$$

where

F means the face amount of such Banker's Acceptance or BA Equivalent Note;

D means the applicable discount BA Rate for such Banker's Acceptance or BA Equivalent Note; and

T means the number of days to maturity of such Banker's Acceptance or BA Equivalent Note,

with the amount as so determined being rounded up or down to the fifth decimal place and .000005 being rounded up;

"BA Equivalent Note" has the meaning set forth in Section 5.1(a);

"BA Lender" means any Lender which has not notified the Administrative Agent in writing that it is unwilling or unable to accept Drafts as provided for in Article 5;

"BA Rate" means with respect to an issue of Banker's Acceptances, (a) for a Lender which is a Bank Act (Canada) Schedule I bank (each, a **"Schedule I Lender"**), (i) the rate of interest per annum equal to the arithmetic average of the discount rates for Banker's Acceptances having an identical or comparable term as the proposed Banker's Acceptance, displayed and identified as such on the display referred to as the "CDOR Page" (or any display substituted therefor) of RBSL as at or about 10:00 a.m. (Toronto time) of such day (or, if such day is not a Business Day, as of 10:00 a.m. (Toronto time) on the immediately preceding Business Day), or (ii) if such rates do not appear on the CDOR Page at such time and on such date, the rate for such date will be the annual discount rate (rounded upward to the nearest whole multiple of 1/100 of 1.0%) as of 10:00 a.m. (Toronto time) on such day at which the Administrative Agent is then offering to purchase Banker's Acceptances accepted by it having such specified term (or a term as closely as possible comparable to such specified term) and (b) for a Lender which is not a Schedule I Lender, for the proposed Banker's Acceptance, the lesser of (i) the annual discount rate for Banker's Acceptances or BA Equivalent Notes, as applicable, for such term quoted by such Lender at or about 10:00 a.m. (Toronto time) and (ii) the annual discount rate applicable to Banker's Acceptances as determined for a Schedule I Lender in (a) above for the same Banker's Acceptances issue plus 5 basis points; provided that the BA Rate shall be no less than 0%;

"BA Stamping Fee" means the amount calculated by multiplying the face amount of a Banker's Acceptance or a BA Equivalent Note by the BA Stamping Fee Rate and then multiplying the result by a fraction, the numerator of which is the number of days to elapse from and including the date of acceptance of such Banker's Acceptance or purchase of such BA Equivalent Note by a Lender up to but excluding the maturity date of such Banker's Acceptance or BA Equivalent Note and the denominator of which is 365;

"BA Stamping Fee Rate" means, with respect to a Banker's Acceptance or a BA Equivalent Note, the applicable percentage rate per annum indicated below the reference to "BA Stamping Fee Rate" in the definition of "Applicable Margin" relevant to the period in respect of which a determination is being made;

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution;

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings);

"Bank Product Agreement" shall mean any agreement or arrangement to provide Bank Products described in the definition thereof;

"Bank Product Provider" shall mean (i) any Person that, at the time it enters into a Bank Product Agreement, is an Agent or a Lender or an Affiliate or branch of an Agent or a Lender or (ii) with respect to any Bank Product Agreement entered into prior to the Closing Date, any Person that is a Lender or an Affiliate or branch of a Lender on the Closing Date; provided that, if such Person is not a Lender, such Person executes and delivers to the Administrative Agent and the Borrower Representative a letter agreement in form and substance reasonably acceptable to the Administrative Agent pursuant to which such Person (a) appoints the Administrative Agent as its agent under the

applicable Credit Documents and (b) agrees to be bound by the provisions of Article VI and Sections 7.1 and 8.13 of the Canadian Pledge Agreement, Sections 4.3, 6.6, 7.4, 7.6, 8.1 and 8.19 of the Canadian Security Agreement and corresponding or similar provisions in any other Security Document, in each case, as if it were a Lender;

"Bank Product/Hedge Reserves" shall mean reserves in an amount equal to the then reasonably anticipated liabilities and obligations of the Credit Parties with respect to any Secured Bank Product Agreements and Secured Hedge Agreements, as calculated by the relevant Bank Product Provider or Hedge Bank and the Borrower Representative and provided to the Administrative Agent together with the supporting calculations therefor promptly (but in any case not later than three Business Days or such later date as agreed by the Administrative Agent) following the date on which a request was made by the Administrative Agent to the Borrower Representative;

"Bank Products" shall mean, collectively, any services or facilities (other than Cash Management Services or any Credit Event under this Agreement) on account of (i) credit and debit cards and (ii) purchase cards and other card payment products;

"Banker's Acceptance" means a depository bill, as defined in the *Depository Bills and Notes Act* (Canada), in Dollars that is in the form of a Draft signed by or on behalf of a Borrower and accepted by a BA Lender as contemplated under Article 5 or, for Lenders not participating in clearing services as contemplated in that Act, a draft or other bill of exchange in Dollars that is signed on behalf of a Borrower and accepted by a Lender;

"Bankruptcy Code" shall have the meaning provided in Section 12.5;

"Belgian Inventory" shall mean, as of the date of determination thereof, without duplication, all items of Eligible Inventory of a Swiss Borrowing Base Party located in Belgium;

"Belgian Security Event" shall mean the completion by the Borrowers of all actions as are reasonably necessary or advisable under the legislation in Belgium regarding security rights in rem on movable assets, including entering into documentation, causing the delivery of customary legal opinions by counsel to Swiss Borrower and making such filings and registrations, in each case, in form and substance as are reasonably satisfactory to the Administrative Agent and the Borrower Representative, in order to grant to the Administrative Agent, for the benefit of the Secured Parties, a first priority Lien on the Collateral owned by Swiss Borrower located in Belgium;

"Benchmark" means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 1.14(d).

"Benchmark Replacement" means, with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

- (a) the sum of (i) Daily Simple SOFR and (ii) 0.10% (10 basis points) ; or
- (b) the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower Representative giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for U.S. Dollar-

denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the SOFR Floor, the Benchmark Replacement will be deemed to be the SOFR Floor for the purposes of this Agreement and the other Credit Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower Representative giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. Dollar-denominated syndicated credit facilities.

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

- (a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event”, the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or
- (b) in the case of clause (c) of the definition of “Benchmark Transition Event”, the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness or non-compliance will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

- (b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or
- (c) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Unavailability Period**" means, with respect to any then-current Benchmark, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with Section 1.14, and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Credit Document in accordance with Section 1.14.

"**Beneficial Ownership Certification**" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation;

"**Beneficial Ownership Regulation**" means 31 C.F.R. § 1010.230;

"**Benefited Lender**" shall have the meaning provided in Section 14.8(a);

"**BIA**" means the *Bankruptcy and Insolvency Act* (Canada);

"**Blocked Account Agreement**" shall have the meaning provided in Section 10.9(c)(ii);

"**Blocked Account Banks**" shall mean the banks with whom DDAs are maintained and with whom a Blocked Account Agreement has been, or is required to be, executed in accordance with the terms hereof;

"**Blocked Account Date**" shall have the meaning provided in Section 10.9(c)(ii);

"**Blocked Accounts**" shall have the meaning provided in Section 10.9(c)(ii);

"**Board**" shall mean the Board of Governors of the Federal Reserve System of the United States (or any successor);

"Bona Fide Debt Fund" shall mean any debt fund or other Person that is engaged in, or advises funds or other investment vehicles that are engaged in, making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course and whose managers have fiduciary duties to the third-party investors in such fund or investment vehicle independent of their duties to Holdings or Bain Capital Private Equity, LP; provided, however, in no event shall (x) any natural Person or (y) Holdings, CGI Borrower or any Subsidiary thereof be a "Bona Fide Debt Fund";

"Borrower" or **"Borrowers"** shall mean, individually or collectively, CGI Borrower, any Successor Borrower and/or Swiss Borrower as the context requires;

"Borrower Materials" shall have the meaning provided in Section 14.17(b);

"Borrower Representative" shall have the meaning provided in Section 2.18;

"Borrowing" shall mean a borrowing by way of (i) a Loan of a Class and Type, made, converted, or continued on the same date and, in the case of a SOFR Loan, a CRR Loan or a EURIBOR Loan or an acceptance by a Lender of a draft or depository bill presented for acceptance as a Banker's Acceptance or a BA Equivalent Note, in each case, as to which a single Interest Period is in effect, (ii) a Swingline Loan or (iii) a Protective Advance;

"Borrowing Base" shall mean the aggregate of the CGI Borrowing Base and the Swiss Borrowing Base (the Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificates delivered to the Administrative Agent pursuant to Section 10.1(i), as adjusted to give effect to Borrowing Base Reserves (in accordance with and subject to the limitations of Section 2.19) following such delivery);

"Borrowing Base Certificate" shall have the meaning provided in Section 10.1(i);

"Borrowing Base Parties" shall mean, collectively, the CGI Borrowing Base Parties and the Swiss Borrowing Base Parties;

"Borrowing Base Reserve" shall mean the sum (without duplication of any other reserve or items that are otherwise addressed or excluded through eligibility criteria, and without duplication of any of the factors taken into account in determining Appraised Value) of, without duplication, (a) the Availability Reserves; (b) the Inventory Reserves; (c) the Receivables Reserves; and (d) the aggregate amount of liabilities secured by Liens on Collateral included in the Borrowing Base, which Liens are senior in priority to the Administrative Agent's Liens;

"Broker-Dealer Subsidiary" shall mean any Subsidiary that is registered as a broker-dealer under the Exchange Act or any other applicable law requiring similar registration;

"Business Day" shall mean any day excluding Saturday, Sunday, and any other day on which banking institutions in Toronto, Ontario are authorized by law or other governmental actions to close, and:

- (a) if such day relates to any interest rate settings as to a SOFR Loan, any fundings, disbursements, settlements, and payments in respect of any such SOFR Loan, or any other dealings to be carried out pursuant to this Agreement in respect of any such SOFR Loan, such day shall be a U.S. Government Securities Business Day;
- (b) if such day relates to any interest rate settings as to a CRR Loan, any fundings, disbursements, settlements, and payments in respect of any such CRR Loan, or

any other dealings to be carried out pursuant to this Agreement in respect of any such CRR Loan, such day shall be an RFR Banking Day; and

- (c) if such day relates to any interest rate settings as to a EURIBOR Loan or European Base Rate Loan, any fundings, disbursements, settlements, and payments in respect of any such EURIBOR Loan or European Base Rate Loan, or any other dealings to be carried out pursuant to this Agreement in respect of any such EURIBOR Loan or European Base Rate Loan, such day shall be a day on which dealings in deposits in U.S. Dollars, Euros or Pounds Sterling, as applicable, are conducted by and between banks in the applicable London interbank market.

"Canadian Credit Party" shall mean CGI Borrower, Holdings and each other Credit Party organized, formed or incorporated under the laws of Canada or any province or territory thereof;

"Canadian DB Plan" shall mean a Canadian Pension Plan that contains a "defined benefit provision" as such term is defined in the ITA;

"Canadian Pension Plan" shall mean a "registered pension plan" as such term is defined in the ITA that is maintained, funded or sponsored by any Canadian Credit Party for its employees, but shall not include statutory plans, including the Canada and Quebec Pension Plans;

"Canadian Pledge Agreement" means the share and note pledge agreement among CGI Borrower, Holdings, each other pledgor from time to time party thereto and the Administrative Agent for the benefit of the Secured Parties.

"Canadian Priority Payable Reserves" shall mean, without duplication of any other Borrowing Base Reserves with respect to the Canadian Credit Parties, such reserves as the Administrative Agent from time to time determines in its Permitted Discretion (in accordance with and subject to the limitations of Section 2.19) as being appropriate to reflect any amounts secured by any Liens on Collateral of any Canadian Credit Party included in the Borrowing Base, choate or inchoate, which rank or are capable of ranking in priority to, or *pari passu* with, the Liens of the Administrative Agent and/or any amounts which may represent costs relating to the enforcement of the Liens of the Administrative Agent on the Collateral of any Canadian Credit Party included in the Borrowing Base including, without limitation, any such amounts due and owing by any Canadian Credit Party and not paid for wages (including any amounts protected by the Wage Earner Protection Program Act (Canada)), amounts due and owing by any Canadian Credit Party and not paid for vacation pay, amounts due and owing by any Canadian Credit Party and not paid under any legislation relating to workers' compensation or to employment insurance, all amounts deducted or withheld and not paid and remitted when due under the ITA, amounts currently due or past due and owing by any Canadian Credit Party and not paid for realty, municipal or similar Taxes (to the extent impacting personal or movable property) and all amounts currently due and past due and owing by a Credit Party in respect of any Canadian Pension Plan or pursuant to the *Pension Benefit Act* (Ontario) or any similar legislation;

"Canadian Securities Laws" shall mean the *Securities Act* (Ontario) and the corresponding legislation in each of the provinces and territories of Canada, together with all regulations, instruments, rules and policies thereunder;

"Canadian Security Agreement" shall mean the general security agreement entered into by CGI Borrower, Holdings, Canada Goose Trading Inc. and the Administrative Agent for the benefit of the Secured Parties on the Closing Date;

"Canadian Subsidiary" shall mean any Subsidiary that is organized under the laws of Canada or any province or territory thereof;

"Capital Expenditures" shall mean, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capital Leases) by CGI Borrower and the Restricted Subsidiaries during such period that, in conformity with IFRS, are or are required to be included as additions during such period to property, plant or equipment reflected in the consolidated balance sheet of CGI Borrower and the Restricted Subsidiaries (including capitalized software expenditures, customer acquisition costs and incentive payments, conversion costs, and contract acquisition costs); provided that the term "Capital Expenditures" shall not include (i) any additions to property, plant and equipment and other capital expenditures made with the proceeds of any equity securities issued or capital contributions received by any Credit Party or any Subsidiary, (ii) expenditures made in connection with the replacement, substitution, restoration or repair of assets to the extent financed with (x) insurance proceeds paid on account of the loss of or damage to the assets being replaced, substituted, restored or repaired or (y) awards of compensation arising from the taking by eminent domain or condemnation or expropriation of the assets being replaced, (iii) the purchase price of property, plant and equipment that is purchased substantially concurrently with the trade-in of existing property, plant or equipment to the extent that the gross amount of such purchase price is reduced by the credit granted by the seller of such property, plant and equipment for the property, plant or equipment being traded in at such time, (iv) the purchase of plant, property or equipment to the extent financed with the proceeds of dispositions that are not required to be applied to prepay the Obligations or the Term Loan Obligations, (v) expenditures that are accounted for as capital expenditures by CGI Borrower or any Restricted Subsidiary and that actually are paid for by a Person other than CGI Borrower or any Restricted Subsidiary and for which none of CGI Borrower or any Restricted Subsidiary has provided or is required to provide or incur, directly or indirectly, any consideration or obligation to such Person or any other Person (whether before, during or after such period) other than rent and similar or related obligations or (vi) expenditures that constitute Permitted Acquisitions or other Permitted Investments that involve the purchase or other acquisition for consideration of any other Person or of all or substantially all of the assets of another Person or assets constituting a business unit, line of business or division of another Person;

"Capital Lease" shall mean, as applied to any Person, any lease of any property (whether real, personal, or mixed) by that Person as lessee that, in conformity with IFRS, is, or is required to be, accounted for as a capital lease on the balance sheet of that Person; provided that all leases of any Person that are or would be characterized as operating leases in accordance with IFRS immediately prior to the Closing Date (whether or not such operating leases were in effect on such date) shall continue to be accounted for as operating leases (and not as Capital Leases) for purposes of this Agreement (except that financial statements delivered pursuant to Section 10.1 shall reflect such operating leases in accordance with IFRS as in effect at the time of such delivery) regardless of any change in IFRS following the date that would otherwise require such leases to be recharacterized as Capital Leases;

"Capital Stock" shall mean (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights, or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, unlimited liability company, partnership or membership interests (whether general or limited), and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person (it being understood and agreed, for the avoidance of doubt, that "cash-settled phantom appreciation programs" in connection with employee benefits that do not require a dividend or distribution shall not constitute Capital Stock);

"Capitalized Lease Obligation" shall mean, at the time any determination thereof is to be made, the amount of the liability in respect of a Capital Lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with IFRS; provided that all obligations of any Person that are or would be characterized as operating lease obligations in accordance with IFRS immediately prior to the Closing Date (whether or not such operating lease obligations were in effect on such date) shall continue to be accounted for as operating lease obligations (and not as Capitalized Lease Obligations) for purposes of this Agreement (except that financial statements delivered pursuant to Section 10.1 shall reflect such operating leases in accordance with IFRS as in effect at the time of such delivery) regardless of any change in IFRS following the date that would otherwise require such obligations to be recharacterized as Capitalized Lease Obligations;

"Captive Insurance Subsidiary" shall mean a Subsidiary of CGI Borrower or any of its Subsidiaries established for the purpose of, and to be engaged solely in the business of, insuring the businesses or facilities owned or operated by CGI Borrower or any of its Subsidiaries or joint ventures or to insure related or unrelated businesses;

"Cash Collateral Account" shall mean (i) any interest bearing account established by any Credit Party with the Administrative Agent, for its own benefit and the benefit of the other Secured Parties or (ii) any deposit account established by any Credit Party with any depository bank reasonably acceptable to the Administrative Agent that is subject to a control agreement in form and substance reasonably satisfactory to the Administrative Agent, in each case under the foregoing clause (i) and clause (ii), which account is under the sole and exclusive dominion and control of the Administrative Agent, in the name of the Administrative Agent or as the Administrative Agent shall otherwise direct and in which the Administrative Agent has a first priority perfected Lien;

"Cash Collateralize" shall mean to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the Letter of Credit Issuer or the Lenders, as collateral for L/C Obligations, obligations of the Lenders to fund participations in respect of L/C Obligations, obligations arising under Banker's Acceptance or obligations under BA Equivalent Notes, cash or deposit account balances (including such deposits made into any Cash Collateral Account) or, if the Administrative Agent and the Letter of Credit Issuer shall agree in their sole discretion, other credit support or reimbursement agreements. **"Cash Collateral"** shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support;

"Cash Dominion Period" shall mean either (a) the period following the occurrence and during the continuation of any Specified Default, or (b) any period commencing on the date that Excess Availability shall have been less than the greater of (x) \$10,000,000 and (y) 12.5% of the Line Cap for five (5) consecutive Business Days and ending on the date thereafter that Excess Availability shall have been at least the greater of (i) \$10,000,000 and (ii) 12.5% of the Line Cap for thirty (30) consecutive calendar days;

"Cash Equivalents" shall mean:

- (i) Dollars,
- (ii) U.S. Dollars, Euro or Pounds Sterling,
- (iii) securities issued or directly and fully and unconditionally guaranteed or insured by the United States or Canadian governments or any country that is a member state of the European Union, or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government,

- (iv) certificates of deposit, time deposits, and Eurodollar time deposits with maturities of one year or less from the date of acquisition, demand deposits, banker's acceptances with maturities not exceeding one year, and overnight bank deposits, in each case with any commercial bank having capital and surplus of not less than \$250,000,000 in the case of Canadian banks and \$100,000,000 (or the Dollar equivalent as of the date of determination) in the case of foreign banks,
- (v) repurchase obligations for underlying securities of the types described in clauses (iii) and (iv) above and clause (ix) below entered into with any financial institution meeting the qualifications specified in clause (iv) above,
- (vi) commercial paper rated at least P-2 (or the equivalent thereof) by Moody's or at least A-2 (or the equivalent thereof) by S&P and in each case maturing within 24 months after the date of creation thereof,
- (vii) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 (or, in either case, the equivalent thereof) from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized ratings agency) and in each case maturing within 24 months after the date of creation or acquisition thereof,
- (viii) readily marketable direct obligations issued by any province, state, commonwealth, or territory of Canada or the United States or any political subdivision or taxing authority thereof having one of the two highest rating categories obtainable from either Moody's or S&P with maturities of 24 months or less from the date of acquisition,
- (ix) Indebtedness or preferred Capital Stock issued by Persons with a rating of "A" (or the equivalent thereof) or higher from S&P or "A2" (or the equivalent thereof) or higher from Moody's with maturities of 24 months or less from the date of acquisition,
- (x) solely with respect to any Foreign Subsidiary: (a) obligations of the national government of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, in each case maturing within one year after the date of investment therein, (b) certificates of deposit of, banker's acceptances of, or time deposits with, any commercial bank which is organized and existing under the laws of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, and whose short-term commercial paper rating from S&P is at least "A-2" or the equivalent thereof or from Moody's is at least "P-2" or the equivalent thereof (any such bank being an **Approved Foreign Bank**"), and in each case with maturities of not more than 24 months from the date of acquisition, and (c) the equivalent of demand deposit accounts which are maintained with an Approved Foreign Bank, in each case, customarily used by corporations for cash management purposes in any jurisdiction outside Canada and the United States to the extent reasonably required in connection with any business conducted by such Foreign Subsidiary organized in such jurisdiction,

- (xi) in the case of investments by any Foreign Subsidiary or investments made in a country outside Canada and the United States, Cash Equivalents shall also include investments of the type and maturity described in clauses (i) through (ix) above of foreign obligors, which investments have ratings, described in such clauses or equivalent ratings from comparable foreign rating agencies, and
- (xii) investment funds investing all or substantially all of their assets in securities of the types described in clauses (i) through (ix) above.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (i) and (ii) above; provided that such amounts are converted into any currency listed in clauses (i) and (ii) as promptly as practicable and in any event within ten Business Days following the receipt of such amounts;

"Cash Management Agreement" shall mean any agreement or arrangement to provide Cash Management Services;

"Cash Management Bank" shall mean (i) any Person that, at the time it enters into a Cash Management Agreement, is an Agent or a Lender or an Affiliate or branch of an Agent or a Lender or (ii) with respect to any Cash Management Agreement entered into prior to the Closing Date, any Person that is a Lender or an Affiliate or branch of a Lender on the Closing Date; provided that, if such Person is not a Lender, such Person executes and delivers to the Administrative Agent and the Borrower Representative a letter agreement in form and substance reasonably acceptable to the Administrative Agent pursuant to which such Person (a) appoints the Administrative Agent as its agent under the applicable Credit Documents and (b) agrees to be bound by the provisions of Article VI and Sections 7.1 and 8.13 of the Canadian Pledge Agreement, Sections 4.3, 6.6, 7.4, 7.6, 8.1 and 8.19 of the Canadian Security Agreement and corresponding or similar provisions in any other Security Document, in each case, as if it were a Lender;

"Cash Management Services" shall mean any one or more of the following types of services or facilities: (a) ACH transactions, (b) treasury and/or cash management services, including, without limitation, controlled disbursement services, depository, overdraft and electronic funds transfer services, (c) foreign exchange facilities, (d) deposit and other accounts, and (e) merchant services (other than those constituting a line of credit). For the avoidance of doubt, Cash Management Services do not include Hedging Obligations;

"Cash Management Services Reserve" shall mean such reserves as the Administrative Agent, from time to time after the occurrence and during the continuation of a Cash Dominion Period, determines in its Permitted Discretion as being appropriate to reflect the reasonably anticipated liabilities and obligations of the Credit Parties with respect to Secured Cash Management Obligations then outstanding. The amount of any Cash Management Services Reserve established by the Administrative Agent shall not be duplicative of other Borrowing Base Reserves then in effect;

"Cash Receipts" shall have the meaning provided in Section 10.9(e);

"Central Bank Rate" means the Bank of England's Bank Rate as published by the Bank of England from time to time;

"Central Bank Rate Adjustment" means the 20 percent trimmed arithmetic mean (calculated by the Administrative Agent) of the Central Bank Rate Spreads for the five most immediately preceding RFR Banking Days for which the RFR is available;

"Central Bank Rate Spread" means in relation to any RFR Banking Day, the difference (expressed as a percentage rate per annum) calculated by the Administrative Agent between (a) the RFR for that RFR Banking Day and (b) the Central Bank Rate prevailing at close of business on that RFR Banking Day;

"CG Japan" means Canada Goose Japan, K.K., a joint-stock company existing under the laws of Japan;

"CGI Borrower" shall have the meaning given to such term in the opening paragraph of this Agreement;

"CGI Borrowing Base" shall mean, at any time of calculation, an amount in Dollars (or the Equivalent Amount in Dollars of any amount in a currency other than Dollars) equal to:

- (a) the amount of Eligible Cash of the CGI Borrowing Base Parties;
plus
- (b) the face amount of Eligible Credit Card Receivables of the CGI Borrowing Base Parties *multiplied by* the Credit Card Advance Rate;
plus
- (c) the face amount of Eligible Trade Receivables and Credit Enhanced Eligible Trade Receivables of the CGI Borrowing Base Parties *multiplied by* the applicable Receivables Advance Rate;
plus
- (d) the Cost of Eligible Inventory (other than Eligible In-Transit Inventory) of the CGI Borrowing Base Parties, net of Inventory Reserves applicable thereto, *multiplied by* the Appraisal Percentage of the applicable Appraised Value of Eligible Inventory of the CGI Borrowing Base Parties;
plus
- (e) the Cost of Eligible In-Transit Inventory of the CGI Borrowing Base Parties, net of Inventory Reserves applicable thereto, *multiplied by* the Appraisal Percentage of the applicable Appraised Value of Eligible In-Transit Inventory of the CGI Borrowing Base Parties, provided that the sum of the foregoing amount included in the CGI Borrowing Base along with the amount of Eligible In-Transit Inventory included in the Swiss Borrowing Base cannot exceed the Maximum In-Transit Inventory Amount;
plus
- (f) with respect to any Eligible Letter of Credit, the Appraisal Percentage of the Appraised Value of the Inventory of the CGI Borrowing Base Parties supported by such Eligible Letter of Credit, *multiplied by* the Cost of such Inventory of the CGI Borrowing Base Parties when completed, net of Inventory Reserves applicable thereto;
minus
- (g) without duplication, the amount of all other Borrowing Base Reserves to the extent applicable to, and to the assets of, the CGI Borrowing Base Parties.

The CGI Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate delivered to the Administrative Agent pursuant to Section 10.1(i), in respect of the CGI Borrowing Base, as adjusted to give effect to Borrowing Base Reserves to the extent applicable to, and to the assets of, the CGI Borrowing Base Parties (in accordance with and subject to the limitations of Section 2.19) following such delivery.

Notwithstanding the foregoing, for purposes of this definition and the definition of "Pro Forma Availability Condition," no Accounts or Inventory being acquired pursuant to a Permitted Acquisition or permitted Investment will be included in the CGI Borrowing Base unless (i) the Administrative Agent, in its Permitted Discretion, confirms that such Accounts or Inventory conform to standards of eligibility in accordance with this Agreement, and (ii) to the extent required by the Administrative Agent, an audit of such Accounts and an appraisal of such Inventory is conducted and then only so long as such Accounts or Inventory, as the case may be, would otherwise satisfy the applicable eligibility criteria (it being understood that such audit or appraisal shall be conducted at CGI Borrower's expense and shall not be counted for purposes of Section 10.2); provided, that until the earlier of (x) 45 days following the date on which a Permitted Acquisition or other permitted Investment is consummated (or such longer period as agreed to by the Administrative Agent in its Permitted Discretion) and (y) the date on which the requirements of clauses (i) and (ii) above are satisfied with respect to Accounts and Inventory being acquired in such Permitted Acquisition or other permitted Investment, an amount of such Accounts not to exceed \$5,000,000 in the aggregate and such Inventory not to exceed \$5,000,000 in the aggregate, that would otherwise constitute Eligible Credit Card Receivables, Eligible Trade Receivables, Eligible Inventory, Eligible In-Transit Inventory or Eligible Letter of Credit Inventory as shall be agreed upon between the Borrower Representative and the Administrative Agent in its Permitted Discretion shall be included in the CGI Borrowing Base (including, with respect to the definition of "Pro Forma Availability Condition" for purposes of computing aggregate Excess Availability on a Pro Forma Basis as provided therein);

"CGI Borrowing Base Parties" shall mean, as of the Seventh Closing Date, CGI Borrower and each other Guarantor as of the Seventh Closing Date, other than Swiss Borrower and from time to time each additional Guarantor that the Borrower Representative and the Administrative Agent agree shall be a CGI Borrowing Base Party;

"CGI Line Cap" shall mean, at any time of determination, the lesser of (a) the Total Revolving Credit Commitment and (b) the sum of the (i) CGI Borrowing Base and (ii) if, at such time, the Lenders' aggregate Revolving Credit Exposures to CGI Borrower equal or exceed the amount of the CGI Line Cap under (b)(i) above, the CGI SBB Availability (which amount under this clause (b)(ii) shall never be less than zero);

"CGI SBB Availability" shall mean, at any time of determination, an amount equal to the least of (a) the Swiss Borrowing Base excluding the value of any Belgian Inventory until the occurrence of a Belgian Security Event, (b) the aggregate amount of trade receivables from the sale of Inventory by CGI Borrower to Swiss Borrower, plus any other amounts owing from Swiss Borrower to CGI Borrower to the extent owing in respect of ABL Priority Collateral, that constitute Swiss Intercompany Indebtedness and are subject to a second priority security interest in favour of CGI Borrower under the Swiss Intercompany Security, which in turn is collaterally assigned on a first priority basis by CGI Borrower in favour of the Administrative Agent, and (c) \$10,000,000;

"Change in Law" shall mean (i) the adoption of any law, treaty, order, policy, rule, or regulation after the Closing Date, (ii) any change in any law, treaty, order, policy, rule, or regulation or in the interpretation or application thereof by any Governmental Authority after the Closing Date or (iii) compliance by any Lender with any guideline, request, directive, or order issued or made after the Closing Date by any central bank or other

governmental or quasi-governmental authority (whether or not having the force of law). For purposes of this definition, (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, or directives thereunder or issued in connection therewith and (b) all requests, rules, guidelines, requirements, or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority), or Canada, the United States or foreign regulatory authorities pursuant to Basel III, shall in each case described in clauses (a) and (b) above be deemed to be a Change in Law and have gone into effect after the date hereof, regardless of the date enacted, adopted, issued, or implemented;

"Change of Control" shall mean and be deemed to have occurred if, at any time after the Seventh Closing Date,

- (a) (1) any Person other than a Permitted Holder or (2) Persons (other than one or more Permitted Holders) constituting a "group" (as such term is used in Section 13(d) and Section 14(d) of the Exchange Act) or acting "jointly" or "jointly, and in concert" for the purposes of Canadian Securities Laws becomes the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act or for the purposes of Canadian Securities Laws), directly or indirectly, of Voting Stock representing more than 35.0% of the aggregate voting power of the outstanding Voting Stock of Holdings and the percentage of aggregate voting power so held is greater than the percentage of the aggregate voting power represented by the Voting Stock of Holdings beneficially owned, directly or indirectly, in the aggregate by the Permitted Holders, unless, the Permitted Holders have, at such time, the right or the ability by voting power, contract, or otherwise to elect or designate for election at least a majority of the board of managers (or analogous governing body) of Holdings; or
- (b) Holdings shall cease to beneficially own, directly or indirectly, 100.0% of the issued and outstanding Equity Interests of CGI Borrower;

"Claims" shall have the meaning provided in the definition of Environmental Claims;

"Class" (i) when used in reference to any Loan or Borrowing, shall refer to whether such Loan, or the Loans comprising such Borrowing, are Revolving Credit Loans, Incremental Revolving Credit Loans, Extended Revolving Credit Loans (of the same Extension Series) or Swingline Loans and (ii) when used in reference to any Commitment, refers to whether such Commitment is a Revolving Credit Commitment, an Incremental Revolving Credit Commitment or an Extended Revolving Credit Commitment;

"Closing Date" shall mean June 3, 2016;

"Closing Refinancing" shall have the meaning provided in the Existing Credit Agreement;

"Code" shall mean the Internal Revenue Code of 1986;

"Collateral" shall mean all property pledged or mortgaged or purported to be pledged or mortgaged pursuant to the Security Documents, excluding in all events Excluded Property;

"Collateral Access Agreement" shall mean an agreement substantially in the form attached hereto as Exhibit B-1 (Collateral Access Agreement – U.S. Credit Parties) with respect to any U.S. Credit Party or as Exhibit B-2 (Collateral Access Agreement – Canadian Credit Parties) with respect to any Canadian Credit Party, or any other agreement reasonably satisfactory in form and substance to the Administrative Agent (it

being understood and agreed that the form of Collateral Access Agreements in place under the Existing Credit Agreement are reasonably satisfactory to the Administrative Agent, but that new agreements in such form shall be obtained in respect of this Agreement) executed by (a) a bailee or other Person in possession of Collateral, including, without limitation, any warehouseman and (b) a landlord of Real Estate leased by any Credit Party (including, without limitation, any warehouse or distribution center), pursuant to which such Person, (i) acknowledges the Administrative Agent's Lien on the Collateral, (ii) releases or subordinates such Person's Liens in the Collateral held by such Person or located on such Real Estate, (iii) agrees to furnish the Administrative Agent with access to the Collateral in such Person's possession or on the Real Estate for the purposes of conducting a liquidation, and (iv) makes such other agreements with the Administrative Agent as the Administrative Agent may reasonably require;

"Commitment Fee" shall have the meaning provided in Section 4.1(a);

"Commitments" shall mean, with respect to each Lender (to the extent applicable), such Lender's Revolving Credit Commitment, Incremental Revolving Credit Commitment or Extended Revolving Credit Commitment;

"Commodity Exchange Act" shall mean the Commodity Exchange Act (7 U.S.C. § 1 et seq.);

"Communications" shall have the meaning provided in Section 14.17;

"Compounded Rate Interest Payment" means the aggregate amount of interest that (a) is, or is scheduled to become, payable under any Credit Document and (b) relates to a CRR Loan;

"Compounded Reference Rate" means, in relation to any RFR Banking Day during the Interest Period of a CRR Loan, the percentage rate per annum which is the aggregate of (a) the Daily Non-Cumulative Compounded RFR Rate for that RFR Banking Day and (b) the applicable CRR Credit Adjustment Spread;

"Compounding Methodology Supplement" means, in relation to the Daily Non-Cumulative Compounded RFR Rate, a document which (a) is agreed in writing by the Borrower Representative and the Required Lenders, (b) specifies a calculation methodology for that rate and (c) has been made available to all Lenders;

"Compliance Certificate" shall mean a certificate of an Authorized Officer of CGI Borrower delivered pursuant to Section 10.1(e) for the applicable Test Period;

"Concentration Account" shall have the meaning provided in Section 10.9(e);

"Confidential Information" shall have the meaning provided in Section 14.16;

"Conforming Changes" means with respect to either the use of administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Business Day," the definition of "Interest Period", the definition of "U.S. Government Securities Business Day", the timing and frequency of determining rates and making payments of interest, the timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent, in consultation with the Borrower Representative, decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that

adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines, in consultation with the Borrower Representative, that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides, in consultation with the Borrower Representative, is reasonably necessary in connection with the administration of this Agreement and the other Credit Documents).

"Consolidated Depreciation and Amortization Expense" shall mean with respect to any Person and its Restricted Subsidiaries for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees or costs, debt issuance costs, commissions, fees, and expenses, capitalized expenditures, customer acquisition costs, the amortization of original issue discount resulting from the issuance of Indebtedness at less than par and incentive payments, conversion costs, and contract acquisition costs of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with IFRS;

"Consolidated EBITDA" shall mean, with respect to any Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period:

- (i) *increased by* (without duplication):
- (a) (A) provision for taxes based on income or profits or capital, including, without limitation, U.S. federal, state, non-U.S., franchise, excise, value added, and similar taxes and foreign withholding taxes of such Person and its Restricted Subsidiaries paid or accrued during such period, including any penalties and interest related to such taxes or arising from any tax examinations, deducted (and not added back) in computing Consolidated Net Income and (B) amounts paid to Holdings or any direct or indirect parent company of Holdings in respect of taxes in accordance with Section 11.5(b)(xii)(B), solely to the extent such amounts were deducted in computing Consolidated Net Income, *plus*
 - (b) Fixed Charges of such Person and its Restricted Subsidiaries for such period (including (1) net losses on Hedging Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk and (2) costs of surety bonds in connection with financing activities, in each case, to the extent included in Fixed Charges), together with items excluded from the definition of Consolidated Interest Expense and any non-cash interest expense, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income, *plus*
 - (c) Consolidated Depreciation and Amortization Expense of such Person and its Restricted Subsidiaries for such period to the extent the same were deducted in computing Consolidated Net Income, *plus*
 - (d) any non-cash increase in expenses resulting from the revaluation of inventory (including any impact of changes to inventory valuation policy methods including changes in capitalization of variances) or other inventory adjustments, *plus*
 - (e) any other non-cash charges, expenses or losses, including any non-cash expense relating to the vesting of warrants and any write offs, write downs, expenses, losses, or items to the extent the same were deducted (and not added back) in computing Consolidated Net Income (provided that if any such non-cash charges represent an accrual or reserve for potential cash items in any future period, (1) CGI Borrower may determine not to add back such non-cash charge in the current period and (2) to the extent CGI Borrower does decide to add back such non-cash charge, the cash payment in respect thereof in such future period

shall be deducted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period), *plus*

- (f) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in any non-Wholly-Owned Subsidiary deducted (and not added back) in such period in calculating Consolidated Net Income, *plus*
- (g) the amount of management, monitoring, consulting, advisory and other fees (including termination and transaction fees) and indemnities and expenses paid or accrued in such period to the Sponsor or its respective Affiliates, *plus*
- (h) costs of surety bonds incurred in such period in connection with financing activities, *plus*
- (i) the amount of "run-rate" cost savings, operating expense reductions, and synergies (without duplication of any amounts added back pursuant to Section 1.12(c) in connection with Specified Transactions) that are projected by the Borrower Representative in good faith to result from actions taken or with respect to which substantial steps have been taken or are expected to be taken within 18 months of the determination to take such action, net of the amount of actual benefits realized prior to or during such period from such actions (which cost savings, operating expense reductions, and synergies shall be calculated on a *pro forma* basis as though such cost savings, operating expense reductions, or synergies had been realized on the first day of such period); provided that an Authorized Officer of the Borrower Representative shall have certified to the Administrative Agent that such cost savings are reasonably identifiable and factually supportable and it is understood and agreed that "run-rate" means the full recurring benefit for a period that is associated with any action either taken or with respect to which substantial steps have been taken or are expected to be taken within 18 months of the determination to take such action, *plus*
- (j) any net loss from disposed, abandoned, transferred, closed or discontinued operations (excluding held for sale discontinued operations until actually disposed of), *plus*
- (k) any costs or expense incurred by CGI Borrower or a Restricted Subsidiary pursuant to any management equity plan or equity option plan or any other management or employee benefit plan or agreement or any equity subscription or equityholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of CGI Borrower or net cash proceeds of an issuance of Equity Interests of CGI Borrower (other than Disqualified Stock), *plus*
- (l) the amount of expenses relating to payments made to option holders of any direct or indirect parent company of CGI Borrower or any of its direct or indirect parent companies in connection with, or as a result of, any distribution being made to equityholders of such Person or its direct or indirect parent companies, which payments are being made to compensate such option holders as though they were equityholders at the time of, and entitled to share in, such distribution, in each case to the extent permitted under this Agreement, *plus*
- (m) with respect to any joint venture that is not a Restricted Subsidiary, an amount equal to the proportion of those items described in clauses (a) and (c) above relating to such joint venture corresponding to CGI Borrower's and the Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary), *plus*

- (n) costs associated with, or in anticipation of, or preparation for, compliance with the requirements of Canadian Securities Laws and the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith or other enhanced accounting functions and Public Company Costs, *plus*
- (o) cash receipts (or any netting arrangements resulting in reduced cash expenses) not included in Consolidated EBITDA in any period solely to the extent that the corresponding non-cash gains relating to such receipts were deducted in the calculation of Consolidated EBITDA pursuant to paragraph (ii) below for any previous period and not added back, *plus*
- (p) to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries, (1) any expenses and charges that are reimbursed by indemnification or other similar provisions in connection with any acquisition or investment or any sale, conveyance, transfer, or other Asset Sale of assets permitted hereunder and (2) to the extent covered by insurance and actually reimbursed, or, so long as the Borrower Representative has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (A) not denied by the applicable carrier in writing within 180 days and (B) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days), expenses, charges or losses with respect to liability or casualty events or business interruption, *plus*
- (q) letter of credit fees; and
- (ii) *decreased by* (without duplication):
 - (a) non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced Consolidated EBITDA in any prior period; provided that, to the extent non-cash gains are deducted pursuant to this clause (r) for any previous period and not otherwise added back to Consolidated EBITDA, Consolidated EBITDA shall be increased by the amount of any cash receipts (or any netting arrangements resulting in reduced cash expenses) in respect of such non-cash gains received in subsequent periods to the extent not already included therein, *plus*
 - (b) any net income from disposed, abandoned, transferred, closed or discontinued operations (excluding held for sale discontinued operations until actually disposed of).

For the avoidance of doubt: (i) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period any adjustments resulting from the application of ASC 815 and its related pronouncements and interpretations, or the equivalent accounting standard under IFRS or an alternative basis of accounting applied in lieu of IFRS, (ii) to the extent any add-backs or deductions are reflected in the calculation of Consolidated Net Income, such add-backs and deductions shall not be duplicated in determining Consolidated EBITDA and (iii) Consolidated EBITDA shall be calculated, including pro forma adjustments, in accordance with Section 1.12;

"Consolidated First Lien Secured Debt" shall mean Consolidated Total Debt as of such date that is not Subordinated Indebtedness and is secured by a Lien on the Collateral on an equal priority basis (but without regard to the control of remedies) with Liens on the Collateral securing the Obligations and/or the Term Loan Obligations that

are secured by Term Priority Collateral on a senior secured basis to the security on such Collateral securing the Obligations;

"Consolidated Interest Expense" shall mean, with respect to any Person and its Restricted Subsidiaries for any period, the sum, without duplication, of:

- (a) consolidated cash interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (i) all commissions, discounts, and other fees and charges owed with respect to letters of credit or banker's acceptances, (ii) capitalized interest to the extent paid in cash, and (iii) net payments (over payments received), if any, made pursuant to interest rate Hedging Obligations with respect to Indebtedness); plus
- (b) any cash payments made during such period in respect of the accretion or accrual of discounted liabilities referred to in clause (ix) below relating to Funded Debt that were amortized or accrued in a previous period; *less*
- (c) cash interest income for such period;

provided, the following shall in all cases be excluded from Consolidated Interest Expense:

- (i) any one-time cash costs associated with breakage in respect of Hedge Agreements to the extent such costs would be otherwise included in Consolidated Interest Expense;
- (ii) all non-recurring cash interest expense consisting of liquidated damages for failure to timely comply with registration rights obligations, all as calculated on a consolidated basis in accordance with IFRS;
- (iii) any "additional interest" owing pursuant to a registration rights agreement;
- (iv) non-cash interest expense attributable to a parent entity resulting from push-down accounting, but solely to the extent not reducing consolidated cash interest expense in any prior period;
- (v) any non-cash expensing of bridge, commitment, and other financing fees that have been previously paid in cash, but solely to the extent not reducing consolidated cash interest expense in any prior period;
- (vi) deferred financing costs, debt issuance costs, commissions, fees (including amendment and contract fees) and expenses and, in each case, the amortization thereof, and any amounts of non-cash interest;
- (vii) annual agency fees paid to any administrative agent or collateral agent under any credit facilities or other debt instruments or documents;
- (viii) costs associated with obtaining Hedge Agreements;
- (ix) the accretion or accrual of discounted liabilities and any prepayment premium or penalty during such period;
- (x) non-cash interest expense attributable to the movement of the mark-to-market valuation of obligations under Hedge Agreements or other derivative instruments;

- (xi) any non-cash expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization accounting or, if applicable, purchase accounting in connection with the Transactions or any acquisition;
- (xii) any portion of the interest expense, cash payments or cash interest income for such period under clause (a), (b) or (c) above, as applicable, of CG Japan, that corresponds to the equity interest share of third parties in CG Japan; and

(d) cash interest expense of CGI Borrower in respect of Holdings Subordinate Debt.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS;

"Consolidated Net Income" shall mean, with respect to any Person and its Restricted Subsidiaries for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with IFRS; provided that, without duplication,

- (i) (a) any after-tax effect of extraordinary, non-recurring, or unusual gains or losses (less all fees and expenses relating thereto), charges or expenses (including relating to the Transactions), (b) severance, recruiting, retention and relocation costs, (c) curtailments or modifications to pension and post-retirement employee benefits plans, (d) start-up, transition, strategic initiative (including any multi-year strategic initiative) and integration costs, charges or expenses, (e) restructuring costs, charges, reserves or expenses (including related to acquisitions after the Closing Date and to the start-up, pre-opening, opening, closure, and/or consolidation of Stores, distribution centers, offices and facilities), (f) business optimization costs, charges or expenses, (g) costs, charges and expenses incurred in connection with new product design, development and introductions, (h) costs and expenses incurred in connection with intellectual property development and new systems design, (i) costs and expenses incurred in connection with implementation, replacement, development or upgrade of operational, reporting and information technology systems and technology initiatives, and (j) one-time compensation charges, shall be excluded,
- (ii) the Net Income for such period shall not include 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,
- (iii) any net after-tax gains or losses on disposal of disposed, abandoned, transferred, closed, or discontinued operations shall be excluded,
- (iv) any after-tax effect of gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions or abandonments other than in the ordinary course of business, as determined in good faith by the board of directors (or analogous governing body) of CGI Borrower, shall be excluded,
- (v) the Net Income for such period of any Person that is not a Subsidiary, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be excluded; provided that Consolidated Net Income of CGI Borrower shall be increased by the amount of dividends or distributions or other payments that are actually paid in cash (or to the

extent converted into cash or Cash Equivalents) to the referent Person or a Restricted Subsidiary thereof in respect of such period,

- (vi) any store and facility opening, pre-opening, construction, closing and consolidation costs, including any charges and losses related to any de novo store and start-up charges and losses until such store has been open and operating for a period of 18 consecutive months, shall be excluded.
- (vii) effects of adjustments (including the effects of such adjustments pushed down to CGI Borrower and the Restricted Subsidiaries) in any line item in such Person's consolidated financial statements required or permitted by IFRS resulting from the application of purchase accounting, including in relation to the Transactions and any acquisition or investment that is consummated prior to or after the Closing Date or the amortization or write-off of any amounts thereof, in either case net of taxes, shall be excluded,
- (viii) (a) any after-tax effect of any income (loss) from the early extinguishment or conversion of Indebtedness or Hedging Obligations or other derivative instruments (including deferred financing costs written off and premiums paid), (b) any non-cash income (or loss) related to currency gains or losses related to Indebtedness, intercompany balances, and other balance sheet items and any net gain or loss resulting in such period from Hedging Obligations pursuant to IFRS or an alternative basis of accounting applied in lieu of IFRS, and (c) any non-cash expense, income, or loss attributable to the movement in mark to market valuation of foreign currencies, Indebtedness, or derivative instruments pursuant to IFRS, shall be excluded,
- (ix) any impairment charge or asset write-off or write-down, including impairment charges or asset write-offs or write-downs related to intangible assets, long-lived assets, investments in debt and equity securities or as a result of a change in law or regulation or in connection with any disposition of assets, in each case, pursuant to IFRS, and the amortization of intangibles arising pursuant to IFRS, shall be excluded,
- (x) (a) any non-cash compensation expense recorded from grants of equity appreciation or similar rights, phantom equity, equity options units, restricted equity, or other rights to officers, directors, managers, or employees, (b) non-cash income (loss) attributable to deferred compensation plans or trusts and (c) any non-cash compensation expense resulting from equity-based payments to non-employees, in each case, shall be excluded,
- (xi) any fees, charges, losses, costs and expenses incurred during such period, or any amortization thereof for such period, in connection with or related to any acquisition (including any Permitted Acquisition), Restricted Payment, Investment, recapitalization, asset sale, issuance, registration or repayment or modification of Indebtedness, issuance or offering of Equity Interests, refinancing transaction or amendment or modification of any debt instrument (in the case of each such transaction described in this clause (xi), including any such transaction consummated prior to the Closing Date, the Transactions and any such transaction undertaken but not completed and including, for the avoidance of doubt, (1) the effects of expensing all transaction related expenses in accordance with IFRS, (2) such fees, expenses, or charges related to the incurrence of the Permitted Term Loans and the Loans hereunder and all Transaction

Expenses, (3) such fees, expenses, or charges related to the entering into or offering of the Credit Documents and any other credit facilities or debt issuances or the entering into of any Hedge Agreement, and (4) any amendment or other modification of the Term Loan Credit Documents or the Permitted Term Loans thereunder, any Credit Facility or the Loans thereunder, or any other Indebtedness) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction, shall be excluded,

- (xii)(a) accruals and reserves (including contingent liabilities) that are (1) established or adjusted within twelve months after the Closing Date that are so required to be established as a result of the Transactions or (2) established or adjusted within twelve months after the closing of any Permitted Acquisition or any other acquisition (other than any such other acquisition in the ordinary course of business) that are so required to be established or adjusted as a result of such Permitted Acquisition or such other acquisition, in each case in accordance with IFRS, or (b) charges, accruals, expenses and reserves as a result of adoption or modification of accounting policies, shall be excluded,
- (xiii) to the extent covered by insurance or indemnification and actually reimbursed, or, so long as, in the case of reimbursements or indemnifications not yet received, the Borrower Representative has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer or indemnifying party and only to the extent that such amount is (a) not denied by the applicable carrier or indemnifying party in writing within 180 days and (b) in fact reimbursed within 365 days of the date of such determination (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), losses, charges and expenses, shall be excluded,
- (xiv) any deferred tax expense associated with tax deductions or net operating losses arising as a result of the Transactions, or the release of any valuation allowance related to such items, shall be excluded,
- (xv) any costs or expenses incurred during such period relating to environmental remediation, any litigation, or other disputes in respect of events and exposures that occurred prior to the Closing Date and any costs or expenses incurred in connection with any governmental investigations shall be excluded,
- (xvi) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) and any other items of a similar nature, shall be excluded,
- (xvii) any non-cash adjustments resulting from the application of Accounting Standards Codification Topic No. 460, *Guarantees*, under U.S. generally accepted accounting principles or any comparable regulation under IFRS, shall be excluded,
- (xviii) earn-out obligations and other contingent consideration obligations (including to the extent accounted for as bonuses, compensation or otherwise (and including deferred performance incentives in connection with Permitted Acquisitions whether or not a service component is required from the transferor or its related party)) and adjustments thereof and purchase price adjustments, shall be excluded; and

- (xix) the portion of the Net Income for such period of CG Japan that corresponds to the equity interest share of any third parties in CG Japan, shall be excluded.

In addition, to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries in any period, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include the amount of proceeds received from business interruption insurance;

"Consolidated Total Assets" shall mean, as of any date of determination, the amount that would, in conformity with IFRS, be set forth opposite the caption "total assets" (or any like caption) on the most recent consolidated balance sheet of CGI Borrower and its Restricted Subsidiaries at such date (and, in the case of any determination relating to any Specified Transaction, on a Pro Forma Basis including any property or assets being acquired and excluding any assets being disposed of in connection therewith);

"Consolidated Total Debt" shall mean, as at any date of determination, an amount equal to the sum of (a) the aggregate principal amount of all outstanding Indebtedness (excluding any revolving loans, including the Revolving Loans under this Agreement and the revolving loans under the Term Loan Credit Documents (if any), reflected on the consolidated balance sheet of the CGI Borrower) of CGI Borrower and the Restricted Subsidiaries that would be reflected on a consolidated balance sheet (but excluding the notes thereto) prepared as of such date on a consolidated basis in accordance with IFRS (but excluding the effects of any discounting of Indebtedness resulting from the application of purchase accounting in connection with the Transactions or any Permitted Acquisition or any other acquisition permitted under this Agreement) consisting only of Indebtedness for borrowed money, Capitalized Lease Obligations and debt obligations evidenced by promissory notes and similar instruments (and excluding, for the avoidance of doubt, Hedging Obligations); *plus* (b) the Average Revolver Debt; provided that Consolidated Total Debt shall not include (x) Letters of Credit or any other letter of credit, except, solely with respect to any standby Letter of Credit or other standby letter of credit, to the extent of unreimbursed obligations in respect of any such drawn standby Letter of Credit or other standby letter of credit; provided that any unreimbursed obligations in respect of any such drawn standby Letter of Credit or other standby letter of credit shall not be included as Consolidated Total Debt until one (1) Business Day after such amount is drawn and solely to the extent that a reimbursement obligation is then due and payable or (y) any Holdings Subordinate Debt;

"Contingent Obligations" shall mean, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends, or other obligations that do not constitute Indebtedness ("**primary obligations**") of any other Person (the "**primary obligor**") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (a) for the purchase or payment of any such primary obligation or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, or (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof;

"Contractual Requirement" shall mean, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound;

"Cost" shall mean the cost of manufacturing or acquiring the Credit Parties' Inventory as determined in accordance with CGI Borrower's accounting policies as in effect on the Closing Date and as reported on the Credit Parties' stock ledger, as such policy may be

modified with the consent of the Administrative Agent, whose consent will not be unreasonably withheld;

"Credit Card Advance Rate" shall mean ninety percent (90%);

"Credit Card Notification" shall have the meaning provided in Section 10.9(c)(i);

"Credit Card Receivables" shall mean each Account, together with all income, payments and proceeds thereof, owed by a major credit or debit card issuer or processor (including, but not limited to, JCB, VISA, Mastercard, American Express, Diners Club, DiscoverCard, Interlink, NYCE, Star/Mac, Tyme, Pulse, Accel, AFF, Shazam, CU244, Alaska Option and Maestro and such other issuers or processors approved by the Administrative Agent (such approval not to be unreasonably withheld)) to a Borrowing Base Party resulting from charges by a customer of a Borrowing Base Party on credit or debit cards in connection with the sale of goods by a Borrowing Base Party, or services performed by a Borrowing Base Party, in each case in the ordinary course of its business;

"Credit Documents" shall mean this Agreement, each Joinder Agreement, the Guarantees, the Security Documents, and any promissory notes issued by a Borrower pursuant hereto and any other document, agreement or letter agreed in writing by the Borrower Representative and the Administrative Agent to be a Credit Document;

"Credit Enhanced Eligible Trade Receivables" shall mean any Eligible Trade Receivable owing to a Borrowing Base Party that (A) is insured by a Person reasonably acceptable to the Administrative Agent or (B) that is due from an account debtor whose long-term unsecured indebtedness has an Investment Grade Rating and, if requested by the Administrative Agent, evidence reasonably acceptable to the Administrative Agent of such rating has been provided to the Administrative Agent by the Borrower Representative; provided that Credit Enhanced Eligible Trade Receivables of a Borrowing Base Party under clause (B) shall include investment grade Eligible Trade Receivables from (x) account debtors located in Canada, the United States and the United Kingdom, (y) specific account debtors as are consented to by the Administrative Agent (such consent not to be unreasonably withheld, delayed or conditioned), located outside Canada, the United States and the United Kingdom, and (z) account debtors located in such jurisdictions (other than Canada, the United States and the United Kingdom) as are consented to by the Administrative Agent (such consent not to be unreasonably withheld, delayed or conditioned);

"Credit Event" shall mean and include the making (but not the conversion or continuation) of a Loan and the issuance of a Letter of Credit;

"Credit Facilities" shall mean, collectively, each category of Commitments and each extension of credit hereunder;

"Credit Facility" shall mean a category of Commitments and extensions of credit thereunder;

"Credit Party" shall mean Holdings, the Borrowers, and the other Guarantors;

"CRR Credit Adjustment Spread" means the rate per annum as specified in the column entitled "Spread Adjustment" in the table below for the Relevant Tenor, where "Relevant Tenor" is determined as set out below:

| Length of Interest Period | Relevant Tenor | Spread Adjustment (%) |
|--|-----------------------|------------------------------|
| One month or less | One month | 0.0326 |
| Two months or less but greater than one month | Two months | 0.0633 |
| Three months or less but greater than two months | Three months | 0.1193 |
| Six months or less but greater than three months | Six months | 0.2766 |
| Greater than six months | Twelve months | 0.4644 |

"CRR Loan" shall mean a Loan or Unpaid Drawing in Pounds Sterling made by the Lenders to a Borrower with respect to which such Borrower has specified that interest is to be calculated based on the Compounded Reference Rate or is deemed to be calculated based on the Compounded Reference Rate;

"Cure Amount" shall have the meaning provided in Section 12.15;

"Cure Expiration Date" shall have the meaning provided in Section 12.15;

"Cure Right" shall have the meaning provided in Section 12.15;

"Customer Credit Liabilities" shall mean, at any time, the aggregate remaining balance reflected on the books and records of the Borrowing Base Parties at such time of (a) outstanding gift certificates and gift cards of the Borrowing Base Parties entitling the holder thereof to use all or a portion of the gift certificate or gift card to pay all or a portion of the purchase price for any Inventory, and (b) outstanding merchandise credits and customer deposits of the Borrowing Base Parties;

"Customs Broker Agreement" shall mean an agreement substantially in the form attached hereto as Exhibit C-1 (Customs Broker Agreement – U.S. Credit Parties) with respect to any U.S. Credit Party or as Exhibit C-2 (Customs Broker Agreement - Canadian Credit Parties) with respect to any Canadian Credit Party, or any other agreement otherwise in form and substance reasonably satisfactory to the Administrative Agent, among a Borrowing Base Party, a customs broker, NVOCC or carrier, and the Administrative Agent, in which the customs broker, NVOCC or carrier acknowledges that it has control over and holds the documents evidencing ownership of the subject Inventory or other property for the benefit of the Administrative Agent, and agrees, upon notice from the Administrative Agent (which notice shall be delivered only upon the occurrence and during the continuance of an Event of Default), to hold and dispose of the subject Inventory and other property solely as directed by the Administrative Agent;

"Daily Non-Cumulative Compounded RFR Rate" means, in relation to any RFR Banking Day during an Interest Period for a CRR Loan, the percentage rate per annum determined by the Administrative Agent in accordance with the methodology set out in Schedule 1.1(e) (*Daily Non-Cumulative Compounded RFR Rate*) or in any relevant Compounding Methodology Supplement;

"Daily Rate" means for any RFR Banking Day:

(a) the RFR for that RFR Banking Day; or

(b) if the RFR is not available for that RFR Banking Day, the percentage rate per annum which is the aggregate of (i) the Central Bank Rate for that RFR Banking Day and (ii) the applicable Central Bank Rate Adjustment; or

(c) if paragraph (b) above applies but the Central Bank Rate for that RFR Banking Day is not available, the percentage rate per annum which is the aggregate of (i) the most recent Central Bank Rate for a day which is no more than five RFR Banking Days before that RFR Banking Day and (ii) the applicable Central Bank Rate Adjustment,

rounded, in each case, to four decimal places provided that if, in either case, the aggregate of that rate and the applicable CRR Credit Adjustment Spread is less than zero, the Daily Rate shall be deemed to be such a rate that the aggregate of the Daily Rate and the applicable CRR Credit Adjustment Spread is zero;

"Daily Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Authority for determining "Daily Simple SOFR" for syndicated business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

"DDAs" shall mean any checking, savings or other deposit account maintained by the Credit Parties;

"Debt Service Charges" shall mean, with respect to any Person and its Restricted Subsidiaries for any period, the sum of (a) Consolidated Interest Expense of such Person and its Restricted Subsidiaries paid or required to be paid in cash during such period, plus (b) scheduled amortization payments of principal made or required to be made (after giving effect to any prepayments paid in cash prior to the applicable Test Period that reduce the amount of such required payments) on account of Indebtedness for borrowed money (excluding the Obligations, any such obligations with respect to the Holdings Subordinate Debt, payments to reimburse any drawings under any commercial letters of credit, and any payments on Indebtedness required to be made on the final maturity date thereof, but including Capitalized Lease Obligations) for such period, plus (c) scheduled mandatory payments on account of Disqualified Stock (whether in the nature of dividends, redemption, repurchase or otherwise) required to be made in cash during such period;

"Default" shall mean any event, act, or condition set forth in Article 12 that with notice or lapse of time, or both, as set forth in such Article 12 would constitute an Event of Default; provided that any Default that results solely from the taking of an action that would have been permitted but for the continuation of a previous Default will be deemed to be cured if such previous Default is cured prior to becoming an Event of Default;

"Default Rate" shall have the meaning provided in Section 2.8(f);

"Defaulting Lender" shall mean any Lender whose acts or failure to act, whether directly or indirectly, cause it to meet any part of the definition of Lender Default;

"Designated Account" shall have the meaning provided in Section 10.9(e);

"Designated Non-Cash Consideration" shall mean the Fair Market Value of non-cash consideration received by CGI Borrower or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-Cash Consideration pursuant to a certificate of an Authorized Officer of the Borrower Representative, setting forth the basis of such valuation, executed by either a senior vice president or the principal financial officer of the Borrower Representative, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of, or collection on, or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with Section 11.4;

"Dilution Percent" shall mean, for any period, that percentage reasonably determined by the Administrative Agent in its Permitted Discretion by dividing (a) the amount of charge-offs, returns of goods purchased from the Borrowing Base Parties and any other non-cash reductions to trade receivables during such period which had, at the time of sale, resulted in the creation of a trade receivable, by (b) the amount of sales (exclusive of sales and other similar taxes) of the Borrowing Base Parties during such period;

"Dilution Reserves" shall mean a Borrowing Base Reserve in amounts established by the Administrative Agent from time to time in its Permitted Discretion as being appropriate to reflect that the Dilution Percent is or is reasonably anticipated to be greater than five percent (5%);

"disposition" shall have the meaning assigned such term in clause (i) of the definition of Asset Sale;

"Disqualified Lenders" shall mean (i) those banks, financial institutions or other Persons separately identified in writing by CGI Borrower, the Sponsor or any of their respective Affiliates to the Agents prior to the Closing Date or as otherwise agreed by the Borrower Representative and the Administrative Agent after the Closing Date, and any Affiliates of such banks, financial institutions or other Persons; provided that no such identification after the Closing Date shall apply retroactively to disqualify any Person that has previously acquired an assignment or participation interest in any of the Loans with respect to such previously acquired participation interest or Loans, (ii) competitors (or Affiliates thereof) of CGI Borrower or any of its Subsidiaries, and (iii) Excluded Affiliates;

"Disqualified Stock" shall mean, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is puttable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, or similar event, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely for Qualified Stock), other than as a result of a change of control, asset sale, or similar event, in whole or in part, in each case, prior to the date that is 91 days after the Revolving Credit Maturity Date hereunder; provided that if such Capital Stock is issued to any plan for the benefit of employees of CGI Borrower or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by CGI Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death, or disability;

"Distressed Person" shall have the meaning assigned such term in the definition of Lender-Related Distress Event;

"Dollars" and **"\$"** shall mean Canadian dollars;

"Draft" has the meaning set forth in Section 5.1(a);

"DTR Note" shall mean the promissory note issued by DTR LLC in favor of Holdings, dated as of the Second Closing Date;

"Dutch Priority Payable Reserve" shall mean, without duplication of any other Borrowing Base Reserves with respect to any Collateral located in The Netherlands, such reserves as the Administrative Agent from time to time determines in its Permitted Discretion (in accordance with and subject to the limitations of Section 2.19) as being appropriate to reflect any amounts secured by any Liens on Collateral located in The Netherlands included in the Borrowing Base, choate, or inchoate, which rank or are capable of ranking in priority to, or *pari passu* with, the Liens of the Administrative Agent (including, as the case may be, the Administrative Agent's estimate of amounts owed with respect to an asset which is subject to a conditional sale or hire purchase agreement, Lien or retention of title arrangement) and/or any amounts which may represent costs relating to the enforcement of the Administrative Agent's Liens;

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent;

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway;

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution;

"Eligible Cash" shall mean, as of the date of determination thereof, without duplication, cash of a Borrowing Base Party, that is either:

- (a) deposited in a Restricted Account established by such Borrowing Base Party with any Lender that is subject to a blocked account agreement, in form and substance reasonably satisfactory to the Administrative Agent; or
- (b) deposited in a DDA established by such Borrowing Base Party with any Lender that is subject to a blocked account agreement, in form and substance reasonably satisfactory to the Administrative Agent, up to a maximum of \$15,000,000;

"Eligible Credit Card Receivables" shall mean, at the time of any determination thereof, each Credit Card Receivable that is not ineligible for inclusion in the calculation of the Borrowing Base pursuant to any of clauses (a) through (h) below (without duplication of any Borrowing Base Reserves established by the Administrative Agent). None of the following shall constitute an Eligible Credit Card Receivable, unless otherwise agreed by the Administrative Agent:

- (a) Credit Card Receivables that have been outstanding for more than five (5) Business Days from the date of sale giving rise to such Credit Card Receivable;
- (b) Credit Card Receivables with respect to which a Borrowing Base Party does not have good and valid title, free and clear of any Lien (other than any Permitted Liens);

- (c) Credit Card Receivables that are not subject to a first priority Lien in favor of the Administrative Agent pursuant to the Security Documents (other than Permitted Liens having priority by operation of law and Permitted Liens not having priority over, or that are *pari passu* with, the Lien of the Administrative Agent under applicable law; the foregoing not being intended to limit the ability of the Administrative Agent to change, establish or eliminate any Borrowing Base Reserves in its Permitted Discretion on account of any such Liens); provided, however, that chargebacks in the ordinary course by credit card or debit card issuers or processors shall not be deemed violative of this clause (c);
- (d) Credit Card Receivables which are disputed, or with respect to which a claim, counterclaim, offset or chargeback (other than chargebacks in the ordinary course by the credit card or debit card issuers or processors) has been asserted, by the applicable credit card or debit card processor (but only to the extent of such disputed amount, claim, counterclaim, offset or chargeback);
- (e) Credit Card Receivables as to which a credit card or debit card issuer or processor has the right under certain circumstances to require a Borrowing Base Party to repurchase the Accounts from such credit card or debit card issuer or processor;
- (f) Credit Card Receivables due from an issuer or payment processor of the applicable credit or debit card which is subject to an event of the type described in Section 12.5;
- (g) Credit Card Receivables which are evidenced by chattel paper or an instrument of any kind unless such chattel paper or instrument is in the possession of the Administrative Agent, and to the extent necessary or appropriate, endorsed to the Administrative Agent; or
- (h) Credit Card Receivables from major credit and debit card processors which the Administrative Agent determines in its Permitted Discretion (and upon notice to the Borrower Representative in the same manner as set forth in Section 2.19 with respect to adjustments to Borrowing Base Reserves) to be uncertain of collection;

"Eligible In-Transit Inventory" shall mean, as of any date of determination thereof, without duplication of other Eligible Inventory, In-Transit Inventory of a Borrowing Base Party:

- (a) which satisfies all of the requirements for Eligible Inventory other than the requirement that it be located in Canada or the United States (with respect to In-Transit Inventory of a Canadian Credit Party or a U.S. Credit Party) that is a Borrowing Base Party;
- (b) which has been fully paid for by the applicable Borrowing Base Party, or, alternatively, for which the full purchase price thereof is secured by a commercial Letter of Credit issued under this Agreement;
- (c) for which title to such In-Transit Inventory has passed to such Borrowing Base Party;
- (d) for which the purchase order is in the name of such Borrowing Base Party;
- (e) which is scheduled for delivery within 60 days or less from the date of shipment;

- (f) for which an Acceptable BOL (or other document of title acceptable to the Administrative Agent in its Permitted Discretion) has been issued and in each case as to which the Administrative Agent has possession of the Acceptable BOL (or other document of title acceptable to the Administrative Agent in its Permitted Discretion) which evidences ownership of the subject In-Transit Inventory (which possession requirement can be satisfied by the delivery of a Customs Broker Agreement from any third party with possession over such Acceptable BOL);
- (g) which is in the possession of a common carrier or Eligible NVOCC which issued the Acceptable BOL in respect of such In-Transit Inventory;
- (h) the common carrier (to the extent an NVOCC has not engaged such common carrier), NVOCC and customs broker (as applicable) with respect to such In-Transit Inventory has entered into a Customs Broker Agreement which is then in effect; and
- (i) which is fully insured by marine cargo and other insurance in accordance with Section 10.3;

in each case, unless otherwise agreed by the Administrative Agent in its Permitted Discretion; provided, that Eligible In-Transit Inventory shall not include Inventory accounted for as "in-transit" by the Borrowers by virtue of such Inventory's being in-transit between the Credit Parties' locations or in storage trailers at the Credit Parties' locations;

"Eligible Inventory" shall mean, as of the date of determination thereof, without duplication, (i) Eligible In-Transit Inventory, and (ii) items of Inventory of a Borrowing Base Party (other than Eligible In-Transit Inventory) that are raw materials or work-in-process or are finished goods, merchantable and readily saleable to the public in the ordinary course, in each case that, except as otherwise agreed by the Administrative Agent, (x) comply in all material respects with each of the representations and warranties respecting Inventory made by a Borrowing Base Party in the Credit Documents and (y) are not excluded as ineligible by virtue of one or more of the criteria set forth in clauses (a) through (i) below (without duplication of any Borrowing Base Reserves established by the Administrative Agent). Except as otherwise agreed by the Administrative Agent, the following items of Inventory shall not be included in Eligible Inventory:

- (a) Inventory that is not solely owned by one or more Borrowing Base Parties or a Borrowing Base Party does not have good and valid title thereto;
- (b) Inventory that is leased by or is on consignment to a Borrowing Base Party or that is consigned by a Borrowing Base Party to a Person which is not a Credit Party;
- (c) Inventory (other than Eligible In-Transit Inventory) that (i) is not located in Canada, the United States (excluding territories or possessions thereof) or England and Wales in the case of Inventory of a CGI Borrowing Base Party or that is not located in Belgium, only with respect to Belgian Inventory, or in The Netherlands in case of Inventory of a Swiss Borrowing Base Party or another Relevant Jurisdiction; provided, however, that this clause (c)(i) shall not apply to any Inventory that otherwise meets the criteria to be Eligible Inventory and is insured by a Person reasonably acceptable to the Administrative Agent or (ii) is in-transit (excluding, for greater certainty, in the case of clauses (i) and (ii) above, Inventory described in the proviso at the end of the definition of "Eligible In-Transit Inventory");

- (d) Inventory that is comprised of goods which (i) are damaged, defective, "seconds," or otherwise unmerchantable, (ii) are to be returned to the vendor, (iii) are obsolete or slow moving, or custom items (other than special makeup units produced in the ordinary course of business and intended for sale), or that constitute spare parts, display, packaging and shipping materials or supplies used or consumed in a Borrowing Base Party's business (for the avoidance of doubt, excluding raw materials), (iv) are not in compliance in all material respects with all standards imposed by any Governmental Authority having regulatory authority over such Inventory, its use or sale, (v) are bill and hold goods, or (vi) are of a type which is not held for sale by the Borrowing Base Parties in the ordinary course of their business, including Inventory used for marketing, promotion or gifts;
- (e) Inventory that is not subject to a perfected first-priority security interest and valid Lien in favor of the Administrative Agent pursuant to the Security Documents (other than Permitted Liens having priority by operation of law, Permitted Liens not having priority over, or that are *pari passu* with the Lien of the Administrative Agent under applicable law and Permitted Liens described in clause (l) of the definition thereof; the foregoing not being intended to limit the ability of the Administrative Agent to change, establish or eliminate any Borrowing Base Reserves in its Permitted Discretion on account of any such Liens);
- (f) Inventory that consists of samples, labels, bags, and other similar non-merchandise categories (for greater clarity, display models are not deemed a non-merchandise category);
- (g) Inventory that is not insured in compliance with the provisions of Section 10.3 hereof;
- (h) Inventory that has been sold but not yet delivered or as to which a Borrowing Base Party has accepted a deposit and which is no longer reflected in a Borrower's or a Guarantor's stock ledger; or
- (i) in the case of Inventory of a Swiss Borrowing Base Party located in The Netherlands, which constitutes movable assets as set out in section 21 paragraph 2 in conjunction with section 22 paragraph 3 of the Dutch Tax Collection Act (*Invorderingswet 1990*);

"Eligible Letter of Credit" shall mean, as of any date of determination thereof, a commercial Letter of Credit which supports the full purchase price of Inventory (other than In-Transit Inventory), (a) which Inventory does not constitute Eligible In-Transit Inventory and for which no Acceptable BOL or other documents of title have then been issued; (b) which commercial Letter of Credit (i) has an expiry, subject to the proviso hereto, that is 90 days or fewer from the date of determination, provided that ninety percent (90%) of the maximum Stated Amount of all such commercial Letters of Credit shall not, at any time, have an expiry greater than 90 days after the original date of issuance of such commercial Letter of Credit, and (ii) provides that such commercial Letter of Credit may be drawn only after the Inventory is completed and after an Acceptable BOL (or other document of title acceptable to the Administrative Agent in its Permitted Discretion) has been issued for such Inventory; and (c) with respect to the Inventory to be purchased with such commercial Letter of Credit, such Inventory would satisfy all of the requirements for Eligible In-Transit Inventory other than the requirement set forth in clause (e) of the definition of the term herein;

"Eligible NVOCC" shall mean, with respect to any In-Transit Inventory, an NVOCC for such In-Transit Inventory that (i) is not an Affiliate of a Borrowing Base Party or the applicable vendor and is otherwise reasonably acceptable to the Administrative Agent; (ii) is engaged by a Borrowing Base Party as freight forwarder with respect to such In-

Transit Inventory; (iii) has received from the carrier a tangible bill of lading with respect to such In-Transit Inventory that names such NVOCC as consignee; (iv) has issued an Acceptable BOL to the order of a Borrowing Base Party in respect of such In-Transit Inventory; and (v) has entered into a Customs Broker Agreement which is then in effect;

"Eligible Trade Receivables" shall mean, as of any date of determination thereof, Accounts arising from the sale of a Borrowing Base Party's Inventory (other than those consisting of Credit Card Receivables) or other goods, or rendition of services by a Borrowing Base Party, that satisfy the following criteria: such Account (i) represents the *bona fide* amounts due to a Borrowing Base Party from an account debtor, and in each case originated in the ordinary course of business of such Borrowing Base Party, and (ii) is not ineligible for inclusion in the calculation of the Borrowing Base pursuant to any of clauses (a) through (s) below (without duplication of any Borrowing Base Reserves established by the Administrative Agent). None of the following shall constitute an Eligible Trade Receivable, unless otherwise agreed by the Administrative Agent:

- (a) Accounts that are not evidenced by an invoice;
- (b) Accounts that, to the knowledge of the Borrower Representative, do not constitute valid and legally enforceable obligations of the account debtor;
- (c) Accounts (i) that are due more than 120 days from the original invoice date or that have been outstanding for more than 120 days from the original invoice date or (ii) that are more than 60 days past the due date;
- (d) Accounts due from any account debtor if fifty percent (50%) or more of Accounts due from such account debtor are ineligible under the provisions of clause (c) above unless CGI Borrower can demonstrate to the satisfaction of the Administrative Agent that the amount unpaid is subject to a legitimate dispute and such dispute does not and will not impact on the likelihood that such account debtor will pay subsequent or other existing Accounts;
- (e) Accounts with respect to which a Borrowing Base Party does not have good and valid title thereto, free and clear of any Lien (other than any Permitted Liens);
- (f) Accounts that are not subject to a first priority security interest and valid Lien in favor of the Administrative Agent pursuant to the Security Documents (other than Permitted Liens having priority by operation of law and Permitted Liens not having priority over, or that are *pari passu* with, the Lien of the Administrative Agent under applicable law; the foregoing not being intended to limit the ability of the Administrative Agent to change, establish or eliminate any Borrowing Base Reserves in its Permitted Discretion on account of any such Liens);
- (g) Accounts which are disputed or with respect to which a claim, counterclaim, offset or chargeback has been asserted, but only to the extent of such dispute, claim, counterclaim, offset or chargeback;
- (h) Accounts which are owed by any Affiliate (including Holdings, CGI Borrower, Swiss Borrower and the other Restricted Subsidiaries, but excluding any other portfolio company of the Sponsor (subject to Section 11.10));
- (i) Accounts due from an account debtor which is subject to an event of the type described in Section 12.5;
- (j) Accounts due from (i) the federal government of the United States of America unless such Accounts have been assigned by the applicable Borrowing Base Party to the Administrative Agent in accordance with the Federal Assignment of

Claims Act of 1940, (ii) the federal government of Canada or a political subdivision thereof, or any province or territory, or any municipality or department or agency or instrumentality thereof unless the provisions of the *Financial Administration Act* (Canada) or any applicable provincial, territorial or municipal law of similar purpose and effect restricting the assignment thereof, as the case may be, have been complied with or (iii) any other Governmental Authority except to the extent reasonably acceptable to the Administrative Agent (provided that such Accounts described in this clause (j)(iii) shall not exceed \$3,000,000 at any time outstanding);

- (k) Accounts (i) owing from any Person that is also a supplier to or creditor of a Credit Party or any of its Subsidiaries unless such Person has waived any right of setoff in a manner reasonably acceptable to the Administrative Agent, or (ii) representing any manufacturer's or supplier's credits, discounts, incentive plans or similar arrangements entitling a Credit Party or any of its Subsidiaries to discounts on future purchase therefrom (but in each case under clauses (k)(i) and (ii), ineligibility shall be limited to the amount thereof);
- (l) Accounts arising out of sales on a bill-and-hold, guaranteed sale, sale-or-return, sale on approval or consignment basis or subject to any right of return;
- (m) Accounts arising out of sales to account debtors that have a principal place of business, are organized and have their principal assets outside Canada, the United States and the United Kingdom; provided that Accounts (w) arising out of sales to account debtors in all other jurisdictions (for certainty excluding Canada, the United States and the United Kingdom) in an amount up to \$5,000,000 in aggregate, (x) that are fully backed by an irrevocable letter of credit on terms, and issued by a financial institution reasonably acceptable to the Administrative Agent, (y) that are insured by a Person reasonably acceptable to the Administrative Agent or (z) (I) from specific account debtors as are consented to by the Administrative Agent (such consent not to be unreasonably withheld, delayed or conditioned), located outside Canada, the United States and the United Kingdom, or (II) from account debtors located in such jurisdictions (other than Canada, the United States and the United Kingdom) as are consented to by the Administrative Agent (such consent not to be unreasonably withheld, delayed or conditioned), shall, in the cases of (w), (x), (y) and (z), constitute "Eligible Trade Receivables";
- (n) Accounts payable other than in Dollars, U.S. Dollars, Euros, Pounds Sterling or Swedish krona;
- (o) Accounts evidenced by a judgment, chattel paper, promissory note or other instrument;
- (p) Accounts consisting of amounts due from vendors as rebates or allowances, or as finance or interest charges (but in each case, ineligibility shall be limited to the amount thereof);
- (q) Accounts for which, to the knowledge of the Borrower Representative, the assignment thereof are restricted or prohibited by the terms of such Account or by applicable law except to the extent such restriction or prohibition does not prevent the collection thereof by the applicable Borrowing Base Party or affect or impair the validity or perfection of the Liens in favour of the Administrative Agent therein;
- (r) Accounts which are in excess of the credit limit for such account debtor established by a Borrowing Base Party in the ordinary course of business (but in each case, ineligibility shall be limited to the amount of such excess); or

- (s) Accounts due from an account debtor and its Affiliates (other than any account debtors identified on Schedule 1.1(d) (as account debtors may be added to such Schedule 1.1(d) by the Borrower Representative from time to time with the consent of the Administrative Agent in its Permitted Discretion and removed from such Schedule 1.1(d) in the Administrative Agent's Permitted Discretion based upon the creditworthiness of such account debtor from time to time upon reasonable prior written notice to the Borrower Representative)), where the aggregate amount due on such Accounts to the Borrowing Base Parties at any time exceeds fifteen percent (15%) of the total Eligible Trade Receivables then due to the Borrowing Base Parties, only to the extent of such amount in excess of fifteen percent (15%) of the total Eligible Trade Receivables due to the Borrowing Base Parties;

"Environmental Claims" shall mean any and all actions, suits, orders, decrees, demand letters, claims, notices of noncompliance or potential responsibility or violation, or proceedings pursuant to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law (hereinafter, "**Claims**"), including, without limitation, (i) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial, or other actions or damages pursuant to any Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive relief relating to the presence Release or threatened Release of Hazardous Materials or arising from alleged injury or threat of injury to health or safety (to the extent relating to human exposure to Hazardous Materials), or the environment including, without limitation, ambient air, indoor air, surface water, groundwater, soil, land surface and subsurface strata, and natural resources such as wetlands;

"Environmental Law" shall mean any applicable federal, state, provincial, foreign, municipal or local statute, law, rule, regulation, ordinance, code, and rule of common law now or hereafter in effect, and any binding judicial or administrative interpretation thereof, including any binding judicial or administrative order, consent decree, or judgment, relating to pollution or protection of the environment, including, without limitation, ambient air, indoor air, surface water, groundwater, soil, land surface and subsurface strata and natural resources such as flora, fauna, or wetlands, or protection of human health or safety (to the extent relating to human exposure to Hazardous Materials) and including those relating to the generation, storage, treatment, transport, Release, or threat of Release of Hazardous Materials;

"Equity Interest" shall mean Capital Stock and all warrants, options, or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock;

"Equivalent Amount" means with respect to any two currencies, the amount obtained in one such currency when an amount in the other currency is translated into the first currency using the Bank of Canada closing rate on the previous Business Day with respect to which such computation is required for the purpose of this Agreement;

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and regulations promulgated thereunder;

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) that, together with any Credit Party, is treated as a single employer under Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code);

"ERISA Event" shall mean (i) the failure of any Plan to comply with any provisions of ERISA and/or the Code or with the terms of such Plan; (ii) any Reportable Event; (iii) the existence with respect to any Plan of a non-exempt Prohibited Transaction; (iv) any

failure by any U.S. Pension Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such U.S. Pension Plan, whether or not waived; (v) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any U.S. Pension Plan; (vi) the occurrence of any event or condition which would reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any U.S. Pension Plan or the incurrence by any Credit Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any U.S. Pension Plan, including but not limited to the imposition of any Lien in favor of the PBGC or any U.S. Pension Plan; (vii) the receipt by any Credit Party or any of its ERISA Affiliates from the PBGC or a plan administrator of any written notice to terminate any U.S. Pension Plan or to appoint a trustee to administer any U.S. Pension Plan under Section 4042 of ERISA; (viii) the incurrence by any Credit Party or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any U.S. Pension Plan (or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA) or Multiemployer Plan; or (ix) the receipt by any Credit Party or any of its ERISA Affiliates of any notice concerning the imposition on it of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent or in Reorganization, or terminated (within the meaning of Section 4041A of ERISA);

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time;

"EURIBOR" shall mean, for any Interest Period in relation to a EURIBOR Loan, a rate of interest per annum reasonably determined by the Administrative Agent equal to:

- (a) the applicable Screen Rate; or
- (b) if no Screen Rate is available for the Interest Period of that EURIBOR Loan, the Interpolated Screen Rate for that EURIBOR Loan; or
- (c) if no Screen Rate is available for the Interest Period of that EURIBOR Loan and it is not possible to calculate the Interpolated Screen Rate for that EURIBOR Loan, the Administrative Agent shall, subject to paragraphs (i) and (ii) below, request the Reference Banks to quote the rate at which deposits in Euros in a comparable amount are offered by each of them as at approximately 11:30 a.m. (Brussels time) on the Rate Fixing Day to leading banks in the eurozone interbank market for a period equal to the Interest Period, and:
 - (i) if at least two quotations are provided from Reference Banks, the rate for that Rate Fixing Day will be the arithmetic mean of the quotations; or
 - (ii) if fewer than two quotations are provided as requested, the rate for that Rate Fixing Day will be the arithmetic mean of the rates quoted by major banks in the eurozone, selected by Administrative Agent at approximately 11:30 a.m. (Brussels time) on the day which falls two TARGET Days after the Rate Fixing Day, for loans in Euros in a comparable amount to leading European banks for a period equal to the Interest Period.

If any of the foregoing produce rate per annum for EURIBOR that is less than zero, EURIBOR shall be deemed zero;

"EURIBOR Loan" means a Loan made by a Lender to Swiss Borrower in Euros in accordance with the provisions hereof, bearing interest by reference to the EURIBOR;

"Euro" or "€" means the single currency of Participating Member States;

"European Base Rate" shall mean, with respect to Euros funded outside of the United States, EURIBOR as of 11:00 a.m. (London time) on the first Business Day in each month for a one (1) month period, provided that to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent. Any change in such rate shall take effect at the opening of business on the day of such change. If such European Base Rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement;

"European Base Rate Loan" shall mean a Loan made to Swiss Borrower denominated in Euros and bearing interest at a rate based on the European Base Rate;

"Event of Default" shall have the meaning provided in Article 12;

"Excess Availability" shall mean, at any time, an amount equal to:

- (a) the Line Cap (without adding Eligible Cash in the calculation of the Borrowing Base for purposes of determining the Line Cap under this clause (a)), *plus*
- (b) cash and Cash Equivalents on deposit in any Blocked Account, *plus*
- (c) the amount, if any, by which the Borrowing Base (without adding Eligible Cash in the calculation of the Borrowing Base for purposes of this clause (c)) exceeds the aggregate Revolving Credit Commitments, if any, in effect at such time, *minus*
- (d) the aggregate amount of the Lenders' Revolving Credit Exposure;

"Exchange Act" shall mean the Securities Exchange Act of 1934;

"Excluded Affiliate" shall mean any Affiliate of any Agent that is engaged as a principal primarily in private equity, mezzanine financing or venture capital;

"Excluded Contribution" shall mean net cash proceeds, the Fair Market Value of marketable securities, or the Fair Market Value of Qualified Proceeds received by CGI Borrower from (i) contributions to its common equity capital, and (ii) the sale (other than to a Subsidiary of CGI Borrower or to any management equity plan or equity option plan or any other management or employee benefit plan or agreement of CGI Borrower) of Capital Stock (other than Disqualified Stock) of CGI Borrower, in each case designated as Excluded Contributions pursuant to an officer's certificate executed by either a senior vice president or the principal financial officer of the Borrower Representative on the date such capital contributions are made or the date such Equity Interests are sold, as the case may be;

"Excluded DDAs" shall have the meaning provided in Section 10.9(e);

"Excluded Property" shall have the meaning set forth in each Security Document containing a definition of "Excluded Property" solely with respect to the property of each Credit Party that is a party thereto;

"Excluded Stock and Stock Equivalents" shall mean (i) any Capital Stock or Stock Equivalents with respect to which, in the reasonable judgment of the Administrative Agent and the Borrower Representative, the burden or cost or other consequences of pledging such Capital Stock or Stock Equivalents in favor of the Secured Parties under

the Security Documents shall be excessive in view of the benefits to be obtained by the Lenders therefrom, (ii) any Capital Stock or Stock Equivalents to the extent the pledge thereof would violate any applicable Requirement of Law or any Contractual Requirement (including any legally effective requirement to obtain the consent or approval of, or a license from, any Governmental Authority or any other third party unless such consent, approval or license has been obtained (it being understood that the foregoing shall not be deemed to obligate CGI Borrower or any Subsidiary to obtain any such consent, approval or license)), (iii) in the case of (A) any Capital Stock or Stock Equivalents of any Subsidiary to the extent such Capital Stock or Stock Equivalents are subject to a Lien permitted by clause (h) or (i) of the definition of Permitted Lien or (B) any Capital Stock or Stock Equivalents of any Subsidiary that is not a Wholly-Owned Subsidiary of CGI Borrower and its Restricted Subsidiaries, any Capital Stock or Stock Equivalents of each such Subsidiary described in clause (A) or (B) to the extent (I) that a pledge thereof to secure the Obligations is prohibited by any applicable Contractual Requirement (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable law), (II) any Contractual Requirement prohibits such a pledge without the consent of any other party; provided that this clause (II) shall not apply if (x) such other party is a Credit Party or Wholly-Owned Subsidiary or (y) consent has been obtained to consummate such pledge (it being understood that the foregoing shall not be deemed to obligate CGI Borrower or any Subsidiary to obtain any such consent) and for so long as such Contractual Requirement or replacement or renewal thereof is in effect, or (III) a pledge thereof to secure the Obligations would give any other party (other than a Credit Party or Wholly-Owned Subsidiary) to any contract, agreement, instrument, or indenture governing such Capital Stock or Stock Equivalents the right to terminate its obligations thereunder (other than customary non-assignment provisions which are ineffective under the Uniform Commercial Code or other applicable law), (iv) any Capital Stock or Stock Equivalents of any Subsidiary to the extent that the pledge of such Capital Stock or Stock Equivalents would result in materially adverse tax consequences to CGI Borrower or any Subsidiary as reasonably determined by the Borrower Representative in consultation with the Administrative Agent, (v) any Capital Stock or Stock Equivalents that are margin stock, and (vi) any Capital Stock and Stock Equivalents of any Subsidiary that is not a Material Subsidiary or is an Unrestricted Subsidiary, a Captive Insurance Subsidiary, a Broker-Dealer Subsidiary, a not-for-profit Subsidiary, an SPV, or any special purpose entity; provided that Excluded Stock and Stock Equivalents shall not include proceeds of the foregoing property to the extent otherwise constituting Collateral;

"Excluded Subsidiary" shall mean (i) each Subsidiary, in each case, for so long as any such Subsidiary does not constitute a Material Subsidiary, (ii) each Subsidiary that is not a Wholly-Owned Subsidiary on any date such Subsidiary would otherwise be required to become a Guarantor pursuant to the requirements of Section 10.11 (for so long as such Subsidiary remains a non-Wholly-Owned Restricted Subsidiary), (iii) any Foreign Subsidiary formed in any jurisdiction other than in Switzerland or the United Kingdom; (iv) each Subsidiary that is prohibited by any applicable Contractual Requirement (so long as, with respect to any Subsidiary acquired after the Closing Date, the prohibition is not created in contemplation of such transaction) or Requirement of Law (for the avoidance of doubt, including any such prohibition due to any approval, consent, license or authorization of any Governmental Authority not being obtained) from guaranteeing or granting Liens to secure the Obligations at the time such Subsidiary becomes a Restricted Subsidiary (and for so long as such restriction or any replacement or renewal thereof is in effect), (v) each Subsidiary with respect to which, as reasonably determined by CGI Borrower, the consequence of providing a Guarantee of the Obligations would adversely affect the ability of CGI Borrower and its Subsidiaries to satisfy applicable Requirements of Law, (vi) any other Subsidiary with respect to which, (a) in the reasonable judgment of the Administrative Agent and Borrower Representative, the burden or cost or other consequences of providing a Guarantee of the Obligations shall be excessive in view of the benefits to be obtained by the Lenders therefrom or (b) providing such a Guarantee would result in material adverse tax consequences as

reasonably determined by the Borrower Representative in consultation with the Administrative Agent, (vii) each Unrestricted Subsidiary, (viii) each other Subsidiary acquired pursuant to a Permitted Acquisition or other Investment permitted hereunder and financed with assumed secured Indebtedness, and each Restricted Subsidiary acquired in such Permitted Acquisition or other Investment permitted hereunder that guarantees such Indebtedness, in each case to the extent that, and for so long as, the documentation relating to such Indebtedness to which such Subsidiary is a party prohibits such Subsidiary from guaranteeing the Obligations and such prohibition was not created in contemplation of such Permitted Acquisition or other Investment permitted hereunder, (ix) any special-purpose entities and/or joint ventures, (x) any not-for-profit Subsidiary, (xi) any Captive Insurance Subsidiary, (xii) any Broker-Dealer Subsidiary and (xiii) each other Subsidiary designated as an Excluded Subsidiary by the Borrower Representative and the Administrative Agent in writing;

"Excluded Swap Obligation" shall mean, with respect to any Credit Party, (i) any Swap Obligation if, and to the extent that, all or a portion of the Obligations of such Credit Party of, or the grant by such Credit Party of a security interest to secure, such Swap Obligation (or any Obligations thereof) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation, or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) or (ii) any other Swap Obligation designated as an "Excluded Swap Obligation" of such Credit Party as specified in any agreement between the relevant Credit Parties and Hedge Bank counterparty to such Swap Obligation. If a Swap Obligation arises under a Master Agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Obligation or security interest is or becomes illegal or unlawful;

"Excluded Taxes" shall mean, with respect to the Administrative Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, (i) Taxes imposed on or measured by its overall net income, net profits, or branch profits (however denominated, and including (for the avoidance of doubt) any backup withholding in respect thereof under Section 3406 of the Code), and franchise (and similar) Taxes imposed on it (in lieu of net income Taxes), in each case by a jurisdiction (including any political subdivision thereof) as a result of such recipient being organized in, having its principal office in, or in the case of any Lender, having its applicable lending office in, such jurisdiction, or as a result of any other present or former connection with such jurisdiction (other than any such connection arising solely from this Agreement or any other Credit Documents or any transactions contemplated thereunder), or (ii) any withholding Taxes attributable to a recipient's failure to comply with Section 6.4(e);

"Existing Class" shall have the meaning provided in Section 2.15(a);

"Existing Credit Agreement" shall have the meaning provided in the preamble to this Agreement;

"Existing Revolving Credit Commitment" shall have the meaning provided in Section 2.15(a);

"Existing Revolving Credit Loans" shall have the meaning provided in Section 2.15(a);

"Expiring Credit Commitment" shall have the meaning provided in Section 2.1(d);

"Extended Revolving Credit Commitments" shall have the meaning provided in Section 2.15(a);

"Extended Revolving Credit Loans" shall have the meaning provided in Section 2.15(a);

"Extended Revolving Loan Maturity Date" shall mean the date on which any Class of Extended Revolving Credit Loans matures;

"Extending Lender" shall have the meaning provided in Section 2.15(b);

"Extension" shall mean the establishment of an Extension Series by amending a Loan or Commitment pursuant to Section 2.15 and the applicable Extension Amendment;

"Extension Amendment" shall have the meaning provided in Section 2.15(c);

"Extension Date" shall have the meaning provided in Section 2.15(d);

"Extension Election" shall have the meaning provided in Section 2.15(b);

"Extension Minimum Condition" shall mean a condition to consummating any Extension that a minimum amount (to be determined and specified in the relevant Extension Request, in the Borrower Representative's sole discretion) of any or all applicable Classes be submitted for Extension;

"Extension Request" shall have the meaning provided in Section 2.15(a);

"Extension Series" shall mean all Extended Revolving Credit Commitments that are established pursuant to the same Extension Amendment (or any subsequent Extension Amendment to the extent such Extension Amendment expressly provides that the Extended Revolving Credit Commitments provided for therein are intended to be a part of any previously established Extension Series);

"Fair Market Value" shall mean with respect to any asset or group of assets on any date of determination, the value of the consideration obtainable in a sale of such asset at such date of determination assuming a sale by a willing seller to a willing purchaser dealing at arm's length and arranged in an orderly manner over a reasonable period of time having regard to the nature and characteristics of such asset, as determined in good faith by the Borrower Representative;

"FATCA" shall mean (a) Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), and any current or future regulations or official interpretations thereof, (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction with the purpose (in either case) of facilitating the implementation of clause (a) above, or (c) any agreement pursuant to the implementation of clause (a) or clause (b) above with the United States Internal Revenue Service, the United States government or any governmental or taxation authority in the United States;

"Federal Funds Effective Rate" shall mean, for any day, the weighted average of the per annum rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published on the next succeeding Business Day by the Federal Reserve Bank of New York; provided that (i) if such day is not a Business Day, the Federal Funds Effective 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 Effective Rate for such day shall be the average rate charged to Canadian Imperial Bank of Commerce on such day on such transactions as determined by the Administrative Agent;

"Fees" shall mean all amounts payable pursuant to, or referred to in, Section 4.1;

"Financial Covenant Trigger Event" shall have the meaning provided in Section 11.11;

"Financial Officer" shall mean, with respect to any Credit Party, the Chief Financial Officer, Chief Operating Officer, the Vice President of Finance, Treasurer, Assistant Treasurer, Controller or Assistant Controller of such Credit Party;

"First Lien Net Leverage Ratio" shall mean, as of any date of determination, the ratio of (i) Consolidated First Lien Secured Debt as of such date of determination, *minus* cash and Cash Equivalents (in each case, free and clear of all Liens other than Permitted Liens) of CGI Borrower and the Restricted Subsidiaries (other than the proceeds of any Indebtedness then being incurred and giving rise to the need to calculate the First Lien Net Leverage Ratio) to (ii) Consolidated EBITDA of CGI Borrower for the Test Period then last ended;

"Fixed Amounts" shall have the meaning provided in Section 1.11(b).

"Fixed Charge Coverage Ratio" shall mean, as of any date of determination, the ratio of (i)(x) Consolidated EBITDA of CGI Borrower and its Restricted Subsidiaries minus (y) Capital Expenditures paid in cash during such period and which are not financed with Indebtedness borrowed (excluding Borrowings under this Agreement) by any Credit Party or any Subsidiary in connection with such Capital Expenditures minus (z) federal, state and foreign income Taxes paid in cash (net of refunds received during such Test Period) by CGI Borrower and its Restricted Subsidiaries, in each case, for the Test Period then last ended to (ii) Debt Service Charges of CGI Borrower and its Restricted Subsidiaries payable in cash for such Test Period;

"Fixed Charges" shall mean, with respect to any Person and its Restricted Subsidiaries for any period, the sum of:

- (a) Consolidated Interest Expense of such Person and its Restricted Subsidiaries for such period,
- (b) all cash dividend payments (excluding items eliminated in consolidation) on any series of preferred Capital Stock of such Person and its Restricted Subsidiaries made during such period, and
- (c) all cash dividend payments (excluding items eliminated in consolidation) on any series of Disqualified Stock made during such period;

"Foreign Guarantor" shall mean each Credit Party that is not existing under the laws of Canada or any province or territory thereof or under the laws of the United States or any state therein;

"Foreign Guarantor Release Event" shall mean, as to any Foreign Guarantor and any other Guarantor that is a Foreign Subsidiary, satisfaction of each of the following conditions: (i) the Guarantee provided by the applicable Foreign Guarantor or such other Guarantor that is a Foreign Subsidiary (x) is prohibited by applicable law, rule or regulation or (y) would result in an adverse tax consequence to any Borrower or any of its Subsidiaries; (ii) the Borrower Representative shall have provided the Administrative Agent at least five (5) Business Days' notice that an event under clause (i) above has occurred and the Borrowers desire to have such Guarantor released as a Guarantor; and (iii) the Payment Conditions shall be satisfied immediately after giving effect to such release on a Pro Forma Basis;

"Foreign Plan" shall mean any employee benefit plan, program, policy, arrangement or agreement maintained or contributed to by a Credit Party or any of its Subsidiaries with respect to employees employed outside of the United States or Canada, other than any

state social security arrangements or other benefits required to be provided under applicable law;

"Foreign Plan Event" shall mean, with respect to any Foreign Plan, (i) substantial non-compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders; (ii) failure to be maintained, where required, in good standing with applicable regulatory authorities; (iii) any obligation of any Credit Party or its Subsidiaries in connection with the termination or partial termination of, or withdrawal from, any such Foreign Plan; (iv) any Lien on the property of any Credit Party or its Subsidiaries in favor of a Governmental Authority as a result of any action or inaction regarding such a Foreign Plan; (v) for each such Foreign Plan which is a funded or insured plan, failure to be funded or insured on an ongoing basis to the extent required by applicable non-U.S. law (using actuarial methods and assumptions which are consistent with the valuations last filed with the applicable Governmental Authorities) or (vi) failure to make all contributions in a timely manner to the extent required by applicable law;

"Foreign Subsidiary" shall mean each Subsidiary of CGI Borrower that is not a Canadian Subsidiary or a U.S. Subsidiary;

"Fourth Closing Date" means May 10, 2019;

"Fronting Exposure" shall mean, at any time there is a Defaulting Lender, (i) with respect to the Letter of Credit Issuer, such Defaulting Lender's Revolving Credit Commitment Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (ii) with respect to the Swingline Lender, such Defaulting Lender's Revolving Credit Commitment Percentage of Swingline Loans other than Swingline Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof;

"Fronting Fee" shall have the meaning provided in Section 4.1(d);

"FSCO" shall mean the Financial Services Commission of Ontario and any Person succeeding to the functions thereof and includes the Superintendent under such statute and any other Governmental Authority empowered or created by the *Supplemental Pension Plans Act* (Quebec) or the *Pension Benefits Act* (Ontario) or any Governmental Authority of any other Canadian jurisdiction exercising similar functions in respect of any Canadian Pension Plan of any Canadian Credit Party and any Governmental Authority succeeding to the functions thereof;

"Fund" shall mean any Person (other than a natural Person) that is engaged or advises funds or other investment vehicles that are engaged in making, purchasing, holding, or investing in commercial loans and similar extensions of credit in the ordinary course;

"Funded Debt" shall mean all Indebtedness of CGI Borrower and the Restricted Subsidiaries for borrowed money that matures more than one year from the date of its creation or matures within one year from such date that is renewable or extendable, at the option of CGI Borrower or any Restricted Subsidiary, to a date more than one year from the date of its creation or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date (including all amounts of such Funded Debt required to be paid or prepaid within one year from the date of its creation), and, in the case of the Credit Parties, Indebtedness in respect of the Loans;

"GAAP" shall mean generally accepted accounting principles in Canada, as in effect from time to time;

"Governmental Authority" shall mean any nation, sovereign, or government, any state, province, territory, or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, taxing, regulatory, or administrative functions of or pertaining to government, including a central bank or stock exchange;

"Granting Lender" shall have the meaning provided in Section 14.6(g);

"guarantee obligations" shall mean, as to any Person, any obligation of such Person guaranteeing or intended to guarantee any Indebtedness of any primary obligor in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (i) to purchase any such Indebtedness or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (a) for the purchase or payment of any such Indebtedness or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities, or services primarily for the purpose of assuring the owner of any such Indebtedness of the ability of the primary obligor to make payment of such Indebtedness, or (iv) otherwise to assure or hold harmless the owner of such Indebtedness against loss in respect thereof; provided, however, that the term guarantee obligations shall not include endorsements of instruments for deposit or collection in the ordinary course of business or customary and reasonable indemnity obligations or product warranties in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any guarantee obligation shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such guarantee obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith;

"Guarantees" shall mean, collectively, (i) the Guarantee made by Holdings and each other Credit Party on the Closing Date in favor of the Administrative Agent for the benefit of the Secured Parties and (ii) any other guarantee of the Obligations made by a Restricted Subsidiary in form and substance reasonably acceptable to the Administrative Agent and the Borrower Representative;

"Guarantors" shall mean (i) each Subsidiary of CGI Borrower that is party to the Guarantee on the Closing Date, (ii) each Subsidiary of CGI Borrower that becomes a party to the Guarantee after the Closing Date pursuant to Section 10.11 or otherwise, and (iii) Holdings; provided, for the avoidance of doubt, (x) no Excluded Subsidiary shall be a Guarantor until and unless it ceases to be an Excluded Subsidiary, and (y) the Borrower Representative may cause any Restricted Subsidiary that is not a Guarantor to guarantee the Obligations by causing such Restricted Subsidiary to become a Guarantor under the Guarantee and a grantor under the applicable Security Documents in accordance with Section 10.11, and any such Restricted Subsidiary shall be a Guarantor hereunder and under the other Credit Documents for all purposes;

"Guidelines" means, together, guideline S 02.123 in relation to interbank loans of 22 September 1986 (*Merkblatt "Verrechnungssteuer auf Zinsen von Bankguthaben, deren Gläubiger Banken sind (Interbankguthaben)"* vom 22. September 1986), circular letter No. 47 of 25 July 2019 (1-047-V-2019) in relation to bonds (*Kreisschreiben Nr. 47 "Obligationen" vom 25. Juli 2019*), guideline S 02.122.1b of 02 October 2015 (*Beilage: Schema "Mittelbeschaffung inländischer Schuldner"*), guideline S 02.130.1 in relation to money market instruments and book claims of April 1999 (*Merkblatt vom April 1999 betreffend Geldmarktpapiere und Buchforderungen inländischer Schuldner*), circular letter No. 46 of 24 July 2019 (1-046-VS-2019) in relation to syndicated loans, promissory notes, bills of exchange and sub participations (*Kreisschreiben Nr. 46 "Steuerliche Behandlung von Konsortialdarlehen, Schuldscheindarlehen, Wechseln und Unterbeteiligungen" vom 24. Juli 2019*), circular letter No. 34 of 26 July 2011 (1 034 V

2011) in relation to deposits (*Kreisschreiben Nr. 34 "Kundenguthaben" vom 26. Juli 2011*) and the circular letter No. 15 of 3 October 2017 (1 015 DVS 2017) in relation to bonds and derivative financial instruments as subject matter of taxation of Swiss federal income tax, Swiss withholding tax and Swiss stamp taxes (*Kreisschreiben Nr. 15 "Obligationen und derivative Finanzinstrumente als Gegenstand der direkten Bundessteuer, der Verrechnungssteuer sowie der Stempelabgaben" vom 3. Oktober 2017*), in each case as issued, amended or replaced from time to time, by the Swiss Federal Tax Administration or as substituted or superseded and overruled by any law, statute, ordinance, court decision, regulation or the like as in force from time to time;

"Hazardous Materials" shall mean (i) any petroleum or petroleum products, radioactive materials, asbestos and asbestos containing material, polychlorinated biphenyls, and radon gas; (ii) any chemicals, materials, or substances defined as or included in the definition of "hazardous substances," "hazardous waste," "hazardous materials," "extremely hazardous waste," "restricted hazardous waste," "toxic substances," "toxic pollutants," "contaminants," or "pollutants," or words of similar import, under any Environmental Law; and (iii) any other chemical, material, or substance, which is prohibited, limited, or regulated due to its dangerous or deleterious properties or characteristics by, any Environmental Law;

"Hedge Agreements" shall mean (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a **"Master Agreement"**), including any such obligations or liabilities under any Master Agreement;

"Hedge Bank" shall mean (i) any Person that, at the time it enters into a Hedge Agreement, is a Lender, the Administrative Agent or an Affiliate or branch of a Lender or the Administrative Agent and (ii) with respect to any Hedge Agreement entered into prior to the Closing Date, any Person that is a Lender, the Administrative Agent or an Affiliate or branch of a Lender or the Administrative Agent on the Closing Date; provided that, if such Person is not a Lender, such Person executes and delivers to the Administrative Agent and the Borrower Representative a letter agreement in form and substance reasonably acceptable to the Administrative Agent pursuant to which such Person (a) appoints the Administrative Agent as its agent under the applicable Credit Documents and (b) agrees to be bound by the provisions of Article VI and Sections 7.1 and 8.13 of the Canadian Pledge Agreement, Sections 4.3, 6.6, 7.4, 7.6, 8.1 and 8.19 of the Canadian Security Agreement and corresponding or similar provisions in any other Security Document, in each case, as if it were a Lender;

"Hedging Obligations" shall mean, with respect to any Person, the obligations of such Person under any Hedge Agreements;

"Historical Financial Statements" shall mean the unaudited financial statements of CGI Borrower and the Restricted Subsidiaries for the fiscal quarter ended December 31, 2015;

"Holdings" shall mean (i) Holdings (as defined in the preamble to this Agreement) or (ii) after the Closing Date any other Person or Persons ("**New Holdings**") that is a Subsidiary of (or are Subsidiaries of) Holdings or of any Parent Entity of Holdings (or the previous New Holdings, as the case may be) but not CGI Borrower ("**Previous Holdings**"); provided that (a) such New Holdings directly owns (i) 100.0% of the Equity Interests of CGI Borrower and (ii) 100.0% of the Equity Interests of each other direct Subsidiary of Previous Holdings which were owned by Previous Holdings immediately prior thereto, (b) New Holdings shall expressly assume all the obligations of Previous Holdings under this Agreement and the other Credit Documents pursuant to a supplement hereto or thereto in form and substance reasonably satisfactory to the Administrative Agent, (c) if reasonably requested by the Administrative Agent, an opinion of counsel shall be delivered by the Borrower Representative to the Administrative Agent, (d) all Capital Stock of CGI Borrower and substantially all of the other assets of Previous Holdings are contributed or otherwise transferred, directly or indirectly, to such New Holdings and pledged to secure the Obligations, (e)(i) no Event of Default has occurred and is continuing at the time of such substitution and such substitution does not result in any Event of Default, (ii) such substitution does not result in any material adverse tax consequences to any Credit Party and (iii) such substitution does not result in any adverse tax consequences to any Lender (unless reimbursed hereunder) or to the Administrative Agent (unless reimbursed hereunder), (f) no Change of Control shall occur, (g) the Administrative Agent shall have received at least five (5) Business Days' prior written notice of the proposed transaction and Previous Holdings, New Holdings and the Borrowers shall promptly and in any event at least two (2) Business Days' prior to the consummation of the transaction provide all information any Lender or any Agent may reasonably request to satisfy its "know your customer" and other similar requirements necessary for such Person to comply with its internal compliance and regulatory requirements with respect to the proposed successor New Holdings, (h) if reasonably requested by the Administrative Agent, the Credit Parties shall execute and deliver amendments, supplements and other modifications to all Credit Documents and instruments and agreements executed in connection therewith necessary to perfect and protect the liens and security interests in the Collateral of New Holdings, in each case in form and substance reasonably satisfactory to the Administrative Agent, and (i) the Borrower Representative delivers a certificate of an Authorized Officer with respect to the satisfaction of the conditions set forth in clauses (a), (e)(i) and (ii) and (f) of this definition; provided, further, that if each of the foregoing is satisfied, Previous Holdings shall be automatically released of all its obligations under the Credit Documents and any reference to Holdings in the Credit Documents shall be meant to refer to New Holdings;

"Holdings Loan Agreement" shall mean, collectively, that certain (i) senior subordinated grid note, dated as of December 9, 2013, issued by CGI Borrower in favor of Holdings and (ii) any unsecured subordinated promissory notes issued from time to time by CGI Borrower in favor of Holdings in connection with the reinvestment by Holdings of a portion of the interest paid by CGI Borrower on the Holdings Subordinate Debt in accordance with the Holdings Subordination Agreement, in the case of each of the notes described in the foregoing clauses (i) and (ii), as such agreement may be amended, revised, replaced, supplemented or restated from time to time in accordance with the terms of the Holdings Subordination Agreement, including increases to the principal amount outstanding thereunder as set forth therein;

"Holdings Subordinate Debt" shall mean all amounts owing by CGI Borrower to Holdings pursuant to the Holdings Loan Agreement;

"Holdings Subordination Agreement" shall mean the subordination and postponement agreement, dated as of the Closing Date, among Holdings, CGI Borrower and the Administrative Agent, as such agreement may be amended, revised, replaced, supplemented or restated from time to time;

"ICC" shall have the meaning provided in the definition of UCP;

"IFRS" shall mean International Financial Reporting Standards, as adopted by the International Accounting Standards Board, as in effect from time to time; provided, however, that if the CGI Borrower notifies the Administrative Agent that the CGI Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in IFRS or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in IFRS or in the application thereof, then such provision shall be interpreted on the basis of IFRS as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Furthermore, at any time after the Fourth Closing Date, the CGI Borrower may elect to apply for all purposes of this Agreement, in lieu of IFRS, GAAP or U.S. GAAP and, upon such election, references herein to IFRS and IFRS concepts will be construed to refer to GAAP or U.S. GAAP, as applicable, and corresponding GAAP or U.S. GAAP concepts as in effect from time to time; provided that (1) all financial statements and reports to be provided, after such election, pursuant to this Agreement shall be prepared on the basis of GAAP or U.S. GAAP, as applicable, as in effect from time to time, and (2) from and after such election, all ratios, computations, and other determinations based on IFRS contained in this Agreement shall still be required to be computed in conformity with IFRS. The CGI Borrower shall give written notice of any such election made in accordance with this definition to the Administrative Agent. For the avoidance of doubt, solely making an election (without any other action) referred to in this definition will not be treated as an incurrence of Indebtedness. Notwithstanding any other provision contained herein, the amount of any Indebtedness under IFRS with respect to Capitalized Lease Obligations shall be determined in accordance with the definition of Capitalized Lease Obligations and Section 1.3(c);

"Impacted Loans" shall have the meaning provided in Section 2.10(a);

"Increased Amount Date" shall have the meaning provided in Section 2.14(a);

"Incremental Revolving Credit Commitments" shall have the meaning provided in Section 2.14(a);

"Incremental Revolving Credit Loan" shall have the meaning provided in Section 2.14(b);

"Incremental Revolving Loan Lender" shall have the meaning provided in Section 2.14(b);

"Incurrence-Based Amounts" shall have the meaning provided in Section 1.11(b);

"Indebtedness" shall mean, with respect to any Person, (i) any indebtedness (including principal and premium) of such Person, whether or not contingent (a) in respect of borrowed money, (b) evidenced by bonds, notes, debentures, or similar instruments or letters of credit or banker's acceptances (or, without double counting, reimbursement agreements in respect thereof), (c) representing the balance deferred and unpaid of the purchase price of any property (including Capitalized Lease Obligations), or (d) representing any Hedging Obligations, if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a net liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with IFRS; provided that Indebtedness of any direct or indirect parent company appearing upon the balance sheet of CGI Borrower solely by reason of push down accounting under IFRS shall be excluded, (ii) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations of the type referred to in clause (i) of another Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business, and (iii) to the extent not otherwise included, the obligations

of the type referred to in clause (i) of another Person secured by a Lien on any asset owned by such Person, whether or not such Indebtedness is assumed by such Person; provided that notwithstanding the foregoing, Indebtedness shall be deemed not to include (1) Contingent Obligations incurred in the ordinary course of business, (2) prepaid or deferred revenue arising in the ordinary course of business, (3) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy warrants or other unperformed obligations of the seller of such asset, (4) trade accounts and accrued expenses payable in the ordinary course of business and accruals for payroll and other operating expenses accrued in the ordinary course of business or (5) any earn-out obligation until such obligation, within 60 days of becoming due and payable, has not been paid and such obligation is reflected as a liability on the balance sheet of such Person in accordance with IFRS;

The amount of Indebtedness of any Person for purposes of clause (iii) above shall (unless such Indebtedness has been assumed by such Person) be deemed to be equal to the lesser of (x) the aggregate unpaid amount of such Indebtedness and (y) the Fair Market Value of the property encumbered thereby as determined by such Person in good faith;

For all purposes hereof, (i) the Indebtedness of CGI Borrower and the Restricted Subsidiaries, shall exclude all intercompany Indebtedness having a term not exceeding 365 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business or consistent with past practice and (ii) the Indebtedness of CG Japan shall not include such portion of the Indebtedness (or guarantee obligations in respect of obligations) of CG Japan that corresponds to the equity interest share of third parties in CG Japan;

"Indemnified Liabilities" shall have the meaning provided in Section 14.5;

"Indemnified Persons" shall have the meaning provided in Section 14.5;

"Indemnified Taxes" shall mean all Taxes imposed on or with respect to any payment by or on account of any obligation of any Credit Party hereunder or under any other Credit Document, other than Excluded Taxes or Other Taxes;

"Independent Financial Advisor" shall mean an accounting firm, appraisal firm, investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of CGI Borrower, qualified to perform the task for which it has been engaged and that is disinterested with respect to the applicable transaction;

"Initial Permitted Term Loan Closing Date" shall have the meaning provided in Section 11.1(u);

"Insolvency Laws" shall mean the *Companies' Creditors Arrangement Act* (Canada), the BIA, the Bankruptcy Code, the *Winding-Up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous legislation applicable to any Credit Party, any of their respective Subsidiaries or any jurisdiction in which Collateral is located;

"Insolvent" shall mean, with respect to any Multiemployer Plan, the condition that such Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA;

"Intellectual Property" shall mean Canadian and foreign intellectual property, including all (i) (a) patents, inventions, processes, developments, technology, and know-how; (b) copyrights and works of authorship in any media, including graphics, advertising materials, labels, package designs, and photographs; (c) trademarks, service marks, trade names, brand names, corporate names, domain names, logos, trade dress, and other source indicators, and the goodwill of any business symbolized thereby; and

(d) trade secrets, confidential, proprietary, or non-public information and (ii) all registrations, issuances, applications, renewals, extensions, substitutions, continuations, continuations-in-part, divisions, re-issues, re-examinations, foreign counterparts, or similar legal protections related to the foregoing;

"Intercompany License Agreement" shall mean any cost sharing agreement, commission or royalty agreement, license or sub-license agreement, distribution agreement, services agreement, Intellectual Property rights transfer agreement or any related agreements, in each case where all the parties to such agreement are one or more of CGI Borrower and any Subsidiary;

"Intercompany Note" shall mean any intercompany note substantially in the form of Exhibit D;

"Interest Coverage Ratio" shall mean, as of any date of determination, the ratio of (i) Consolidated EBITDA of CGI Borrower and its Restricted Subsidiaries for the Test Period then last ended to (ii) Consolidated Interest Expense of CGI Borrower and its Restricted Subsidiaries for such Test Period;

"Interest Period" shall mean, with respect to any Loan, the interest period applicable thereto, as determined pursuant to Section 2.9;

"Interpolated Screen Rate" means in relation to EURIBOR for any Loan, the rate (rounded to the same number of decimal places as to the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period for that Loan; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period for that Loan,

each as of 11:00 a.m. on the Rate Fixing Day for that Loan;

"In-Transit Inventory" shall mean Inventory of a Borrowing Base Party that is in the possession of a common carrier and is in-transit from a foreign location to a location of such Borrowing Base Party (or a location designated by such Borrowing Base Party) that is either in the United States or Canada;

"Inventory" shall have the meaning provided in the Canadian Security Agreement;

"Inventory Reserves" shall mean, without duplication of any other Borrowing Base Reserves or items that are otherwise addressed or excluded through eligibility criteria, and without duplication of any of the factors taken into account in determining Appraised Value, such reserves as may be established from time to time by the Administrative Agent in its Permitted Discretion with respect to changes in the determination of the saleability, at retail or wholesale, of the Eligible Inventory or which reflect such other factors as negatively affect the market value of the Eligible Inventory. Without limiting the generality of the foregoing, Inventory Reserves may, in the Permitted Discretion of the Administrative Agent include reserves based on: (i) Shrink and (ii) seller's reclamation or repossession rights under the Bankruptcy Code;

"Investment" shall mean, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances, or capital contributions (excluding accounts receivable, credit card and debit card receivables, trade credit, advances to customers, commission, travel, and similar advances to officers, directors, managers and employees, in each case made in the

ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests, or other securities issued by any other Person or the purchase or other acquisition, in one transaction or a series of related transactions, of all or substantially all of the assets of another Person or assets constituting a business unit, line of business or division of such Person; provided that Investments shall not include, in the case of a Borrower and the Restricted Subsidiaries, intercompany loans, advances, or Indebtedness made to or owing by a Borrower or a Restricted Subsidiary having a term not exceeding 365 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business; provided, further, that, in the event that any Investment is made by Holdings, CGI Borrower or any Restricted Subsidiary in any Person through substantially concurrent interim transfers of any amount through CGI Borrower or any Restricted Subsidiaries, then such other substantially concurrent interim transfers shall be disregarded for purposes of Section 11.5;

For purposes of the definition of Unrestricted Subsidiary and Section 11.5,

- (a) Investments shall include the portion (proportionate to CGI Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of a Subsidiary of CGI Borrower at the time that such Subsidiary is designated an Unrestricted Subsidiary; provided that upon a redesignation of such Subsidiary as a Restricted Subsidiary, CGI Borrower shall be deemed to continue to have a permanent Investment in an Unrestricted Subsidiary in an amount (if positive) equal to (a) CGI Borrower's Investment in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to CGI Borrower's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation; and
- (b) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer;

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment, or other amount received by CGI Borrower or a Restricted Subsidiary in respect of such Investment (provided that, with respect to amounts received other than in the form of cash or Cash Equivalents, such amount shall be equal to the Fair Market Value of such consideration);

"Investment Grade Rating" shall mean a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or an equivalent rating by any other rating agency;

"Investment Grade Securities" shall mean:

- (a) securities issued or directly and fully guaranteed or insured by the Canadian government or the United States government or, in each case, any agency or instrumentality thereof (other than Cash Equivalents),
- (b) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among CGI Borrower and its Subsidiaries,
- (c) investments in any fund that invests all or substantially all of its assets in investments of the type described in clauses (i) and (ii) which fund may also hold immaterial amounts of cash pending investment or distribution, and
- (d) corresponding instruments in countries other than Canada and the United States customarily utilized for high-quality investments;

"**ISP**" shall mean, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance);

"**Issuer Documents**" shall mean with respect to any Letter of Credit, the Letter of Credit Request, and any other document, agreement, and instrument entered into by the Letter of Credit Issuer and CGI Borrower (or any Restricted Subsidiary) or in favor of the Letter of Credit Issuer and relating to such Letter of Credit;

"**ITA**" means the *Income Tax Act* (Canada) as amended from time to time (or any successor statute);

"**Joinder Agreement**" shall mean an agreement substantially in the form of Exhibit E;

"**Joint Lead Arrangers and Bookrunners**" shall mean Canadian Imperial Bank of Commerce, The Toronto-Dominion Bank, Bank of Montreal, Bank of America, N.A. and Barclays Bank PLC;

"**Judgment Currency**" shall have the meaning provided in Section 14.19;

"**Landlord Lien State**" shall mean any jurisdiction in which, at any time, a landlord's claim for rent has priority by operation of applicable law notwithstanding any contractual provision to the contrary over the Lien of the Administrative Agent on any of the Collateral;

"**L/C Borrowing**" shall mean an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing. All L/C Borrowings shall be denominated in Dollars, U.S. Dollars or Pounds Sterling, and, with respect to Swiss Borrower, Euros (and such Alternative Currencies as a Borrower and the Administrative Agent may agree);

"**L/C Facility Maturity Date**" shall mean the date that is five (5) Business Days prior to the scheduled Maturity Date then in effect for the applicable Class of Commitments (or, if such day is not a Business Day, the next preceding Business Day); provided that the L/C Facility Maturity Date may be extended beyond such date with the consent of the Letter of Credit Issuer;

"**L/C Obligations**" shall mean, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit *plus* the aggregate of all Unpaid Drawings, including all L/C Borrowings. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Stated Amount of such Letter of Credit in effect at such time;

"**L/C Participant**" shall have the meaning provided in Section 3.3(a);

"**L/C Participation**" shall have the meaning provided in Section 3.3(a);

"**LCT Election**" shall have the meaning provided in Section 1.12(f);

"**LCT Test Date**" shall have the meaning provided in Section 1.12(f);

"**Lender**" shall have the meaning provided in the preamble to this Agreement, and in any event, shall include the Swingline Lender;

"Lender BA Suspension Notice" shall have the meaning provided in Section 5.5(a)(iii);

"Lender Default" shall mean (i) the refusal (which shall be given verbally or in writing and has not been retracted) or failure of any Lender to make available its portion of any incurrence of Loans or Reimbursement Obligations, which refusal or failure is not cured within one (1) Business Day after the date of such refusal or failure, unless such Lender notifies the Administrative Agent in writing that such refusal or failure is the result of such Lender's good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in writing) has not been satisfied, (ii) the failure of any Lender to pay over to the Administrative Agent, the Swingline Lender, the Letter of Credit Issuer or any other Lender any other amount required to be paid by it hereunder within one (1) Business Day of the date when due, unless the subject of a good faith dispute, (iii) a Lender has notified the Borrower Representative or the Administrative Agent that it does not intend to comply with its funding obligations under this Agreement or has stated publicly that it will generally not comply with its funding obligations under any loan agreements, credit agreements, and other similar agreements, (iv) a Lender has failed to confirm in a manner reasonably satisfactory to the Administrative Agent that it will comply with its funding obligations under this Agreement, (v) a Distressed Person has admitted in writing that it is insolvent or such Distressed Person becomes subject to a Lender-Related Distress Event; or (vi) a Lender has become the subject of a Bail-In Action;

"Lender-Related Distress Event" shall mean, with respect to any Lender, (a)(i) that such Lender or any other Person that directly or indirectly controls such Lender (each, a **"Distressed Person"**) is or becomes subject to a voluntary or involuntary case with respect to such Distressed Person under any debt relief law, (b) a custodian, conservator, receiver, interim receiver, trustee, monitor or similar official is appointed for such Distressed Person or any substantial part of such Distressed Person's assets or (c) such Distressed Person is subject to a forced liquidation, makes a general assignment for the benefit of creditors or is otherwise adjudicated as, or determined by any governmental authority having regulatory authority over such Distressed Person to be, insolvent or bankrupt; provided that a Lender-Related Distress Event shall not be deemed to have occurred solely by virtue of the ownership or acquisition of any equity interests in any Lender or any Person that directly or indirectly controls such Lender by a governmental authority or an instrumentality thereof;

"Letter of Credit" shall mean each letter of credit issued pursuant to Section 3.1;

"Letter of Credit Commitment" shall mean \$25,000,000 or the Equivalent Amount in Dollars of any other any currency, as the same may be reduced from time to time pursuant to Section 3.1;

"Letter of Credit Exposure" shall mean, with respect to any Lender, at any time, the sum of (i) the amount of the principal amount of any Unpaid Drawings in respect of which such Lender has made (or is required to have made) payments to the Letter of Credit Issuer pursuant to Section 3.4(a) at such time and (ii) such Lender's Revolving Credit Commitment Percentage of the Letters of Credit Outstanding at such time (excluding the portion thereof consisting of Unpaid Drawings in respect of which the Lenders have made (or are required to have made) payments to the Letter of Credit Issuer pursuant to Section 3.4(a));

"Letter of Credit Fee" shall have the meaning provided in Section 4.1(b);

"Letter of Credit Fee Rate" means, with respect to a Letter of Credit, the annual percentage per annum indicated below the reference to "Letters of Credit Fee Rate" in the pricing grid in the definition of "Applicable Margin" relevant to the period in respect of which the determination is being made;

"Letter of Credit Issuer" shall mean (i) in the case of standby Letters of Credit, trade letters of credit and bank guarantees, Canadian Imperial Bank of Commerce or any other Lender reasonably satisfactory to the Borrower Representative and the Administrative Agent, (ii) any of their respective Affiliates or branches or (iii) any replacement, additional issuer, or successor pursuant to Section 3.6. In the event that there is more than one Letter of Credit Issuer at any time, references herein and in the other Credit Documents to the Letter of Credit Issuer shall be deemed to refer to the Letter of Credit Issuer in respect of the applicable Letter of Credit or to all Letter of Credit Issuers, as the context requires;

"Letter of Credit Request" shall mean a notice executed and delivered by the Borrower Representative pursuant to Section 3.2, and substantially in the form of Exhibit F or another form which is acceptable to the Letter of Credit Issuer in its reasonable discretion;

"Letter of Credit Sub-Commitment" shall mean, in respect of Letters of Credit issued in a currency other than Dollars, U.S. Dollars, Euros or Pounds Sterling, the Equivalent Amount of \$5,000,000, in the aggregate, in such Alternative Currencies;

"Letters of Credit Outstanding" shall mean, at any time the sum of, without duplication, (i) the aggregate Stated Amount of all outstanding Letters of Credit and (ii) the aggregate amount of the principal amount of all Unpaid Drawings;

"Lien" shall mean with respect to any asset, any mortgage, lien, pledge, assignment by way of security, hypothecation, charge, security interest, preference, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, and any lease in the nature thereof; provided that in no event shall an operating lease or a license to Intellectual Property be deemed to constitute a Lien;

"Limited Condition Transaction" shall mean (i) any Permitted Acquisition or other permitted acquisition whose consummation is not conditioned on the availability of, or on obtaining, third party financing and (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment;

"Line Cap" shall mean, at any time of determination, the lesser of (i) the Revolving Credit Commitments and (ii) the Borrowing Base;

"Loan" shall mean any Revolving Loan, Swingline Loan or any other loan made by any Lender hereunder;

"Lookback Period" means five RFR Banking Days;

"Management Equityholders" shall mean any of (i) Daniel Reiss, (ii) any other current or former director, officer, employee or member of management of Holdings or any of its Subsidiaries or any direct or indirect parent company thereof who, on the Closing Date, is an equityholder in Holdings or any direct or indirect parent company thereof, (iii) any trust, partnership, limited liability company, corporate body or other entity established by Daniel Reiss, any such director, officer, employee or member of management of Holdings or any of its Subsidiaries or any direct or indirect parent company thereof or any Person described in the succeeding clauses (iv) and (v), as applicable, to hold an investment in Holdings or any direct or indirect parent company thereof in connection with such Person's estate or tax planning, (iv) any spouse, parents or grandparents of Daniel Reiss or any such director, officer, employee or member of management of Holdings or any of its Subsidiaries or any direct or indirect parent company thereof, and any and all descendants (including adopted children and step-children) of the foregoing,

together with any spouse of any of the foregoing Persons, who are transferred an investment in Holdings or any direct or indirect parent company thereof by Daniel Reiss or any such director, officer, employee or member of management of Holdings or any of its Subsidiaries or any direct or indirect parent company thereof in connection with such Person's estate or tax planning and (v) any Person who acquires an investment in Holdings or any direct or indirect parent company thereof by will or by the laws of intestate succession as a result of the death of Daniel Reiss or any such director, officer, employee or member of management of Holdings or any of its Subsidiaries or any direct or indirect parent company thereof;

"Mandatory Borrowing" shall have the meaning provided in Section 2.1(c);

"Master Agreement" shall have the meaning provided in the definition of Hedge Agreements;

"Material Adverse Effect" shall mean a material and adverse effect on (i) the business, results of operations or financial condition of CGI Borrower and its Restricted Subsidiaries, taken as a whole, or (ii) the material rights and remedies (taken as a whole) of the Administrative Agent and the Lenders under the Credit Documents;

"Material Intellectual Property" means, intellectual property or customer contracts owned (or exclusively licensed) by the Borrowers or any Restricted Subsidiary that is, in the good faith determination of the Borrowers, material to the operation of the business of the Borrowers and their Restricted Subsidiaries, taken as a whole;

"Material Subsidiary" shall mean, at any date of determination, each Wholly-Owned Restricted Subsidiary (together with its Subsidiaries) (i) whose total assets at the last day of the Test Period ending on the last day of the most recent fiscal period for which Section 10.1 Financials have been delivered were equal to or greater than 5.0% of the Consolidated Total Assets of CGI Borrower and the Restricted Subsidiaries at such date or (ii) whose revenues during such Test Period were equal to or greater than 5.0% of the consolidated revenues of CGI Borrower and the Restricted Subsidiaries for such period (in the case of any determination relating to any Specified Transaction, on a Pro Forma Basis including the revenues of any Person being acquired in connection therewith), in each case determined in accordance with IFRS; provided that if, at any time and from time to time after the Closing Date, Restricted Subsidiaries that are not Material Subsidiaries (other than Restricted Subsidiaries that are Excluded Subsidiaries other than by virtue of clause (i) of the definition of Excluded Subsidiary) have, in the aggregate, (a) total assets at the last day of such Test Period equal to or greater than 7.50% of the Consolidated Total Assets of CGI Borrower and the Restricted Subsidiaries at such date or (b) revenues during such Test Period equal to or greater than 7.50% of the consolidated revenues of CGI Borrower and the Restricted Subsidiaries for such period, in each case determined in accordance with IFRS, then CGI Borrower shall, on or prior to the date on which financial statements for the last quarter of such Test Period are delivered pursuant to this Agreement, designate in writing to the Administrative Agent one or more of such Restricted Subsidiaries as Material Subsidiaries for each fiscal period until this proviso is no longer applicable; provided that each Subsidiary which is a Borrowing Base Party shall be a Material Subsidiary;

"Maturity Date" shall mean the Revolving Credit Maturity Date or the maturity date of an Extended Revolving Credit Loan, as applicable;

"Maximum In-Transit Inventory Amount" shall mean, in aggregate for CGI Borrower and Swiss Borrower, an amount up to \$50,000,000;

"Maximum Incremental Facilities Amount" shall mean, at any date of determination, (i) \$100,000,000, plus (ii) the aggregate principal amount of Revolving Credit Commitments terminated after the Seventh Closing Date, minus (iii) the aggregate

principal amount of Incremental Revolving Credit Commitments incurred pursuant to Section 2.14(a) prior to such date and after the Seventh Closing Date;

"Maximum Rate" shall have the meaning provided in Section 6.6(c);

"Minimum Borrowing Amount" shall mean (i) in the case of Prime Rate Loans, a minimum principal amount of \$100,000 (or, if less, the entire remaining applicable Commitments at the time of such Borrowing) and in each case whole multiples of \$100,000; (ii) in the case of Banker's Acceptances, a minimum face amount of \$100,000 and in whole multiples of \$100,000; (iii) in the case of ABR Loans, a minimum principal amount of U.S.\$100,000 (or, if less, the entire remaining applicable Commitments at the time of such Borrowing) and in whole multiples of U.S.\$100,000; (iv) in the case of SOFR Loans, a minimum principal amount of U.S.\$100,000 and in whole multiples of U.S.\$100,000, (v) in the case of CRR Loans, a minimum principal amount of £100,000 and in whole multiples of £100,000; (vi) in the case of EURIBOR Loans, a minimum principal amount of €100,000 and in whole multiples of €100,000, and (vii) in the case of European Base Rate Loans, a minimum principal amount of €100,000 (or, if less, the entire remaining applicable Commitments at the time of such Borrowing) and in whole multiples of €100,000;

"Minimum Collateral Amount" shall mean, at any time, (i) with respect to Cash Collateral consisting of cash or Cash Equivalents or deposit account balances provided to reduce or eliminate Fronting Exposure during the existence of a Defaulting Lender, an amount equal to 103% of the Fronting Exposure of the Letter of Credit Issuer with respect to Letters of Credit issued and outstanding at such time and (ii) with respect to Cash Collateral consisting of cash or Cash Equivalents or deposit account balances provided in accordance with the provisions of Section 3.7(a), an amount equal to 103% of the outstanding amount of all L/C Obligations or the face amount of the outstanding Banker's Acceptances and BA Equivalent Notes, as applicable;

"MNPI" shall mean, with respect to any Person, information and documentation that is (a) of a type that would not be publicly available (and could not be derived from publicly available information) if such Person and its Subsidiaries were public reporting companies and (b) material with respect to such Person, its Subsidiaries or the respective securities of such Person and its Subsidiaries for purposes of Canadian Securities Laws or United States federal and state securities laws, in each case, assuming such laws were applicable to such Person and its Subsidiaries;

"Moody's" shall mean Moody's Investors Service, Inc. or any successor by merger or consolidation to its business;

"Mortgage" shall mean a mortgage, deed of trust, deed to secure debt, trust deed, or other security document entered into by the owner of a Mortgaged Property and the Administrative Agent for the benefit of the Secured Parties in respect of that Mortgaged Property to secure the Obligations, in form and substance reasonably acceptable to the Administrative Agent and the Borrower Representative, together with such terms and provisions as may be required by local laws;

"Mortgaged Property" shall mean each parcel of fee-owned real property located in Canada or the United States and improvements thereto with respect to which a Mortgage is granted pursuant to Section 10.14, if any;

"Multiemployer Plan" shall mean a multiemployer plan as defined in and subject to Section 401(a)(3) of ERISA to which any Credit Party or any of its ERISA Affiliates makes or is obligated to make contributions, or during the five preceding calendar years, has made or been obligated to make contributions;

"Net Cash Proceeds" shall mean, with respect to any event, (i) the gross cash proceeds (including payments from time to time in respect of installment obligations, if applicable, but only as and when received) received by or on behalf of CGI Borrower or any of the Restricted Subsidiaries in respect of such event, as the case may be, less (ii) the sum of:

- (a) the amount, if any, of all taxes and permitted tax distributions described in Section 11.5(b)(xii) (including, in each case, in connection with any repatriation of funds) paid or estimated to be payable by CGI Borrower or any of the Restricted Subsidiaries in connection with such event,
- (b) the amount of any reasonable reserve established in accordance with IFRS against any liabilities (other than any taxes deducted pursuant to clause (a) above) (1) associated with the assets that are the subject of such event and (2) retained by CGI Borrower or any of the Restricted Subsidiaries; provided that the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such an event occurring on the date of such reduction,
- (c) the amount of any Indebtedness secured by a Lien on the assets that are the subject of such event to the extent that the instrument creating or evidencing such Indebtedness requires that such Indebtedness be repaid upon consummation of such event,
- (d) in the case of any sale or other disposition of an asset by a non-Wholly-Owned Restricted Subsidiary, the *pro rata* portion of the Net Cash Proceeds thereof (calculated without regard to this clause (d)) attributable to minority interests and not available for distribution to or for the account of CGI Borrower or a Wholly-Owned Restricted Subsidiary as a result thereof,
- (e) in the case of any sale or other disposition of an asset, any funded escrow established pursuant to the documents evidencing any such sale or disposition to secure any indemnification obligations or adjustments to the purchase price associated with any such sale or disposition; provided that the amount of any subsequent reduction of such escrow (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Cash Proceeds of such an event occurring on the date of such reduction solely to the extent that CGI Borrower and/or any Restricted Subsidiaries receives cash in an amount equal to the amount of such reduction, and
- (f) all fees and out of pocket expenses paid by CGI Borrower or a Restricted Subsidiary in connection with any of the foregoing (for the avoidance of doubt, including, (1) in the case of the issuance of indebtedness, any fees, underwriting discounts, premiums, and other costs and expenses incurred in connection with such issuance and (2) attorney's fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, underwriting discounts and commissions, other customary expenses, and brokerage, consultant, accountant, and other customary fees),

in each case only to the extent not already deducted in arriving at the amount referred to in clause (i) above;

"Net Income" shall mean, with respect to any Person, the net income (loss) of such Person, determined in accordance with IFRS and before any reduction in respect of preferred Capital Stock dividends;

"New Holdings" shall have the meaning provided in the definition of Holdings;

"**Non BA Lender**" means any Lender which is not a BA Lender;

"**Non-Bank Rules**" means, together, the 10 Non-Bank Rule and the 20 Non-Bank Rule;

"**Non-Consenting Lender**" shall have the meaning provided in Section 14.7(b);

"**Non-Defaulting Lender**" shall mean and include each Lender other than a Defaulting Lender;

"**Non-Expiring Credit Commitments**" shall have the meaning provided in Section 2.1(d);

"**Non-Extension Notice Date**" shall have the meaning provided in Section 3.2(d);

"**Notice of Borrowing**" shall have the meaning provided in Section 2.3(a);

"**Notice of Conversion or Continuation**" shall have the meaning provided in Section 2.6(a);

"**Notice of Intent to Cure**" shall have the meaning provided in Section 12.15;

"**NVOCC**" shall mean, with respect to any In-Transit Inventory, a non-vessel operating common carrier engaged as a freight forwarder or otherwise to assist in the importation of In-Transit Inventory;

"**Obligations**" shall mean all advances to, and debts, liabilities, obligations, covenants, and duties of, any Credit Party arising under any Credit Document or otherwise with respect to any Commitment, Loan or Letter of Credit or under any Secured Cash Management Agreement, Secured Hedge Agreement or Secured Bank Product Agreement (other than with respect to any Credit Party's obligations that constitute Excluded Swap Obligations solely with respect to such Credit Party), in each case, entered into with CGI Borrower or any of the Restricted Subsidiaries, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Credit Party or any Affiliate thereof of any proceeding under any Insolvency Law naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Obligations of the Credit Parties under the Credit Documents (and any of their Subsidiaries to the extent they have obligations under the Credit Documents) include the obligation (including guarantee obligations) to pay principal, premium, interest, charges, expenses, fees, attorney costs, indemnities, and other amounts payable by any Credit Party under any Credit Document;

"**OFAC**" shall have the meaning set forth in Section 9.19(c);

"**Organizational Documents**" shall mean, with respect to any Person, such Person's charter, memorandum and articles of association, articles or certificate of organization or incorporation and bylaws or other organizational or governing or constitutive documents of such Person;

"**Original Revolving Credit Commitments**" shall mean all Revolving Credit Commitments, Existing Revolving Credit Commitments and Extended Revolving Credit Commitments;

"**Other Personal Property Collateral**" shall mean all other present and after acquired personal property of the Credit Parties, including, without limitation, investment property

(other than any investment property included in ABL Priority Collateral), contracts (other than any investment property included in ABL Priority Collateral), Intellectual Property, and proceeds of the foregoing, but excluding, in each case, the ABL Priority Collateral, the Pledged Collateral and the PP&E Collateral;

"Other Taxes" shall mean all present or future stamp, registration, or documentary Taxes or any other excise, property, intangible, mortgage recording, or similar Taxes arising from any payment made hereunder or under any other Credit Document or from the execution, delivery, or enforcement of, or otherwise with respect to, this Agreement or any other Credit Document; provided that such term shall not include (i) any Taxes that result from an assignment, grant of a participation pursuant to Section 14.6(c) or transfer or assignment to or designation of a new lending office or other office for receiving payments under any Credit Document ("**Assignment Taxes**") to the extent such Assignment Taxes are imposed as a result of a connection between the assignor/participating Lender and/or the assignee/Participant and the taxing jurisdiction (other than a connection arising solely from any Credit Documents or any transactions contemplated thereunder), except to the extent that any such action described in this proviso is requested or required by the Borrowers or Borrower Representative or (ii) Excluded Taxes;

"Overnight Rate" shall mean, for any day, with respect to any amount, an overnight rate determined by the Administrative Agent, the Letter of Credit Issuer, or the Swingline Lender, as the case may be, in accordance with banking industry rules on interbank compensation;

"Parent Entity" shall mean any Person that is a direct or indirect parent company (which may be organized as, among other things, a partnership) of Holdings and/or CGI Borrower, as applicable;

"Participant" shall have the meaning provided in Section 14.6(c)(i);

"Participant Register" shall have the meaning provided in Section 14.6(c)(ii);

"Participating Member State" shall mean any member state of the European Union that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Union relating to economic and monetary union;

"Patriot Act" shall have the meaning provided in Section 14.18;

"Payment Conditions" shall mean, at the time of determination with respect to a specified transaction or payment, that (a) no Specified Default then exists or would arise as a result of the entering into of such transaction or the making of such payment, (b) after giving effect to such transaction or payment, the Pro Forma Availability Condition has been satisfied, and (c) prior to undertaking any such transaction or payment which is subject to the Payment Conditions in excess of \$5,000,000 (or on such later date as the Administrative Agent may agree), the Borrower Representative shall deliver to the Administrative Agent a certificate of an Authorized Officer of the Borrower Representative confirming clause (a) and evidence reasonably satisfactory to the Administrative Agent of satisfaction of the condition in clause (b) above; provided that (x) with respect to any such transaction or payment which is subject to the Payment Conditions less than \$5,000,000 such evidence may be delivered by the Borrower Representative to the Administrative Agent promptly after consummation thereof and (y) with respect to any such transaction or payment which is subject to the Payment Conditions less than \$1,000,000 such evidence need not be delivered;

"PBOC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions;

"Permitted Acquisition" shall have the meaning provided in clause (c) of the definition of Permitted Investments;

"Permitted Asset Swap" shall mean the concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between CGI Borrower or a Restricted Subsidiary and another Person;

"Permitted Discretion" shall mean a determination made by the Administrative Agent in good faith in the exercise of its reasonable (from the perspective of a secured asset-based lender) business judgment;

"Permitted Equity Issuance" means any sale or issuance of any Capital Stock (other than Disqualified Stock) of CGI Borrower to the extent permitted hereunder (including any capital contribution);

"Permitted Holder" shall mean any of (i) the Sponsor, the Sponsor's respective Affiliates, the Management Equityholders and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; provided that, in the case of such group and without giving effect to the existence of such group or any other group, the Sponsor, the Sponsor's respective Affiliates and the Management Equityholders, collectively, have beneficial ownership of more than 50.0% of the aggregate ordinary voting power of the outstanding Voting Stock of Holdings or any other direct or indirect parent company of Holdings and (ii) any direct or indirect parent company of CGI Borrower not formed in connection with, or in contemplation of, a transaction (other than the Transactions) that, assuming such parent was not formed, after giving effect thereto would constitute a Change of Control;

"Permitted Investments" shall mean:

- (a) any Investment in CGI Borrower or any Restricted Subsidiary;
- (b) any Investment in cash, Cash Equivalents, or Investment Grade Securities at the time such Investment is made;
- (c) any Investment by CGI Borrower or any Restricted Subsidiary in a Person that is engaged in a Similar Business if as a result of such Investment under this clause (c) (each, a **"Permitted Acquisition"**), (x) on the date the definitive agreement for such Permitted Acquisition is executed, after giving Pro Forma Effect to such Permitted Acquisition as if it occurred on such signing date, no Event of Default shall have occurred and be continuing, (y) (1) such Person becomes a Guarantor hereunder or (2) such Person, in one transaction or a series of related transactions, is merged, consolidated, or amalgamated with or into, or transfers or conveys all or substantially all of its assets, or transfers or conveys assets constituting a business unit, line of business or division of such Person, to, or is liquidated into, CGI Borrower or a Restricted Subsidiary that is a Guarantor hereunder, failing which the Payment Conditions are satisfied immediately after giving effect to such Permitted Acquisition on a Pro Forma Basis and (z) (1) such Person becomes a Restricted Subsidiary or (2) such Person, in one transaction or a series of related transactions, is merged, consolidated, or amalgamated with or into, or transfers or conveys all or substantially all of its assets, or transfers or conveys assets constituting a business unit, line of business or division of such Person, to, or is liquidated into, CGI Borrower or a Restricted Subsidiary, and, in each case, any Investment held by such Person; provided, that such Investment was not acquired by such Person in contemplation of such acquisition, merger, amalgamation, consolidation, or transfer;

- (d) any Investment in securities or other assets not constituting cash, Cash Equivalents, or Investment Grade Securities and received in connection with an Asset Sale made pursuant to Section 11.4 or any other disposition of assets not constituting an Asset Sale;
- (e) (i) any Investment existing or contemplated on the Seventh Closing Date and, in each case, listed on Schedule 11.5 and (ii) Investments consisting of any modification, replacement, renewal, reinvestment, or extension of any such Investment; provided that the amount of any such Investment is not increased from the amount of such Investment on the Seventh Closing Date except (x) pursuant to the terms of such Investment (including in respect of any unused commitment), *plus* any accrued but unpaid interest (including any portion thereof which is payable in kind in accordance with the terms of such modified, extended, renewed, or replaced Investment) and premium payable by the terms of such Investment thereon and fees and expenses associated therewith as in existence on the Seventh Closing Date and/or (y) as permitted under Section 11.5 or any other clause of this definition of Permitted Investments;
- (f) any Investment acquired by CGI Borrower or any Restricted Subsidiary (i) in exchange for any other Investment or accounts receivable held by CGI Borrower or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization, or recapitalization, or settlement of delinquent accounts or disputes with or judgments against, the issuer of such original Investment or accounts receivable, (ii) as a result of a foreclosure by CGI Borrower or any Restricted Subsidiary with respect to any secured Investment or other transfer of title with respect to any secured Investment in default or (iii) as a result of the settlement, compromise or resolution of litigation, arbitration or other disputes with Persons who are not Affiliates;
- (g) Bank Products, Hedging Obligations permitted under Section 11.1(i) and Cash Management Services;
- (h) any Investment in a Similar Business having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (h) that are at that time outstanding, not to exceed the greater of (i) \$65,000,000 and (ii) 25.0% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); provided, however, that if any Investment pursuant to this clause (h) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (a) above and shall cease to have been made pursuant to this clause (h) for so long as such Person continues to be a Restricted Subsidiary;
- (i) Investments the payment for which consists of Equity Interests of CGI Borrower or any direct or indirect parent company of CGI Borrower (exclusive of Disqualified Stock); provided that such Equity Interests are not used as a Cure Amount, and are not used to incur Indebtedness permitted by Section 11.1 or to make any Restricted Payment permitted by Section 11.5(b);
- (j) guarantees of Indebtedness permitted under Section 11.1 and Investments resulting from, or constituting, Liens permitted under Section 11.2;
- (k) (i) any transaction to the extent it constitutes an Investment that is permitted and made in accordance with the provisions of Section 11.10 (other than Section 11.10(b)), and (ii) Investments resulting from, or constituting, Restricted

Payments, fundamental changes and dispositions permitted under this Agreement, in each case, (x) other than solely by reference to this clause (k), (y) other than a disposition effected pursuant to clause (a)(ii) of the definition of "Asset Sale" or pursuant to Section 11.3(e) hereof, and (z) subject to the restrictions and limitations provided for in this Agreement on such Restricted Payments, fundamental changes and dispositions;

- (l) Investments consisting of purchases and acquisitions of inventory, supplies, material, equipment, or other similar assets, or of services, in the ordinary course of business;
- (m) additional Investments having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (m) that are at that time outstanding (without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of, or have not been subsequently sold or transferred for, cash or marketable securities), not to exceed the greater of (i) \$52,000,000 and (ii) 20.0% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); provided, however, that if any Investment pursuant to this clause (m) is made in any Person that is not a Restricted Subsidiary at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (a) above and shall cease to have been made pursuant to this clause (m) for so long as such Person continues to be a Restricted Subsidiary;
- (n) loans and advances to, or guarantees of Indebtedness of, officers, directors, managers and employees in an aggregate principal amount at any time outstanding under this clause (n) not in excess of the greater of (i) \$19,500,000 and (ii) 7.5% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment;
- (o) (i) loans and advances to officers, directors, managers, and employees for business-related travel expenses, payroll advances, moving expenses, and other similar expenses, in each case incurred in the ordinary course of business or consistent with past practices or to fund such Person's purchase of Equity Interests of CGI Borrower or any direct or indirect parent company thereof and (ii) promissory notes received from equityholders of CGI Borrower, any direct or indirect parent company of CGI Borrower or any Subsidiary in connection with the exercise of stock or other options in respect of the Equity Interests of CGI Borrower, any direct or indirect parent company of CGI Borrower and the Subsidiaries;
- (p) Investments consisting of extensions of trade credit in the ordinary course of business;
- (q) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers consistent with past practices;
- (r) non-cash Investments in connection with Permitted Reorganizations;
- (s) the licensing and contribution of Intellectual Property in the ordinary course of business;

- (t) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business;
- (u) guarantees by CGI Borrower or any of its Restricted Subsidiaries of leases (other than Capital Leases) or of other obligations of CGI Borrower or any Restricted Subsidiary that do not constitute Indebtedness, in each case entered into in the ordinary course of business;
- (v) any Investment to the extent at the time such Investment is made, the Payment Conditions have been satisfied on a Pro Forma Basis; and
- (w) any acquisition by the Borrowers or any Restricted Subsidiary of Equity Interests in any joint venture, in each case, to the extent required to be made by any Borrower or any Restricted Subsidiary, directly or indirectly, pursuant to any put or similar options or other terms of the applicable joint venture agreement or any other agreement among the holders of the Equity Interests in such joint venture, so long as the acquired Person is engaged in a Similar Business;

"Permitted Liens" shall mean, with respect to any Person:

- (a) pledges or deposits by such Person under workmen's compensation laws, health, disability or unemployment insurance laws, other employee benefit legislation, unemployment insurance legislation and similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness), leases or other obligations of a like nature to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety, stay, customs, performance or appeal bonds to which such Person is a party, or deposits as security for the payment of rent or deposits made to secure obligations arising from contractual or warranty refunds, in each case incurred in the ordinary course of business or consistent with past practice or industry practice;
- (b) (1) Liens imposed by statutory or common law, such as carriers', warehousemen's, materialmen's, landlord's, construction contractor's, repairmen's, and mechanics' Liens and (2) customary Liens (other than in respect of borrowed money) in favor of landlords, so long as, in the cases of clauses (1) and (2), such Liens only secure sums not overdue for a period of more than 60 days or sums being contested in good faith by appropriate actions and (3) other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other actions for review; provided, in the case of clauses (1) through (3), adequate reserves with respect thereto are maintained on the books of such Person in accordance with IFRS;
- (c) Liens for taxes, assessments, or other governmental charges not yet overdue for a period of more than 60 days or which are being contested in good faith by appropriate actions diligently conducted, if adequate reserves with respect thereto are maintained on the books of such Person in accordance with IFRS or are not required to be paid pursuant to Section 9.11, or for property taxes on property CGI Borrower or one of its Subsidiaries has determined to abandon if the sole recourse for such tax, assessment, charge, levy, or claim is to such property;
- (d) Liens in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal, or similar bonds or with respect to other regulatory requirements or

letters of credit or banker's acceptances issued, and completion guarantees provided for, in each case pursuant to the request of and for the account of such Person in the ordinary course of its business;

- (e) minor survey exceptions, minor encumbrances, ground leases, easements, or reservations of, or rights of others for, licenses, rights-of-way, servitudes, sewers, electric lines, drains, telegraph and telephone and cable television lines, gas and oil pipelines, and other similar purposes, or zoning, building codes, or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental, to the conduct of the business of such Person or to the ownership of its properties which were not incurred in connection with Indebtedness and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person, and Liens disclosed as exceptions to coverage in the final title policies and endorsements issued to the Administrative Agent with respect to any Mortgaged Properties;
- (f) Liens securing Indebtedness and obligations (and any guarantees in respect thereof) permitted to be incurred pursuant to clause (a), (c), k(ii) (m), (q), or (u) (so long as such Liens on the Collateral are subject to the ABL/Term Loan Intercreditor Agreement) of Section 11.1 or pursuant to the first paragraph of Section 11.1); provided that, (i) in the case of clause (c) of Section 11.1, such Lien may not extend to any property or equipment (or assets affixed or appurtenant thereto) other than the property or equipment being financed or refinanced under such clause (c) of Section 11.1, replacements of such property, equipment or assets, and additions and accessions and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender; (ii) in the case of clause (q) of Section 11.1, such Lien may not extend to any assets other than the assets owned by the Restricted Subsidiaries that are not Guarantors incurring such Indebtedness, and (iii) in the case of any such Indebtedness for borrowed money incurred pursuant to the first paragraph of Section 11.1 or Section 11.1(k)(ii) that is secured by a Lien on the ABL Priority Collateral, such Liens are subordinated to the Liens on the ABL Priority Collateral securing the Obligations pursuant to, or in a manner substantially consistent with, the ABL/Term Loan Intercreditor Agreement;
- (g) subject to Section 10.14, other than with respect to Mortgaged Property (if any), Liens existing on the Seventh Closing Date that (i) secure Indebtedness or other obligations not in excess of (x) \$2,750,000 individually or (y) \$5,000,000 in the aggregate (when taken together with all other Liens securing obligations outstanding in reliance on this clause (g)(i)(y)) or (ii) are set forth on Schedule 11.2 (including, in the case of each of the foregoing clauses (i) and (ii), any modifications, replacements, renewals, refinancings or extensions of the Indebtedness or other obligations secured by such Liens); provided, that none of the Liens that secure Indebtedness referred to in clause (i) above shall constitute a Lien on any ABL Priority Collateral;
- (h) Liens on property or Equity Interests of a Person at the time such Person becomes a Subsidiary; provided such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming a Subsidiary; provided, further, however, that such Liens may not extend to any other property owned by CGI Borrower or any Restricted Subsidiary (other than, with respect to such Person, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property of such Person, and the proceeds and the products thereof and customary security

deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition);

- (i) Liens on property at the time CGI Borrower or a Restricted Subsidiary acquired the property, including any acquisition by means of a merger, consolidation or amalgamation with or into CGI Borrower or any Restricted Subsidiary or the designation of an Unrestricted Subsidiary as a Restricted Subsidiary; provided that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition, merger, consolidation, amalgamation or designation; provided, further, however, that such Liens may not extend to any other property owned by CGI Borrower or any Restricted Subsidiary (other than, with respect to such property, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition);
- (j) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to CGI Borrower or any Restricted Subsidiary permitted to be incurred in accordance with Section 11.1;
- (k) Liens securing Hedging Obligations, Cash Management Services and Bank Products permitted hereunder (including, for the avoidance of doubt, Secured Bank Product Obligations, Secured Cash Management Obligations and Secured Hedge Obligations), in each case, both as defined under this Agreement and as defined under any Term Loan Credit Document;
- (l) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of banker's acceptances, bank guarantee or letters of credit issued or created for the account of such Person to facilitate the purchase, shipment, or storage of such inventory or other goods;
- (m) leases, franchises, grants, subleases, licenses, sublicenses, covenants not to sue, releases, consents and other forms of license (including of Intellectual Property) granted to others in the ordinary course of business which do not materially interfere with the ordinary conduct of the business of CGI Borrower or any Restricted Subsidiary and do not secure any Indebtedness;
- (n) Liens arising from Uniform Commercial Code, PPSA or any similar financing statement filings (or similar public filings in other applicable jurisdictions) regarding operating leases or consignments entered into by CGI Borrower or any Restricted Subsidiary in the ordinary course of business;
- (o) Liens in favor of a Borrower or any Guarantor;
- (p) Liens or rights of set-off against credit balances of CGI Borrower or any of the Restricted Subsidiaries with credit card issuers or credit card processors or amounts owing by such credit card issuers or credit card processors to CGI Borrower or any of its Restricted Subsidiaries in the ordinary course of business to secure the obligations of CGI Borrower or any of its Subsidiaries to the credit card issuers or credit card processors as a result of fees and charges;

- (q) Liens to secure any refinancing, refunding, extension, renewal, or replacement (or successive refinancing, refunding, extensions, renewals, or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in this clause (q) and clauses (f), (g), (h), (i), (j), (o) and (pp) of this definition of Permitted Liens; provided that (i) such new Lien shall be limited to all or part of the same property that secured the original Lien (*plus* improvements on such property, replacements of such property, additions and accessions thereto, after acquired property and the proceeds and the products of the foregoing and customary security deposits in respect thereof and, in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender), (ii) the aggregate principal amount of the Indebtedness that was originally secured by such Lien under any of clauses (f), (g), (h), (i), (j), and (o) of this definition of Permitted Liens is not increased to an amount greater than the sum of the aggregate outstanding principal amount (*plus* the amount of any unused commitments thereunder) of the Indebtedness being refinanced, refunded, extended, renewed, or replaced, *plus* accrued interest, fees, defeasance costs and premium (including call and tender premiums) if any, under such refinanced Indebtedness, *plus* underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of such Indebtedness and the incurrence or issuance of such refinancing Indebtedness, and (iii) in the case of any such Lien on the ABL Priority Collateral, such Lien is subordinated to the Liens securing the Obligations at least to the same extent as the Indebtedness being refinanced, refunded, extended, renewed, or replaced;
- (r) deposits made or other security provided to secure liabilities to insurance carriers under insurance or self-insurance arrangements, including Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto, in the ordinary course of business;
- (s) other Liens securing obligations which do not exceed the greater of (i) \$130,000,000 and (ii) 50.0% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the incurrence of such Lien; provided, that in the case of any such Lien securing Indebtedness for borrowed money on the ABL Priority Collateral, such Liens are subordinated to the Liens on the ABL Priority Collateral securing the Obligations pursuant to, or in a manner consistent with, the ABL/Term Loan Intercreditor Agreement;
- (t) Liens securing judgments for the payment of money not constituting an Event of Default under Section 12.11;
- (u) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;
- (v) Liens (i) of a collection bank arising under Section 4-208 of the New York Uniform Commercial Code or any comparable or successor provision on items in the course of collection, (ii) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business and (iii) in favor of banking or other financial institutions or other electronic payment service providers arising as a matter of law or customary contract encumbering deposits, including deposits in "pooled deposit" or "sweep" accounts (including the right of set-off) and which are within the general parameters customary in the banking or finance industry;

- (w) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 11.5; provided that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;
- (x) Liens that are contractual rights of set-off relating to purchase orders and other agreements entered into by a Borrower or any of the Restricted Subsidiaries in the ordinary course of business;
- (y) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business and not for speculative purposes;
- (z) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of CGI Borrower or any of the Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of CGI Borrower and the Restricted Subsidiaries, or (iii) relating to purchase orders and other agreements entered into by CGI Borrower or any of the Restricted Subsidiaries in the ordinary course of business;
- (aa) Liens (i) on any cash earnest money deposits made by CGI Borrower or any of the Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted under this Agreement, (ii) on other cash advances in favor of the seller of any property to be acquired in an Investment or other acquisition permitted hereunder to be applied against the purchase price for such Investment or other acquisition or (iii) consisting of an agreement to dispose of any property pursuant to a disposition permitted hereunder (or reasonably expected to be so permitted by CGI Borrower at the time such Lien was granted);
- (ab) rights reserved or vested in any Person by the terms of any lease, license, franchise, grant, or permit held by CGI Borrower or any of the Restricted Subsidiaries or by a statutory provision, to terminate any such lease, license, franchise, grant, or permit, or to require annual or periodic payments as a condition to the continuance thereof;
- (ac) restrictive covenants affecting the use to which real property may be put; provided that the covenants are complied with;
- (ad) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business;
- (ae) zoning by-laws and other land use restrictions, including, without limitation, site plan agreements, development agreements, and contract zoning agreements;
- (af) Liens arising out of conditional sale, title retention/retention of title arrangement, consignment, or similar arrangements for sale of goods entered into by CGI Borrower or any Restricted Subsidiary in the ordinary course of business;
- (ag) Liens arising under the Security Documents;
- (ah) Liens on goods purchased in the ordinary course of business the purchase price of which is financed by a documentary letter of credit issued for the account of CGI Borrower or any of its Subsidiaries;

- (ai) (i) Liens on Equity Interests in joint ventures; provided that any such Lien is in favor of a creditor of such joint venture and such creditor is not an Affiliate of any partner to such joint venture and (ii) purchase options, call, and similar rights of, and restrictions for the benefit of, a third party with respect to Equity Interests held by CGI Borrower or any Restricted Subsidiary in joint ventures;
- (aj) Liens on cash and Cash Equivalents that are earmarked to be used to satisfy or discharge Indebtedness; provided (i) such cash and/or Cash Equivalents are deposited into an account from which payment is to be made, directly or indirectly, to the Person or Persons holding the Indebtedness that is to be satisfied or discharged, (ii) such Liens extend solely to the account in which such cash and/or Cash Equivalents are deposited and are solely in favor of the Person or Persons holding the Indebtedness (or any agent or trustee for such Person or Persons) that is to be satisfied or discharged, and (iii) the satisfaction or discharge of such Indebtedness is expressly permitted hereunder;
- (ak) with respect to any Foreign Subsidiary, other Liens and privileges arising mandatorily by any Requirement of Law;
- (al) purported Liens (other than Liens securing Indebtedness for borrowed money) evidenced by the filing of precautionary Uniform Commercial Code or PPSA (or equivalent statutes) financing statements or similar public filings;
- (am) Liens on Equity Interests of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;
- (an) any Lien over bank accounts held in The Netherlands arising under clause 24 or clause 25 of the general terms and conditions (*algemene bankvoorwaarden*) of Dutch Bankers' Association (*Nederlandse Vereniging van Banken*) and the Consumers Union (*Consumentenbond*) or arising under equivalent clauses in other general terms and conditions used by, or arrangement with, a bank to substantially the same effect;
- (ao) Liens on property of any Restricted Subsidiary that is not a Credit Party, which Liens secure Indebtedness permitted under Section 11.1 (or other obligations not constituting Indebtedness) of any Restricted Subsidiary that is not a Credit Party;
- (ap) additional Liens, so long as (i)(x) with respect to Indebtedness that is secured on a first lien basis by the Term Priority Collateral and a junior lien basis by the ABL Priority Collateral (without regard to control of remedies), immediately after the incurrence thereof, on a Pro Forma Basis, the First Lien Net Leverage Ratio is no greater than 5.00 to 1.00 as of the most recently ended Test Period and (y) with respect to Indebtedness that is secured by (x) Liens (I) on the ABL Priority Collateral that are junior in right of security to the Liens on the ABL Priority Collateral securing the Obligations and (II) on the Term Priority Collateral that are junior in right of security to the Liens on the Term Priority Collateral securing other Indebtedness that is secured by the Term Priority Collateral on a first lien basis or (y) solely by assets that do not constitute Collateral, immediately after the incurrence thereof, on a Pro Forma Basis, the Total Net Leverage Ratio is no greater than 6.00 to 1.00 as of the most recently ended Test Period and (ii) with respect to any such Liens on the Collateral pursuant to this clause (pp), the holder(s) of such Liens (or a representative thereof) shall have entered into the ABL/Term Loan Intercreditor Agreement; provided that any cash proceeds of any new Indebtedness then being incurred shall not be netted from the numerator in the First Lien Net Leverage Ratio or Total Net Leverage Ratio, as applicable, for purposes of calculating the First Lien Net Leverage Ratio or Total Net Leverage Ratio, as applicable, under this clause (pp) for purposes of determining whether such Liens can be incurred;

For purposes of this definition, the term Indebtedness shall be deemed to include interest, premiums (if any), fees, expenses and other obligations on such Indebtedness. For all purposes under this Agreement and the other Credit Documents, references to any "Permitted Lien" shall include reference to Liens permitted under Section 11.2(a)(ii);

"Permitted Reorganization" shall mean re-organizations and other activities related to tax planning and re-organization, so long as, after giving effect thereto, the security interest of the Lenders in the Collateral, taken as a whole, is not materially impaired;

"Permitted Sale Leaseback" shall mean any Sale Leaseback consummated by CGI Borrower or any of the Restricted Subsidiaries after the Closing Date; provided that any such Sale Leaseback not between CGI Borrower and a Restricted Subsidiary or between Restricted Subsidiaries is consummated for fair value as determined at the time of consummation in good faith by (i) CGI Borrower or such Restricted Subsidiary or (ii) in the case of any Sale Leaseback (or series of related Sale Leasebacks) the aggregate proceeds of which exceed the greater of (a) \$15,000,000 and (b) 30.0% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the consummation of such Sale Leaseback, the board of directors (or analogous governing body) of CGI Borrower or such Restricted Subsidiary (which such determination may take into account any retained interest or other Investment of CGI Borrower or such Restricted Subsidiary in connection with, and any other material economic terms of, such Sale Leaseback);

"Permitted Term Loans" shall have the meaning provided in Section 11.1(u);

"Person" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, unlimited liability company, association, trust, or other enterprise or any Governmental Authority;

"Plan" shall mean, in respect of the U.S. Credit Parties, other than any Multiemployer Plan, any employee benefit plan (as defined in and subject to Section 3(3) of ERISA), including any employee welfare benefit plan (as defined in and subject to Section 3(1) of ERISA), any employee pension benefit plan (as defined in and subject to Section 3(2) of ERISA), and any plan which is both an employee welfare benefit plan and an employee pension benefit plan, and in respect of which any Credit Party or ERISA Affiliate is (or, if such Plan were terminated, would under Section 4062 or Section 4069 of ERISA be reasonably likely to be deemed to be) an "employer" as defined in Section 3(5) of ERISA;

"Platform" shall have the meaning provided in Section 14.17(a);

"Pledged Collateral" shall mean all Capital Stock in Material Subsidiaries directly held by a Borrower or any Guarantor, including all the Capital Stock of the Swiss Borrower;

"Pounds Sterling" or "**£**" shall mean British Pounds Sterling or any successor currency in the United Kingdom;

"PP&E Collateral" shall mean all present and after acquired Real Estate owned in fee simple and equipment of the Credit Parties;

"PPSA" shall mean the Personal Property Security Act (Ontario) as in effect from time to time; provided, however, that, if by reason of mandatory provisions of law, perfection, or the effect of perfection or non-perfection, of a security interest in any Collateral or the availability of any remedy hereunder is governed by the personal property security laws as in effect in a Canadian jurisdiction other than Ontario, "PPSA" shall mean the personal property security laws (including the *Civil Code of Quebec*) as in effect in such other jurisdiction from time to time for purposes of the provisions hereof relating to such

perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be;

"Previous Holdings" shall have the meaning provided in the definition of Holdings;

"primary obligor" shall have the meaning provided such term in the definition of Contingent Obligations;

"Prime Rate" means, for any day, the rate of interest per annum equal to the greater of (i) the per annum rate of interest quoted or established as the "prime rate" of the Administrative Agent which it quotes or establishes for such day as its reference rate of interest in order to determine interest rates for commercial loans in Dollars in Canada to its Canadian borrowers; and (ii) the rate of interest per annum equal to the arithmetic average of the discount rates for Banker's Acceptances having a one month term, displayed and identified as such on the display referred to as the "CDOR Page" (or any display substituted therefor) of RBSL as at or about 10:00 a.m. (Toronto time), plus 100 basis points; provided that the Prime Rate shall be no less than 0%;

"Prime Rate Loan" means a Loan in Dollars made by the Lenders to a Borrower with respect to which such Borrower has specified that interest is to be calculated by reference to the Prime Rate or is deemed to be calculated by reference to the Prime Rate;

"Priority Payable Reserves" shall mean the Canadian Priority Payable Reserves, UK Priority Payable Reserves, Dutch Priority Payable Reserves and Swiss Priority Payable Reserves and without duplication of any other Borrowing Base Reserves with respect to any Borrowing Base Party, such reserves as the Administrative Agent from time to time determines in its Permitted Discretion as being appropriate to reflect any amounts of any claims against the Collateral of any other Borrowing Base Party included in the Borrowing Base and located in any Relevant Jurisdiction not listed on Schedule 9.1, choate or inchoate, (whether unsecured or secured by any Liens against the Collateral and including by way of retention of title) which rank or are capable of ranking in priority to, or *pari passu* with, the Liens of the Administrative Agent and/or any amounts which may represent costs relating to the enforcement of the Liens of the Administrative Agent on the Collateral of any other Borrowing Base Party included in the Borrowing Base;

"Pro Forma Availability" shall mean, for any date of calculation with respect to any transaction or payment, Excess Availability after giving effect to such transaction or payment on Pro Forma Basis;

"Pro Forma Availability Condition" shall mean, for any date of calculation with respect to any transaction or payment, that either (i)(a) the (x) Pro Forma Availability on such date and (y) average daily Excess Availability for a period of thirty (30) consecutive days immediately preceding such transaction or payment on a Pro Forma Basis is greater than or equal to the greater of (x) \$10,000,000 and (y) 15% of the Line Cap, and (b) the Fixed Charge Coverage Ratio for the most recently ended Test Period, after giving effect to such transaction or payment on a Pro Forma Basis, is no less than 1.00:1.00 or (ii) the (x) Pro Forma Availability on such date and (y) average daily Excess Availability for a period of thirty (30) consecutive days immediately preceding such transaction or payment on a Pro Forma Basis is greater than the greater of (x) \$10,000,000 and (y) 20% of the Line Cap;

"Pro Forma Basis," "Pro Forma Compliance," and "Pro Forma Effect" shall mean, with respect to compliance with any test or covenant or calculation of any ratio hereunder, the determination or calculation of such test, covenant or ratio (including in connection with Specified Transactions) in accordance with Section 1.12;

"Prohibited Transaction" shall have the meaning assigned to such term in Section 406 of ERISA and Section 4975(c) of the Code;

"Projections" shall have the meaning provided in Section 10.1(d);

"Protective Advances" shall have the meaning set forth in Section 2.1(e);

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time;

"Public Company Costs" shall mean costs relating to compliance with the provisions of Canadian Securities Laws, the Sarbanes-Oxley Act of 2002, the Securities Act of 1933, and the Exchange Act, as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, directors' or managers' compensation, fees and expense reimbursement, costs relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors' and officers' insurance and other executive costs, legal and other professional fees, listing fees and other expenses arising out of or incidental to an entity's status as a reporting company;

"Qualified ECP Guarantor" means, in respect of any Swap Obligation under a Secured Hedge Agreement, each Credit Party that has total assets exceeding \$10,000,000 at the time the relevant guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation under a Secured Hedge Agreement or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act;

"Qualified Proceeds" shall mean assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business;

"Qualified Stock" of any Person shall mean Capital Stock of such Person other than Disqualified Stock of such Person;

"Qualifying Bank" means:

- (a) any bank as defined in the Swiss Federal Code for Banks and Savings Banks dated 8 November 1934 (*Bundesgesetz über die Banken und Sparkassen*); or
- (b) a Person which effectively conducts banking activities with its own infrastructure and staff as its principal purpose and which has a banking license in full force and effect issued in accordance with the banking laws in force in its jurisdiction of incorporation, or if acting through a branch, issued in accordance with the banking laws in the jurisdiction of such branch, all and in each case within the meaning of the Guidelines;

"Rate Fixing Day" means the second TARGET Day before the first day of an Interest Period for a Loan denominated in Euro;

"RBSL" means Refinitiv Benchmark Services (UK) Limited;

"Real Estate" shall have the meaning provided in Section 10.1(g);

"Receivables Advance Rate" shall mean (i) ninety percent (90%) in respect of Credit Enhanced Eligible Trade Receivables and (ii) otherwise, eighty-five percent (85%);

"Receivables Reserves" shall mean, without duplication of any other Borrowing Base Reserves or items that are otherwise addressed or excluded through eligibility criteria, such Borrowing Base Reserves as may be established from time to time by the Administrative Agent in its Permitted Discretion with respect to the determination of the collectability in the ordinary course of Eligible Trade Receivables;

"Reference Banks" means the principal offices of Canadian Imperial Bank of Commerce, The Toronto-Dominion Bank, Bank of Montreal and Goldman Sachs Bank USA or such other banks as may be appointed by the Administrative Agent in consultation with the Borrowers and with the prior written approval of the bank or financial institution which shall act as Reference Bank;

"Refinancing Indebtedness" shall have the meaning provided in Section 11.1(l);

"Refunding Capital Stock" shall have the meaning provided in Section 11.5(b)(ii);

"Register" shall have the meaning provided in Section 14.6(b)(iv);

"Regulation T" shall mean Regulation T of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements;

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements;

"Regulation X" shall mean Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements;

"Reimbursement Date" shall have the meaning provided in Section 3.4(a);

"Reimbursement Obligations" shall mean the Borrowers' obligations to reimburse Unpaid Drawings pursuant to Section 3.4(a);

"Related Business Assets" shall mean assets (other than cash or Cash Equivalents) used or useful in a Similar Business; provided that any assets received by CGI Borrower or the Restricted Subsidiaries in exchange for assets transferred by CGI Borrower or a Restricted Subsidiary shall not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary;

"Related Fund" shall mean, with respect to any Lender that is a Fund, any other Fund that is advised or managed by (a) such Lender, (b) an Affiliate or branch of such Lender or (c) an entity or an Affiliate of such entity that administers, advises or manages such Lender;

"Related Parties" shall mean, with respect to any specified Person, such Person's Affiliates and the directors, officers, employees, agents, trustees, and advisors of such Person and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise;

"Release" shall mean any release, spill, emission, discharge, disposal, escaping, leaking, pumping, pouring, dumping, emptying, injection, or leaching into the environment;

"Relevant Governmental Body" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or

convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

"Relevant Jurisdiction" shall mean, from time to time, Canada, any province or territory of Canada, the United States or any state thereof, the United Kingdom, Switzerland, and solely to the extent Collateral included in the Borrowing Base is located in such jurisdictions, The Netherlands, Belgium and any other jurisdiction requested by the Borrower Representative and consented to by the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed);

"Relevant Market" means the Pounds Sterling wholesale market;

"Relevant Nominating Body" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board;

"Replacement Reference Rate" means a reference rate which is:

- (a) formally designated, nominated or recommended as the replacement for the RFR by (i) the administrator of the RFR (provided that the market or economic reality that such reference rate measures is the same as that measured by the RFR); or (ii) any Relevant Nominating Body, and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "Replacement Reference Rate" will be the replacement under paragraph (ii) above;
- (b) in the opinion of the Required Lenders and the Credit Parties, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to the RFR; or
- (c) in the opinion of the Required Lenders and the Credit Parties, an appropriate successor to the RFR;

"Reorganization" shall mean, with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA;

"Reportable Event" shall mean any "reportable event", as defined in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a U.S. Pension Plan (other than a U.S. Pension Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code), other than those events as to which notice is waived pursuant to PBGC regulations or other applicable guidance;

"Required Facility Lenders" shall mean, at any date, with respect to one or more Credit Facilities, Non-Defaulting Lenders holding a majority of the Commitments in respect of such Credit Facility or Credit Facilities at such date (excluding any Commitments of Defaulting Lenders under such Credit Facility or Credit Facilities) (or, if the applicable Commitments have been terminated at such time, a majority of the aggregate Revolving Credit Exposure of all Lenders (excluding Revolving Credit Exposure of Defaulting Lenders) under such Credit Facility or Credit Facilities at such time);

"Required Lenders" shall mean, at any date, Non-Defaulting Lenders holding a majority of the Adjusted Total Revolving Credit Commitment at such date (or, if the Total Revolving Credit Commitment has been terminated at such time, a majority of the aggregate Revolving Credit Exposure of all Lenders (excluding Revolving Credit Exposure of Defaulting Lenders) at such time);

"Requirement of Law" shall mean, as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule, or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or assets or to which such Person or any of its property or assets is subject;

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority;

"Restricted Account" shall mean any DDA maintained by a Borrowing Base Party with any Lender, the terms of which shall provide that no funds may be withdrawn unless the Borrower Representative has delivered to the Administrative Agent an updated Borrowing Base Certificate giving Pro Forma Effect to such withdrawal;

"Restricted Investment" shall mean an Investment other than a Permitted Investment;

"Restricted Payments" shall have the meaning provided in Section 11.5(a);

"Restricted Persons" shall have the meaning provided in Section 14.16;

"Restricted Subsidiary" shall mean any Subsidiary of CGI Borrower other than an Unrestricted Subsidiary;

"Retired Capital Stock" shall have the meaning provided in Section 11.5(b)(ii);

"Revolving Credit Commitment" shall mean, as to each Lender, its obligation to make Revolving Credit Loans to the Borrowers pursuant to Section 2.1(a), in an aggregate principal amount at any one time outstanding not to exceed the amount set forth, and opposite such Lender's name on Schedule 1.1(a) under the caption Revolving Credit Commitment (Peak Season) during the period from June 1 through November 30 in each calendar year and otherwise the amount under the caption Revolving Credit Commitment or in the Assignment and Acceptance pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement (including Section 2.14 and Section 2.15). The aggregate Revolving Credit Commitment of all Lenders on the Seventh Closing Date shall be \$467,500,000 and the aggregate Revolving Credit Commitment (Peak Season) of all Lenders on the Seventh Closing Date shall be \$517,500,000, in each case, as such amount may be adjusted from time to time in accordance with the terms of this Agreement;

"Revolving Credit Commitment Percentage" shall mean at any time, for each Lender, the percentage obtained by dividing (i) such Lender's Commitments (or, to the extent referring to any single Class of Commitments, such Lender's Commitments in respect of such Class) at such time *by* (ii) the amount of the Total Revolving Credit Commitments (or, to the extent referring to any single Class of Commitments, the aggregate Commitments of all Lenders in respect of such Class) at such time; provided that at any time when the Total Revolving Credit Commitments (or, to the extent referring to any single Class of Commitments, the aggregate Commitments in respect of such Class) shall have been terminated, each Lender's Revolving Credit Commitment Percentage shall be the percentage obtained by dividing (a) such Lender's Revolving Credit Exposure (or, to the extent referring to any single Class of Revolving Loans, such Lender's Revolving Credit Exposure in respect of such Class) at such time *by* (b) the Revolving Credit Exposure of all Lenders at such time (or, to the extent referring to any single Class of Revolving Loans, the Revolving Credit Exposure of all Lender's in respect of such Class);

"Revolving Credit Exposure" shall mean, with respect to any Lender at any time, the sum of (i) the aggregate amount in Dollars and the Equivalent Amount in Dollars of an amount in any other currency of the principal amount of Revolving Loans of such Lender then outstanding (or, to the extent referring to any single Class of Revolving Loans, the aggregate amount in Dollars and the Equivalent Amount in Dollars of an amount in any other currency of the principal amount of Revolving Loans of such Class of such Lender then outstanding), (ii) such Lender's Letter of Credit Exposure at such time (if any), and (iii) such Lender's Revolving Credit Commitment Percentage (if any) of the aggregate principal amount of all outstanding Swingline Loans at such time;

"Revolving Credit Loan" shall have the meaning provided in Section 2.1(a);

"Revolving Credit Maturity Date" shall mean the earlier of (i) May 15, 2028 and (ii) the date that is six months prior to the maturity date of the Term Loan Credit Facility, or, in each case, if such date is not a Business Day, the next preceding Business Day;

"Revolving Credit Termination Date" shall mean the date on which the Revolving Credit Commitments shall have terminated, no Revolving Credit Loans, Swingline Loans or Protective Advances shall be outstanding and the Letters of Credit Outstanding and any Banker's Acceptances or BA Equivalent Notes shall have been reduced to zero or Cash Collateralized;

"Revolving Loan" shall mean, collectively or individually as the context may require, any (i) Revolving Credit Loan (including any Protective Advance), (ii) Extended Revolving Credit Loan, and (iii) Incremental Revolving Credit Loan, in each case made pursuant to and in accordance with the terms and conditions of this Agreement;

"RFR" shall mean the SONIA (sterling overnight index average) reference rate displayed on the relevant screen of any authorised distributor of that reference rate;

"RFR Banking Day" shall mean a day (other than a Saturday or Sunday) on which banks are open for general business in London;

"RFR Replacement Event" means:

- (a) the methodology, formula or other means of determining the RFR has, in the opinion of the Required Lenders and the Credit Parties, materially changed;
- (b)
 - (i)
 - (A) the administrator of the RFR or its supervisor publicly announces that such administrator is insolvent; or
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of the RFR is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide the RFR;

- (ii) the administrator of the RFR publicly announces that it has ceased or will cease to provide the RFR permanently or indefinitely and, at that time, there is no successor administrator to continue to provide the RFR;

- (iii) the supervisor of the administrator of the RFR publicly announces that the RFR has been or will be permanently or indefinitely discontinued; or
- (iv) the administrator of the RFR or its supervisor announces that the RFR may no longer be used; or
- (c) the administrator of the RFR determines that the RFR should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Required Lenders and the Credit Parties) temporary; or
- (d) in the opinion of the Required Lenders and the Credit Parties, the RFR is otherwise no longer appropriate for the purposes of calculating interest under this Agreement;

"**S&P**" shall mean Standard & Poor's Ratings Services or any successor by merger or consolidation to its business;

"**Sale Leaseback**" shall mean any arrangement with any Person providing for the leasing by CGI Borrower or any Restricted Subsidiary of any real or tangible personal property, which property has been or is to be sold or transferred by CGI Borrower or such Restricted Subsidiary to such Person in contemplation of such leasing;

"**Same Day Funds**" shall mean (a) with respect to disbursements and payments in Dollars, U.S. Dollars, Euros or Pounds Sterling, immediately available funds, and (b) with respect to disbursements and payments in an Alternative Currency, same day funds as may be reasonably determined by the Administrative Agent or the Letter of Credit Issuer, as the case may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in the relevant Alternative Currency;

"**Sanctions**" means all economic or financial sanctions, sectoral sanctions, secondary sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the United States government (including those administered by OFAC or the United States Department of State) or (b) the United Nations Security Council, the European Union, any European Union member state, His Majesty's Treasury of the United Kingdom, or any other relevant sanctions authority with jurisdiction over any Credit Party or any of their respective Restricted Subsidiaries or Affiliates;

"**Schedule I Lender**" shall have the meaning given to such term in the definition of "BA Rate";

"**Screen Rate**" means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) (the "**EURIBOR Reference Rate**") for the relevant period displayed on page EURIBOR01 of the Reuters screen (or any replacement Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters in each case as published at 11:00 a.m. on the Rate Fixing Day. If such page or service ceases to be available, the Administrative Agent may specify another page or service displaying the relevant rate after consultation with the Borrowers;

"**SEC**" shall mean the United States Securities and Exchange Commission or any successor thereto;

"**Second Closing Date**" shall mean December 2, 2016;

"Section 2.15 Additional Amendment" shall have the meaning provided in Section 2.15(c);

"Section 10.1 Financials" shall mean the financial statements delivered, or required to be delivered, pursuant to Section 10.1(a) or (b) together with the accompanying Compliance Certificate;

"Secured Bank Product Agreement" shall mean any Bank Product Agreement that is entered into by and between Holdings, CGI Borrower or any of the Restricted Subsidiaries and any Bank Product Provider, which is specified in writing by the Borrower Representative to the Administrative Agent as constituting a Secured Bank Product Agreement hereunder (all Bank Product Agreements by and between Holdings, CGI Borrower or any Restricted Subsidiary and Canadian Imperial Bank of Commerce are designated as Secured Bank Product Agreements as of the Seventh Closing Date);

"Secured Bank Product Obligations" shall mean Obligations under any Secured Bank Product Agreement;

"Secured Cash Management Agreement" shall mean any Cash Management Agreement that is entered into by and between Holdings, CGI Borrower or any of the Restricted Subsidiaries and any Cash Management Bank, which is specified in writing by the Borrower Representative to the Administrative Agent as constituting a Secured Cash Management Agreement hereunder (all Cash Management Agreements by and between Holdings, CGI Borrower or any Restricted Subsidiary and Canadian Imperial Bank of Commerce are designated as Secured Cash Management Agreements as of the Seventh Closing Date);

"Secured Cash Management Obligations" shall mean Obligations under Secured Cash Management Agreements;

"Secured Hedge Agreement" shall mean any Hedge Agreement that is entered into by and between Holdings, CGI Borrower or any Restricted Subsidiary and any Hedge Bank, which is specified in writing by the Borrower Representative to the Administrative Agent as constituting a Secured Hedge Agreement hereunder. For purposes of the preceding sentence, the Borrower Representative may deliver one notice designating all Hedge Agreements entered into pursuant to a specified Master Agreement as Secured Hedge Agreements;

"Secured Hedge Obligations" shall mean Obligations under Secured Hedge Agreements;

"Secured Parties" shall mean the Administrative Agent, the Letter of Credit Issuer, and each Lender, in each case with respect to the Credit Facilities, each Hedge Bank that is party to any Secured Hedge Agreement, each Bank Product Provider that is party to any Secured Bank Product Agreement, each Cash Management Bank that is party to a Secured Cash Management Agreement and each sub-agent pursuant to Article 13 appointed by the Administrative Agent with respect to matters relating to the Credit Facilities or the Administrative Agent with respect to matters relating to any Security Document;

"Security Documents" shall mean, (i) as of the Seventh Closing Date, each of the documents listed on Schedule 1.1(c), (ii) as of the date executed and delivered, each of the security agreements, pledge agreements, assignments and other agreements and instruments creating a Lien in favour of the Administrative Agent or any Lender set forth on Schedule 10.14(d) and (iii) each other security agreement or other instrument or document executed and delivered pursuant to Sections 10.11, 10.12, or 10.14 or pursuant to any other Security Document to secure the Obligations;

"Seventh Closing Date" means May 15, 2023;

"Shareholder" shall mean Brent (BC) Finco S.à r.l., a Luxembourg société à responsabilité limitée, and includes its successors by amalgamation or otherwise;

"Shareholder Loan Agreement" shall mean collectively, that certain (i) senior convertible subordinated note, dated as of December 9, 2013, issued by Holdings in favour of the Shareholder and (ii) any unsecured junior convertible subordinated promissory grid notes issued from time to time by Holdings in favour of the Shareholder in connection with the reinvestment by the Shareholder of a portion of the interest paid by Holdings on the Shareholder Subordinate Debt in accordance with the Shareholder Subordination Agreement, in the case of each of the notes described in the foregoing clauses (i) and (ii), as such agreement may be amended, revised, replaced, supplemented or restated from time to time in accordance with the terms of the Shareholder Subordination Agreement, including increases to the principal amount outstanding thereunder as set forth therein;

"Shareholder Subordinate Debt" shall mean all indebtedness owing by Holdings to the Shareholder pursuant to the Shareholder Loan Agreement;

"Shareholder Subordination Agreement" shall mean the subordination and postponement agreement dated as of the Closing Date among the Shareholder, Holdings, and the Administrative Agent, as such agreement may be amended, revised, replaced, supplemented or restated from time to time;

"Shrink" means Inventory of the Borrowing Base Parties which has been lost, misplaced, stolen, or is otherwise unaccounted for;

"Similar Business" shall mean any business conducted or proposed to be conducted by CGI Borrower and the Restricted Subsidiaries, taken as a whole, on the Closing Date or any other business activities which are reasonable extensions thereof or otherwise similar, incidental, complementary, synergistic, reasonably related, or ancillary to any of the foregoing (including non-core incidental businesses acquired in connection with any Permitted Acquisition or permitted Investment), in each case as determined by CGI Borrower in good faith;

"Sixth Closing Date" means May 26, 2020;

"SOFR" means a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Credit Adjustment Spread" means 0.10% (10 basis points);

"SOFR Floor" means the rate per annum of interest equal to 0%.

"SOFR Loan" means a Loan denominated in U.S. Dollars made by the Lenders to a Borrower hereunder pursuant to a drawdown, rollover or conversion of a Loan which bears interest at a rate based upon the Adjusted Term SOFR.

"Solvent" shall mean, after giving effect to the consummation of the Transactions, that (i) the fair value of the assets (on a going concern basis) of CGI Borrower and its Restricted Subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise, (ii) the present fair saleable value of the property (on a going concern basis) of CGI Borrower and its Restricted Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities,

subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured in the ordinary course of business, (iii) CGI Borrower and its Restricted Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured in the ordinary course of business and (iv) CGI Borrower and its Restricted Subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business contemplated as of the date hereof for which they have unreasonably small capital. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability;

"Specified Credit Party" means any Guarantor that is not then an "eligible contract participant" under the Commodity Exchange Act (determined prior to giving effect to Section 14.26);

"Specified Default" shall mean the occurrence of any Event of Default specified in Section 12.1, Section 12.2 (solely with respect to any representation and warranty made or deemed made by any Credit Party in any Borrowing Base Certificate), Section 12.3(a) (solely as it relates to the Borrowers' failure to comply with the covenants set forth in Section 10.9 and, when in effect, Section 11.11), Section 12.3(b) (solely as it relates to the Borrowers' failure to deliver the Borrowing Base Certificate in accordance with Section 10.1(i); provided, that the grace period specified in Section 12.3(b) with respect to delivery of weekly Borrowing Base Certificates shall be three (3) Business Days for purposes of this definition), or Section 12.5;

"Specified Existing Revolving Credit Commitment" shall have the meaning provided in Section 2.15(a);

"Specified Transaction" shall mean, with respect to any period, (i) any Investment that results in a Person becoming a Restricted Subsidiary, (ii) any designation of a Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary, (iii) any Permitted Acquisition, (iv) any disposition that results in a Restricted Subsidiary ceasing to be a Subsidiary, (v) any Investment in, acquisition of or disposition of assets constituting a business unit, line of business or division of, or all or substantially all of the assets of, another Person, (vi) any Restricted Payment, (vii) any establishment of any Incremental Revolving Credit Commitment, or (viii) any other event that by the terms of this Agreement requires Pro Forma Compliance with a test or covenant hereunder or requires such test or covenant to be calculated on a Pro Forma Basis or giving Pro Forma Effect to any such transaction or event;

"Sponsor" shall mean Bain Capital Private Equity, LP and/or its Affiliates that are controlled directly or indirectly by Bain Capital Private Equity, LP (including, as applicable, related funds, general partners thereof and limited partners thereof, but solely to the extent any such limited partners are directly or indirectly participating as investors pursuant to a side-by-side investing arrangement, but not including, however, any portfolio company of any of the foregoing);

"Sponsor Management Agreement" shall mean the management agreement dated as of December 9, 2013 between Holdings, CGI Borrower and the Sponsor.

"SPV" shall have the meaning provided in Section 14.6(g);

"Stated Amount" of any Letter of Credit shall mean the maximum amount from time to time available to be drawn thereunder, determined without regard to whether any conditions to drawing could then be met; provided, however, that with respect to any Letter of Credit that by its terms or the terms of any Issuer Document provides for one or more automatic increases in the stated amount thereof, the Stated Amount shall be

deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time;

"Stock Equivalents" shall mean all securities convertible into or exchangeable for Capital Stock and all warrants, options, or other rights to purchase or subscribe for any Capital Stock, whether or not presently convertible, exchangeable, or exercisable, excluding from the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock, until any such conversion;

"Store" shall mean any retail store (which includes any real property, fixtures, equipment, Inventory and other property related thereto) operated, or to be operated, by CGI Borrower or any Restricted Subsidiary;

"Subject Lien" shall have the meaning provided in Section 11.2(a);

"Subordinated Indebtedness" shall mean Indebtedness of CGI Borrower or any other Credit Party that is by its terms subordinated in right of payment to the obligations of CGI Borrower or such other Credit Party, as applicable, under this Agreement or the Guarantees, as applicable;

"Subsequent Transaction" shall have the meaning provided in Section 1.12(f);

"Subsidiary" of any Person shall mean a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise expressly provided, all references herein to a Subsidiary shall mean a Subsidiary of CGI Borrower.

Notwithstanding the foregoing, unless otherwise elected by the Borrower Representative and notified in writing to the Administrative Agent, so long as (x) CG Japan does not otherwise constitute a Subsidiary of CGI Borrower (without giving effect to this paragraph) and (y) not less than 50.0% of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) of CG Japan are at the time beneficially owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by the Borrower Representative or any Restricted Subsidiary of any Borrower, CG Japan shall be deemed to constitute a Subsidiary under the Credit Documents solely for purposes of (A) determining Consolidated EBITDA, Consolidated Net Income, Consolidated Interest Expense, Consolidated Total Debt, the Fixed Charge Coverage Ratio, the Interest Coverage Ratio, the Total Net Leverage Ratio and the First Lien Net Leverage Ratio, and (B) the reporting covenants required pursuant to Section 10.1. For the avoidance of doubt, this paragraph shall be deemed not to apply to the extent CG Japan otherwise constitutes a Subsidiary of the CGI Borrower (without giving effect to the foregoing sentence);

"Successor Borrower" shall have the meaning provided in Section 11.3(a);

"Supermajority Lenders" shall mean, at any time, Lenders (other than Defaulting Lenders) having Commitments aggregating more than 66 2/3% of the Total Revolving Credit Commitment, or if the Commitments have been terminated, Lenders (other than Defaulting Lenders) whose percentage of the Revolving Credit Exposure (calculated assuming settlement and repayment of all Swingline Loans by the Lenders) aggregate more than 66 2/3% of the aggregate Revolving Credit Exposure;

"Swap Obligation" shall mean, with respect to any Credit Party, any obligation to pay or perform under any agreement, contract, or transaction that constitutes a "swap" within the meaning of section 1(a)(47) of the Commodity Exchange Act;

"SWIFT" shall have the meaning provided in Section 3.6;

"Swingline Commitment" shall mean the amount of \$25,000,000. The Swingline Commitment is part of and not in addition to the Revolving Credit Commitment;

"Swingline Exposure" shall mean at any time the aggregate principal amount at such time of all outstanding Swingline Loans. The Swingline Exposure of any Lender at any time shall equal its Revolving Credit Commitment Percentage of the aggregate Swingline Exposure at such time;

"Swingline Lender" shall mean Canadian Imperial Bank of Commerce, in its capacity as lender of Swingline Loans hereunder or any replacement or successor thereto;

"Swingline Loans" shall have the meaning provided in Section 2.1(b);

"Swingline Maturity Date" shall mean, with respect to any Swingline Loan, the date that is five Business Days prior to the Revolving Credit Maturity Date;

"Swiss Borrower" shall have the meaning given to such term in the opening paragraph of this Agreement;

"Swiss Borrowing Base" shall mean, at any time of calculation, an amount in Dollars (or the Equivalent Amount in Dollars of any amount in a currency other than Dollars) equal to:

- (a) the amount of Eligible Cash of the Swiss Borrowing Base Parties;
plus
- (b) the face amount of Eligible Credit Card Receivables of the Swiss Borrowing Base Parties *multiplied by* the Credit Card Advance Rate;
plus
- (c) the face amount of Credit Enhanced Eligible Trade Receivables of the Swiss Borrowing Base Parties *multiplied by* the applicable Receivables Advance Rate;
plus
- (d) the face amount of Eligible Trade Receivables of the Swiss Borrowing Base Parties multiplied by the applicable Receivables Advance Rate;
plus
- (e) the Cost of Eligible Inventory and Belgian Inventory (other than Eligible In-Transit Inventory) of the Swiss Borrowing Base Parties, net of Inventory Reserves applicable thereto, *multiplied by* the Appraisal Percentage of the applicable Appraised Value of Eligible Inventory of the Swiss Borrowing Base Parties;
plus
- (f) the Cost of Eligible In-Transit Inventory of the Swiss Borrowing Base Parties, net of Inventory Reserves applicable thereto, *multiplied by* the Appraisal Percentage

of the applicable Appraised Value of Eligible In-Transit Inventory of the Swiss Borrowing Base Parties, provided that the sum of the foregoing amount included in the Swiss Borrowing Base along with the amount of Eligible In-Transit Inventory included in the CGI Borrowing Base cannot exceed the Maximum In-Transit Inventory Amount;

plus

- (g) with respect to any Eligible Letter of Credit, the Appraisal Percentage of the Appraised Value of the Inventory of the Swiss Borrowing Base Parties supported by such Eligible Letter of Credit, *multiplied* by the Cost of such Inventory of the Swiss Borrowing Base Parties when completed, net of Inventory Reserves applicable thereto;

minus

- (h) without duplication, the amount of all other Borrowing Base Reserves to the extent applicable to, or to the assets of, the Swiss Borrowing Base Parties.

The Swiss Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate delivered to the Administrative Agent pursuant to Section 10.1(i), in respect of the Swiss Borrowing Base, as adjusted to give effect to Borrowing Base Reserves to the extent applicable to, or to the assets of, the Swiss Borrowing Base Parties (in accordance with and subject to the limitations of Section 2.19) following such delivery.

Notwithstanding the foregoing, for purposes of this definition and the definition of "Pro Forma Availability Condition," no Accounts or Inventory being acquired pursuant to a Permitted Acquisition or permitted Investment will be included in the Swiss Borrowing Base unless (i) the Administrative Agent, in its Permitted Discretion, confirms that such Accounts or Inventory conform to standards of eligibility in accordance with this Agreement, and (ii) to the extent required by the Administrative Agent, an audit of such Accounts and an appraisal of such Inventory is conducted and then only so long as such Accounts or Inventory, as the case may be, would otherwise satisfy the applicable eligibility criteria (it being understood that such audit or appraisal shall be conducted at the Swiss Borrower's expense and shall not be counted for purposes of Section 10.2); provided, that until the earlier of (x) 45 days following the date on which a Permitted Acquisition or other permitted Investment is consummated (or such longer period as agreed to by the Administrative Agent in its Permitted Discretion) and (y) the date on which the requirements of clauses (i) and (ii) above are satisfied with respect to Accounts and Inventory being acquired in such Permitted Acquisition or other permitted Investment, an amount of such Accounts not to exceed \$5,000,000 in the aggregate and such Inventory not to exceed \$5,000,000 in the aggregate, that would otherwise constitute Eligible Credit Card Receivables, Eligible Trade Receivables, Eligible Inventory, Eligible In-Transit Inventory or Eligible Letters of Credit as shall be agreed upon between the Borrower Representative and the Administrative Agent in its Permitted Discretion shall be included in the Swiss Borrowing Base (including, with respect to the definition of "Pro Forma Availability Condition" for purposes of computing aggregate Excess Availability on a Pro Forma Basis as provided therein);

"Swiss Borrowing Base Party" shall mean, as of the Seventh Closing Date, Swiss Borrower and from time to time each Guarantor that the Borrower Representative and the Administrative Agent agree shall be a Swiss Borrowing Base Party;

"Swiss Business Day" shall mean any day excluding Saturday, Sunday, and any other day on which banking institutions in Geneva, Switzerland are authorized by law or other governmental actions to close;

"Swiss Credit Party" shall mean Swiss Borrower and each other Credit Party incorporated in Switzerland and/or having its registered office in Switzerland and/or qualifying as a Swiss resident pursuant to Art. 9 of the Swiss Withholding Tax Act and/or Art. 4 of the Swiss Stamp Tax Act;

"Swiss Intercompany Indebtedness" shall mean all indebtedness and liabilities of Swiss Borrower owing to CGI Borrower;

"Swiss Intercompany Security" shall mean the security granted by Swiss Borrower to CGI Borrower to secure the Swiss Intercompany Indebtedness;

"Swiss Line Cap" shall mean, at any time of determination, the lesser of (a) the lesser of (i) fifty percent (50%) of the Total Revolving Credit Commitment, and (ii) fifty percent (50%) of the Borrowing Base and (b) the Swiss Borrowing Base;

"Swiss Pledge" shall have the meaning provided in Section 13.1(e);

"Swiss Priority Payable Reserve" shall mean, without duplication of any other Borrowing Base Reserves with respect to the Swiss Credit Parties, such reserves as the Administrative Agent from time to time determines in its Permitted Discretion (in accordance with and subject to the limitations of Section 2.19) as being appropriate to reflect any amounts secured by any Liens on Collateral of any Swiss Credit Party included in the Swiss Borrowing Base, choate or inchoate, which rank or are capable of ranking in priority to, or *pari passu* with, the Liens of the Administrative Agent (including, as the case may be, the Administrative Agent's estimate of amounts owed with respect to an asset which is subject to a conditional sale or hire purchase agreement, Lien or retention of title arrangement) and/or any amounts which may represent costs relating to the enforcement of the Administrative Agent's Liens;

"Swiss Stamp Tax Act" means the Swiss Federal Act on Stamp Taxes of 27 June 1973 (*Bundesgesetz über die Stempelabgaben*) together with the related ordinances, regulations and guidelines, all as amended and applicable from time to time;

"Swiss Withholding Tax" means the tax imposed based on the Swiss Federal Act on Withholding Tax of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer*);

"Swiss Withholding Tax Act" means the Swiss Federal Act on the Withholding Tax of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer*), together with the related ordinances, regulations and guidelines, all as amended and applicable from time to time;

"TARGET Day" means a day on which TARGET 2 is open for the settlement of payments in Euro;

"TARGET 2" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on 19 November 2007;

"Tax Deduction" shall have the meaning provided in Section 2.8(k)(ii);

"Tax Distributions" shall mean payments made by CGI Borrower or any other Credit Party to Holdings or any direct or indirect parent of Holdings, the proceeds of which will be used to pay the amount any such Person would be required to pay in respect of Taxes attributable to the income of CGI Borrower and its Subsidiaries; provided, however, the aggregate of all such payments in respect of any tax year to Holdings and any direct or indirect Parent Entity of Holdings shall not exceed the Taxes or the income of such Person that is attributable to CGI Borrower and its Subsidiaries; provided further that any such payment in respect of the income of an Unrestricted Subsidiary shall be

permitted only to the extent that cash distributions were made by such Unrestricted Subsidiary to CGI Borrower or any of its Restricted Subsidiaries for such purpose;

"Taxes" shall mean any and all present or future taxes, duties, levies, imposts, assessments, deductions, withholdings (including backup withholding and Swiss Withholding Taxes), fees, or other similar charges imposed by any Governmental Authority and any interest, fines, penalties, or additions to tax with respect to the foregoing;

"Term Loan Administrative Agents" shall have the meaning assigned to the terms "Administrative Agent", "Collateral Agent", "trustee" or any other representative of the lenders, holders or other providers of Indebtedness thereunder in the Term Loan Credit Documents;

"Term Loan Credit Documents" shall mean any credit agreement, indenture or other instrument or agreement among Holdings, CGI Borrower, one or more of its Subsidiaries from time to time party thereto as borrowers or guarantors, the lenders party thereto from time to time and any the Term Loan Administrative Agent, under which Permitted Term Loans are made available to CGI Borrower and/or any of its Subsidiaries, together with each other document executed in connection therewith or pursuant thereto, as each such agreement may be amended, restated, amended and restated, supplemented, waived or otherwise modified from time to time or refunded, refinanced, restructured, replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original administrative agent and lenders or other agents and lenders or otherwise, and whether provided under the original Term Loan Credit Facility or one or more other credit agreements or otherwise, including any agreement extending the maturity thereof or otherwise restructuring all or any portion of the Indebtedness thereunder or increasing the amount loaned or issued thereunder or altering the maturity thereof, in each case as and to the extent permitted by this Agreement and the ABL/Term Loan Intercreditor Agreement, unless such agreement, instrument or document expressly provides that it is not intended to be and is not a Term Loan Credit Document);

"Term Loan Credit Facility" shall mean the term credit facilities provided under the Term Loan Credit Documents;

"Term Loan Obligations" shall have the meaning assigned to the term "Obligations" in the Term Loan Credit Documents;

"Term Priority Collateral" shall mean "Term Priority Collateral" as defined in (x) the ABL/Term Loan Intercreditor Agreement attached hereto as Exhibit F until such time as an ABL/Term Loan Intercreditor Agreement is entered into and (y) thereafter, the ABL/Term Loan Intercreditor Agreement then in effect;

"Term SOFR" means, for the applicable tenor, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the **"Term SOFR Determination Day"**) that is two (2) U.S. Government Securities Business Days prior to in the case of SOFR Borrowings, the first day of such applicable Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Term SOFR Determination Day.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

"Term SOFR Reference Rate" means the per annum forward-looking term rate based on SOFR.

"Test Period" shall mean, for any determination under this Agreement, the four consecutive fiscal quarters of CGI Borrower then last ended and for which Section 10.1 Financials shall have been delivered (or were required to be delivered) to the Administrative Agent (or, before the first delivery of Section 10.1 Financials, the most recent period of four consecutive fiscal quarters at the end of which financial statements are available);

"Total Net Leverage Ratio" shall mean, as of any date of determination, the ratio of (i) Consolidated Total Debt as of such date of determination, *minus* cash and Cash Equivalents (in each case, free and clear of all Liens other than Permitted Liens) of CGI Borrower and the Restricted Subsidiaries (other than the proceeds of any Indebtedness then being incurred and giving rise to the need to calculate the Total Net Leverage Ratio) to (ii) Consolidated EBITDA of CGI Borrower for the Test Period then last ended;

"Total Net Leverage Test" shall mean, as of any date of determination, with respect to the last day of the most recently ended Test Period, the Total Net Leverage Ratio shall be no greater than 6.00 to 1.00;

"Total Revolving Credit Commitment" shall mean the sum of the Revolving Credit Commitments, the Incremental Revolving Credit Commitments, if applicable, and the Extended Revolving Credit Commitments, if applicable, of all the Lenders;

"Transaction Expenses" shall mean any fees, costs, or expenses incurred or paid by Holdings, the Borrowers, or any of their respective Affiliates in connection with the Transactions (including expenses in connection with hedging transactions, if any), this Agreement and the other Credit Documents and the transactions contemplated hereby and thereby;

"Transactions" shall mean, collectively, the transactions constituting or contemplated by this Agreement and the other Credit Documents, the Closing Refinancing and the consummation of any other transactions in connection with the foregoing and including the payment of the fees, costs and expenses incurred in connection with any of the foregoing (including the Transaction Expenses);

"Transferee" shall have the meaning provided in Section 14.6(e);

"Type" shall mean as to any Loan, its nature as a Prime Rate Loan, an ABR Loan, a Banker's Acceptance, a SOFR Loan, a CRR Loan, a EURIBOR Loan or a European Base Rate Loan;

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

the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be;

"**UCP**" shall mean, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce ("**ICC**") Publication No. 600 (or such later version thereof as may be in effect at the time of issuance);

"**UK Credit Party**" shall mean UK Holdco, UK Serviceco and UK Retail;

"**UK Financial Institution**" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms;

"**UK Holdco**" shall mean Canada Goose International Holdings Limited;

"**UK Priority Payable Reserves**" shall mean, without duplication of any other Borrowing Base Reserves with respect to the UK Credit Parties, such reserves as the Administrative Agent from time to time determines in its Permitted Discretion as being appropriate to reflect any amounts of any claims against the Collateral of any UK Credit Party included in the Borrowing Base choate or inchoate, (whether unsecured or secured by any Liens against the Collateral and including by way of retention of title) which rank or are capable of ranking in priority to, or *pari passu* with, the Liens of the Administrative Agent and/or any amounts which may represent costs relating to the enforcement of the Liens of the Administrative Agent on the Collateral of any UK Credit Party included in the Borrowing Base including, without limitation, the prescribed part of each UK Credit Party's net property that would be made available for the satisfaction of its unsecured debts pursuant to section 176A of the United Kingdom Insolvency Act 1986 together with each UK Credit Party's liabilities which constitute preferential debts pursuant to section 386 of the United Kingdom Insolvency Act 1986 and any sums payable as administration or liquidation expenses pursuant to rules 2.67(1) and 4.218(1) of the United Kingdom Insolvency Rules 1986;

"**UK Retail**" shall mean Canada Goose UK Retail Limited;

"**UK Resolution Authority**" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution;

"**UK Serviceco**" shall mean Canada Goose Services Limited;

"**Uncontrolled Cash**" shall have the meaning provided in Section 10.9(e);

"**Unpaid Drawing**" shall have the meaning provided in Section 3.4(a);

"**Unrestricted Subsidiary**" shall mean (i) any Subsidiary of CGI Borrower which at the time of determination is an Unrestricted Subsidiary (as designated by CGI Borrower, as provided below) and (ii) any Subsidiary of an Unrestricted Subsidiary;

CGI Borrower may designate any Subsidiary of CGI Borrower (including any existing Subsidiary and any newly acquired or newly formed Subsidiary but excluding in all cases Swiss Borrower) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on,

any property of, a Borrower or any Subsidiary of a Borrower (other than any Subsidiary of the Subsidiary to be so designated or any Unrestricted Subsidiary); provided that,

- (a) such designation complies with Section 11.5,
- (b) immediately after giving effect to such designation no Event of Default shall have occurred and be continuing or would result therefrom, and
- (c) prior to making any such designation in respect of any Borrowing Base Party with Collateral included in the Borrowing Base in an amount greater than \$2,000,000, the Borrower Representative has delivered to the Administrative Agent an updated Borrowing Base Certificate giving effect to such designation on a Pro Forma Basis.

Notwithstanding the foregoing, no Subsidiary may be designated as an Unrestricted Subsidiary if it holds (or exclusively licenses) Material Intellectual Property of the Credit Parties or their Restricted Subsidiaries at the time of designation.

CGI Borrower may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that, immediately after giving effect to such designation no Event of Default shall have occurred and be continuing.

Any such designation by CGI Borrower shall be notified by CGI Borrower to the Administrative Agent by promptly delivering to the Administrative Agent a certificate of an Authorized Officer of CGI Borrower certifying that such designation complied with the foregoing provisions.

As of the Seventh Closing Date, there are no Unrestricted Subsidiaries;

"**U.S.**" and "**United States**" shall mean the United States of America;

"**U.S. Credit Party**" shall mean each Credit Party organized, formed or incorporated under the laws of the United States, any state thereof or the District of Columbia;

"**U.S. Dollar**" and "**U.S.\$**" shall mean the lawful currency of the U.S.;

"**U.S. GAAP**" shall mean generally accepted accounting principles in the United States, as in effect from time to time;

"**U.S. Government Securities Business Day**" means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"**U.S. Pension Plan**" shall mean any employee pension benefit plan (as defined in and subject to Section 3(2) of ERISA, but excluding any Multiemployer Plan) in respect of which any Credit Party or any Credit Party's ERISA Affiliate is (or, if such plan were terminated, would under Section 4062 or Section 4069 of ERISA be reasonably likely to be deemed to be) an "employer" as defined in and subject to Section 3(5) of ERISA;

"**U.S. Subsidiary**" shall mean each Subsidiary of CGI Borrower that is organized under the laws of the United States, any state thereof, or the District of Columbia;

"**Voting Stock**" shall mean, with respect to any Person as of any date, the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors (or analogous governing body) of such Person;

"Weighted Average Life to Maturity" shall mean, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required scheduled payments of principal, including payment at final scheduled maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (b) the then outstanding principal amount of such Indebtedness; provided that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being modified, refinanced, refunded, renewed, replaced or extended (the **"Applicable Indebtedness"**), the effects of any prepayments or amortization made on such Applicable Indebtedness prior to the date of the applicable modification, refinancing, refunding, renewal, replacement or extension shall be disregarded;

"Wholly-Owned Restricted Subsidiary" of any Person shall mean a Restricted Subsidiary of such Person, 100.0% of the outstanding Capital Stock or other ownership interests of which (other than (x) directors' qualifying shares and (y) a nominal number of shares issued to foreign nationals to the extent required by applicable laws) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person;

"Wholly-Owned Subsidiary" of any Person shall mean a Subsidiary of such Person, 100.0% of the outstanding Capital Stock or other ownership interests of which (other than (x) directors' qualifying shares or other ownership interests and (y) a nominal number of shares or other ownership interests issued to foreign nationals to the extent required by applicable laws) shall at the time be owned by such Person or by one or more Wholly-Owned Subsidiaries of such Person;

"Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Title IV of ERISA;

"Withholding Agent" shall mean any Credit Party, the Administrative Agent and, in the case of any U.S. federal withholding Tax, any other applicable withholding agent; and

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.2 Other Interpretive Provisions

With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document:

- (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.
- (b) The words "herein", "hereto", "hereof", and "hereunder" and words of similar import when used in any Credit Document shall refer to such Credit Document as a whole and not to any particular provision thereof.

- (c) Section, Exhibit, and Schedule references are to the Credit Document in which such reference appears.
- (d) The term "including" is by way of example and not limitation.
- (e) The word "or" is not exclusive.
- (f) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.
- (g) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including". On and after April 1, 2019, references herein to "month", "quarter" and "year" shall be construed to reflect the following convention: (a) each quarter shall consist of 13 weeks, (b) (i) the first month of each quarter shall be comprised of the first consecutive four week period of such quarter (the "**First Month**"), (ii) the second month of each quarter shall be comprised of the consecutive four week period immediately following the First Month of such quarter (the "**Second Month**"), provided that for certain years as reasonably determined by the CGI Borrower, the Second Month of the fourth quarter of such year shall be comprised of five weeks, and (iii) the third month of each quarter shall be comprised of the consecutive five week period immediately following the Second Month of such quarter, and (c) each year shall consist of four such quarters; provided that the foregoing shall not apply in connection with the calculation of any Interest Period or any interest due on any SOFR Loans or ABR Loans, including, without limitation, Sections 2.8, 2.9 and 6.5.
- (h) Section headings herein and in the other Credit Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Credit Document.
- (i) 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.
- (j) All references to "knowledge" or "awareness" of any Credit Party or any Restricted Subsidiary thereof means the actual knowledge of an Authorized Officer of such Credit Party or such Restricted Subsidiary.

1.3 Accounting Terms

- (a) Except as expressly provided herein, all accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, IFRS, applied in a consistent manner.
- (b) Where reference is made to "CGI Borrower and the Restricted Subsidiaries on a consolidated basis" or similar language, such consolidation shall not include any Subsidiaries of CGI Borrower other than Restricted Subsidiaries.
- (c) Notwithstanding anything in this Agreement to the contrary, unless the Borrower has requested an amendment after the Seventh Closing Date pursuant to the definition of "IFRS" with respect to the treatment of leases (including operating leases and Capital Leases) under IFRS 16 (*Leases*) and until such amendment has become effective, each provision under this Agreement, shall, in each case, be determined without giving effect to IFRS 16 (*Leases*)

(except that financial statements delivered pursuant to Section 10.1 may be prepared in accordance with IFRS (including giving effect to IFRS 16 (Leases)) as in effect at the time of such delivery).

1.4 Rounding

Any financial ratios required to be maintained by CGI Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number.

1.5 References to Agreements Laws, Etc.

Unless otherwise expressly provided herein, (a) references to Organizational Documents, agreements (including the Credit Documents), and other Contractual Requirements shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements, modifications, replacements, refinancings, renewals, or increases, but only to the extent that such amendments, restatements, amendment and restatements, extensions, supplements, modifications, replacements, refinancings, renewals, or increases are not prohibited by any Credit Document; and (b) references to any Requirement of Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting such Requirement of Law.

1.6 Currency Equivalents Generally

(a) Any amount specified in this Agreement (other than in Article 2, Article 13 and Article 14) or any of the other Credit Documents to be in Dollars shall also include the equivalent of such amount in any currency other than Dollars, such equivalent amount to be determined at the spot rate of exchange quoted by the Bank of Canada (or, in the event such rate is not available, by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower Representative, or, in the absence of such agreement, such rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 10:00 a.m. (Toronto time) on such date for the purchase of Dollars for delivery two (2) Business Days later) for the applicable currency at 12:00 p.m. (Toronto time) either, at the Borrower Representative's election, (i) in the case of any Indebtedness, (x) on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt or (y) on the date of pricing or allocation among the applicable lenders, whichever the Borrower Representative elects, of such Indebtedness and (ii) in the case of the making of any Investment, any disposition or any other transaction, (x) on the date of consummation of such Investment, disposition or other transaction or (y) the date the agreement governing such Investment, disposition or other transaction was executed.

(b) For purposes of determining the First Lien Net Leverage Ratio and the Total Net Leverage Ratio, the amount of Indebtedness shall reflect the currency translation effects, determined in accordance with IFRS, of Hedge Agreements permitted hereunder for currency exchange risks with respect to the applicable currency in effect on the date of determination of the Dollar equivalent of such Indebtedness.

(c) Notwithstanding the foregoing, for purposes of determining compliance with Sections 11.1, 11.2, 11.4 and 11.5 with respect to the amount of any Indebtedness, Lien, Asset Sale, Investment or Restricted Payment in a currency other than Dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of currency exchange occurring after the time such Indebtedness or Lien is incurred or such Asset Sale, Investment or Restricted Payment is made (so long as such Indebtedness, Lien, Asset Sale, Investment or Restricted Payment at the time incurred or made was permitted hereunder).

(d) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify with the Borrower Representative's consent to appropriately reflect a change in currency of any country and any relevant market conventions or practices relating to such change in currency.

1.7 Rates

(a) The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (i) the continuation of, administration of, submission of, calculation of or any other matter related to ABR, the Term SOFR Reference Rate, Daily Simple SOFR, Adjusted Term SOFR, Term SOFR, CORRA, Daily Compounded CORRA, Term CORRA, the Compounded Reference Rate, the Daily Non-Cumulative Compounded RFR Rate, the Daily Rate, the Repalcement Reference Rate, RFR, European Base Rate, EURIBOR or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, ABR, the Term SOFR Reference Rate, Daily Simple SOFR, Adjusted Term SOFR, Term SOFR, CORRA, Daily Compounded CORRA, Term CORRA, the Compounded Reference Rate, the Daily Non-Cumulative Compounded RFR Rate, the Daily Rate, the Repalcement Reference Rate, RFR, European Base Rate, EURIBOR or any other Benchmark prior to its discontinuance or unavailability, or (ii) the effect, implementation or composition of any Conforming Changes.

(b) The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of ABR, the Term SOFR Reference Rate, Daily Simple SOFR, Adjusted Term SOFR, Term SOFR, CORRA, Daily Compounded CORRA, Term CORRA, the Compounded Reference Rate, the Daily Non-Cumulative Compounded RFR Rate, the Daily Rate, the Repalcement Reference Rate, RFR, European Base Rate, EURIBOR or any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrowers. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain ABR, the Term SOFR Reference Rate, Daily Simple SOFR, Adjusted Term SOFR, Term SOFR, CORRA, Daily Compounded CORRA, Term CORRA, the Compounded Reference Rate, the Daily Non-Cumulative Compounded RFR Rate, the Daily Rate, the Repalcement Reference Rate, RFR, European Base Rate, EURIBOR or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrowers, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

(c) A reference in this Agreement to the Central Bank Rate shall include any successor rate to, or replacement rate for, that rate.

(d) A Compounding Methodology Supplement relating to the Daily Non-Cumulative Compounded RFR Rate overrides anything relating to that rate in (i) Schedule 1.1(e) (*Daily Non-Cumulative Compounded RFR Rate*), or (ii) any earlier Compounding Methodology Supplement.

(e) The determination of the extent to which a rate is "for a period equal in length" to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.

1.8 Times of Day

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.9 Timing of Payment or Performance

Except as otherwise expressly provided, when the payment of any obligation or the performance of any covenant, duty, or obligation is stated to be due or performance required on (or before) a day which is not a Business Day, the date of such payment (other than as described in the definition of Interest Period) or performance shall extend to the immediately succeeding Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

1.10 Certifications

All certifications to be made hereunder by an officer or representative of a Credit Party shall be made by such a Person in his or her capacity solely as an officer or a representative of such Credit Party, on such Credit Party's behalf and not in such Person's individual capacity.

1.11 Compliance with Certain Sections

(a) For purposes of determining compliance with Article 11, in the event that any Lien, Investment, Indebtedness (whether at the time of incurrence or upon application of all or a portion of the proceeds thereof), disposition, Restricted Payment, Affiliate transaction, Contractual Requirement, or prepayment of Indebtedness meets the criteria of one or more than one of the "baskets" or categories of transactions then permitted pursuant to any clause or subsection of Article 11, such transaction (or portion thereof) at any time shall be permitted under one or more of such clauses as determined by the Borrower Representative in its sole discretion at such time.

(b) With respect to any amounts incurred or transactions entered into (or consummated) in reliance upon a provision of this Agreement that does not require compliance with a financial ratio or leverage test (any such amounts, the "**Fixed Amounts**") substantially concurrently with any amounts incurred or transactions entered into (or consummated) in reliance on a provision of this Agreement that requires compliance with a financial ratio or leverage test (any such amounts, the "**Incurrence-Based Amounts**"), it is understood and agreed that the Fixed Amounts shall be disregarded in the calculation of the financial ratio or leverage test applicable to the Incurrence-Based Amounts. In addition, any Indebtedness (and associated Liens, subject to the applicable priorities required pursuant to the applicable Incurrence-Based Amounts), Investments, prepayments of debt and Restricted Payments incurred in reliance on Fixed Amounts may be reclassified at any time, as CGI Borrower may elect from time to time, as incurred under any applicable Incurrence-Based Amounts if CGI Borrower subsequently meets the applicable ratio or leverage test for such Incurrence-Based Amounts on a Pro Forma Basis (or would have met such ratio or leverage test, in which case, such reclassification shall be deemed to have automatically occurred if not elected by CGI Borrower).

1.12 Pro Forma and Other Calculations

(a) Notwithstanding anything to the contrary herein, financial ratios and tests, including the First Lien Net Leverage Ratio, the Total Net Leverage Ratio, the Fixed Charge Coverage Ratio and the Interest Coverage Ratio, and compliance with covenants determined by reference to Consolidated EBITDA or Consolidated Total Assets, shall be calculated in the manner prescribed by this Section 1.12; provided, that notwithstanding anything to the contrary in clauses (b), (c), (d) or (e) of this Section 1.12, when calculating the Fixed Charge Coverage Ratio for purposes of Section 11.11 (other than for the purpose of determining *pro forma* compliance with Section 11.11), the events described in this Section 1.12 that occurred subsequent to the end of the applicable Test Period shall not be given *pro forma* effect.

(b) For purposes of calculating any financial ratio or test or compliance with any covenant determined by reference to Consolidated EBITDA or Consolidated Total Assets,

Specified Transactions (with any incurrence or repayment of any Indebtedness in connection therewith to be subject to clause (d) of this Section 1.12) that have been made (i) during the applicable Test Period or (ii) other than as described in the proviso to clause (a) above, subsequent to such Test Period and prior to or simultaneously with the event for which the calculation of any such ratio or test, or any such calculation of Consolidated EBITDA or Consolidated Total Assets, is made shall be calculated on a *pro forma* basis assuming that all such Specified Transactions (and any increase or decrease in Consolidated EBITDA and the component financial definitions used therein attributable to any Specified Transaction) had occurred on the first day of the applicable Test Period (or, in the case of Consolidated Total Assets, on the last day of the applicable Test Period). If since the beginning of any applicable Test Period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into CGI Borrower or any of the Restricted Subsidiaries since the beginning of such Test Period shall have made any Specified Transaction that would have required adjustment pursuant to this Section 1.12, then such financial ratio or test (or Consolidated EBITDA or Consolidated Total Assets) shall be calculated to give *pro forma* effect thereto in accordance with this Section 1.12.

(c) Whenever *pro forma* effect is to be given to a Specified Transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Borrower Representative and may include, for the avoidance of doubt, the amount of "run-rate" cost savings, operating expense reductions and synergies resulting from or relating to such Specified Transaction projected by the Borrower Representative in good faith to be realized as a result of actions taken or with respect to which substantial steps have been taken or are expected to be taken (calculated on a *pro forma* basis as though such cost savings, operating expense reductions and synergies had been realized on the first day of such period and as if such cost savings, operating expense reductions and synergies were realized during the entirety of such period and such that "run-rate" means the full recurring benefit for a period that is associated with any action taken, for which substantial steps have been taken or are expected to be taken (including any savings expected to result from the elimination of a public target's compliance costs with public company requirements) net of the amount of actual benefits realized during such period from such actions), and any such adjustments shall be included in the initial *pro forma* calculations of such financial ratios or tests relating to such Specified Transaction (and in respect of any subsequent *pro forma* calculations in which such Specified Transaction or cost savings, operating expense reductions and synergies are given *pro forma* effect) and during any applicable subsequent Test Period for any subsequent calculation of such financial ratios and tests; provided that (A) such amounts are reasonably identifiable and factually supportable in the good faith judgment of the Borrower Representative, (B) such actions are taken or substantial steps with respect to such actions are or are expected to be taken no later than eighteen (18) months after the date of such Specified Transaction, and (C) no amounts shall be added to the extent duplicative of any amounts that are otherwise added back in computing Consolidated EBITDA (or any other components thereof), whether through a *pro forma* adjustment or otherwise, with respect to such period.

(d) In the event that (x) CGI Borrower or any Restricted Subsidiary incurs (including by assumption or guarantees) or repays (including by repurchase, redemption, repayment, retirement, discharge, defeasance or extinguishment) any Indebtedness (in each case, other than Indebtedness incurred or repaid under any revolving credit facility or line of credit in the ordinary course of business for working capital purposes) or (y) CGI Borrower or any Restricted Subsidiary issues, repurchases or redeems Disqualified Stock, (i) during the applicable Test Period or (ii) subsequent to the end of the applicable Test Period and prior to or simultaneously with the event for which the calculation of any such ratio is made, then such financial ratio or test shall be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, repurchase, redemption, repayment, retirement, discharge, defeasance or extinguishment of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock, in each case to the extent required, as if the same had occurred on the last day of the applicable Test Period (except (I) in the case of calculating the "Average Revolver Debt," any such incurrence or repayment of any revolving loans, including the Revolving Loans under this Agreement and the revolving loans under the Term Loan Credit Documents (if any) will be given effect as if the

same had occurred on the first day of the applicable Test Period and (II) in the case of the Fixed Charge Coverage Ratio and the Interest Coverage Ratio (or similar ratio), in which case such incurrence, assumption, guarantee, repurchase, redemption, repayment, retirement, discharge, defeasance or extinguishment of Indebtedness or such issuance, repurchase or redemption of Disqualified Stock will be given effect as if the same had occurred on the first day of the applicable Test Period).

(e) If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of the event for which the calculation of the Fixed Charge Coverage Ratio or the Interest Coverage Ratio, as applicable, is made had been the applicable rate for the entire period (taking into account any interest hedging arrangements applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by an Authorized Officer of the Borrower Representative to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a Eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Borrower Representative or any applicable Restricted Subsidiary may designate.

- (f) In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of:
- (i) determining compliance with any provision of this Agreement which requires the calculation of any financial ratio or test, including the First Lien Net Leverage Ratio, the Total Net Leverage Ratio, the Fixed Charge Coverage Ratio and the Interest Coverage Ratio; or
 - (ii) testing availability under baskets set forth in this Agreement (including baskets measured as a percentage of Consolidated EBITDA or Consolidated Total Assets);

in each case, at the option of CGI Borrower (CGI Borrower's election to exercise such option in connection with any Limited Condition Transaction, an "**LCT Election**"), the date of determination of whether any such action is permitted hereunder shall be either (i) on the date of execution of the definitive agreement with respect to such Limited Condition Transaction or (ii) on the date of the consummation of such Limited Condition Transaction (the date chosen pursuant to such LCT Election, the "**LCT Test Date**"), and if, after giving Pro Forma Effect to the Limited Condition Transaction, CGI Borrower or any of its Restricted Subsidiaries would have been permitted to take such action on the relevant LCT Test Date in compliance with such ratio, test or basket, such ratio, test or basket shall be deemed to have been complied with. For the avoidance of doubt, if CGI Borrower has made an LCT Election and any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date would have failed to have been satisfied as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA or Consolidated Total Assets of CGI Borrower or the Person subject to such Limited Condition Transaction, at any time other than the LCT Test Date at or prior (as applicable) to the consummation of the relevant transaction or action, such baskets, tests or ratios will not be deemed to have failed to have been satisfied as a result of such fluctuations. If CGI Borrower has made an LCT Election for any Limited Condition Transaction, then in connection with any event or transaction occurring after the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement or date for redemption, repurchase, defeasance, satisfaction and discharge or repayment specified in an irrevocable notice for such Limited Condition Transaction is terminated, expires or passes, as applicable, without consummation of such Limited Condition Transaction (a "**Subsequent Transaction**") in connection with which a ratio, test or basket availability calculation must be made on a Pro Forma Basis or giving Pro Forma Effect to such Subsequent Transaction, for purposes of determining whether such ratio, test or basket availability has been complied with under this

Agreement, any such ratio, test or basket shall be required to be satisfied on a Pro Forma Basis assuming such Limited Condition Transaction and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated until such time as the applicable Limited Condition Transaction has actually closed or the definitive agreement with respect thereto has been terminated.

1.13 Quebec Matters

For purposes of any assets, liabilities or entities located in the Province of Quebec and for all other purposes pursuant to which the interpretation or construction of this Agreement may be subject to the laws of the Province of Quebec or a court or tribunal exercising jurisdiction in the Province of Quebec, (a) "personal property" shall include "movable property", (b) "real property" or "real estate" shall include "immovable property", (c) "tangible property" shall include "corporeal property", (d) "intangible property" shall include "incorporeal property", (e) "security interest", "mortgage" and "security" shall include a "hypothec", "right of retention", "prior claim" and a resolatory clause, (f) all references to filing, perfection, priority, remedies, registering or recording under the Uniform Commercial Code or a PPSA shall include publication under the *Civil Code of Quebec*, (g) all references to "perfection" of or "perfected" security or security interest shall include a reference to an "opposable" or "set up" hypothec, security or security interest as against third parties, (h) any "right of offset", "right of setoff" or similar expression shall include a "right of compensation", (i) "goods" shall include "corporeal movable property" other than chattel paper, documents of title, instruments, money and securities, (j) an "agent" shall include a "mandatary", (k) "construction security" shall include "legal hypothecs", (l) "joint and several" shall include "solidary", (m) "gross negligence or willful misconduct" shall be deemed to be "intentional or gross fault", (n) "beneficial ownership" shall include "ownership on behalf of another as mandatary"; (o) "easement" shall include "servitude", (p) "priority" shall include "prior claim", (q) "survey" shall include "certificate of location and plan", (r) "state" shall include "province", (s) "fee simple title" shall include "absolute ownership", and (t) "accounts" shall include "claims".

1.14 Effect of Benchmark Transition Event

Notwithstanding anything to the contrary herein or in any other Credit Document (and any interest rate swap agreement shall be deemed not to be a "Credit Document" for the purposes of this Section 1.14):

- (a) Benchmark Replacement If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Credit Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Credit Document in respect of any Benchmark setting at or after 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.
- (b) Benchmark Replacement Conforming Change In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the

Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Document.

- (c) Notice; Standards for Decisions and Determinations The Administrative Agent will promptly notify the Borrower Representative and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Borrower Representative of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 1.14. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 1.14, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Credit Document, except, in each case, as expressly required pursuant to this Section 1.14.
- (d) Unavailability of Tenor of Benchmark At any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable, non-representative, non-compliant or non-aligned tenor and (ii) if a tenor that was removed pursuant to clause (i) above is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.
- (e) Benchmark Unavailability Period Upon the Borrower Representative's receipt of notice of the commencement of a Benchmark Unavailability Period, an affected Borrower may revoke any pending request for a SOFR Loan of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, such Borrower will be deemed to have converted any such request into a request for a Loan of or conversion to ABR Loans.
- (f) Conforming Changes In connection with the use or administration of Term SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time in consultation with the Borrower Representative and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Document. The Administrative Agent will promptly notify the Borrower Representative and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

1.15 Discontinuance of CDOR

Notwithstanding anything to the contrary herein or in any other Credit Document (and any Secured Hedge Agreement shall be deemed not to be a Credit Document for purposes of this Section 1.15):

- (a) Replacing CDOR On May 16, 2022 RBSL, the administrator of CDOR, announced in a public statement that the calculation and publication of all tenors of CDOR will permanently cease immediately following a final publication on Friday, June 28, 2024. On the date that all CDOR Available Tenors have either permanently or indefinitely ceased to be provided by RBSL (the “**CDOR Cessation Date**”), if the then-current CDOR Benchmark is CDOR, the CDOR Benchmark Replacement will replace such CDOR Benchmark for all purposes hereunder and under any Credit Document in respect of any setting of such CDOR Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Credit Document. If the CDOR Benchmark Replacement is Daily Compounded CORRA, all interest payments will be payable on a monthly basis.
- (b) Replacing Future CDOR Benchmarks Upon the occurrence of a CDOR Benchmark Transition Event, the CDOR Benchmark Replacement will replace the then-current CDOR Benchmark for all purposes hereunder and under any Credit Document in respect of any CDOR Benchmark setting at or after 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date notice of such CDOR Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document so long as the Administrative Agent has not received, by such time, written notice of objection to such CDOR Benchmark Replacement from Lenders comprising the Required Lenders. At any time that the administrator of the then-current CDOR Benchmark has permanently or indefinitely ceased to provide such CDOR Benchmark or such CDOR Benchmark has been announced by the administrator or the regulatory supervisor for the administrator of such CDOR Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such CDOR Benchmark is intended to measure and that representativeness will not be restored, CGI Borrower may revoke any request for a borrowing of, conversion to or continuation of Loans to be made, converted or continued that would bear interest by reference to such CDOR Benchmark until CGI Borrower's receipt of notice from the Administrative Agent that a CDOR Benchmark Replacement has replaced such CDOR Benchmark, and, failing that, CGI Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Prime Rate Loans. During the period referenced in the foregoing sentence, the component of Prime Rate based upon the CDOR Benchmark will not be used in any determination of Prime Rate.
- (c) CDOR Benchmark Replacement Conforming Changes In connection with the implementation and administration of a CDOR Benchmark Replacement, the Administrative Agent will have the right to make CDOR Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such CDOR Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.
- (d) Notices: Standards for Decisions and Determinations The Administrative Agent will promptly notify the Borrower Representative and the Lenders of (i) the implementation of any CDOR Benchmark Replacement, (ii) any occurrence of a Term CORRA Transition Event, (iii) the effectiveness of any CDOR Benchmark

Replacement Conforming Changes, and (iv) by delivering a BA Cessation Notice pursuant to clause (g) of this Section 1.15, its intention to terminate the obligation of the Lenders to make or maintain Bankers Acceptances. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 1.15, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 1.15.

- (e) Unavailability of Tenor of CDOR Benchmark At any time (including in connection with the implementation of a CDOR Benchmark Replacement), if the then-current CDOR Benchmark is a term rate (including Term CORRA or CDOR), then (i) the Administrative Agent may remove any tenor of such CDOR Benchmark that is unavailable or non-representative for CDOR Benchmark (including CDOR Benchmark Replacement) settings and (ii) the Administrative Agent may reinstate any such previously removed tenor for CDOR Benchmark (including CDOR Benchmark Replacement) settings.
- (f) Secondary Term CORRA Conversion Notwithstanding anything to the contrary herein or in any Credit Document and subject to the proviso below in this clause, if a Term CORRA Transition Event and its related Term CORRA Transition Date have occurred, then on and after such Term CORRA Transition Date (i) the CDOR Benchmark Replacement described in clause (A) of such definition will replace the then-current CDOR Benchmark for all purposes hereunder or under any Credit Document in respect of any setting of such CDOR Benchmark on such day and all subsequent settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document; and (ii) each Loan outstanding on the Term CORRA Transition Date bearing interest based on the then-current CDOR Benchmark shall convert, on the last day of the then-current interest payment period, into a Loan bearing interest at the CDOR Benchmark Replacement described in clause (A) of such definition having a tenor approximately the same length as the interest payment period applicable to such Loan immediately prior to the conversion or such other CDOR Available Tenor as may be selected by CGI Borrower and agreed by the Administrative Agent; provided that, this clause (f) shall not be effective unless the Administrative Agent has delivered to the Lenders and Borrower Representative a Term CORRA Notice, and so long as the Administrative Agent has not received, by 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date of the Term CORRA Notice, written notice of objection to such conversion to Term CORRA from Lenders comprising the Required Lenders or Borrower Representative.
- (g) Banker's Acceptances The Administrative Agent shall have the option to, effective as of the date set out in the BA Cessation Notice, which shall be a date on or after the CDOR Cessation Date (the "**BA Cessation Effective Date**"), terminate the obligation of the Lenders to make or maintain Banker's Acceptances, provided that the Administrative Agent shall give notice to Borrower Representative and the Lenders at least thirty (30) Business Days prior to the BA Cessation Effective Date ("**BA Cessation Notice**"). If the BA Cessation Notice is provided, then as of the BA Cessation Effective Date, so long as the Administrative Agent has not received, by 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date of the BA Cessation Notice, written notice of objection to the termination of the obligation to make or maintain Banker's Acceptances from Lenders comprising the Required Lenders, (i) any drawdown request that requests the conversion of any Loan to, or rollover of any Loans as,

a Banker's Acceptance shall be ineffective, and (ii) if any drawdown request requests a Banker's Acceptance such Loan shall be made as a CORRA loan of the same tenor. For the avoidance of doubt, any outstanding Banker's Acceptance shall remain in effect following the CDOR Cessation Date until such Banker's Acceptance's stated maturity.

(h) Definitions In this Section 1.15, the following terms have the meanings set out below:

"**CDOR**" means, on any date, the annual rate of interest which is the rate based on an average rate applicable to Canadian Dollar bankers' acceptances for a specified term appearing on the "Refinitiv Screen CDOR Page" (as defined in the International Swaps and Derivatives Association, Inc., definitions, as modified and amended from time to time) at approximately 10:20 a.m. (Toronto time), on such date, or if such date is not a Business Day, then on the immediately preceding Business Day, provided that if such rate does not appear on the Refinitiv Screen CDOR Page on such date as contemplated, then CDOR on such date shall be the rate for the term referred to above applicable to Canadian Dollar bankers' acceptances quoted by the Administrative Agent as of 10:20 a.m. (Toronto time) on such date or, if such date is not a Business Day, then on the immediately preceding Business Day.

"**CDOR Available Tenor**" means, as of any date of determination and with respect to the then- current CDOR Benchmark, as applicable, (x) if the then-current CDOR Benchmark is a term rate, any tenor for such CDOR Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such CDOR Benchmark, as applicable, pursuant to this Agreement as of such dates.

"**CDOR Benchmark**" means, initially, CDOR; provided that if a replacement of the CDOR Benchmark has occurred pursuant to this Section 1.15, then "CDOR Benchmark" means the applicable CDOR Benchmark Replacement to the extent that such CDOR Benchmark Replacement has replaced such prior benchmark rate. Any reference to "CDOR Benchmark" shall include, as applicable, the published component used in the calculation thereof.

"**CDOR Benchmark Replacement**" means, for any CDOR Available Tenor:

- (A) For purposes of Section 1.15(a) the first alternative set forth below that can be determined by the Administrative Agent:
- (I) the sum of: (I) Term CORRA and (II) 0.29547% (29.547 basis points) for a CDOR Available Tenor of one-month's duration, and 0.32138% (32.138 basis points) for a CDOR Available Tenor of three-months' duration, or
 - (II) the sum of: (I) Daily Compounded CORRA and (II) 0.29547% (29.547 basis points) for a CDOR Available Tenor of one-month's duration, and 0.32138% (32.138 basis points) for a CDOR Available Tenor of three-months' duration; and
- (B) For purposes of Section 1.15(b), the sum of (a) the alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Administrative Agent and Borrower Representative as the replacement for such CDOR Available Tenor of such CDOR Benchmark giving due consideration to any evolving or then-prevailing market convention,

including any applicable recommendations made by the CDOR Relevant Governmental Authority, for Canadian dollar denominated syndicated credit facilities at such time;

provided that, if the CDOR Benchmark Replacement as determined pursuant to clause (A) or (B) above would be less than the CDOR Floor, the CDOR Benchmark Replacement will be deemed to be the CDOR Floor for the purposes of this Agreement and the other Credit Documents.

"CDOR Benchmark Replacement Conforming Changes" means, with respect to any CDOR Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Prime Rate," the definition of "Business Day," the definition of "Interest Period", timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters, including with respect to the obligation of the Administrative Agent to create, maintain or issue Banker's Acceptances) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such CDOR Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such CDOR Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Credit Documents). Without limiting the foregoing, CDOR Benchmark Replacement Conforming Changes made in connection with the replacement of CDOR with a CDOR Benchmark Replacement may include the implementation of mechanics for borrowing loans that bear interest by reference to the CDOR Benchmark Replacement, to replace the creation or purchase of drafts or Banker's Acceptances.

"CDOR Benchmark Transition Event" means, with respect to any then-current CDOR Benchmark other than CDOR, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current CDOR Benchmark, the regulatory supervisor for the administrator of such CDOR Benchmark, the Bank of Canada, an insolvency official with jurisdiction over the administrator for such CDOR Benchmark, a resolution authority with jurisdiction over the administrator for such CDOR Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such CDOR Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all CDOR Available Tenors of such CDOR Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any CDOR Available Tenor of such CDOR Benchmark or (b) all CDOR Available Tenors of such CDOR Benchmark are or will no longer be representative of the underlying market and economic reality that such CDOR Benchmark is intended to measure and that representativeness will not be restored.

"CDOR Floor" means 0%.

"CDOR Relevant Governmental Body" means the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada, or any successor thereto.

"CORRA" means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

"Daily Compounded CORRA" means, for any day, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by the Administrative Agent in accordance with the methodology and conventions for this rate selected or recommended by the CDOR Relevant Governmental Body for determining compounded CORRA for business loans; provided that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion; and provided that if the administrator has not provided or published CORRA and a CDOR Benchmark Transition Event with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

"Term CORRA" means, for the applicable corresponding tenor, the forward-looking term rate based on CORRA that has been selected or recommended by the CDOR Relevant Governmental Body, and that is published by an authorized benchmark administrator and is displayed on a screen or other information service, as identified or selected by the Administrative Agent in its reasonable discretion at approximately a time and as of a date prior to the commencement of an interest period determined by the Administrative Agent in its reasonable discretion in a manner substantially consistent with market practice.

"Term CORRA Notice" means the notification by the Administrative Agent to the Lenders and the Borrower Representative of the occurrence of a Term CORRA Transition Event.

"Term CORRA Transition Date" means, in the case of a Term CORRA Transition Event, the date that is set forth in the Term CORRA Notice provided to the Lenders and the Borrower Representative, for the replacement of the then-current CDOR Benchmark with the CDOR Benchmark Replacement described in clause (A)(I) of such definition, which date shall be at least thirty (30) Business Days from the date of the Term CORRA Notice.

"Term CORRA Transition Event" means the determination by the Administrative Agent that (a) Term CORRA has been recommended for use by the CDOR Relevant Governmental Body, and is determinable for any CDOR Available Tenor, (b) the administration of Term CORRA is administratively feasible for the Administrative Agent and (c) a CDOR Benchmark Replacement, other than Term CORRA, has replaced CDOR in accordance with Section 1.15.

1.16 **Divisions**

For all purposes under the Credit Documents, in connection with any division or plan of division (whether under Delaware law or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

1.17 **Business Day Conventions for CRR Loans**

(a) If any period is expressed with respect to a CRR Loan to accrue by reference to a month or any number of months then, in respect of the last month of that period:

- (i) subject to paragraph (iii) below, if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (ii) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (iii) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

(b) If an Interest Period with respect to a CRR Loan would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

Article 2 **AMOUNT AND TERMS OF CREDIT**

1.1 Revolving Credit Commitments

(a) Subject to and upon the terms and conditions herein set forth, each Lender with Revolving Credit Commitments severally agrees to make Revolving Credit Loans to the Borrowers (including, where applicable, loans by way of Banker's Acceptances or BA Equivalent Notes) denominated in Dollars, U.S. Dollars, Euros, Pounds Sterling or such other currency as agreed by the Borrower Representative and the Administrative Agent in accordance with Section 2.16 (each such loan (including any Protective Advances), a "**Revolving Credit Loan**") in an aggregate principal amount in Dollars or the Equivalent Amount in Dollars of a Revolving Credit Loan made in any other currency not to exceed at any time outstanding the amount of such Lender's Revolving Credit Commitment at such time; provided that any of the foregoing such Revolving Credit Loans (A) shall be made at any time and from time to time on and after the Seventh Closing Date and prior to the Revolving Credit Maturity Date, (B) may, at the option of the Borrower Representative, be incurred, maintained and/or rolled over as, and/or converted into, Prime Rate Loans, Banker's Acceptances or BA Equivalent Notes that are Revolving Credit Loans in Dollars, or ABR Loans or SOFR Loans that are Revolving Credit Loans in U.S. Dollars or EURIBOR Loans or European Base Rate Loans that are Revolving Credit Loans in Euros or CRR Loans that are Revolving Credit Loans in Pounds Sterling; provided that all Revolving Credit Loans made by each of the Lenders pursuant to the same Borrowing shall, unless otherwise specifically provided herein, consist entirely of Revolving Credit Loans of the same Type, (C) may be repaid (without premium or penalty) and reborrowed in accordance with the provisions hereof, (D) shall not, for any Lender (other than the Swingline Lender in its capacity as such and the Administrative Agent in respect of Protective Advances) at any time, after giving effect thereto and to the application of the proceeds thereof, result in such Lender's Revolving Credit Exposure in respect of any Class of Revolving Credit Loans at such time exceeding such Lender's Commitments in respect of such Class of Revolving Credit Loans at such time, (E) shall not result in the aggregate amount of the Lenders' Revolving Credit Exposures of any Class of Revolving Credit Loans at such time exceeding the aggregate Commitments with respect to such Class, (F) shall not, after giving effect thereto and to the application of the proceeds thereof, other than as described in Section 2.1(e), result at any time in the aggregate amount of the Lenders' Revolving Credit Exposures to CGI Borrower with respect to such Class of Revolving Credit Loans at such time exceeding the CGI Line Cap then in effect, (G) shall not, after giving effect thereto and to the application of the proceeds thereof, other than as described in Section 2.1(e), result at any time in the aggregate amount of the Lenders' Revolving Credit Exposures to Swiss Borrower with respect to such Class of Revolving Credit Loans at such time exceeding the Swiss Line Cap then in effect; and (H) shall not, after giving effect thereto and to the application of the proceeds thereof, other than as described in Section 2.1(e), result at any time in the aggregate amount of the Lenders' Revolving Credit Exposures to CGI Borrower, and

the Lenders' Revolving Credit Exposures to Swiss Borrower, in each case, with respect to such Class of Revolving Credit Loans at such time exceeding the Line Cap then in effect. All Revolving Credit Loans outstanding pursuant to the Existing Credit Agreement (if any) shall be deemed to be Revolving Credit Loans outstanding under this Agreement on the Seventh Closing Date.

(b) Subject to and upon the terms and conditions herein set forth, the Swingline Lender in its individual capacity agrees, at any time and from time to time on and after the Closing Date and prior to the Swingline Maturity Date, to make a loan or loans (each a "**Swingline Loan**" and, collectively the "**Swingline Loans**") to CGI Borrower in Dollars, U.S. Dollars or Pounds Sterling and to Swiss Borrower in U.S. Dollars, Euros or Pounds Sterling, which Swingline Loans (i) shall be (A) Prime Rate Loans in respect of Swingline Loans in Dollars, (B) ABR Loans in respect of Swingline Loans in U.S. Dollars, (C) EURIBOR Loans in respect of Swingline Loans in Euros, and (D) CRR Loans in respect of Swingline Loans in Pounds Sterling, (ii) shall have the benefit of the provisions of Section 2.1(c), (iii) shall, in the aggregate for CGI Borrower and Swiss Borrower, not exceed at any time outstanding the Swingline Commitment, (iv) other than as described in Section 2.1(e), shall not, after giving effect thereto and to the application of the proceeds thereof, result at any time in the aggregate amount of the Lenders' Revolving Credit Exposures to CGI Borrower at such time exceeding the CGI Line Cap then in effect, (v) shall not, after giving effect thereto and to the application of the proceeds thereof, other than as described in Section 2.1(e), result at any time in the aggregate amount of the Lenders' Revolving Credit Exposures to Swiss Borrower at such time exceeding the Swiss Line Cap then in effect, (vi) shall not, after giving effect thereto and to the application of the proceeds thereof, other than as described in Section 2.1(e), result at any time in the aggregate amount of the Lenders' Revolving Credit Exposures to CGI Borrower and the Lenders' Revolving Credit Exposures to Swiss Borrower at such time exceeding the Line Cap then in effect, and (viii) may be repaid and reborrowed in accordance with the provisions hereof. On the Swingline Maturity Date, all Swingline Loans shall be repaid in full. CGI Borrower shall be entitled to avail itself of Swingline Loans by drawing cheques on its Dollar chequing account and U.S. Dollar chequing account, as the case may be, maintained from time to time with the Swingline Lender at the Administrative Agent's Office (or in such other accounts with the Swingline Lender at such other branch of the Swingline Lender as may be agreed upon by the Swingline Lender and the Borrower Representative from time to time). The debit balance from time to time in any such Dollar account shall be deemed to be a Prime Rate Loan outstanding to CGI Borrower from the Swingline Lender under the applicable Credit Facility. The debit balance from time to time in any such U.S. Dollar account shall be deemed to be an ABR Loan outstanding to CGI Borrower from the Swingline Lender under the applicable Credit Facility. If at any time CGI Borrower is a party to a cash concentration arrangement with the Swingline Lender, the amount of any overdraft from time to time in the Dollar or U.S. Dollar concentration account, as the case may be, of CGI Borrower established pursuant to such arrangement (which for greater certainty may include one of the Dollar or U.S. Dollar accounts identified above) shall, without duplication, be deemed to be a Prime Rate Loan or ABR Loan, as the case may be, outstanding to CGI Borrower from the Swingline Lender under the applicable Credit Facility. The Swingline Lender shall not make any Swingline Loan after receiving a written notice from the Borrower Representative, the Administrative Agent or the Required Lenders stating that a Default or Event of Default exists and is continuing until such time as the Swingline Lender shall have received written notice of (i) rescission of all such notices from the party or parties originally delivering such notice or (ii) the waiver of such Default or Event of Default in accordance with the provisions of Section 14.1. All Swingline Loans outstanding pursuant to the Existing Credit Agreement (if any) shall be deemed to be Swingline Loans outstanding under this Agreement on the Seventh Closing Date.

(c) On any Business Day, the Swingline Lender may, in its sole discretion, give notice to the Administrative Agent that all then-outstanding Swingline Loans shall be funded with a Borrowing of Revolving Loans by the applicable Borrower in which case Revolving Loans constituting ABR Loans in respect of Swingline Loans in U.S. Dollars, Prime Rate Loans in respect of Swingline Loans in Dollars, European Base Rate Loans in respect of Swingline Loans in Euros and CRR Loans in respect of Swingline Loans in Pounds Sterling shall be made on the

immediately succeeding Business Day (each such Borrowing, a "**Mandatory Borrowing**") by each Lender *pro rata* based on each Lender's Revolving Credit Commitment Percentage, and the proceeds thereof shall be applied directly to the Swingline Lender to repay the Swingline Lender for such outstanding Swingline Loans. Each Lender hereby irrevocably agrees to make such Revolving Loans upon one Business Day's notice pursuant to each Mandatory Borrowing in the amount and in the manner specified in the preceding sentence and on the date specified to it in writing by the Swingline Lender notwithstanding (i) that the amount of the Mandatory Borrowing may not comply with the minimum amount for each Borrowing specified in Section 2.2, (ii) whether any conditions specified in Article 8 are then satisfied, (iii) whether a Default or an Event of Default has occurred and is continuing, (iv) the date of such Mandatory Borrowing, or (v) any reduction in the Total Revolving Credit Commitment after any such Swingline Loans were made. In the event that, in the sole judgment of the Swingline Lender, any Mandatory Borrowing cannot for any reason be made on the date otherwise required above (including as a result of the commencement of a proceeding under any Insolvency Laws in respect of any Borrower), each Lender hereby agrees that it shall forthwith purchase from the Swingline Lender (without recourse or warranty) such participation of the outstanding Swingline Loans as shall be necessary to cause the Lenders to share in such Swingline Loans ratably based upon their respective Revolving Credit Commitment Percentages; provided that all principal and interest payable on such Swingline Loans shall be for the account of the Swingline Lender until the date the respective participation is purchased and, to the extent attributable to the purchased participation, shall be payable to such Lender purchasing same from and after such date of purchase.

(d) If the maturity date shall have occurred in respect of any Class of Commitments (the "**Expiring Credit Commitment**") at a time when another Class or Classes of Commitments is or are in effect with a longer maturity date (each a "**Non-Expiring Credit Commitment**" and collectively, the "**Non-Expiring Credit Commitments**"), then with respect to each outstanding Swingline Loan, if consented to by the Swingline Lender (such consent not to be unreasonably withheld, conditioned or delayed), on the earliest occurring maturity date such Swingline Loan shall be deemed reallocated to the Class or Classes of the Non-Expiring Credit Commitments on a *pro rata* basis; provided that (x) to the extent that the amount of such reallocation would cause the aggregate credit exposure to exceed the aggregate amount of such Non-Expiring Credit Commitments, immediately prior to such reallocation the amount of Swingline Loans to be reallocated equal to such excess shall be repaid or Cash Collateralized and (y) notwithstanding the foregoing, if a Default or Event of Default has occurred and is continuing, each Borrower shall still be obligated to pay Swingline Loans borrowed by it and allocated to the Lenders holding the Expiring Credit Commitments at the maturity date of the Expiring Credit Commitment or if the Loans have been accelerated prior to the maturity date of the Expiring Credit Commitment. Upon the maturity date of any Class of Commitments, the sublimit for Swingline Loans may be reduced as agreed between the Swingline Lender and the Borrower Representative, without the consent of any other Person.

(e) Protective Advances.

- (i) The Administrative Agent shall be authorized, in its discretion, at any time that any conditions in Article 8 are not satisfied, to make Prime Rate Loans and ABR Loans that are Revolving Loans ("**Protective Advances**") to CGI Borrower and Swiss Borrower (1) up to an aggregate amount of 10% of the Total Revolving Credit Commitments outstanding at any time, if the Administrative Agent deems such Revolving Credit Loans necessary or desirable to preserve or protect Collateral, the Secured Parties' rights under the Credit Documents or which is otherwise for the benefit of the Secured Parties and/or to enhance the collectability or repayment of Obligations; or (2) to pay any other amounts chargeable to Credit Parties under any Credit Documents, including costs, fees and expenses. Each Protective Advance shall be subject to all the terms and conditions applicable to other Revolving Loans. Protective Advances may be made in a principal amount that would cause the aggregate of all of

the Lenders' Revolving Credit Exposure to exceed the Line Cap, that would cause the aggregate of all of the Lenders' Revolving Credit Exposures to CGI Borrower to exceed the CGI Line Cap or that would cause the aggregate of all of the Lenders' Revolving Credit Exposures to Swiss Borrower to exceed the Swiss Line Cap, but in no event shall Protective Advances be required that would cause the aggregate Revolving Credit Exposures of all Lenders to exceed the Total Revolving Credit Commitment. Each Lender shall participate in each Protective Advance on a *pro rata* basis based upon its Revolving Credit Commitment Percentage. Supermajority Lenders may at any time revoke the Administrative Agent's authority to make further Protective Advances by written notice to the Administrative Agent. Absent such revocation, the Administrative Agent's determination that funding of a Protective Advance is appropriate shall be conclusive. At any time, the Administrative Agent may request the Lenders to make a Revolving Loan to repay a Protective Advance on the same terms as are applicable to Swingline Loans under Section 2.1(c). At any other time, the Administrative Agent may require the Lenders to fund their risk participations described in Section 2.1(e)(ii).

- (ii) Upon the making of a Protective Advance by the Administrative Agent (whether before or after the occurrence of a Default or Event of Default), each Lender shall be deemed, without further action by any party hereto, unconditionally and irrevocably to have purchased from the Administrative Agent without recourse or warranty, an undivided interest and participation in such Protective Advance in proportion to its Revolving Credit Commitment Percentage. From and after the date, if any, on which any Lender is required to fund its participation in any Protective Advance purchased hereunder, the Administrative Agent shall promptly distribute to such Lender, such Lender's Revolving Credit Commitment Percentage of all payments of principal and interest and all proceeds of Collateral (if any) received by the Administrative Agent in respect of such Protective Advance.
- (iii) The making by the Administrative Agent of a Protective Advance shall not modify or abrogate any of the provisions hereof regarding the Lenders' obligations to purchase participations with respect to Letters of Credit Outstanding or Swingline Loans.

1.2 Minimum Amount of Each Borrowing; Maximum Number of Borrowings

The aggregate principal amount of each Borrowing of Revolving Loans shall be in a minimum amount of at least the Minimum Borrowing Amount for such Type of Loans and Swingline Loans shall be in a minimum amount of \$100,000, U.S.\$100,000, €100,000 or £100,000, as applicable, and in a multiple of \$100,000, U.S.\$100,000, €100,000 or £100,000, respectively, in excess thereof (except that Mandatory Borrowings shall be made in the amounts required by Section 2.1(c), Protective Advances shall be made in the amounts required by Section 2.1(e) and Revolving Loans to reimburse the Letter of Credit Issuer with respect to any Unpaid Drawing shall be made in the amounts required by Section 3.3 or Section 3.4, as applicable). More than one Borrowing may be incurred on any date; provided that at no time shall there be outstanding more than twenty-five (25) Borrowings by way of Banker's Acceptances and BA Equivalent Notes, SOFR Loans, CRR Loans or EURIBOR Loans that are Revolving Loans under this Agreement.

1.3 Notice of Borrowing

(a) Whenever a Borrower desires to incur Revolving Loans (other than Mandatory Borrowings, Protective Advances or borrowings to repay Unpaid Drawings), the Borrower Representative shall give the Administrative Agent at the Administrative Agent's Office, (i) prior

to 1:00 p.m. (Toronto time) at least three (3) Business Days' prior written notice of each Borrowing of Revolving Loans that are SOFR Loans, CRR Loans, EURIBOR Loans or by way of Banker's Acceptances and BA Equivalent Notes and (ii) prior to 1:00 p.m. (Toronto time) one Business Day prior to such Borrowing written notice of each Borrowing of Revolving Loans that are Prime Rate Loans, ABR Loans or European Base Rate Loans (or such shorter notice as is approved by the Administrative Agent in its reasonable discretion). Each such notice (a "**Notice of Borrowing**"), except as otherwise expressly provided in Section 2.10, shall specify (v) the aggregate principal amount of the Revolving Loans, and the Class or Classes of Revolving Loans, to be made pursuant to such Borrowing, (w) the date of Borrowing (which shall be a Business Day), (x) whether the respective Borrowing shall be in Dollars and shall consist of Prime Rate Loans or Banker's Acceptances and BA Equivalent Notes, shall be in U.S. Dollars and shall consist of ABR Loans or SOFR Loans, shall be in Euros and shall consist of European Base Rate Loans or EURIBOR Loans or shall be in Pounds Sterling and shall consist of CRR Loans, in each case that are Revolving Loans, (y) in respect of Borrowings by way of Banker's Acceptances and BA Equivalent Notes, SOFR Loans, CRR Loans or EURIBOR Loans, the Interest Period to be initially applicable thereto and (z) the identity of the applicable Borrower. If no election of an Interest Period is specified in any such Notice of Borrowing by way of Banker's Acceptances and BA Equivalent Notes, SOFR Loans, CRR Loans or EURIBOR Loans, such notice shall be deemed a request for an Interest Period of one (1) month. If no election is made as to the Type of Revolving Loan, such notice shall be deemed a request for a Borrowing of Prime Rate Loans in Dollars, ABR Loans in U.S. Dollars, European Base Rate Loans in Euros or CRR Loans in Pounds Sterling, as applicable, and, if the currency is not specified, such notice shall be deemed a request for a Borrowing in Dollars by CGI Borrower and in U.S. Dollars by Swiss Borrower. The Administrative Agent shall promptly give each applicable Lender written notice of each proposed Borrowing of Revolving Loans, of such Lender's Revolving Credit Commitment Percentage in respect of the Class of Revolving Loans being borrowed, of the identity of the Borrower, the Type of Borrowing being requested, the Interest Period or Interest Periods applicable thereto, as appropriate, and of the other matters covered by the related Notice of Borrowing.

(b) Whenever a Borrower desires to incur Swingline Loans hereunder, the Borrower Representative shall give the Swingline Lender written notice with a copy to the Administrative Agent of each Borrowing of Swingline Loans prior to 12:00 p.m. (Toronto time) on the date of such Borrowing. Each such notice shall specify (w) whether the Borrowing will be in U.S. Dollars, Dollars, Euros or Pounds Sterling, (x) the aggregate principal amount of the Swingline Loans to be made pursuant to such Borrowing, (y) the date of Borrowing (which shall be a Business Day), and (z) the identity of the applicable Borrower.

(c) Mandatory Borrowings shall be made upon the notice specified in Section 2.1(c), with each Borrower irrevocably agreeing, by its incurrence of any Swingline Loan, to the making of Mandatory Borrowings as set forth in such Section.

(d) Borrowings to reimburse Unpaid Drawings shall be made upon the notice specified in Section 3.4(a).

(e) Without in any way limiting the obligation of the Borrower Representative to confirm in writing any notice it shall give hereunder by telephone (which such obligation is absolute), the Administrative Agent may act prior to receipt of written confirmation without liability upon the basis of such telephonic notice believed by the Administrative Agent in good faith to be from an Authorized Officer of the Borrower Representative.

1.4 Disbursement of Funds

(a) No later than 1:00 p.m. (Toronto time) on the date specified in each Notice of Borrowing (including Mandatory Borrowings), each Lender shall make available to the Administrative Agent its *pro rata* portion, if any, of each Borrowing requested to be made on such date in the manner provided below; provided that all Swingline Loans to CGI Borrower shall be made available in the full amount thereof by the Swingline Lender no later than 4:00

p.m. (Toronto time) and all Swingline Loans to the Swiss Borrower shall be sent by ACH or wire transfer by the Swingline Lender to an account of the Swiss Borrower designated by the Borrower Representative to the Swingline Lender no later than 4:00 p.m. (Toronto time).

(b) Each Lender shall make available all amounts it is to fund to the applicable Borrower under any Borrowing for its applicable Commitments, and in Same Day Funds to the Administrative Agent at the Administrative Agent's Office (or such other place as the Administrative Agent may request) and the Administrative Agent will (except in the case of Mandatory Borrowings and Borrowings to repay Unpaid Drawings) make available to the applicable Borrower, by depositing to an account or accounts designated by the Borrower Representative to the Administrative Agent the aggregate of the amounts so made available in Dollars, U.S. Dollars, Euros, Pounds Sterling or any applicable Alternative Currency, as applicable. Unless the Administrative Agent shall have been notified by any Lender prior to the date of any such Borrowing that such Lender does not intend to make available to the Administrative Agent its portion of the Borrowing or Borrowings to be made on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date of Borrowing, and the Administrative Agent, in reliance upon such assumption, may (in its sole discretion and without any obligation to do so) make available to the applicable Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender and the Administrative Agent has made available such amount to the applicable Borrower, the Administrative Agent shall be entitled to recover such corresponding amount from such Lender. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower Representative and the Borrower Representative shall immediately pay (or cause to be paid) such corresponding amount to the Administrative Agent in Dollars, U.S. Dollars, Euros or Pounds Sterling, as applicable. The Administrative Agent shall also be entitled to recover from such Lender or the applicable Borrower interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by the Administrative Agent to the applicable Borrower to the date such corresponding amount is recovered by the Administrative Agent, at a rate per annum equal to (i) if paid by such Lender, the Overnight Rate or (ii) if paid by a Borrower, the then-applicable rate of interest or fees, calculated in accordance with Section 2.8, for the respective Loans.

(c) Nothing in this Section 2.4 shall be deemed to relieve any Lender from its obligation to fulfill its commitments hereunder or to prejudice any rights that the Borrowers may have against any Lender as a result of any default by such Lender hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to fulfill its commitments hereunder).

1.5 Repayment of Loans; Evidence of Debt

(a) Each Borrower shall repay to the Administrative Agent, for the benefit of the Lenders, on the Revolving Credit Maturity Date, each then outstanding Revolving Credit Loan made to such Borrower in the currency in which such Revolving Credit Loan was denominated on the date advanced. Each Borrower shall repay to the Administrative Agent for the benefit of the Lenders, on each Extended Revolving Loan Maturity Date, each then-outstanding Extended Revolving Credit Loan made to such Borrower in the currency in which such Extended Revolving Credit Loan was denominated on the date advanced. Each Borrower shall repay to the Swingline Lender, on the Swingline Maturity Date, each then-outstanding Swingline Loan made to such Borrower in the currency in which such Swingline Loan was denominated on the date advanced.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Borrowers to the appropriate lending office of such Lender resulting from each Loan made by such lending office of such Lender from time to time, including the amounts of principal and interest payable and paid to such lending office of such

Lender from time to time under this Agreement and the currency in which such Loans are denominated.

(c) The Administrative Agent shall maintain the Register pursuant to Section 14.6(b), and a subaccount for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Loan made hereunder, the currency in which such Loan is denominated, whether such Loan is a Revolving Credit Loan, Incremental Revolving Credit Loan, Extended Revolving Credit Loan or Swingline Loan, as applicable, the Type of each Loan made, the name of the applicable Borrower and the Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers to each Lender hereunder, and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrowers and each Lender's share thereof.

(d) The entries made in the Register and accounts and subaccounts maintained pursuant to clauses (b) and (c) of this Section 2.5 shall, to the extent permitted by applicable law, be prima facie evidence, absent manifest error, of the existence and amounts of the obligations of the Borrowers therein recorded; provided, however, that the failure of any Lender, the Administrative Agent or the Swingline Lender to maintain such account, such Register or subaccount, as applicable, or any error therein, shall not in any manner affect the obligation of any Borrower to repay (with applicable interest) the Loans made to such Borrower by such Lender in accordance with the terms of this Agreement.

(e) Each Borrower hereby agrees that, upon request of any Lender at any time and from time to time after a Borrower has made an initial borrowing hereunder, such Borrower shall provide to such Lender, at the Borrower's own expense, a promissory note, substantially in the form of Exhibit G, evidencing the Revolving Loans and Swingline Loans, if any, respectively, owing by such Borrower to such Lender. Thereafter, unless otherwise agreed to by the applicable Lender, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 14.6) be represented by one or more promissory notes in such form payable to the payee named therein (or, if requested by such payee, to such payee or its registered assigns).

1.6 Conversions and Continuations

(a) Subject to the penultimate sentence of this clause (a), (x) the Borrowers shall have the option on any Business Day to convert all or a portion equal to at least \$100,000 of the outstanding principal amount of Revolving Loans of one Type into a Borrowing or Borrowings of another Type in the same currency and (y) the Borrowers shall have the option on any Business Day to continue the outstanding principal amount of any SOFR Loans as SOFR Loans, CRR Loans as CRR Loans or EURIBOR Loans as EURIBOR Loans for an additional Interest Period and to rollover any Banker's Acceptances and BA Equivalent Notes for an additional Interest Period; provided that (i) no partial conversion or rollover, as the case may be, of SOFR Loans, CRR Loans, EURIBOR Loans or Banker's Acceptances and BA Equivalent Notes shall reduce the outstanding principal amount of SOFR Loans, CRR Loans, EURIBOR Loans or Banker's Acceptances and BA Equivalent Notes made pursuant to a single Borrowing to less than the applicable Minimum Borrowing Amount, (ii) ABR Loans may not be converted into SOFR Loans, Prime Rate Loans may not be converted into Banker's Acceptances and BA Equivalent Notes and European Base Rate Loans may not be converted into EURIBOR Loans if an Event of Default is in existence on the date of the conversion and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such conversion, (iii) SOFR Loans, CRR Loans, Banker's Acceptances and BA Equivalent Notes and EURIBOR Loans may not be continued or rolled over, as the case may be, as SOFR Loans, CRR Loans, Banker's Acceptances and BA Equivalent Notes or EURIBOR Loans, respectively, for an additional Interest Period if an Event of Default is in existence on the date of the proposed continuation or rollover and the Administrative Agent has or the Required Lenders have determined, in its or their sole discretion, not to permit such continuation or such rollover, as applicable, (iv) Borrowings resulting from conversions pursuant to this Section 2.6 shall be limited in number as provided in Section 2.2, and (v) if less than a full Borrowing of Revolving

Loans is converted, such conversion shall be made *pro rata* among the Lenders based upon their Revolving Credit Commitment Percentage of the applicable Class or Classes in accordance with the respective principal amounts of the Revolving Loans comprising such Borrowing held by such Lenders immediately prior to such conversion. Each such conversion, continuation or rollover shall be effected by the Borrower Representative by giving the Administrative Agent at the Administrative Agent's Office, prior to 1:00 p.m. (Toronto time), at least (i) three (3) Business Days', in the case of a continuation or rollover of, or conversion to, SOFR Loans, CRR Loans, EURIBOR Loans or Banker's Acceptances and BA Equivalent Notes, or (ii) one Business Day's, in the case of a conversion into Prime Rate Loans, ABR Loans or European Base Rate Loans, prior written notice (each, a "**Notice of Conversion or Continuation**") substantially in the form of Exhibit H) specifying the Loans to be so converted, continued or rolled over, as the case may be, the Type of Loans to be converted into, continued or rolled over, as the case may be, and, if such Loans are to be converted into, or continued or rolled over as SOFR Loans, CRR Loans, EURIBOR Loans or Banker's Acceptances and BA Equivalent Notes, as applicable, the Interest Period to be applicable thereto. If no Interest Period is specified in any such notice with respect to any conversion to, or continuation or rollover of, a SOFR Loan, CRR Loan, EURIBOR Loans or Banker's Acceptances and BA Equivalent Notes, the Borrower Representative shall be deemed to have selected an Interest Period of one-month's duration. The Administrative Agent shall give each applicable Lender notice as promptly as practicable of any such proposed conversion, continuation or rollover affecting any of its Loans.

(b) If any Event of Default is in existence at the time of any proposed continuation or rollover of any SOFR Loans, CRR Loans, EURIBOR Loans or Banker's Acceptances and BA Equivalent Notes and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuation or rollover, such SOFR Loans, CRR Loans, shall be automatically converted on the last day of the current Interest Period into ABR Loans, such Banker's Acceptances and BA Equivalent Notes shall be automatically rolled over on the last day of the current Interest Period into Prime Rate Loans and such EURIBOR Loans shall be automatically rolled over on the last day of the current Interest Period into European Base Rate Loans. If upon the expiration of any Interest Period in respect of SOFR Loans, CRR Loans, Banker's Acceptances and BA Equivalent Notes or EURIBOR Loans, a Borrower has failed to elect a new Interest Period to be applicable thereto as provided in clause (a), such Borrower shall be deemed to have continued such SOFR Loan, CRR Loan or EURIBOR Loan as a SOFR Loan, CRR Loan or EURIBOR Loan, as applicable, in each case, with an Interest Period of one month or to have rolled over such Banker's Acceptances and BA Equivalent Notes as Banker's Acceptances and BA Equivalent Notes with an Interest Period of one month.

1.7 **Pro Rata Borrowings**

Each Borrowing of Revolving Credit Loans (other than Swingline Loans and Protective Advances) under this Agreement shall be made by the Lenders *pro rata* on the basis of their then-applicable Revolving Credit Commitments. Each Borrowing of Incremental Revolving Credit Loans under this Agreement shall be made by the Lenders *pro rata* on the basis of their then-applicable Incremental Revolving Credit Commitments. Each Borrowing of Extended Revolving Credit Loans under this Agreement shall be made by the Extending Lenders *pro rata* on the basis of their then-applicable Extended Revolving Credit Commitments. It is understood that (a) no Lender shall be responsible for any default by any other Lender in its obligation to make Loans hereunder and that each Lender severally but not jointly shall be obligated to make the Loans provided to be made by it hereunder, regardless of the failure of any other Lender to fulfill its commitments hereunder and (b) other than as expressly provided herein with respect to a Defaulting Lender, failure by a Lender to perform any of its obligations under any of the Credit Documents shall not release any Person from performance of its obligation under any Credit Document.

1.8 Interest

(a) The unpaid principal amount of each Prime Rate Loan shall bear interest from the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for Prime Rate Loans *plus* the Prime Rate, in each case, in effect from time to time.

(b) The unpaid principal amount of each ABR Loan shall bear interest from the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for ABR Loans *plus* the ABR, in each case, in effect from time to time.

(c) The unpaid principal amount of each European Base Rate Loan shall bear interest from the date of the Borrowing thereof until maturity (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for European Base Rate Loans *plus* the European Base Rate, in each case, in effect from time to time

(d) The unpaid principal amount of:

(i) each SOFR Loan shall bear interest from the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for SOFR Loans *plus* the relevant Adjusted Term SOFR; and

(ii) each CRR Loan shall bear interest from the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for CRR Loans *plus* the relevant Compounded Reference Rate.

(e) The unpaid principal amount of each EURIBOR Loan shall bear interest from the date of the Borrowing thereof until maturity thereof (whether by acceleration or otherwise) at a rate per annum that shall at all times be the Applicable Margin for EURIBOR Loans *plus* the relevant EURIBOR.

(f) If all or a portion of (i) the principal amount of any Loan, (ii) any interest payable thereon, or (iii) any other amount payable hereunder, shall not be paid when due (whether at the stated maturity, by acceleration or otherwise but after giving effect to any grace period set forth herein), such overdue amount shall bear interest at a rate per annum that is (the "**Default Rate**") (x) in the case of overdue principal or any interest thereon, the rate that would otherwise be applicable thereto *plus* 2.00% or (y) in the case of any other overdue amount, including overdue interest thereon, to the extent permitted by applicable law, the rate described in Section 2.8(a) *plus* 2.00% for amounts in Dollars, the rate described in Section 2.8(b) *plus* 2.00% for amounts in U.S. Dollars, the rate described in Section 2.8(c) *plus* 2.00 % for amounts in Euros and the rate described in Section 2.8(d) *plus* 2.00 % for amounts in Pounds Sterling, in each case from the date of such non-payment to the date on which such amount is paid in full (after as well as before judgment).

(g) Interest on each Loan shall accrue from and including the date of any Borrowing to but excluding the date of any repayment thereof; provided that any Loan that is repaid on the same date on which it is made shall bear interest for one day. Except as provided below, interest shall be payable (i) in respect of each Prime Rate Loan, ABR Loan and European Base Rate Loan, quarterly in arrears on the first Business Day of each April, July, October and January for the accrued and unpaid amount during the applicable preceding three-month period, (ii) in respect of each SOFR Loan, CRR Loan and EURIBOR Loan, on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three-month intervals after the first day of such Interest Period, and (iii) in respect of each Loan, (A) on any prepayment in respect of SOFR Loans,

CRR Loans or EURIBOR Loans, (B) at maturity (whether by acceleration or otherwise), and (C) after such maturity, on demand.

(h) All computations of interest hereunder shall be made in accordance with Section 6.5.

(i) The Administrative Agent, upon determining the interest rate for any Borrowing of SOFR Loans, CRR Loans or EURIBOR Loans, shall promptly notify the Borrower Representative and the relevant Lenders thereof. Each such determination shall, absent clearly demonstrable error, be final and conclusive and binding on all parties hereto.

(j) For the purposes of this Agreement, whenever interest is to be calculated on the basis of a period of time other than a calendar year, the annual rate of interest to which each rate of interest determined pursuant to such calculation is equivalent for the purposes of the *Interest Act* (Canada) is such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days used in the basis of such determination.

(k)

- (i) The rates of interest provided for in this Agreement, including, without limitation under this Section 2.8 are minimum interest rates.
- (ii) When entering into this Agreement, each of the parties hereto have assumed that the interest payable at the rates set out in this Section 2.8 or in other provisions of this Agreement is not and will not become subject to Swiss Withholding Tax. Notwithstanding the foregoing, if any payment of interest will be subject to Swiss Withholding Tax, they agree that, if a tax deduction (the "**Tax Deduction**") is required by law to be made by the Swiss Borrower in respect of any interest payable by it under this Agreement (taking into account the exceptions set out in Section 6.4(a)(ii)) and should, in respect of the Swiss Borrower, Section 6.4(a)(ii) be unenforceable for any reason, the applicable interest rate in relation to that interest payment shall be (x) the interest rate which would have applied to that interest payment as provided for in this Agreement in the absence of this Section 2.8(k) divided by (y) 1 minus the rate at which the relevant Tax Deduction is required to be made (where the rate at which the relevant deduction or withholding of tax is required to be made is for this purpose expressed as a fraction of 1 rather than as a percentage) and (a) the Swiss Borrower shall be obliged to pay the relevant interest at the adjusted rate in accordance with this Section 2.8(k), (b) the Swiss Borrower shall make the Tax Deduction on the recalculated interest, (c) all references to a rate of interest in this Agreement shall be construed accordingly, and (d) all provisions in Section 6.4 (other than Section 6.4(a)(ii)) shall apply to the Tax Deduction on the recalculated interest payment.
- (iii) To the extent that interest payable by the Swiss Borrower under this Agreement becomes subject to Swiss Withholding Tax, each relevant affected Secured Party and the Swiss Borrower shall promptly co-operate in completing any procedural formalities (including submitting forms and documents required by the appropriate tax authority) to the extent possible and necessary for the Swiss Borrower to obtain authorization to make interest payments without them being subject to Swiss Withholding Tax.

(l)

- (i) The Administrative Agent shall promptly upon a Compounded Rate Interest Payment being determinable notify (A) the relevant Borrower of that Compounded Rate Interest Payment, (B) each relevant Lender of the proportion of that Compounded Rate Interest Payment which relates to that Lender's participation in the relevant CRR Loan and (C) the relevant Lenders and the relevant Borrower of each applicable rate of interest relating to the determination of that Compounded Rate Interest Payment, provided that this clause (i)(i) shall not apply to any Compounded Rate Interest Payment determined pursuant to Section 2.11.
- (ii) The Administrative Agent shall promptly notify the relevant Lenders and the relevant CGI Borrower of the determination of a rate of interest relating to a CRR Loan to which Section 2.11 applies.
- (iii) Nothing in this Section 2.8 requires the Administrative Agent to make any notification to any Party on a day which is not a Business Day

1.9 Interest Periods

At the time the Borrower Representative gives a Notice of Borrowing in accordance with Section 2.3(a) in respect of the making of, or Notice of Conversion or Continuation in accordance with Section 2.6(a) in respect of a rollover of, conversion into or continuation as, as the case may be, a Borrowing by way of Banker's Acceptances and BA Equivalent Notes, SOFR Loans, CRR Loans or EURIBOR Loans the Borrower Representative shall give the Administrative Agent written notice of the Interest Period applicable to such Borrowing, which Interest Period shall, at the option of the Borrower Representative be (w) in the case of a Borrowing by way of SOFR Loans, a one, three or six month period (or, if available to all the Lenders making such SOFR Loans as determined by such Lenders in good faith based on prevailing market conditions, a twelve month period or a period shorter than one month), (x) in the case of a Borrowing by way of CRR Loans a one, three or six month period, (y) in the case of a Borrowing by way of EURIBOR Loans a one week or one, three or six month period (or, if available to all the Lenders making such EURIBOR Loans as determined by such Lenders in good faith based on prevailing market conditions, a twelve month period or a period shorter than one month (other than a one week period)), and (z) in the case of a Borrowing by way of Banker's Acceptances and BA Equivalent Notes, a one, two or three month period.

Notwithstanding anything to the contrary contained above:

- (a) the initial Interest Period for any Borrowing by way of Banker's Acceptances and BA Equivalent Notes, SOFR Loans, CRR Loans or EURIBOR Loans shall commence on the date of such Borrowing (including the date of any conversion) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;
- (b) if any Interest Period relating to a Borrowing of SOFR Loans, CRR Loans or EURIBOR Loans begins on the last Business Day of a calendar month or begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period, such Interest Period shall end on the last Business Day of the calendar month at the end of such Interest Period;
- (c) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided that if any Interest Period in respect of a SOFR Loan, CRR Loan or EURIBOR Loan would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day;

- (d) the Borrowers shall not be entitled to elect any Interest Period in respect of any SOFR Loan, CRR Loan or EURIBOR Loan, or Borrowing by way of Banker's Acceptances and BA Equivalent Notes if such Interest Period would extend beyond the Maturity Date of such Loan; and
- (e) the Borrowers shall not be entitled to elect any Interest Period for a tenor that has been removed pursuant to Section 1.14(d) above.

1.10 Increased Costs, Illegality, Etc. of SOFR Loans, CRR Loans and EURIBOR Loans

(a) In the event that (x) in the case of clause (i) below, the Administrative Agent and (y) in the case of clauses (ii) and (iii) below, the Required Lenders shall have reasonably determined (which determination shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto):

- (i) on any date for determining the Adjusted Term SOFR, Compounded Reference Rate or EURIBOR (or any alternate rate designated pursuant to Section 1.14) for any Interest Period that (x) deposits in the principal amounts and currencies of the Loans comprising such SOFR Loan, CRR Loan, or EURIBOR Loan are not generally available in the relevant market or (y) adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of Adjusted Term SOFR, Compounded Reference Rate or EURIBOR; or
- (ii) at any time, that such Lenders shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to any SOFR Loan, CRR Loan or EURIBOR Loan (including any increased costs or reductions attributable to Taxes, other than any increase or reduction attributable to (x) Taxes described in clauses (i) and (ii) of paragraph (d) of this Section 2.10 and (y) Other Taxes) because of any Change in Law; or
- (iii) at any time, that the making or continuance of any SOFR Loan, CRR Loan or EURIBOR Loan has become unlawful by compliance by such Lenders in good faith with any law, governmental rule, regulation, guideline or order (or would conflict with any such governmental rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful);

(such Loans, "**Impacted Loans**"), then, and in any such event, such Required Lenders (or the Administrative Agent, in the case of clause (i) above) shall within a reasonable time thereafter give notice (if by telephone, confirmed in writing) to the Borrower Representative, and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each of the other Lenders). Thereafter (x) in the case of clause (i) above, SOFR Loans, CRR Loans and/or EURIBOR Loans shall no longer be available until such time as the Administrative Agent notifies the Borrower Representative and the Lenders that the circumstances giving rise to such notice by the Administrative Agent no longer exist (which notice the Administrative Agent agrees to give at such time when such circumstances no longer exist), and any Notice of Borrowing or Notice of Conversion or Continuation given by the Borrower Representative with respect to a SOFR Loan, CRR Loan and/or EURIBOR Loan that have not yet been incurred shall be deemed rescinded by the Borrower Representative, (y) in the case of clause (ii) above, the applicable Borrower(s) shall pay to such Lenders, promptly after receipt of written demand therefor such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Required Lenders in

their reasonable discretion shall determine) as shall be required to compensate such Lenders for such actual increased costs or reductions in amounts receivable hereunder (it being agreed that a written notice as to the additional amounts owed to such Lenders, showing in reasonable detail the basis for the calculation thereof, submitted to the Borrower Representative by such Lenders shall, absent clearly demonstrable error, be final and conclusive and binding upon all parties hereto), and (z) in the case of subclause (iii) above, the Borrower Representative shall take one of the actions specified in subclause (x) or (y), as applicable, of Section 2.10(b) promptly and, in any event, within the time period required by law.

Notwithstanding the foregoing, if the Administrative Agent has made the determination described in Section 2.10(a)(i) (x), the Administrative Agent, in consultation with the Borrower Representative and the affected Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (x) of the first sentence of the immediately preceding paragraph, (2) the Administrative Agent notifies the Borrower Representative or the Required Lenders notify the Administrative Agent and the Borrower Representative that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender reasonably determines that any law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable lending office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower Representative written notice thereof.

(b) At any time that any SOFR Loan, CRR Loan or EURIBOR Loan is affected by the circumstances described in Section 2.10(a)(i)(y) or Section 2.10(a)(ii) or (iii), the Borrower Representative may (and in the case of a SOFR Loan, CRR Loan or EURIBOR Loan affected pursuant to Section 2.10(a)(iii) shall) either (x) if a Notice of Borrowing or Notice of Conversion or Continuation with respect to the affected SOFR Loan, CRR Loan or EURIBOR Loan has been submitted pursuant to Section 2.3 or Section 2.6, as applicable, but the affected SOFR Loan, CRR Loan or EURIBOR Loan has not been funded or continued, cancel such requested Borrowing by giving the Administrative Agent written notice thereof on the same date that the Borrower Representative was notified by the Administrative Agent pursuant to Section 2.10(a)(i)(y) or the Lenders pursuant to Section 2.10(a)(ii) or (iii), as applicable, or (y) if the affected SOFR Loan, CRR Loan or EURIBOR Loan is then outstanding, (I) upon at least three (3) Business Days' notice to the Administrative Agent, require the affected Lender to convert each such SOFR Loan or EURIBOR Loan into an ABR Loan or European Base Rate Loan, respectively, and (II) unless the Administrative Agent and the Borrower Representative agree to a substitute rate, in which case such substitute rate shall be deemed to be the "Adjusted Term SOFR," "Compounded Reference Rate" or "EURIBOR", as applicable, (1) in the case of any SOFR Loan, CRR Loan or EURIBOR Loan denominated in any currency other than U.S. Dollars, Euros or Pounds Sterling affected by the circumstances described in Section 2.10(a)(i)(y) or (a)(ii), prepay each such SOFR Loan, CRR Loan or EURIBOR Loan, as applicable, at the end of the current Interest Period or (2) in the case of any SOFR Loan, CRR Loan or EURIBOR Loan denominated in any currency other than U.S. Dollars, Euros or Pounds Sterling affected by the circumstances described in Section 2.10(a)(iii), immediately prepay each such SOFR Loan, CRR Loan or EURIBOR Loan, as applicable; provided that if more than one Lender is affected at any time, then all affected Lenders must be treated in the same manner pursuant to this Section 2.10(b).

(c) If, after the Closing Date, any Change in Law relating to capital adequacy or liquidity of any Lender or compliance by any Lender or its parent with any Change in Law relating to capital adequacy or liquidity occurring after the Closing Date, has or would have the effect of reducing the actual rate of return on such Lender's or its parent's or its Affiliate's capital or assets as a consequence of such Lender's commitments or obligations hereunder to a level below that which such Lender or its parent or its Affiliate could have achieved but for such Change in Law (taking into consideration such Lender's or its parent's policies with respect to capital adequacy or liquidity), then from time to time, promptly after demand by such Lender (with a copy to the Administrative Agent), the applicable Borrower shall pay to such Lender such actual additional amount or amounts as will compensate such Lender or its parent for such actual reduction, it being understood and agreed, however, that a Lender shall not be entitled to such compensation as a result of such Lender's compliance with, or pursuant to any request or directive to comply with, any law, rule or regulation as in effect on the Closing Date or to the extent such Lender is not imposing such charges on, or requesting such compensation from, borrowers (similarly situated to the Borrowers hereunder) under comparable syndicated credit facilities similar to the Credit Facilities. Each Lender, upon determining in good faith that any additional amounts will be payable pursuant to this Section 2.10(c), will give prompt written notice thereof to the Borrower Representative, which notice shall set forth in reasonable detail the basis of the calculation of such additional amounts, although the failure to give any such notice shall not, subject to Section 2.13, release or diminish the applicable Borrower's obligations to pay additional amounts pursuant to this Section 2.10(c) promptly following receipt of such notice.

(d) It is understood that this Section 2.10 shall not apply to (i) Taxes indemnifiable under Section 6.4 or (ii) Excluded Taxes.

1.11 Compensation

If (a) any payment of principal of any Banker's Acceptance, BA Equivalent Note, SOFR Loan, CRR Loan or EURIBOR Loan is made by a Borrower to or for the account of a Lender prior to the last day of the Interest Period for such Banker's Acceptance, BA Equivalent Note, SOFR Loan, CRR Loan or EURIBOR Loan as a result of a payment or conversion pursuant to Sections 2.5, 2.6, 2.10, 6.1, 6.2 or 14.7, as a result of acceleration of the maturity of the Loans pursuant to Article 12 or for any other reason, (b) any Borrowing by way of Banker's Acceptance, BA Equivalent Note, SOFR Loan, CRR Loan or EURIBOR Loan is not made as a result of a withdrawn Notice of Borrowing or a failure to satisfy borrowing conditions, (c) any ABR Loan is not converted into a SOFR Loan as a result of a withdrawn Notice of Conversion or Continuation, (d) any Prime Rate Loan is not converted into a Borrowing by way of Banker's Acceptances or BA Equivalent Note as a result of a withdrawn Notice of Conversion or Continuation, (e) any European Base Rate Loan is not converted into a EURIBOR Loan as a result of a withdrawn Notice of Conversion or Continuation, (f) any Borrowing by way of Banker's Acceptance, BA Equivalent Note, SOFR Loan, CRR Loan or EURIBOR Loan is not continued as a Borrowing by way of Banker's Acceptance, BA Equivalent Note, SOFR Loan, CRR Loan or EURIBOR Loan, respectively, as a result of a withdrawn Notice of Conversion or Continuation or (g) any prepayment of principal of any Banker's Acceptance, BA Equivalent Note, SOFR Loan, CRR Loan or EURIBOR Loan is not made as a result of a withdrawn notice of prepayment pursuant to Sections 6.1 or 6.2, the applicable Borrower shall, after receipt of a written request by such Lender (which request shall set forth in reasonable detail the basis for requesting such amount), promptly pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any losses, costs or expenses that such Lender may reasonably incur as a result of such payment, failure to convert, failure to continue or failure to prepay, including any loss, cost or expense (excluding loss of anticipated profits) actually incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Banker's Acceptance, BA Equivalent Note, SOFR Loan, CRR Loan or EURIBOR Loan. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender as specified in this Section 2.11 and setting forth in reasonable detail the manner in which such amount or amounts were determined shall be delivered to the Borrower Representative and shall be conclusive, absent manifest error.

Without limitation of the foregoing, in connection with each payment of Banker's Acceptances and BA Equivalent Notes prior to the expiry of the applicable Interest Period, the applicable Borrower shall Cash Collateralize the full face amount at maturity of each such Banker's Acceptance and BA Equivalent Note in accordance with Section 3.7.

1.12 Change of Lending Office

Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Sections 2.10(a)(ii), 2.10(a)(iii), 2.10(b), 2.10(c), 3.5 or 6.4 with respect to such Lender, it will, if requested by the Borrower Representative use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event; provided that such designation is made on such terms that such Lender and its lending office suffer no material unreimbursed cost or other material economic, legal or regulatory disadvantage, with the object of avoiding the consequence of the event giving rise to the operation of any such Section, provided, further, that each of the Borrowers and the other Credit Parties acknowledge that Canadian Imperial Bank of Commerce and certain of the other Lenders may provide Loans and other accommodations under this Agreement to Swiss Borrower from their respective lending offices in Canada or the United States and each of the Borrowers and the other Credit Parties agree that no such Lender shall be required to comply with this Section 2.12 in the event that providing Loans and other accommodations under this Agreement to Swiss Borrower from their respective lending offices in Canada or the United States gives rise to the operation of Sections 2.10(a)(ii), 2.10(a)(iii), 2.10(b), 2.10(c), 3.5 or 6.4 with respect to such Lender. Nothing in this Section 2.12 shall affect or postpone any of the obligations of the Borrowers or the right of any Lender provided in Sections 2.10, 3.5 or 6.4.

1.13 Notice of Certain Costs

Notwithstanding anything in this Agreement to the contrary, to the extent any notice required by Sections 2.10, 2.11, 3.5 or 6.4 is given by any Lender more than 120 days after such Lender has knowledge (or should have had knowledge) of the occurrence of the event giving rise to the additional cost, reduction in amounts, loss, or other additional amounts described in such Sections, such Lender shall not be entitled to compensation under Sections 2.10, 2.11, 3.5 or 6.4, as the case may be, for any such amounts incurred or accruing prior to the 121st day prior to the giving of such notice to the Borrower Representative.

1.14 Incremental Facilities

(a) The Borrower Representative may by written notice to the Administrative Agent elect to request the establishment of one or more increases in Commitments of any Class (the "**Incremental Revolving Credit Commitments**"), by an aggregate amount not in excess of the Maximum Incremental Facilities Amount at the time of incurrence thereof and not less than \$5,000,000 individually (or such lesser amount as (x) may be approved by the Administrative Agent or (y) shall constitute the Maximum Incremental Facilities Amount at such time) and in a multiple of \$100,000 in excess thereof. Each such notice shall specify the date (each, an "**Increased Amount Date**") on which the Borrower Representative proposes that the Incremental Revolving Credit Commitments shall be effective. The Borrower Representative may approach any Lender or any Person (other than a natural Person) to provide all or a portion of the Incremental Revolving Credit Commitments; provided that any Lender offered or approached to provide all or a portion of the Incremental Revolving Credit Commitments may elect or decline, in its sole discretion, to provide an Incremental Revolving Credit Commitment, and the Borrower Representative shall have no obligation to approach any existing Lender to provide any Incremental Revolving Credit Commitment. If the existing Lenders approached by the Borrower Representative (if any) are unwilling to increase their applicable commitments by an amount equal to the requested Incremental Revolving Credit Commitments, the Administrative Agent, at the request of and in consultation with Borrower Representative, will use its commercially reasonable efforts to obtain one or more Persons (other than any natural Person) which are not then Lenders (which Persons may be suggested by the Borrower Representative) to become party to the Credit Documents and to provide a commitment to the

extent necessary to satisfy Borrower Representative's request for Incremental Revolving Credit Commitments, as the case may be; provided, however, (a) compensation for any such assistance by the Administrative Agent shall be mutually agreed by the Administrative Agent and Borrower Representative, (b) such assistance shall be subject to the execution of a customary engagement letter and (c) Administrative Agent shall have no obligation to provide any such Incremental Revolving Credit Commitment. In each case, such Incremental Revolving Credit Commitments shall become effective as of the applicable Increased Amount Date; provided that (i) (x) other than as described in the immediately succeeding clause (y), no Event of Default shall exist on such Increased Amount Date immediately before or immediately after giving effect to such Incremental Revolving Credit Commitments or (y) if such Incremental Revolving Credit Commitment is being provided in connection with a Permitted Acquisition or other acquisition constituting a permitted Investment or in connection with refinancing of any Indebtedness that requires an irrevocable prepayment or redemption notice, then no Event of Default under Section 12.1 or Section 12.5 shall exist on such Increased Amount Date, (ii) the Incremental Revolving Credit Commitments shall be effected pursuant to one or more Joinder Agreements executed and delivered by the Borrower Representative and Administrative Agent, and each of which shall be recorded in the Register and shall be subject to the requirements set forth in Section 6.4(e) and (iii) the Borrowers shall make any payments required pursuant to Section 2.11 in connection with the Incremental Revolving Credit Commitments, as applicable. No Lender shall have any obligation to provide any Commitments pursuant to this Section 2.14(a). For all purposes of this Agreement, any Incremental Revolving Credit Commitments made on an Increased Amount Date shall be designated a part of the series of existing Commitments of the applicable Class subject to such increase.

(b) On any Increased Amount Date on which Incremental Revolving Credit Commitments are effected, subject to the satisfaction of the foregoing terms and conditions, (i) each loan made (including, where applicable, a loan made by way of Banker's Acceptances or BA Equivalent Notes) under an Incremental Revolving Credit Commitment (an "**Incremental Revolving Credit Loan**") shall be deemed, for all purposes, a Loan and (ii) each Lender with an Incremental Revolving Credit Commitment (each an "**Incremental Revolving Loan Lender**") shall become a Lender with respect to the Incremental Revolving Credit Commitment and all matters relating thereto; provided that the Administrative Agent shall have consented (not to be unreasonably withheld or delayed) to such Incremental Revolving Loan Lender's providing such Incremental Revolving Credit Commitment to the extent such consent, if any, would be required under Section 14.6(b) for an assignment of Incremental Revolving Credit Loans or Incremental Revolving Credit Commitments, as applicable, to such Incremental Revolving Loan Lender.

(c) On any Increased Amount Date, each Lender in respect of the applicable Class of Commitments immediately prior to such increase will automatically and without further act be deemed to have assigned to each Incremental Revolving Loan Lender in respect of such increase, and each such Incremental Revolving Loan Lender will automatically and without further act be deemed to have assumed, a portion of such Lender's participations hereunder in outstanding Letters of Credit, so that after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding participations hereunder in such Letters of Credit held by each Lender holding Revolving Loans (including each such Incremental Revolving Loan Lender), as applicable, will equal the percentage of the aggregate Total Revolving Credit Commitments of all Lenders under the Credit Facilities. In connection with any Incremental Revolving Credit Commitment hereunder, upon the request of the Borrower Representative, the Letter of Credit Commitment may be increased with the approval of the Letter of Credit Issuer and the Administrative Agent by an amount not to exceed the amount of such Incremental Revolving Credit Commitment, in their sole and absolute discretion. Additionally, if any Revolving Loans of the Class of Revolving Loans that are being increased are outstanding at the time any Incremental Revolving Credit Commitments are established, the applicable Lenders immediately after effectiveness of such Incremental Revolving Credit Commitments shall purchase and assign at par such amounts of the Revolving Loans of such Class outstanding at such time as the Administrative Agent may require such that all of the Lenders effectively participate in each of the outstanding Revolving Loans of such Class on a *pro rata* basis of their Revolving Credit Commitment Percentages in respect of such

Class immediately after giving effect to all such assignments. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, *pro rata* borrowing and *pro rata* payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

(d) Incremental Revolving Credit Commitments and Incremental Revolving Credit Loans shall be identical to the Class of Commitments subject to such increase and the related Revolving Loans of such Class; provided, that underwriting, arrangement, upfront or similar fees that may be agreed to among the Borrower Representative and the Lenders providing and/or arranging such Incremental Revolving Credit Commitments may be paid in connection with such Incremental Revolving Credit Commitments.

(e) Each Joinder Agreement may, without the consent of any other Lenders, effect technical and corresponding amendments to this Agreement and the other Credit Documents as may be necessary or appropriate, in the opinion of the Administrative Agent and the Borrower Representative, to effect the provisions of this Section 2.14.

1.15 Extended Facilities

(a) The Borrower Representative may at any time and from time to time request that all or a portion of any Revolving Credit Commitments, any Extended Revolving Credit Commitments and/or any Incremental Revolving Credit Commitments, each existing at the time of such request (each, an "**Existing Revolving Credit Commitment**" and any related Revolving Loans thereunder, "**Existing Revolving Credit Loans**"; each Existing Revolving Credit Commitment and related Existing Revolving Credit Loans together being referred to as an "**Existing Class**") be converted to extend the termination date thereof (any such Existing Revolving Credit Commitments which have been so extended, "**Extended Revolving Credit Commitments**" and any related Loans (including, where applicable, loans by way of Banker's Acceptances or BA Equivalent Notes), "**Extended Revolving Credit Loans**") and to provide for other terms consistent with this Section 2.15(a). In order to establish any Extended Revolving Credit Commitments, the Borrower Representative shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders of the applicable Class of Existing Revolving Credit Commitments which such request shall be offered equally to all such Lenders) (an "**Extension Request**") setting forth the proposed terms of the Extended Revolving Credit Commitments to be established, which shall be identical to the terms of the applicable Existing Revolving Credit Commitments (the "**Specified Existing Revolving Credit Commitment**") unless (x) the Lenders providing Existing Revolving Credit Commitments receive the benefit of such more favorable terms applicable before the Revolving Credit Termination Date or (y) any such provisions apply after the Revolving Credit Termination Date, in each case, to the extent provided in the applicable Extension Amendment; provided, however, that (w) all or any of the final maturity dates of such Extended Revolving Credit Commitments may be delayed to later dates than the final maturity dates of the Specified Existing Revolving Credit Commitments, (x) (A) the interest margins with respect to the Extended Revolving Credit Commitments may be higher or lower than the interest margins for the Specified Existing Revolving Credit Commitments and/or (B) additional fees and premiums may be payable to the Lenders providing such Extended Revolving Credit Commitments in addition to or in lieu of any increased margins contemplated by the preceding clause (A) and (y) the revolving credit commitment fee rate with respect to the Extended Revolving Credit Commitments may be higher or lower than the revolving credit commitment fee rate for the Specified Existing Revolving Credit Commitment; provided that, notwithstanding anything to the contrary in this Section 2.15 or otherwise, (1) the borrowing and repayment (other than (I) in connection with a permanent repayment and termination of commitments or (II) payments of interest and fees in different rates on Extended Revolving Credit Commitments) of Loans with respect to any Original Revolving Credit Commitments shall be made on a pro rata basis with all other Original Revolving Credit Commitments and (2) assignments and participations of Extended Revolving Credit Commitments and Extended Revolving Credit Loans shall be governed by the same assignment and participation provisions applicable to Revolving Credit Commitments and the Revolving Credit Loans related to such Commitments set forth in Section 14.6. No Lender shall

have any obligation to agree to have any of its Revolving Loans or Commitments of any Existing Class converted into Extended Revolving Credit Loans or Extended Revolving Credit Commitments pursuant to any Extension Request. Any Extended Revolving Credit Commitments of any Extension Series shall constitute a separate Class of revolving credit commitments from the Specified Existing Revolving Credit Commitments and from any other Existing Revolving Credit Commitments; provided that any Extended Revolving Credit Commitments converted from an Existing Revolving Credit Commitment may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any then outstanding Class of Commitments other than the Class of Existing Revolving Credit Commitments from which such Extended Revolving Credit Commitments were converted.

(b) Any Lender (an "**Extending Lender**") wishing to have all or a portion of its Revolving Credit Commitment, Incremental Revolving Credit Commitment or Extended Revolving Credit Commitment of the Existing Class or Existing Classes subject to such Extension Request converted into Extended Revolving Credit Commitments shall notify the Administrative Agent (an "**Extension Election**") on or prior to the date specified in such Extension Request of the amount of its Revolving Credit Commitments, Incremental Revolving Credit Commitments or Extended Revolving Credit Commitments of the Existing Class or Existing Classes, as applicable, subject to such Extension Request that it has elected to convert into Extended Revolving Credit Commitments. In the event that the aggregate amount of Revolving Credit Commitments, Incremental Revolving Credit Commitments or Extended Revolving Credit Commitments of the Existing Class or Existing Classes, as applicable, subject to Extension Elections exceeds the amount of Extended Revolving Credit Commitments requested pursuant to the Extension Request, Revolving Credit Commitments, Incremental Revolving Credit Commitments or Extended Revolving Credit Commitments of the Existing Class or Existing Classes, as applicable, subject to Extension Elections shall be converted to Extended Revolving Credit Commitments on a *pro rata* basis based on the amount of Revolving Credit Commitments, Incremental Revolving Credit Commitments or Extended Revolving Credit Commitments included in each such Extension Election. Notwithstanding the conversion of any Existing Revolving Credit Commitment into an Extended Revolving Credit Commitment, such Extended Revolving Credit Commitment shall be treated identically to all other Original Revolving Credit Commitments for purposes of the obligations of a Lender in respect of Swingline Loans under Section 2.1(b), Protective Advances pursuant to Section 2.1(e) and Letters of Credit under Article 3, except that the applicable Extension Amendment may provide that the Swingline Maturity Date and/or the L/C Facility Maturity Date may be extended and the related obligations to make Swingline Loans and issue Letters of Credit may be continued so long as the Swingline Lender and/or the Letter of Credit Issuer, as applicable, have consented to such extensions in their sole discretion (it being understood that no consent of any other Lender shall be required in connection with any such extension).

(c) Extended Revolving Credit Commitments shall be established pursuant to an amendment (an "**Extension Amendment**") to this Agreement (which, except to the extent expressly contemplated by the last sentence of this Section 2.15(c) and notwithstanding anything to the contrary set forth in Section 14.1, shall not require the consent of any Lender other than the Extending Lenders with respect to the Extended Revolving Credit Commitments established thereby) executed by the Borrower Representative, the Administrative Agent and the Extending Lenders. No Extension Amendment shall provide for any Class of Extended Revolving Credit Commitments in an aggregate principal amount that is less than \$5,000,000, and the Borrower Representative may condition the effectiveness of any Extension Amendment on an Extension Minimum Condition, which may be waived by the Borrower Representative in its sole discretion. In addition to any terms and changes required or permitted by Section 2.15(a), each Extension Amendment may, but shall not be required to, impose additional requirements (not inconsistent with the provisions of this Agreement in effect at such time) with respect to the final maturity of Incremental Revolving Credit Commitments incurred following the date of such Extension Amendment. Notwithstanding anything to the contrary in this Section 2.15(c) and without limiting the generality or applicability of Section 14.1 to any Section 2.15 Additional Amendments, any Extension Amendment may provide for additional terms and/or additional amendments other than those referred to or contemplated above (any

such additional amendment, a "**Section 2.15 Additional Amendment**") to this Agreement and the other Credit Documents; provided that such Section 2.15 Additional Amendments are within the requirements of Section 2.15 and do not become effective prior to the time that such Section 2.15 Additional Amendments have been consented to (including, without limitation, pursuant to (1) consents applicable to holders of Incremental Revolving Credit Commitments provided for in any Joinder Agreement and (2) consents applicable to holders of any Extended Revolving Credit Commitments provided for in any Extension Amendment) by such of the Lenders, Credit Parties and other parties (if any) as may be required in order for such Section 2.15 Additional Amendments to become effective in accordance with Section 14.1.

(d) Notwithstanding anything to the contrary contained in this Agreement, on any date on which any Existing Class is converted to extend the related scheduled maturity date(s) in accordance with Section 2.15(a) (an "**Extension Date**"), (A) in the case of the Specified Existing Revolving Credit Commitments of each Extending Lender, the aggregate principal amount of such Specified Existing Revolving Credit Commitments shall be deemed reduced by an amount equal to the aggregate principal amount of Extended Revolving Credit Commitments so converted by such Lender on such date, and such Extended Revolving Credit Commitments shall be established as a separate Class of revolving credit commitments from the Specified Existing Revolving Credit Commitments; provided that any Extended Revolving Credit Commitments converted from an Existing Revolving Credit Commitment may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any then outstanding Class of Commitments other than the Class of Existing Revolving Credit Commitments from which such Extended Revolving Credit Commitments were converted and (B) if any Loans of any Extending Lender are outstanding under the applicable Specified Existing Revolving Credit Commitments, such Loans (and any related participations) shall be deemed to be allocated as Extended Revolving Credit Loans (and related participations) and Existing Revolving Credit Loans (and related participations) in the same proportion as such Extending Lender's Specified Existing Revolving Credit Commitments to Extended Revolving Credit Commitments.

(e) The Administrative Agent and the Lenders (other than the Swingline Lender to the extent such consent is expressly required by this Section 2.15) hereby consent to the consummation of the transactions contemplated by this Section 2.15 (including, for the avoidance of doubt, payment of any interest, fees, or premium in respect of any Extended Revolving Credit Commitment on such terms as may be set forth in the relevant Extension Amendment) and hereby waive the requirements of any provision of this Agreement (including, without limitation, any pro rata payment or amendment section) or any other Credit Document that may otherwise prohibit or restrict any such extension or any other transaction contemplated by this Section 2.15.

(f) No conversion of Loans pursuant to any extension in accordance with this Section 2.15(f) shall constitute a voluntary or mandatory payment or prepayment for purposes of this Agreement.

1.16 Borrowing in Other Currencies

The Borrower Representative may from time to time request that Revolving Loans be made and/or Letters of Credit be issued on behalf of either Borrower in currencies other than Dollars, U.S. Dollars, Euros and Pounds Sterling by written notice to the Administrative Agent (each such other currency approved by the Administrative Agent and the Lenders and, in the case of a Letter of Credit denominated in a currency other than Dollars, U.S. Dollars, Euros or Pounds Sterling, the Letter of Credit Issuer, "**Alternative Currency**"); provided that (i) the Equivalent Amount in Dollars of all such Loans outstanding at any time shall not exceed \$40,000,000, (ii) all of the terms and conditions of the Revolving Credit Loans provided in this Agreement shall apply to such Loans, unless otherwise expressly provided by the Administrative Agent and the Lenders or the application of such terms and conditions are not reasonably practicable, and (iii) each such Revolving Loan shall be subject to such other terms and conditions as the Administrative Agent and the Lenders require for Revolving Loans in the

applicable currency, including with respect to pricing, availability, interest periods, repayment provisions and maturity.

1.17 Defaulting Lenders

- (a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:
- (i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and Section 14.1.
 - (ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 12 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 14.8 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a *pro rata* basis of any amounts owing by such Defaulting Lender to the Letter of Credit Issuer, Swingline Lender or the Administrative Agent (in respect of Protective Advances) hereunder; *third*, to Cash Collateralize the Letter of Credit Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 3.7; *fourth*, as the Borrower Representative may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower Representative, to be held in a deposit account and released *pro rata* in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the Letter of Credit Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 3.7; *sixth*, to the payment of any amounts owing to the Borrowers, the Lenders, the Administrative Agent, the Letter of Credit Issuer or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Borrower, any Lender, the Administrative Agent, the Letter of Credit Issuer or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *seventh*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Article 8 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swingline Loans are held by the Lenders *pro rata* in accordance with the Commitments hereunder without giving effect to Section 2.17(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held)

to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.17(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

- (A) No Defaulting Lender shall be entitled to receive any fee payable under Article 4 or any interest at the Default Rate payable under Section 2.8(f) for any period during which that Lender is a Defaulting Lender (and the Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).
- (B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Revolving Credit Commitment Percentage of the Stated Amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 3.7.
- (C) With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrowers shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the Letter of Credit Issuer the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Letter of Credit Issuer's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swingline Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Revolving Credit Commitment Percentages (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Credit Commitment. Subject to Section 14.23, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swingline Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Borrowers shall, without prejudice to any right or remedy available to them hereunder or under applicable law, (x) *first*, prepay Swingline Loans in an amount equal to the Swingline Lenders' Fronting Exposure and (y) *second*, Cash Collateralize the Letter of Credit Issuers' Fronting Exposure in accordance with the procedures set forth in Section 3.7.

(b) Defaulting Lender Cure. If the Borrower Representative, the Administrative Agent, the Swingline Lender, and the Letter of Credit Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein

(which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held on a *pro rata* basis by the Lenders in accordance with their respective Revolving Credit Commitment Percentages (without giving effect to Section 2.17(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

1.18 Borrower Representative

Swiss Borrower designates CGI Borrower (and any Successor Borrower thereto) as its representative and agent (in such capacity, the "**Borrower Representative**") for all purposes under the Credit Documents, including requests for Loans and Letters of Credit, designation of interest rates, delivery or receipt of communications, preparation and delivery of financial reports, requests for waivers, amendments or other accommodations, actions under the Credit Documents (including in respect of compliance with covenants), and all other dealings with the applicable Agent, the Letter of Credit Issuer, the Swingline Lender or any Lender. CGI Borrower hereby accepts such appointment as Borrower Representative. The Agents, the Letter of Credit Issuer, the Swingline Lender and the Lenders shall be entitled to rely upon, and shall be fully protected in relying upon, any notice or communication (including any notice of borrowing) delivered by the Borrower Representative on behalf of any Borrower. The Administrative Agent, the Letter of Credit Issuer, the Swingline Lender and the Lenders may give any notice to, or communication with, a Borrower hereunder to the Borrower Representative on behalf of such Borrower. Each of the Administrative Agent, Letter of Credit Issuer, the Swingline Lender and the Lenders shall have the right, in its discretion, to deal exclusively with the Borrower Representative for any or all purposes under the Credit Documents. Anything contained herein to the contrary notwithstanding, no Borrower (other than the Borrower Representative) shall be authorized to request any Borrowing or Letter of Credit hereunder without the prior written consent of CGI Borrower.

1.19 Borrowing Base Reserves; Changes to Borrowing Base Reserves

(a) The Borrowing Base Reserves as of the Seventh Closing Date are those set forth in the Borrowing Base Certificate delivered to the Administrative Agent on the Seventh Closing Date pursuant to Section 14.24(b)(ix) hereof.

(b) The Administrative Agent may hereafter establish additional Borrowing Base Reserves or change any of the Borrowing Base Reserves in effect on the Seventh Closing Date, in the exercise of its Permitted Discretion; provided that such Borrowing Base Reserves shall not be established or changed except upon not less than five (5) Business Days' prior written notice to the Borrower Representative (during which period the Administrative Agent shall be available to discuss any such proposed Borrowing Base Reserve with the Borrower Representative); provided further that no such prior notice shall be required (1) if a Specified Default has occurred and is continuing or (2) for changes to any Borrowing Base Reserves resulting solely by virtue of mathematical calculations of the amount of the Borrowing Base Reserve in accordance with the methodology of calculation previously utilized. Upon delivery of a notice described above, the Credit Parties may take such action as may be required so that the event, condition, circumstance or new fact that is the basis for such Borrowing Base Reserve or increase no longer exists, in a manner and to the extent reasonably satisfactory to the Administrative Agent.

(c) The amount of any Borrowing Base Reserve established by the Administrative Agent shall have a reasonable relationship as determined by the Administrative Agent in its

Permitted Discretion to the event, condition or other matter that is the basis for such Borrowing Base Reserve. Notwithstanding anything herein to the contrary, (i) a Borrowing Base Reserve shall not be established to the extent it is duplicative of any specific item excluded as ineligible in the definitions of Eligible Credit Card Receivables, Eligible In-Transit Inventory, Eligible Inventory, Eligible Letter of Credit and Eligible Trade Receivables, but the Administrative Agent shall retain the right, subject to the requirements of this clause (c), to establish a Borrowing Base Reserve with respect to prospective changes in Eligible Credit Card Receivables, Eligible In-Transit Inventory, Eligible Inventory, Eligible Letter of Credit or Eligible Trade Receivables that may reasonably be anticipated and (ii) circumstances, conditions, events or contingencies existing or arising prior to the Closing Date of which the Administrative Agent had knowledge as of the Closing Date shall not be the basis for the establishment of Borrowing Base Reserves unless the Administrative Agent establishes such Borrowing Base Reserves on or prior to the Closing Date (subject to the notice requirements of the above clause (b)) or such circumstances, conditions, events or contingencies shall have changed in a manner adverse to the Administrative Agent and the Lenders since the Closing Date; provided, for greater certainty, that this clause (ii) shall not limit or prohibit any Borrowing Base Reserve in respect of any Borrowing Base Party or the ABL Priority Collateral in respect of any Relevant Jurisdiction following the Closing Date that was not expressly included in the definition of Relevant Jurisdiction on the Closing Date.

Article 3 LETTERS OF CREDIT

1.1 Letters of Credit

(a) Subject to and upon the terms and conditions herein set forth, at any time and from time to time on and after the Closing Date and prior to the L/C Facility Maturity Date, the Letter of Credit Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Article 3, to issue from time to time from the Closing Date through the L/C Facility Maturity Date for the account of any Borrower (or, so long as a Borrower is the primary obligor, for the account of Holdings or any Restricted Subsidiary (other than a Restricted Subsidiary that is a Borrower)) letters of credit or bank guarantees in such form as may be approved by the Letter of Credit Issuer in its reasonable discretion.

(b) Notwithstanding the foregoing, (i) no Letter of Credit shall be issued the Stated Amount of which, when added to the Letters of Credit Outstanding at such time, would exceed the Letter of Credit Commitment then in effect; (ii) no Letter of Credit shall be issued the Stated Amount of which would cause the aggregate amount of the Lenders' Revolving Credit Exposures at the time of the issuance thereof to exceed the Line Cap then in effect; (iii) no Letter of Credit shall be issued for the account of CGI Borrower the Stated Amount of which would cause the aggregate amount of the Lenders' Revolving Credit Exposures to CGI Borrower at the time of the issuance thereof to exceed the CGI Line Cap then in effect; (iv) no Letter of Credit shall be issued for the account of Swiss Borrower the Stated Amount of which would cause the aggregate amount of the Lenders' Revolving Credit Exposures to Swiss Borrower at the time of the issuance thereof to exceed the Swiss Line Cap then in effect; (v) no Letter of Credit shall be issued in an Alternative Currency, the Stated Amount of which in the Equivalent Amount in Dollars, when added to the Letters of Credit Outstanding in all such Alternative Currencies at such time would exceed the Letter of Credit Sub-Commitment then in effect; (vi) unless otherwise agreed to by the Letter of Credit Issuer and the Administrative Agent, each Letter of Credit shall have an expiration date occurring no later than one year after the date of issuance thereof (except with respect to trade or commercial Letters of Credit, which may have an expiration date occurring no later than 180 days after the date of issuance thereof, or as set forth in Section 3.2(d)), provided that in no event shall such expiration date occur later than the L/C Facility Maturity Date, in each case, unless otherwise agreed upon by the Administrative Agent, the Letter of Credit Issuer and, unless such Letter of Credit has been Cash Collateralized, the Lenders; (vii) no Letter of Credit shall be issued if it would be illegal under any applicable law for the beneficiary of the Letter of Credit to have a Letter of Credit issued in its favor; and (viii) no Letter of Credit shall be issued by the Letter of Credit Issuer after

it has received a written notice from any Credit Party or the Administrative Agent or the Required Lenders stating that a Default or Event of Default has occurred and is continuing until such time as the Letter of Credit Issuer shall have received a written notice of (x) rescission of such notice from the party or parties originally delivering such notice or (y) the waiver of such Default or Event of Default in accordance with the provisions of Section 14.1.

(c) Upon at least two (2) Business Days' prior written notice to the Administrative Agent and the Letter of Credit Issuer (which notice the Administrative Agent shall promptly transmit to each of the Lenders), the Borrowers shall have the right, on any day, permanently to terminate or reduce the Letter of Credit Commitment in whole or in part; provided that, after giving effect to such termination or reduction, the Letters of Credit Outstanding shall not exceed the Letter of Credit Commitment and the Letters of Credit Outstanding issued in Alternative Currencies shall not exceed the Equivalent Amount in Dollars of the Letter of Credit Sub-Commitment.

(d) The Letter of Credit Issuer shall not be under any obligation to issue any Letter of Credit if:

- (i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms enjoin or restrain the Letter of Credit Issuer from issuing such Letter of Credit, or any law applicable to the Letter of Credit Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Letter of Credit Issuer shall prohibit, or request that the Letter of Credit Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Letter of Credit Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (in each case, for which the Letter of Credit Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Letter of Credit Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Letter of Credit Issuer in good faith deems material to it;
- (ii) the issuance of such Letter of Credit would violate one or more policies of the Letter of Credit Issuer applicable to letters of credit generally;
- (iii) except as otherwise agreed by the Administrative Agent and the Letter of Credit Issuer, such Letter of Credit is in an initial Stated Amount less than \$50,000, U.S.\$50,000, €50,000 or £50,000, in the case of a commercial Letter of Credit, or \$10,000, U.S.\$10,000, €10,000 or £50,000, in the case of a standby Letter of Credit;
- (iv) unless otherwise agreed by the Administrative Agent and the Letter of Credit Issuer in accordance with Section 2.16, such Letter of Credit is denominated in a currency other than Dollars, U.S. Dollars, Euros or Pounds Sterling;
- (v) such Letter of Credit contains any provisions for automatic reinstatement of the Stated Amount after any drawing thereunder; or
- (vi) a default of any Lender's obligations to fund under Section 3.3 exists or any Lender is at such time a Defaulting Lender hereunder, unless, in each case, the Borrowers have entered into arrangements reasonably satisfactory to the Letter of Credit Issuer to eliminate the Letter of Credit Issuer's risk with respect to such Lender or such risk has been reallocated in accordance with Section 2.17.

(e) The Letter of Credit Issuer shall not increase the Stated Amount of any Letter of Credit if the Letter of Credit Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(f) The Letter of Credit Issuer shall be under no obligation to amend any Letter of Credit if (A) the Letter of Credit Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(g) The Letter of Credit Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith and the Letter of Credit Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article 14 with respect to any acts taken or omissions suffered by the Letter of Credit Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article 14 included the Letter of Credit Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the Letter of Credit Issuer.

1.2 Letter of Credit Requests

(a) Whenever a Borrower desires that a Letter of Credit be issued for its account or amended, the Borrower Representative shall give the Administrative Agent and the Letter of Credit Issuer a Letter of Credit Request by no later than 1:00 p.m. (Toronto time) at least two (2) Business Days (or such other period as may be agreed upon by the Borrower Representative, the Administrative Agent and the Letter of Credit Issuer) prior to the proposed date of issuance or amendment. Following the delivery of a Letter of Credit Request, the Borrower Representative shall promptly execute and deliver additional customary Issuer Documents to the extent reasonably required by the Letter of Credit Issuer. Each Letter of Credit Request shall be executed by the Borrower Representative. Such Letter of Credit Request may be sent by facsimile, by overnight courier, by electronic transmission using the system provided by the Letter of Credit Issuer, by personal delivery or by any other means acceptable to the Letter of Credit Issuer.

(b) In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Request shall specify in form and detail reasonably satisfactory to the Letter of Credit Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the Stated Amount thereof and the currency; (C) the expiry date thereof (which shall comply with Section 3.1(b)(vi)); (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the identity of the applicant; and (H) such other matters as the Letter of Credit Issuer may reasonably require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Request shall specify in form and detail reasonably satisfactory to the Letter of Credit Issuer (I) the Letter of Credit to be amended; (II) the proposed date of amendment thereof (which shall be a Business Day); (III) the nature of the proposed amendment; and (IV) such other matters as the Letter of Credit Issuer may reasonably require. Additionally, the Borrower Representative shall furnish to the Letter of Credit Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any other Issuer Documents, as the Letter of Credit Issuer or the Administrative Agent may reasonably require.

(c) Promptly after receipt of any Letter of Credit Request, the Letter of Credit Issuer (other than Canadian Imperial Bank of Commerce or any of its Affiliates) will confirm with the Administrative Agent in writing that the Administrative Agent has received a copy of such Letter of Credit Request from the Borrower Representative and, if not, the Letter of Credit Issuer will provide the Administrative Agent with a copy thereof. Unless the Letter of Credit Issuer has received written notice from any Lender, the Administrative Agent or any Credit Party, at least one (1) Business Day prior to the requested date of issuance or amendment of the Letter of

Credit, that one or more applicable conditions contained in Article 7 (solely with respect to any Letter of Credit issued on the Closing Date) and Article 8 shall not then be satisfied to the extent required thereby or waived in accordance with Section 14.1, then, subject to the terms and conditions hereof, the Letter of Credit Issuer shall, on the requested date, issue a Letter of Credit for the account of such Borrower (or, so long as a Borrower is the primary obligor, for the account of Holdings or any Restricted Subsidiary) or enter into the applicable amendment, as the case may be, in each case in accordance with the Letter of Credit Issuer's usual and customary business practices.

(d) If the Borrower Representative so requests in any Letter of Credit Request, the Letter of Credit Issuer shall agree to issue a Letter of Credit that has automatic extension provisions (each, an "**Auto-Extension Letter of Credit**"); provided that any such Auto-Extension Letter of Credit must permit the Letter of Credit Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof and the Borrower Representative not later than a day (the "**Non-Extension Notice Date**") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the Letter of Credit Issuer, the Borrower Representative shall not be required to make a specific request to the Letter of Credit Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the Letter of Credit Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the L/C Facility Maturity Date, unless otherwise agreed upon by the Administrative Agent and the Letter of Credit Issuer; provided, however, that the Letter of Credit Issuer shall not permit any such extension if (A) the Letter of Credit Issuer has reasonably determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (b) of Section 3.1 or otherwise), or (B) it has received written notice on or before the day that is seven (7) Business Days before the Non-Extension Notice Date from the Administrative Agent, any Lender or the Borrower Representative that one or more of the applicable conditions specified in Article 8 are not then satisfied, and in each such case directing the Letter of Credit Issuer not to permit such extension until such conditions can be satisfied or are waived in accordance with Section 14.1.

(e) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the Letter of Credit Issuer will also deliver to the Borrower Representative and the Administrative Agent a true and complete copy of such Letter of Credit or amendment. On the first Business Day of each month, the Letter of Credit Issuer (other than Canadian Imperial Bank of Commerce or any of its Affiliates) shall provide the Administrative Agent a list of all Letters of Credit issued by it that are outstanding at such time.

1.3 Letter of Credit Participations

(a) Immediately upon the issuance by the Letter of Credit Issuer of any Letter of Credit, the Letter of Credit Issuer shall be deemed to have sold and transferred to each Lender (each such Lender, in its capacity under this Section 3.3, an "**L/C Participant**"), and each such L/C Participant shall be deemed irrevocably and unconditionally to have purchased and received from the Letter of Credit Issuer, without recourse or warranty, an undivided interest and participation (each an "**L/C Participation**"), to the extent of such L/C Participant's Revolving Credit Commitment Percentage in each Letter of Credit, each substitute therefor, each drawing made thereunder and the obligations of the Borrowers under this Agreement with respect thereto, and any security therefor or guaranty pertaining thereto; provided that the Letter of Credit Fees will be paid directly to the Administrative Agent for the ratable account of the L/C Participants as provided in Section 4.1(b) and the L/C Participants shall have no right to receive any portion of any Fronting Fees.

(b) In determining whether to pay under any Letter of Credit, the relevant Letter of Credit Issuer shall have no obligation relative to the L/C Participants other than to confirm that

any documents required to be delivered under such Letter of Credit have been delivered and that they appear to comply on their face with the requirements of such Letter of Credit. Any action taken or omitted to be taken by the relevant Letter of Credit Issuer under or in connection with any Letter of Credit issued by it, if taken or omitted in the absence of gross negligence or willful misconduct as determined in the final non-appealable judgment of a court of competent jurisdiction, shall not create for the Letter of Credit Issuer any resulting liability.

(c) In the event that the Letter of Credit Issuer makes any payment under any Letter of Credit issued by it and the applicable Borrower shall not have repaid such amount in full to the respective Letter of Credit Issuer through the Administrative Agent pursuant to Section 3.4(a), the Administrative Agent shall promptly notify each L/C Participant of such failure, and each L/C Participant shall promptly and unconditionally pay to the Administrative Agent for the account of the Letter of Credit Issuer, the amount of such L/C Participant's Revolving Credit Commitment Percentage of such unreimbursed payment in Same Day Funds. If and to the extent such L/C Participant shall not have so made its Revolving Credit Commitment Percentage of such amount available to the Administrative Agent for the account of the Letter of Credit Issuer, such L/C Participant agrees to pay to the Administrative Agent for the account of the Letter of Credit Issuer, forthwith on demand, such amount, together with interest thereon for each day from such date until the date such amount is paid to the Administrative Agent for the account of the Letter of Credit Issuer at a rate per annum equal to the Overnight Rate from time to time then in effect, plus any administrative, processing or similar fees that are reasonably and customarily charged by the Letter of Credit Issuer in connection with the foregoing. The failure of any L/C Participant to make available to the Administrative Agent for the account of the Letter of Credit Issuer its Revolving Credit Commitment Percentage of any payment under any Letter of Credit shall not relieve any other L/C Participant of its obligation hereunder to make available to the Administrative Agent for the account of the Letter of Credit Issuer its Revolving Credit Commitment Percentage of any payment under such Letter of Credit on the date required, as specified above, but no L/C Participant shall be responsible for the failure of any other L/C Participant to make available to the Administrative Agent such other L/C Participant's Revolving Credit Commitment Percentage of any such payment.

(d) Whenever the Administrative Agent receives a payment in respect of an unpaid reimbursement obligation as to which the Administrative Agent has received for the account of the Letter of Credit Issuer any payments from the L/C Participants pursuant to clause (c) above, the Administrative Agent shall promptly pay to each L/C Participant that has paid its Revolving Credit Commitment Percentage of such reimbursement obligation, in Same Day Funds, an amount equal to such L/C Participant's share (based upon the proportionate aggregate amount originally funded by such L/C Participant to the aggregate amount funded by all L/C Participants) of the amount so paid in respect of such reimbursement obligation and interest thereon accruing after the purchase of the respective L/C Participations at the Overnight Rate.

(e) The obligations of the L/C Participants to make payments to the Administrative Agent for the account of the Letter of Credit Issuer with respect to Letters of Credit shall be irrevocable and not subject to counterclaim, set-off or other defense or any other qualification or exception whatsoever and shall be made in accordance with the terms and conditions of this Agreement under all circumstances.

(f) If any payment received by the Administrative Agent for the account of the Letter of Credit Issuer pursuant to Section 3.3(c) is required to be returned under any of the circumstances described in Section 14.19 (including pursuant to any settlement entered into by the Letter of Credit Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of the Letter of Credit Issuer its Revolving Credit Commitment Percentage thereof on demand of the Administrative Agent, *plus* interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the applicable Overnight Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

1.4 **Agreement to Repay Letter of Credit Drawings**

(a) Each Borrower hereby agrees to reimburse the Letter of Credit Issuer, by making payment with respect to any drawing under any Letter of Credit issued for the account of such Borrower (or under which such Borrower is the primary obligor) in the currency of such Letter of Credit. Any such reimbursement shall be made by the applicable Borrower to the Administrative Agent in Same Day Funds (whether with its own funds or with the proceeds of any Borrowings under this Agreement) for any payment or disbursement made by the Letter of Credit Issuer under any Letter of Credit (each such amount so paid until reimbursed, an "**Unpaid Drawing**") no later than the date that is one (1) Business Day after the date on which the Borrower Representative receives written notice of such payment or disbursement (the "**Reimbursement Date**"), with interest on the amount so paid or disbursed by the Letter of Credit Issuer, to the extent not reimbursed prior to 5:00 p.m. (Toronto time) on the Reimbursement Date, from the Reimbursement Date to the date the Letter of Credit Issuer is reimbursed therefor at a rate per annum that shall at all times be (u) the Applicable Margin for Prime Rate Loans that are Revolving Credit Loans, *plus* the Prime Rate as in effect from time to time if the payment or reimbursement obligation is in Dollars, (v) the Applicable Margin for ABR Loans that are Revolving Credit Loans, *plus* the ABR as in effect from time to time if the payment or reimbursement obligation is in U.S. Dollars, (w) the Applicable Margin for European Base Rate Loans that are Revolving Credit Loans, plus the European Base Rate as in effect from time to time if the payment or reimbursement obligation is in Euros, (x) the Applicable Margin for CRR Loans that are Revolving Credit Loans, plus the Compounded Reference Rate as in effect from time to time if the payment or reimbursement obligation is in Pounds Sterling, (y) the rate referred to in clause (u) above in respect of Letters of Credit issued to CGI Borrower in any currency other than Dollars, U.S. Dollars or Pounds Sterling on the Equivalent Amount in Dollars of the reimbursement obligation, and (z) the rate referred to in clause (v) above in respect of Letters of Credit issued to Swiss Borrower in any currency other than U.S. Dollars, Euros or Pounds Sterling on the Equivalent Amount in U.S. Dollars of the reimbursement obligation; provided that, notwithstanding anything contained in this Agreement to the contrary, (i) unless the Borrower Representative shall have notified the Administrative Agent and the relevant Letter of Credit Issuer prior to 1:00 p.m. (Toronto time) on the Reimbursement Date that the Borrower intends to reimburse the relevant Letter of Credit Issuer for the amount of such drawing with funds other than the proceeds of Loans, the Borrower Representative shall be deemed to have given a Notice of Borrowing requesting that, with respect to Letters of Credit, the Lenders make Prime Rate Loans for Letters of Credit in Dollars (which shall be Prime Rate Loans), ABR Loans for Letters of Credit in U.S. Dollars (which shall be ABR Loans), European Base Rate Loans for Letters of Credit in Euros (which shall be European Base Rate Loans) or CRR Loans for Letters of Credit in Pounds Sterling (which shall be CRR Loans) on the Reimbursement Date in the amount of such drawing and (ii) the Administrative Agent shall promptly notify each L/C Participant of such drawing and the amount of its Revolving Loan to be made in respect thereof, and each L/C Participant shall be irrevocably obligated to make a Revolving Loan to the Borrowers in such currency in the manner deemed to have been requested in the amount of its Revolving Credit Commitment Percentage of the applicable Unpaid Drawing by 2:00 p.m. (Toronto time) on such Reimbursement Date by making the amount of such Revolving Loan available to the Administrative Agent. Such Revolving Loans shall be made without regard to the Minimum Borrowing Amount. The Administrative Agent shall use the proceeds of such Revolving Loans solely for purpose of reimbursing the Letter of Credit Issuer for the related Unpaid Drawing. In the event that the Borrowers fail to Cash Collateralize any Letter of Credit that is outstanding on the L/C Facility Maturity Date, the full amount of the Letters of Credit Outstanding in respect of such Letter of Credit shall be deemed to be an Unpaid Drawing subject to the provisions of this Section 3.4, except that the Letter of Credit Issuer shall hold the proceeds received from the L/C Participants as contemplated above as Cash Collateral for such Letter of Credit to reimburse any drawing under such Letter of Credit and shall use such proceeds first, to reimburse itself for any drawings made in respect of such Letter of Credit following the L/C Facility Maturity Date, second, to the extent such Letter of Credit expires or is returned undrawn while any such Cash Collateral remains, to the repayment of obligations in respect of any Revolving Loans that have not been paid at such time and third, to the Borrowers or as otherwise directed by a court of competent jurisdiction. Nothing in this Section 3.4(a) shall

affect each Borrower's obligation to repay all outstanding Revolving Loans made to such Borrower when due in accordance with the terms of this Agreement.

(b) The obligation of each Borrower to reimburse the Letter of Credit Issuer for each drawing under each Letter of Credit issued for its account or under which it is the primary obligor and to repay each L/C Borrowing in its favor shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

- (i) any lack of validity or enforceability of this Agreement or any of the other Credit Documents;
- (ii) the existence of any claim, set-off, defense or other right that any Borrower may have at any time against a beneficiary named in a Letter of Credit, any transferee of any Letter of Credit (or any Person for whom any such transferee may be acting), the Administrative Agent, the Letter of Credit Issuer, any Lender or other Person, whether in connection with this Agreement, any Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between a Borrower and the beneficiary named in any such Letter of Credit);
- (iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;
- (iv) waiver by the Letter of Credit Issuer of any requirement that exists for the Letter of Credit Issuer's protection and not the protection of a Borrower (or Holdings or any Restricted Subsidiary) or any waiver by the Letter of Credit Issuer which does not in fact materially prejudice such Borrower (or Holdings or any Restricted Subsidiary);
- (v) any payment made by the Letter of Credit Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under, such Letter of Credit if presentation after such date is authorized by the UCC, the PPSA, the ISP or the UCP, as applicable;
- (vi) any payment by the Letter of Credit Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the Letter of Credit Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Insolvency Law;
- (vii) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft; or
- (viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, a Borrower (or any Restricted Subsidiary) (other than the defense of payment or performance).

(c) The Borrowers shall not be obligated to reimburse the Letter of Credit Issuer for any wrongful payment made by the Letter of Credit Issuer under the Letter of Credit issued by it as a result of acts or omissions constituting willful misconduct or gross negligence on the part of the Letter of Credit Issuer as determined in the final non-appealable judgment of a court of competent jurisdiction.

1.5 Increased Costs

If after the Closing Date, the adoption of any applicable law, treaty, rule, or regulation, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or actual compliance by the Letter of Credit Issuer or any L/C Participant with any request or directive made or adopted after the Closing Date (whether or not having the force of law), by any such authority, central bank or comparable agency shall either (x) impose, modify or make applicable any reserve, deposit, capital adequacy or similar requirement against letters of credit issued by the Letter of Credit Issuer, or any L/C Participant's L/C Participation therein, or (y) impose on the Letter of Credit Issuer or any L/C Participant any other conditions or costs affecting its obligations under this Agreement in respect of Letters of Credit or L/C Participations therein or any Letter of Credit or such L/C Participant's L/C Participation therein, and the result of any of the foregoing is to increase the actual cost to the Letter of Credit Issuer or such L/C Participant of issuing, maintaining or participating in any Letter of Credit, or to reduce the actual amount of any sum received or receivable by the Letter of Credit Issuer or such L/C Participant hereunder (including any increased costs or reductions attributable to Taxes, other than any such increase or reduction attributable to (i) Taxes indemnifiable under Section 6.4, (ii) Excluded Taxes or (iii) Other Taxes) in respect of Letters of Credit or L/C Participations therein, then, promptly after receipt of written demand to the Borrower Representative by the Letter of Credit Issuer or such L/C Participant, as the case may be (a copy of which notice shall be sent by the Letter of Credit Issuer or such L/C Participant to the Administrative Agent), the applicable Borrower shall pay to the Letter of Credit Issuer or such L/C Participant such actual additional amount or amounts as will compensate the Letter of Credit Issuer or such L/C Participant for such increased cost or reduction relating to Letters of Credit issued for the account of such Borrower (or under which such Borrower is the primary obligor), it being understood and agreed, however, that the Letter of Credit Issuer or an L/C Participant shall not be entitled to such compensation as a result of such Person's compliance with, or pursuant to any request or directive to comply with, any such law, rule or regulation as in effect on the Closing Date or to the extent such Letter of Credit Issuer or L/C Participant is not imposing such charges on, or requesting such compensation from, borrowers (similarly situated to the Borrowers hereunder) under comparable letter of credit facilities similar to the Letter of Credit Commitment. A certificate submitted to the Borrower Representative by the relevant Letter of Credit Issuer or an L/C Participant, as the case may be (a copy of which certificate shall be sent by the Letter of Credit Issuer or such L/C Participant to the Administrative Agent), setting forth in reasonable detail the basis for the determination of such actual additional amount or amounts necessary to compensate the Letter of Credit Issuer or such L/C Participant as aforesaid shall be conclusive and binding on the Borrowers absent clearly demonstrable error.

1.6 Role of Letter of Credit Issuer

Each Lender and each Borrower agree that, in paying any drawing under a Letter of Credit, the Letter of Credit Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the Letter of Credit Issuer, the Administrative Agent, any of their respective Affiliates nor any correspondent, participant or assignee of the Letter of Credit Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Required Lenders; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct as determined in the final non-appealable judgment of a court of competent jurisdiction; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to

any Letter of Credit or Issuer Document. The Borrowers hereby assume all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided that this assumption is not intended to, and shall not, preclude the Borrowers' pursuit of such rights and remedies as they may have against the beneficiary or transferee at law or under any other agreement. None of the Letter of Credit Issuer, the Administrative Agent, any of their respective Affiliates nor any correspondent, participant or assignee of the Letter of Credit Issuer shall be liable or responsible for any of the matters described in Section 3.3(b); provided that anything in such Section to the contrary notwithstanding, the Borrowers may have a claim against the Letter of Credit Issuer, and the Letter of Credit Issuer may be liable to the Borrowers, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrowers which the Borrowers prove were caused by the Letter of Credit Issuer's willful misconduct or gross negligence or the Letter of Credit Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit in each case as determined in the final non-appealable judgment of a court of competent jurisdiction. In furtherance and not in limitation of the foregoing, the Letter of Credit Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the Letter of Credit Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

The Letter of Credit Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

1.7 **Cash Collateral**

(a) Certain Credit Support Events. Upon the written request of the Administrative Agent or the Letter of Credit Issuer, if (i) as of the L/C Facility Maturity Date, any L/C Obligation for any reason remains outstanding, (ii) the Borrowers shall be required to provide Cash Collateral pursuant to Section 2.1(d), 2.11, 3.1(b), 3.4(a), 3.11, 6.2, 12.13 or 12.14, or (iii) the provisions of Section 2.17(a)(v) are in effect, the Borrowers shall immediately (in the case of clause (ii) above) or within one (1) Business Day (in all other cases) following any written request by the Administrative Agent or the Letter of Credit Issuer, provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iii) above, after giving effect to Section 2.17(a)(iv) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. Each Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subject to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the Letter of Credit Issuer and the Lenders, and agrees to maintain, a first priority security interest, with respect to such Borrower, in all such cash, deposit accounts and all balances therein as described in Section 3.7(a), and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 3.7(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or the Letter of Credit Issuer as herein provided, other than Permitted Liens, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the applicable Borrower will, promptly upon written demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. Cash Collateral shall be maintained in blocked, interest bearing deposit accounts with the Administrative Agent. Each Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral deposited by such Borrower.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 3.7 or Section 2.17, 6.2 or 12.13 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 14.6(b)(ii)) or there is no longer existing an Event of Default) or (ii) the determination by the Administrative Agent and the Letter of Credit Issuer that there exists excess Cash Collateral.

1.8 Applicability of ISP and UCP

Unless otherwise expressly agreed by the Letter of Credit Issuer and the applicable Borrower when a Letter of Credit is issued, (i) the rules of the ISP shall apply to each standby Letter of Credit, and (ii) the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce at the time of issuance, shall apply to each trade or commercial Letter of Credit. Notwithstanding the foregoing, the Letter of Credit Issuer shall not be responsible to such Borrower for, and the Letter of Credit Issuer's rights and remedies against such Borrower shall not be impaired by, any action or inaction of the Letter of Credit Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the applicable law or any order of a jurisdiction where the Letter of Credit Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Banker's Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

1.9 Conflict with Issuer Documents

In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control and any grant of security interest in any Issuer Documents shall be void.

1.10 Letters of Credit Issued for Holdings and Restricted Subsidiaries

Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, Holdings or a Restricted Subsidiary, the applicable Borrower shall be obligated to reimburse the Letter of Credit Issuer hereunder for any and all drawings under such Letter of Credit under which it is the primary obligor. The Borrowers hereby acknowledge that the issuance of Letters of Credit for the account of Holdings or any Restricted Subsidiaries inures to the benefit of each Borrower and that each Borrower's business derives substantial benefits from the businesses of Holdings and the Restricted Subsidiaries.

1.11 Provisions Related to Extended Revolving Credit Commitments

If the L/C Facility Maturity Date in respect of any Class of Commitments occurs prior to the expiry date of any Letter of Credit, then (i) if consented to by the Letter of Credit Issuer which issued such Letter of Credit, if one or more other Classes of Commitments in respect of which the L/C Facility Maturity Date shall not have so occurred are then in effect, such Letters of Credit for which consent has been obtained shall automatically be deemed to

have been issued (including for purposes of the obligations of the Lenders to purchase participations therein and to make Revolving Loans and payments in respect thereof pursuant to Sections 3.3 and 3.4) under (and ratably participated in by Lenders pursuant to) the Commitments in respect of such non-terminating Classes up to an aggregate amount not to exceed the aggregate amount of the unutilized Commitments thereunder at such time (it being understood that no partial face amount of any Letter of Credit may be so reallocated) and (ii) to the extent not reallocated pursuant to immediately preceding clause (i), the Borrowers shall Cash Collateralize any such Letter of Credit in accordance with Section 3.7. Upon the maturity date of any Class of Commitments, the sublimit for Letters of Credit may be reduced as agreed between the Letter of Credit Issuer and the Borrower Representative, without the consent of any other Person.

Article 4 **FEES**

1.1 Fees

(a) CGI Borrower agrees to pay to the Administrative Agent in Dollars, for the account of each Lender (in each case *pro rata* according to the respective Revolving Credit Commitments of all such Lenders), a commitment fee (the "**Commitment Fee**") for each day from the Closing Date to the Revolving Credit Termination Date. Each Commitment Fee shall be payable (x) quarterly in arrears on the first Business Day of each April, July, October and January (for the three-month period (or portion thereof) ended prior to such day for which no payment has been received) and (y) on the Revolving Credit Termination Date (for the period ended on such date for which no payment has been received pursuant to clause (x) above), and shall be computed for each day during such period at a rate per annum equal to 0.25% on the average daily excess amount of the aggregate amount of the Lenders' Revolving Credit Commitment over the aggregate amount of the Lenders' Revolving Credit Exposure.

(b) CGI Borrower agrees to pay to the Administrative Agent in Dollars for the account of the Lenders *pro rata* on the basis of their respective Letter of Credit Exposure, a fee on the Stated Amount in respect of each Letter of Credit issued on any Borrower's, Holdings or any Restricted Subsidiaries' behalf (the "**Letter of Credit Fee**"), for the period from the date of issuance of such Letter of Credit to the termination date of such Letter of Credit computed at the per annum rate for each day equal to (i) in the case of any standby Letter of Credit, the then applicable Letter of Credit Fee Rate, and (ii) in the case of any trade or commercial Letter of Credit, fifty percent (50%) of the then applicable Letter of Credit Fee Rate. Except as provided below, such Letter of Credit Fees shall be due and payable (x) quarterly in arrears on the first Business Day of each April, July, October and January for the accrued and unpaid amount during the applicable preceding three-month period and (y) on the date upon which the Total Revolving Credit Commitment terminates and the Letters of Credit Outstanding shall have been reduced to zero.

(c) CGI Borrower agrees to pay to the Administrative Agent in Dollars, for its own account, administrative agent fees as have been previously agreed in writing, or as may be agreed in writing, by the Borrower Representative from time to time and on the Closing Date for the account of each Lender in accordance with its Revolving Credit Commitment Percentage, the facility fee in an amount equal to 15 basis points multiplied by the aggregate Revolving Credit Commitments (Peak Season). On the Seventh Closing Date, CGI Borrower agrees to pay to the Administrative Agent in Dollars, for distribution to the applicable Lenders, the fees specified in the fee letters entered into on such date among CGI Borrower and the Administrative Agent.

(d) Without duplication, each Borrower agrees to pay to the Letter of Credit Issuer a fee in the currency thereof in respect of each Letter of Credit issued by it for the account of such Borrower or under which such Borrower is the primary obligor (the "**Fronting Fee**"), for the period from the date of issuance of such Letter of Credit to the termination date of such Letter of Credit computed at the rate for each day equal to 0.125% per annum on the Stated Amount of

such Letter of Credit (or at such other rate per annum as agreed in writing between the Borrower Representative and the Letter of Credit Issuer). Such Fronting Fees shall be due and payable (x) quarterly in arrears on the first Business Day of each April, July, October and January for the accrued and unpaid amount during the applicable preceding three-month period, and (y) on the date upon which the Total Revolving Credit Commitment terminates and the Letters of Credit Outstanding shall have been reduced to zero.

(e) Without duplication, each of Swiss Borrower and CGI Borrower, as applicable, agrees to pay directly to the Letter of Credit Issuer in Dollars upon each issuance or renewal of, drawing under, and/or amendment of, or other administration of, a Letter of Credit issued by it for the account of such Borrower or under which such Borrower is the primary obligor such amount as shall at the time of such issuance or renewal of, drawing under, and/or amendment or other administration be the processing charge that the Letter of Credit Issuer is customarily charging for issuances or renewals of, drawings under or amendments of, or other administration of, letters of credit issued by it.

(f) CGI Borrower agrees to pay to the Administrative Agent in Dollars a monitoring fee in the amount of \$1,000 per month payable quarterly in advance on the Closing Date and thereafter on the first Business Day of each April, July, October and January (for the three-month period (or portion thereof) beginning on such date).

(g) Notwithstanding the foregoing, no Borrower shall be obligated to pay any amounts to any Defaulting Lender pursuant to this Section 4.1.

1.2 Voluntary Reduction or Termination of Commitments

(a) Upon at least three (3) Business Days' prior written notice to the Administrative Agent at the Administrative Agent's Office (or such shorter period of time as agreed to by the Administrative Agent in its reasonable discretion) (which notice the Administrative Agent shall promptly transmit to each of the Lenders), the Borrowers shall have the right, without premium or penalty, on any day, to terminate or permanently reduce any Commitments of any Class in whole or in part; provided that (a) any such reduction shall apply proportionately and permanently to reduce the Commitment of each of the Lenders of any applicable Class and any such reduction or termination shall be accompanied by any repayment of Revolving Loans of such Class required under Section 6.2(a), except that (i) notwithstanding the foregoing, in connection with the establishment on any date of any Extended Revolving Credit Commitments pursuant to Section 2.15 the Commitments of any one or more Lenders providing any such Extended Revolving Credit Commitments on such date shall be reduced in an amount equal to the amount of Commitments so extended on such date (provided that after giving effect to any such reduction and to the repayment of any applicable Revolving Loans made on such date, the Revolving Credit Exposure of any such Lender with respect to the applicable Class does not exceed the Commitment thereof) and (ii) the Borrowers may at their election permanently reduce any Commitment of a Defaulting Lender to \$0 without affecting the Commitments of any other Lender, and

(b) After giving effect to such termination or reduction and to any prepayments of the Loans made on the date thereof in accordance with this Agreement, the aggregate amount of the Lenders' Revolving Credit Exposures shall not exceed the Line Cap and the aggregate amount of the Lenders' Revolving Credit Exposures in respect of any Class of Revolving Loans shall not exceed the aggregate Commitment of such Class. Each such reduction shall be in the principal amount of \$1,000,000 and any whole multiple of \$1,000,000 in excess thereof (or if less, the remaining applicable amount at the time of such termination or reduction). Each such reduction or termination shall (i) be applied ratably to each Lender holding the Commitments of the applicable Class and (ii) be irrevocable at the effective time of any such termination or reduction. The Borrowers shall pay to the Administrative Agent for application as provided herein at the effective time of any such termination (but not any partial reduction), all earned and unpaid fees and the Commitment Fee accrued on the Revolving Credit Commitments so terminated. Notwithstanding anything to the contrary contained in this Agreement, the Borrower

Representative may rescind, or extend the date for termination or reduction specified in, any notice delivered under this Section 4.2 if such termination or reduction would have occurred in connection with a refinancing of all or any portion of any Credit Facility or Credit Facilities or other conditional event, which refinancing or other conditional event shall not be consummated or shall otherwise be delayed.

1.3 Mandatory Termination of Commitments

- (a) The Revolving Credit Commitments shall terminate at 5:00 p.m. (Toronto time) on the Revolving Credit Maturity Date.
- (b) The Swingline Commitment shall terminate at 5:00 p.m. (Toronto time) on the Swingline Maturity Date.

**Article 5
BANKER'S ACCEPTANCES**

1.1 Drafts and BA Equivalent Notes

(a) To facilitate the procedures contemplated in this Agreement, each Borrower irrevocably appoints each Lender from time to time as the attorney-in-fact of it to execute, endorse and deliver on behalf of it drafts (including book based forms and electronic paper) in the forms prescribed by such Lender (if such Lender is a BA Lender) for banker's acceptances denominated in Dollars (each such executed draft which has not yet been accepted by a Lender being referred to as a "**Draft**") or non-interest-bearing promissory notes of such Borrower in favour of such Lender (if such Lender is a Non BA Lender) (each such promissory note being referred to as a "**BA Equivalent Note**"). Each Banker's Acceptance and BA Equivalent Note executed and delivered by a Lender on behalf of a Borrower as provided for in this Section 5.1 shall be as binding upon such Borrower as if it had been executed and delivered by a duly authorized officer of such Borrower.

(b) Notwithstanding Section 5.1(a), each Borrower will from time to time as required by the applicable Lender provide to the Lenders an appropriate number of Drafts drawn by such Borrower upon each BA Lender and either payable to a clearing service (if such BA Lender is a member thereof) or payable to such Borrower and endorsed in blank by such Borrower (if such BA Lender is not a member of such clearing service) and an appropriate number of BA Equivalent Notes in favour of each Non BA Lender. The dates, the maturity dates and the principal amounts of all Drafts and BA Equivalent Notes delivered by a Borrower shall be left blank, to be completed by the Lenders as required by this Agreement. All such Drafts or BA Equivalent Notes shall be held by each Lender subject to the same degree of care as if they were such Lender's own property kept at the place at which the Drafts or BA Equivalent Notes are ordinarily kept by such Lender. Each Lender, upon written request of a Borrower, will promptly advise such Borrower of the number and designation, if any, of the Drafts and BA Equivalent Notes then held by it. No Lender shall be liable for its failure to accept a Draft or purchase a BA Equivalent Note as required by this Agreement if the cause of such failure is, in whole or in part, due to the failure of a Borrower to provide on a timely basis appropriate Drafts or BA Equivalent Notes to the applicable Lender as may be requested by such Lender on a timely basis from time to time.

1.2 Borrowings of Banker's Acceptances and BA Equivalent Notes

(a) The Administrative Agent, promptly following receipt of a Notice of Borrowing requesting Banker's Acceptances, shall (i) advise each BA Lender of the face amount and the term of the Draft to be accepted by it and (ii) advise each applicable Non BA Lender of the face amount and term of the BA Equivalent Note to be purchased by it. All Drafts to be accepted from time to time by each BA Lender that is a member of a clearing service shall be payable to such clearing service. The term of all Banker's Acceptances and BA Equivalent Notes issued pursuant to any Notice of Borrowing shall be identical. Each Banker's Acceptance and BA

Equivalent Note shall be dated the date on which it is issued and shall be for a term of 15 days or 1, 2, 3 or 6 months, subject to availability (or if available to all the BA Lenders accepting Banker's Acceptances as determined by such BA Lenders in good faith based on prevailing market conditions, a twelve month period), provided that in no event shall the term of a Banker's Acceptance or a BA Equivalent Note extend beyond the Maturity Date applicable to such Borrowing. The face amount of the Draft (or the aggregate face amount of the Drafts) to be accepted at any time by each Lender which is a BA Lender, and the face amount of the BA Equivalent Notes to be purchased at any time by each Lender which is a Non BA Lender, shall be determined by the Administrative Agent based upon the amounts of their respective Commitments of the applicable Class. In determining a Lender's Revolving Credit Commitment Percentage of the applicable Class in respect of a request for Banker's Acceptances, the Administrative Agent, in its sole discretion, shall be entitled to increase or decrease the face amount of any Draft, or BA Equivalent Note to the nearest \$1,000.

(b) Each BA Lender shall complete and accept on the applicable drawdown date a Draft having a face amount (or Drafts having the face amounts) and term advised by the Administrative Agent pursuant to subsection 5.2(a). Each applicable BA Lender shall purchase on the date specified in the applicable Notice of Borrowing the Banker's Acceptance accepted by it, for an aggregate price equal to the BA Discount Proceeds of such Banker's Acceptance. Each Borrower shall ensure that there is delivered to each applicable BA Lender that is a member of a clearing service the completed Banker's Acceptances, and such BA Lender is hereby authorized to release the Banker's Acceptance accepted by it to such clearing house upon receipt of confirmation that such clearing house holds such Banker's Acceptance for the account of such BA Lender.

(c) Each Non BA Lender, in lieu of accepting Drafts or purchasing Banker's Acceptances on any date of Borrowing, will complete and purchase from the applicable Borrower on such date a BA Equivalent Note in a face amount and for a term identical to the face amount and term of the Draft which such Non BA Lender would have been required to accept on such date if it were a BA Lender, for a price equal to the BA Discount Proceeds of such BA Equivalent Note. Each Non BA Lender shall be entitled without charge to exchange any BA Equivalent Note held by it for two or more BA Equivalent Notes of identical date and aggregate face amount, and, upon request of such Non BA Lender, the applicable Borrower will execute and deliver to such Non BA Lender such replacement BA Equivalent Notes and such Non BA Lender shall return the original BA Equivalent Note to such Borrower for cancellation.

(d) The signature of any duly authorized officer of a Borrower (or the Borrower Representative on behalf of any Borrower) on a Draft or a BA Equivalent Note may be mechanically reproduced in facsimile, and all Drafts and BA Equivalent Notes bearing such facsimile signature shall be as binding upon such Borrower as if it had been manually signed by such officer, notwithstanding that such Person whose manual or facsimile signature appears on such Draft or BA Equivalent Note may no longer hold office at the date of such Draft or BA Equivalent Note or at the date of acceptance of such Draft by a BA Lender or at any time thereafter.

(e) Each BA Lender may from time to time hold, sell, rediscount or otherwise dispose of any or all Bankers' Acceptances accepted and purchased by it.

1.3 Fees

(a) The applicable Borrower shall pay to each BA Lender in respect of each Draft tendered by such Borrower to and accepted by such BA Lender, and to each Non BA Lender in respect of each BA Equivalent Note tendered to and purchased by such Non BA Lender, as a condition of such acceptance or purchase, the BA Stamping Fee.

(b) Upon acceptance of each Draft or purchase of each BA Equivalent Note, the applicable Borrower shall pay to the applicable Lender the related fee specified in Section 5.3(a), and to facilitate payment such Lender shall be entitled to deduct and retain for its

own account the amount of such fee from the amount to be transferred by such Lender to the Administrative Agent for the account of such Borrower pursuant to this Agreement in respect of the sale of the related Banker's Acceptance or of such BA Equivalent Note.

1.4 Repayment

(a) On the date of maturity of each Banker's Acceptance or BA Equivalent Note, the applicable Borrower shall pay to the Administrative Agent, for the account of the holder of such Banker's Acceptance or BA Equivalent Note, in Dollars an amount equal to the face amount of such Banker's Acceptance or BA Equivalent Note, as the case may be (subject to standard and customary mechanics in connection with rollovers or conversions pursuant to Section 2.6). The obligation of a Borrower to make such payment shall not be prejudiced by the fact that the holder of such Banker's Acceptance is the Lender that accepted such Banker's Acceptances. No days of grace shall be claimed by a Borrower for the payment at maturity of any Banker's Acceptance or BA Equivalent Note. If a Borrower does not make such payment, from the proceeds of a Borrowing obtained under this Agreement or otherwise, the amount of such required payment shall be deemed to be a Prime Rate Loan to such Borrower from the Lender that accepted such Banker's Acceptance or purchased such BA Equivalent Note.

1.5 Major Disruption

- (a) If
- (i) the Administrative Agent makes a determination (acting reasonably and in good faith), which determination shall, absent clearly demonstrable error, be conclusive and binding upon the Borrowers, and notifies the Borrower Representative, that there no longer exists an active market for Banker's Acceptances accepted by the Lenders;
 - (ii) the Required Lenders advise the Administrative Agent who in turn advises the Borrower Representative that for any reason after the Closing Date affecting the market for Banker's Acceptances, adequate and fair means do not exist for the Lenders to readily sell Banker's Acceptances or perform their obligations under this Agreement with respect to Banker's Acceptances; or
 - (iii) the Administrative Agent is advised by the Required Lenders by written notice (each, a "**Lender BA Suspension Notice**") that such Lenders have determined (acting reasonably and in good faith) that the BA Rate will not or does not accurately reflect the cost of funds of such Lenders or the discount rate which would be applicable to a sale of Banker's Acceptances accepted by such Lenders in the market;

then:

- (iv) the right of the Borrowers to request Banker's Acceptances or BA Equivalent Notes from any Lender shall be suspended until the Administrative Agent determines that the circumstances causing such suspension no longer exist, and so notifies the Borrower Representative and the Lenders;
- (v) any outstanding Notice of Borrowing requesting a Borrowing by way of Banker's Acceptances or BA Equivalent Notes shall be deemed to be a Notice of Borrowing requesting a Borrowing by way of Prime Rate Loans in the amount specified in the original Notice of Borrowing;

- (vi) any outstanding Notice of Conversion or Continuation requesting a conversion of a Borrowing by way of Banker's Acceptances or BA Equivalent Notes shall be deemed to be a Notice of Conversion or Continuation requesting a conversion of such Borrowings into a Borrowing by way of Prime Rate Loans; and
- (vii) any outstanding Notice of Conversion or Continuation requesting a rollover of a Borrowing by way of Banker's Acceptances or BA Equivalent Notes, shall be deemed to be a Notice of Conversion or Continuation requesting a conversion of such Borrowings into a Borrowing by way of Prime Rate Loans.

(b) The Administrative Agent shall promptly notify the Borrower Representative and the Lenders of any suspension of the Borrowers' right to request Borrowings by way of Banker's Acceptances or BA Equivalent Notes and of any termination of any such suspension. A Lender BA Suspension Notice shall be effective upon receipt of the same by the Administrative Agent if received prior to 2:00 p.m. (Toronto time) on a Business Day and if not, then on the next following Business Day, except in connection with an outstanding Notice of Borrowing, Notice of Conversion or Continuation, in which case the applicable Lender BA Suspension Notice shall only be effective with respect to such outstanding Notice of Borrowing or Notice of Conversion or Continuation if received by the Administrative Agent prior to 2:00 p.m. (Toronto time) two (2) Business Days prior to the proposed date of Borrowing, date of conversion or date of rollover (as applicable) applicable to such outstanding Notice of Borrowing or Notice of Conversion or Continuation, as applicable.

Article 6 **PAYMENTS**

1.1 Voluntary Prepayments

(a) The Borrowers shall have the right to prepay Loans, including Revolving Loans and Swingline Loans, as applicable, without premium or penalty, in whole or in part from time to time on the following terms and conditions: (a) the Borrower Representative shall give the Administrative Agent at the Administrative Agent's Office written notice of a Borrower's intent to make such prepayment, the amount of such prepayment and, in the case of SOFR Loans, CRR Loans, EURIBOR Loans, Banker's Acceptances and BA Equivalent Notes, the specific Borrowing(s) pursuant to which made, which notice shall be given by the Borrower Representative no later than (i) 1:00 p.m. (Toronto time) (A) in the case of SOFR Loans, CRR Loans, EURIBOR Loans, Banker's Acceptances and BA Equivalent Notes three (3) Business Days prior to, or (B) in the case of Prime Rate Loans, ABR Loans and European Base Rate Loans, one (1) Business Day prior to, or (ii) 2:00 p.m. (Toronto time) in the case of Swingline Loans, on, the date of such prepayment (or, in any case under the foregoing clause (a)(i) or clause (a)(ii), such shorter period of time as agreed to by the Administrative Agent in its reasonable discretion) and shall promptly be transmitted by the Administrative Agent to each of the Lenders or the Swingline Lender, as the case may be; (b) each partial prepayment of (i) any Borrowing by way of Banker's Acceptances and BA Equivalent Notes shall be in a minimum amount of \$100,000 and in multiples of \$100,000 in excess thereof, (ii) any Prime Rate Loans (including Swingline Loans) shall be in a minimum amount of \$100,000 and in multiples of \$100,000 in excess thereof, (iii) any Borrowing of SOFR Loans shall be in a minimum amount of U.S.\$100,000 and in multiples of U.S.\$100,000 in excess thereof, (iv) any Borrowing of CRR Loans shall be in a minimum amount of £100,000 and in multiples of £100,000 in excess thereof, and (v) any ABR Loans (including Swingline Loans) shall be in a minimum amount of U.S.\$100,000 and in multiples of U.S.\$100,000 in excess thereof, (v) any Borrowing of EURIBOR Loans shall be in a minimum amount of €100,000 and in multiples of €100,000 in excess thereof and (vi) any Borrowing of European Base Rate Loans shall be in a minimum amount of €100,000 and in multiples of €100,000 in excess thereof; provided that no partial prepayment of SOFR Loans, CRR Loans or EURIBOR Loans made pursuant to a single Borrowing shall reduce the outstanding SOFR Loans, CRR Loans or EURIBOR Loans made

pursuant to such Borrowing to an amount less than the applicable Minimum Borrowing Amount for such SOFR Loans, CRR Loans or EURIBOR Loans; (c) notwithstanding the foregoing, Banker's Acceptances and BA Equivalent Notes may not be repaid prior to their respective maturity or expiry dates but may be Cash Collateralized together with delivery of such documentation as may be required by the Administrative Agent as specified in Section 3.7; and (d) in the case of any prepayment of SOFR Loans, CRR Loans or EURIBOR Loans pursuant to this Section 6.1 on any day prior to the last day of an Interest Period applicable thereto, the applicable Borrower shall, promptly after receipt of a written request by any applicable Lender (which request shall set forth in reasonable detail the basis for requesting such amount), pay to the Administrative Agent for the account of such Lender any amounts required pursuant to Section 2.11 provided that the number of prepayments in respect of CRR Loans on a date other than the last day of an Interest Period shall be limited to four in any twelve month period.

(b) Application to Revolving Loans. Each prepayment in respect of any Loans pursuant to Section 6.1(a), other than Banker's Acceptances and BA Equivalent Notes specifically identified for prepayment in the applicable prepayment notice, shall be applied pro rata to the Class or Classes of Loans as are outstanding at the time of such prepayment except where such prepayment is in connection with the termination of any Class of Commitments pursuant to Section 4.2, in which case such prepayment may be directed to the Class of Commitments being terminated at such time. At the Borrower Representative's election in connection with any prepayment pursuant to this Section 6.1, subject to compliance with Section 2.17(a)(ii), such prepayment shall not be applied to any Revolving Loan of a Defaulting Lender. Each prepayment under Section 6.1(a) of Revolving Loans of any particular Class (x) made pursuant to a Borrowing shall be applied *pro rata* among such Revolving Loans; and (y) notwithstanding the provisions of the preceding clause (x), subject to compliance with Section 2.17(a)(ii), no prepayment of Revolving Loans shall be applied to the Revolving Loans of any Defaulting Lender unless otherwise agreed in writing by the Borrower Representative. Notwithstanding the foregoing, with respect to each prepayment of Revolving Loans, the Borrower Representative may designate the Types of Loans that are to be prepaid and the specific Borrowing(s) pursuant to which made. In the absence of a designation by the Borrower Representative as described in the preceding sentence with respect to the Type of Loans that are to be prepaid, the Administrative Agent shall, subject to the above, make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.11. The voluntary prepayments set forth in this Section 6.1 shall not reduce the aggregate amount of Commitments and amounts prepaid may be reborrowed.

(c) Notwithstanding anything to the contrary contained in this Agreement, the Borrower Representative may rescind, or extend the date for prepayment specified in, any notice of prepayment under Section 6.1(a) if such prepayment would have resulted from a refinancing of all or any portion of any Credit Facility or Credit Facilities or other conditional event, which refinancing or other conditional event shall not be consummated or shall otherwise be delayed; provided that the applicable Borrower shall pay to the Administrative Agent for the account of such Lender any amounts required pursuant to Section 2.11.

1.2 Mandatory Prepayments

(a) Repayment of Revolving Loans.

- (i) Except with respect to Protective Advances permitted under Section 2.1(e), if on any date (A) the aggregate amount of the Lenders' Revolving Credit Exposure exceeds the Line Cap then in effect, (B) the aggregate amount of the Lenders' Revolving Credit Exposure to CGI Borrower exceeds the CGI Line Cap then in effect, or (C) the aggregate amount of the Lenders' Revolving Credit Exposure to the Swiss Borrower exceeds the Swiss Line Cap then in effect, the applicable Borrower(s) shall forthwith repay within one (1) Business Day after the date on which the Borrower Representative receives notice of such excess, Revolving Credit Loans of such Borrower in an aggregate amount equal to such

excess; provided that Banker's Acceptances and BA Equivalent Notes may not be repaid prior to their respective maturity or expiry dates but shall be Cash Collateralized in accordance with Section 3.7. If after giving effect to the prepayment (or Cash Collateralization) of all outstanding Revolving Credit Loans in accordance with the foregoing, the Lenders' Revolving Credit Exposure for any reason exceed the Line Cap then in effect, the aggregate amount of the Lenders' Revolving Credit Exposure to Swiss Borrower for any reason exceed the Swiss Line Cap then in effect or the aggregate amount of the Lenders' Revolving Credit Exposure to CGI Borrower for any reason exceed the CGI Line Cap then in effect, the applicable Borrower(s) shall Cash Collateralize, in accordance with Section 3.7, the Letters of Credit Outstanding (and any Banker's Acceptances and BA Equivalent Notes outstanding) of such Borrower in relation to such Class to the extent of such excess within one (1) Business Day after the date on which the Borrower Representative receives notice of such excess.

- (ii) The Revolving Loans shall be repaid daily in accordance with (and to the extent required under) the provisions of Section 10.9, to the extent then applicable.

(b) Application to Revolving Loans. With respect to each prepayment of Revolving Loans required by Section 6.2(a), the Borrower Representative may designate (i) the Types of Loans that are to be prepaid and the specific Borrowing(s) pursuant to which made and (ii) the Revolving Loans to be prepaid, provided that (x) each prepayment shall be applied *first*, ratably to outstanding Swingline Loans and Unpaid Drawings and *second*, to the prepayment of outstanding Revolving Loans, (y) after giving effect to clause (x), each prepayment of any Loans made pursuant to a Borrowing shall be applied *pro rata* among such Loans; and (z) notwithstanding the provisions of the preceding clauses (x) or (y), subject to compliance with Section 2.17(a)(ii), no prepayment of Revolving Loans shall be applied to the Revolving Loans of any Defaulting Lender unless otherwise agreed in writing by the Borrower Representative. In the absence of a designation by the Borrower Representative as described in the preceding sentence, the Administrative Agent shall, subject to the above, make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.11. The mandatory prepayments set forth in this Section 6.2 shall not reduce the aggregate amount of Commitments and amounts prepaid may be reborrowed in accordance with the terms hereof.

1.3 Method and Place of Payment

(a) Except as otherwise specifically provided herein, all payments under this Agreement shall be made by the Borrowers, without set-off, counterclaim or deduction of any kind, to the Administrative Agent for the ratable account of the Lenders entitled thereto (or, in the case of the Swingline Loans to the Swingline Lender) or the Letter of Credit Issuer entitled thereto, as the case may be, not later than 2:00 p.m. (Toronto time), in each case, on the date when due and shall be made in Same Day Funds at the Administrative Agent's Office or at such other office as the Administrative Agent shall specify for such purpose by notice to the Borrower Representative (or, in the case of the Swingline Loans, at such office as the Swingline Lender shall specify for such purpose by notice to the Borrower Representative), it being understood that written or facsimile notice by the Borrower Representative to the Administrative Agent to make a payment from the funds in the Borrowers' account at the Administrative Agent's Office shall constitute the making of such payment to the extent of such funds held in such account. All repayments or prepayments of any Loans (whether of principal, interest or otherwise) hereunder shall be made in Dollars. The Administrative Agent will thereafter cause to be distributed on the same day (if payment was actually received by the Administrative Agent prior to 2:00 p.m. (Toronto time) or, otherwise, on the next Business Day) like funds relating to the payment of principal or interest or Fees ratably to the Lenders entitled thereto.

(b) Any payments under this Agreement that are made later than 2:00 p.m. (Toronto time) may, solely for purposes of calculating interest and fees, be deemed to have been made on the next succeeding Business Day in the Administrative Agent's reasonable discretion (or, in the case of the Swingline Loans, at the Swingline Lender's reasonable discretion). Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable during such extension at the applicable rate in effect immediately prior to such extension.

1.4 Net Payments

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

- (i) Any and all payments by or on account of any obligation of any Credit Party hereunder or under any other Credit Document shall to the extent permitted by applicable laws be made free and clear of and without reduction or withholding for any Taxes.
- (ii) A payment shall not be increased under paragraph (i) above by reason of Swiss Withholding Tax if (A) the Non-Bank Rules would not have been violated if the assigning Lender would have complied with its obligation to obtain the consent of the Borrower Representative to the assignment of all or a portion of its Loans and Commitment under Section 14.6 (Successors and Assigns) or if (B) the Lender in relation to which the Swiss Borrower makes the payment was a Qualifying Bank when it became a Lender under this Agreement but on that date such Lender is not or has ceased to be a Qualifying Bank, other than as a result of any Change in Law after the date it became a Lender under this Agreement.
- (iii) If any Credit Party, the Administrative Agent or any other applicable Withholding Agent shall be required by applicable law to withhold or deduct any Taxes from any payment, then (A) such Withholding Agent shall withhold or make such deductions as are reasonably determined by such Withholding Agent to be required by applicable law, (B) such Withholding Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes or Other Taxes, the sum payable by the applicable Credit Party shall be increased as necessary so that after any required withholding or deductions have been made (including withholding or deductions applicable to additional sums payable under this Section 6.4) each Lender (or, in the case of a payment to the Administrative Agent for its own account, the Administrative Agent) receives an amount equal to the sum it would have received had no such withholding or deductions been made.

(b) Payment of Other Taxes by the Borrowers. Without limiting the provisions of subsection (a) above, the Borrowers shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law or timely reimburse the Administrative Agent or any Lender for the payment of any Other Taxes.

(c) Tax Indemnifications. Without limiting the provisions of subsection (a) or (b) above (but subject to the exclusion set out in paragraph (ii) of subsection (a) above), each Borrower shall, severally and not jointly, indemnify the Administrative Agent and each Lender, and shall make payment in respect thereof within 15 days after demand therefor, for the full amount of Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 6.4) payable by the Administrative Agent or such Lender, as the case may be, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes

were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability (along with a written statement setting forth in reasonable detail the basis and calculation of such amounts) delivered to the Borrower Representative by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. If the Borrower Representative reasonably believes that any such Indemnified Taxes or Other Taxes were not correctly or legally asserted, the Administrative Agent and/or each affected Lender will use reasonable efforts to cooperate with the Borrower Representative in pursuing a refund of such Indemnified Taxes or Other Taxes so long as such efforts would not, in the sole determination of the Administrative Agent or affected Lender, result in any additional costs, expenses or risks or be otherwise disadvantageous to it.

(d) Evidence of Payments. After any payment of Taxes by any Credit Party or the Administrative Agent to a Governmental Authority as provided in this Section 6.4, the Borrower Representative shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower Representative, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower Representative or the Administrative Agent, as the case may be.

(e) Status of Lenders and Tax Documentation.

- (i) Each Lender shall deliver to the Borrower Representative and to the Administrative Agent, at such time or times reasonably requested by the Borrower Representative or the Administrative Agent, such properly completed and executed documentation prescribed by applicable laws or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit the Borrower Representative or the Administrative Agent, as the case may be, to determine (A) whether or not any payments made hereunder or under any other Credit Document are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, (C) such Lender's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of any payments to be made to such Lender by any Credit Party pursuant to any Credit Document or otherwise to establish such Lender's status for withholding tax purposes in the applicable jurisdiction and (D) information satisfactory for the Borrower Representative to determine if such Lender is or is not a Qualifying Bank. Any documentation and information required to be delivered by a Lender pursuant to this Section 6.4(e) shall be delivered by such Lender (i) on or prior to the Closing Date (or on or prior to the date it becomes a party to this Agreement), (ii) on or before any date on which such documentation expires or becomes obsolete or invalid, (iii) after the occurrence of any change in the Lender's circumstances requiring a change in the most recent documentation previously delivered by it to the Borrower Representative and the Administrative Agent, and (iv) from time to time thereafter if reasonably requested by the Borrower Representative or the Administrative Agent, and each such Lender shall promptly notify in writing the Borrower Representative and the Administrative Agent if such Lender is no longer legally eligible to provide any documentation previously provided.
- (ii) Notwithstanding anything to the contrary in this Section 6.4, no Lender or the Administrative Agent shall be required to deliver any documentation that it is not legally eligible to deliver.

(f) Treatment of Certain Refunds. If the Administrative Agent or any Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by any Credit Party or

with respect to which any Credit Party has paid additional amounts pursuant to this Section 6.4, the Administrative Agent or such Lender (as applicable) shall promptly pay to the Borrowers an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Credit Parties under this Section 6.4 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) incurred by the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Borrowers, upon the request of the Administrative Agent or such Lender, agree to repay the amount paid over to the Borrowers (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. In such event, the Administrative Agent or such Lender, as the case may be, shall, at the Borrower Representative's request, provide the Borrower Representative with a copy of any notice of assessment or other evidence of the requirement to repay such refund received from the relevant taxing authority (provided that the Administrative Agent or such Lender may delete any information therein that it deems confidential). Notwithstanding anything to the contrary in this paragraph, in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph the payment of which would place the indemnified party in a less favourable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require the Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Credit Party or any other Person.

(g) For the avoidance of doubt, for purposes of this Section 6.4, the term Lender includes the Letter of Credit Issuer and the Swingline Lender and the term "applicable law" includes FATCA.

(h) Each party's obligations under this Section 6.4 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under the Credit Documents.

1.5 Computations of Interest and Fees

(a) All interest on Loans shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed, except interest on SOFR Loans and EURIBOR Loans shall be calculated on the basis of a 360-day year for the actual days elapsed.

(b) Fees and the average daily Stated Amount of Letters of Credit shall be calculated on the basis of a 360-day year for the actual days elapsed.

1.6 Limit on Rate of Interest

(a) No Payment Shall Exceed Lawful Rate. Notwithstanding any other term of this Agreement, the Borrowers shall not be obliged to pay any interest or other amounts under or in connection with this Agreement or otherwise in respect of the Obligations in excess of the amount or rate permitted under or consistent with any applicable law, rule or regulation.

(b) Payment at Highest Lawful Rate. If the Borrowers are not obliged to make a payment that they would otherwise be required to make, as a result of Section 6.6(a), the Borrowers shall make such payment to the maximum extent permitted by or consistent with applicable laws, rules, and regulations.

(c) Adjustment if Any Payment Exceeds Lawful Rate. If any provision of this Agreement or any of the other Credit Documents would obligate the Borrowers to make any

payment of interest or other amount payable to any Lender in an amount or calculated at a rate that would be prohibited by any applicable law, rule or regulation, then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law (the "**Maximum Rate**"), such adjustment to be effected, to the extent necessary, by reducing the amount or rate of interest required to be paid by the Borrowers to the affected Lender under Section 2.8; provided that to the extent lawful, the interest or other amounts that would have been payable but were not payable as a result of the operation of this Section shall be cumulated and the interest payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Lender shall have received from the Borrowers an amount in excess of the maximum permitted by any applicable law, rule or regulation, then the Borrowers shall be entitled, by notice in writing to the Administrative Agent to obtain reimbursement from that Lender in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by that Lender to the Borrowers.

Article 7

CONDITIONS PRECEDENT TO INITIAL BORROWING

The initial Borrowing under the Original Credit Agreement was subject to the satisfaction of the following conditions precedent on the Closing Date, except as otherwise agreed between the Borrowers and the Administrative Agent.

1.1 Credit Documents

The Administrative Agent (or its counsel) shall have received:

- (a) this Agreement, executed and delivered by a duly Authorized Officer of Holdings, CGI Borrower and Swiss Borrower;
- (b) a guarantee from each of Holdings, CGI Borrower, each other Canadian Credit Party and each U.S. Credit Party guaranteeing the due payment and performance to the Administrative Agent and the Lenders of all present and future Obligations of each of the other Credit Parties to the Administrative Agent, the Lenders and the other Secured Parties or any one or more of them under the Credit Documents, executed and delivered by a duly Authorized Officer of each Credit Party;
- (c) a general security agreement from each Credit Party (other than Swiss Borrower and the UK Credit Parties) in favor of the Administrative Agent constituting a first-priority Lien (subject only to Permitted Liens) on substantially all of its present and future property (other than Excluded Property), executed and delivered by a duly Authorized Officer of each such Credit Party;
- (d) a securities pledge agreement from Holdings, in favor of the Administrative Agent constituting a first-priority Lien (subject to Permitted Liens) on all Equity Interests (other than Excluded Stock and Stock Equivalents) that it owns, executed and delivered by a duly Authorized Officer of Holdings;
- (e) a securities pledge agreement from CGI Borrower, in favor of the Administrative Agent constituting a first-priority Lien (subject to Permitted Liens) on all Equity Interests that it owns (other than Excluded Stock and Stock Equivalents), executed and delivered by a duly Authorized Officer of CGI Borrower;

- (f) the Holdings Subordination Agreement, executed and delivered by a duly Authorized Officer of Holdings and CGI Borrower; and
- (g) the Shareholder Subordination Agreement, executed and delivered by a duly Authorized Officer of the Shareholder and Holdings.

1.2 Collateral

(a) All outstanding Equity Interests in whatever form of CGI Borrower and each Restricted Subsidiary that are directly owned by any Credit Party and required to be pledged pursuant to the Security Documents shall have been pledged pursuant thereto;

(b) The Administrative Agent shall have received the certificates representing securities of the Borrowers and of each Credit Party's Wholly-Owned Restricted Subsidiaries to the extent required to be delivered and pledged under the Security Documents (to the extent certificated, accompanied by undated stock (or equivalent) powers endorsed in blank); and

(c) All Uniform Commercial Code, PPSA financing statements and the equivalent filings and registrations in each of the Relevant Jurisdictions of each Credit Party reasonably requested by the Administrative Agent to be filed, registered or recorded to create the Liens intended to be created by any Security Document and perfect such Liens to the extent required by, and with the priority required by, such Security Document shall have been delivered to the Administrative Agent for filing, registration or recording and in the case of any Collateral located in Canada, and such other Relevant Jurisdiction where pre-filing or registration are permitted, shall have been filed, registered or recorded;

provided that each of the requirements set forth in this Section 7.2 shall be subject to Section 10.14(d) and Schedule 10.14(d) and shall not constitute conditions precedent to the initial Borrowing on the Closing Date, and CGI Borrower agrees to deliver, or cause to be delivered, such documents and instruments, or take or cause to be taken such other actions, as may be required to perfect such security interests in accordance with Section 10.14(d) and Schedule 10.14(d).

1.3 Legal Opinions

The Administrative Agent (or its counsel) shall have received the executed legal opinions, in customary form, of each of:

- (a) Stikeman Elliott LLP, Ontario and British Columbia counsel to the Credit Parties;
- (b) Aikins MacAulay & Thorvaldson LLP, Manitoba counsel to the Credit Parties;
- (c) Ropes & Gray LLP, U.S. counsel to the Credit Parties;
- (d) Homburger AG, Swiss counsel to the Credit Parties;
- (e) Stewart McKelvey, Nova Scotia counsel; and
- (f) Borel & Barbey, Swiss counsel to the Administrative Agent.

1.4 Closing Certificates

(a) The Administrative Agent (or its counsel) shall have received a certificate of the Borrowers and each other Credit Party, dated the Closing Date, substantially in the form of Exhibit I, with appropriate insertions, and attaching the documents referred to in Section 7.5.

(b) The Administrative Agent (or its counsel) shall have received a certificate of status or good standing (or an equivalent), as applicable, from each Credit Party's jurisdiction of incorporation or organization.

(c) The Administrative Agent shall have received certificates of insurance acceptable to the Administrative Agent, acting reasonably, showing, *inter alia*, the Administrative Agent as a loss payee as its interest may appear on all property insurance policies.

1.5 Authorization of Proceedings of Guarantors and the Borrowers; Corporate Documents

The Administrative Agent shall have received (i) a copy of the resolutions of the board of directors or other governing body of the Borrowers and each other Credit Party (or a duly authorized committee thereof) authorizing (a) the execution, delivery, and performance of the Credit Documents (and any agreements relating thereto) to which it is a party, and (b) in the case of the Borrowers, the extensions of credit contemplated hereunder, (ii) the certificate of incorporation and by-laws, certificate of formation and operating agreement, up-to-date trade register excerpts or other comparable Organizational Documents, as applicable, of each Borrower and each other Credit Party, (iii) signature and incumbency certificates (or other comparable documents evidencing the same) of the authorized officers of the Borrowers and each other Credit Party executing the Credit Documents to which it is a party, and (iv) in the case of CGI Borrower, copies of the Holdings Loan Agreement and Shareholder Loan Agreement.

1.6 Fees

The Agents and Lenders shall have received, substantially simultaneously with the funding of the initial Borrowing, fees required to be paid on the Closing Date pursuant to this Agreement and, to the extent invoiced at least three (3) Business Days prior to the Closing Date (except as otherwise reasonably agreed by the Borrower Representative), reasonable out-of-pocket expenses previously agreed in writing to be paid on the Closing Date.

1.7 Representations and Warranties

The representations and warranties set forth in Article 9 and in the other Credit Documents are true and correct in all material respects (except for representations and warranties that are already qualified by materiality, which representations and warranties shall be true and correct in all respects after giving effect to such materiality qualifier) on and as of the Closing Date and an Authorized Officer of CGI Borrower shall have certified the same to the Lenders.

1.8 Anti-terrorism; Patriot Act; etc.

The Administrative Agent shall have received (at least two Business Days prior to the Closing Date to the extent requested with reasonable advance notice) all documentation and information about the Borrowers and each other Credit Party that is required by regulatory authorities under applicable "know your customer" and Anti-Money Laundering Laws, including without limitation the Patriot Act and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*.

1.9 Financial Statements

The Administrative Agent shall have received the Historical Financial Statements.

1.10 No Material Adverse Effect; No Default or Event of Default

(a) Since December 31, 2015, a Material Adverse Effect will not have occurred or arisen and an Authorized Officer of CGI Borrower shall have certified the same to the Lenders.

(b) No Default or Event of Default has occurred and is continuing on the Closing Date or would result from making the initial Borrowing and an Authorized Officer of CGI Borrower shall have certified the same to the Lenders.

1.11 Refinancing

Prior to, or substantially concurrently with, the execution and delivery of this Agreement and, if applicable, the funding of the initial Borrowing hereunder, the Closing Refinancing shall be consummated.

1.12 Initial Borrowing Base Certificate

The Administrative Agent shall have received an initial Borrowing Base Certificate.

1.13 Notice of Borrowing; Letter of Credit Request

(a) Prior to the making of any Revolving Credit Loan and any Swingline Loan on the Closing Date, the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.3.

(b) Prior to the issuance of any Letter of Credit on the Closing Date, the Administrative Agent and the Letter of Credit Issuer shall have received a Letter of Credit Request meeting the requirements of Section 3.2(a).

1.14 Collateral, Closing Date Excess Availability

The Borrowing Base on the Closing Date shall be sufficient in value, as reasonably determined by the Administrative Agent, to provide CGI Borrower with Excess Availability, after giving effect to the extensions of credit to be made hereunder on the Closing Date (on a pro forma basis, with trade payables being paid currently, and expenses and liabilities being paid in the ordinary course of business and without acceleration of sales or deterioration of working capital) of at least \$10,000,000. For purposes of determining compliance with the conditions specified in Article 7 on the Closing Date, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

Article 8

CONDITIONS PRECEDENT TO ALL CREDIT EVENTS AFTER THE CLOSING DATE

The agreement of each Lender to make any Loan requested to be made by it on any date after the Closing Date (excluding Mandatory Borrowings, Revolving Loans required to be made by the Lenders in respect of Unpaid Drawings pursuant to Sections 3.3 and 3.4 and any Protective Advance, any Incremental Revolving Credit Loan made to finance a Permitted Acquisition or Permitted Investment, or in connection with refinancing of any Indebtedness that requires an irrevocable prepayment or redemption notice, in accordance with Section 2.14 and, for the avoidance of doubt, any conversion or continuation of any Loan pursuant to Section 2.6) and the obligation of the Letter of Credit Issuer to issue Letters of Credit on any date after the Closing Date is subject to the satisfaction (or waiver) of the following conditions precedent:

1.1 No Default; Representations and Warranties

At the time of each Credit Event and also after giving effect thereto (a) no Default or Event of Default shall have occurred and be continuing and (b) all representations and warranties made by any Credit Party contained herein or in the other Credit Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of such Credit Event (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date).

1.2 Notice of Borrowing; Letter of Credit Request

(a) Prior to the making of each Revolving Loan (other than any Revolving Loan made pursuant to Section 3.4(a)) and each Swingline Loan, the Administrative Agent shall have received a Notice of Borrowing meeting the requirements of Section 2.3.

(b) Prior to the issuance of each Letter of Credit, the Administrative Agent and the Letter of Credit Issuer shall have received a Letter of Credit Request meeting the requirements of Section 3.2(a).

(c) After giving effect to any requested Credit Event, the aggregate of all Lenders' Revolving Credit Exposures does not exceed the Line Cap then in effect, the aggregate of all Lenders' Revolving Credit Exposures to CGI Borrower does not exceed the CGI Line Cap then in effect and the aggregate of all Lenders' Revolving Credit Exposures to Swiss Borrower does not exceed the Swiss Line Cap then in effect.

The acceptance of the benefits of each Credit Event shall constitute a representation and warranty by each Credit Party to each of the Lenders that all the applicable conditions specified in Article 8 above have been satisfied as of that time.

Article 9
REPRESENTATIONS AND WARRANTIES

In order to induce the Agents and the Lenders to enter into this Agreement, to make the Loans and issue or participate in Letters of Credit as provided for herein, each of the Borrowers and, in respect of Sections 9.1, 9.2, 9.3 and 9.18 only, Holdings make the following representations and warranties to the Agents and the Lenders, all of which shall survive the execution and delivery of this Agreement and the making of the Loans and the issuance of the Letters of Credit (it being understood that the following representations and warranties shall be deemed made with respect to any Foreign Subsidiary only to the extent relevant under applicable law):

1.1 Corporate Status and Structure

Each Credit Party (a) is a duly organized and validly existing corporation, limited liability company, unlimited liability company or other entity in good standing (if applicable) under the laws of the jurisdiction of its organization and has the corporate, limited liability company, unlimited liability company or other organizational power and authority to own its property and assets and to transact the business in which it is engaged and (b) has duly qualified and is authorized to do business and is in good standing (if applicable) in all jurisdictions where it is required, to be so qualified, except where the failure to be so qualified, authorized and in good standing would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. The corporate structure of Holdings and its Subsidiaries, as at the Seventh Closing Date, together with details of the authorized and issued share capital, partnership interests, membership interest or other similar interest of each of CGI Borrower and its Subsidiaries, the name of the registered and beneficial owner of all of the issued and

outstanding securities of each of CGI Borrower and its Subsidiaries and the full and correct name of Holdings and each of its Subsidiaries (including any French and English forms of name) are as set out in Schedule 9.1.

1.2 Corporate Power and Authority

Each Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each Credit Party has duly executed and delivered each Credit Document to which it is a party and each such Credit Document constitutes the legal, valid, and binding obligation of such Credit Party enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and subject to general principles of equity.

1.3 No Violation

Neither the execution, delivery or performance by any Credit Party of the Credit Documents to which it is a party nor compliance with the terms and provisions thereof nor the consummation of the Transactions contemplated hereby (a) contravene any applicable provision of any law, statute, rule, regulation, order, writ, injunction or decree of any court or governmental instrumentality that would be, individually or in the aggregate, reasonably expected to result in a Material Adverse Effect, (b) violate any provision of the certificate of incorporation, by-laws, articles or other Organizational Documents of such Credit Party or any of the Restricted Subsidiaries or (c) result in a breach or material contravention of the documentation governing any material Indebtedness of a Credit Party, in each case under this Section 9.3, in a manner that would be, individually or in the aggregate, reasonably expected to result in a Material Adverse Effect.

1.4 Litigation

There are no actions, suits or proceedings pending or, to the knowledge of CGI Borrower, threatened in writing against any of CGI Borrower or any of the Restricted Subsidiaries that would, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

1.5 Margin Regulations

Neither the making of any Loan hereunder nor the use of the proceeds thereof will violate the provisions of Regulation T, U or X of the Board.

1.6 Governmental Approvals

The execution, delivery and performance of each Credit Document by any Credit Party does not require any consent or approval of, registration or filing with, or other action by, any Governmental Authority, except for (i) such as have been obtained or made and are in full force and effect, (ii) filings, consents, approvals, registrations and recordings in respect of the Liens created pursuant to the Security Documents (and to release existing Liens), and (iii) such licenses, approvals, authorizations, registrations, filings, consents or other actions the failure of which to obtain or make would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

1.7 Investment Company Act

None of Holdings, CGI Borrower, or any Restricted Subsidiary is required to be registered as an "investment company" under the Investment Company Act of 1940.

1.8 True and Complete Disclosure

(a) None of the written factual information and written data (taken as a whole) heretofore or contemporaneously furnished by or on behalf of CGI Borrower or any of its Restricted Subsidiaries or any of their respective authorized representatives to the Administrative Agent, any Joint Lead Arranger and Bookrunner, and/or any Lender on or before the Seventh Closing Date (as updated prior to the Seventh Closing Date) concerning Holdings, the Borrowers and their respective Subsidiaries for purposes of or in connection with this Agreement or any transaction contemplated herein contained any untrue statement of any material fact or omitted to state any material fact necessary to make such information and data (taken as a whole) not materially misleading at such time in light of the circumstances under which such information or data was furnished (after giving effect to all supplements and updates), it being understood and agreed that for purposes of this Section 9.8(a), such factual information and data shall not include *pro forma* financial information, projections, estimates (including financial estimates, forecasts, and other forward-looking information) or other forward looking information or information of a general economic or general industry nature.

(b) The projections (including financial estimates and forecasts) contained in the information and data referred to in paragraph (a) above were based on good faith estimates and assumptions believed by the Borrowers to be reasonable at the time made, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts or a guarantee of performance, are subject to significant uncertainties and contingencies, many of which are beyond the control of the CGI Borrower and its Subsidiaries and that actual results during the period or periods covered by any such projections may differ from the projected results and such differences may be material.

1.9 Financial Condition; Financial Statements

(a) The Historical Financial Statements present fairly, in all material respects, the combined financial position of CGI Borrower and its Subsidiaries at the respective dates thereof and their results of operations for the period covered thereby in accordance with IFRS consistently applied throughout the periods covered thereby, except as otherwise expressly noted therein (subject, in the case of the any unaudited quarterly Historical Financial Statements to changes resulting from normal year-end adjustments and the absence of footnotes).

(b) There has been no Material Adverse Effect since the Closing Date.

Each Lender and the Administrative Agent hereby acknowledges and agrees that CGI Borrower and its Subsidiaries may be required to restate historical financial statements as the result of the implementation of changes in IFRS, or the respective interpretation thereof, and that such restatements will not result in a Default or an Event of Default under the Credit Documents.

1.10 Compliance with Laws

Each Credit Party is in compliance with all Requirements of Law applicable to it or its property, except where the failure to be so in compliance would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

1.11 Tax Matters

Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (a) CGI Borrower and each of the Restricted Subsidiaries has filed all Tax returns required to be filed by it and has timely paid all Taxes payable by it (whether or not shown on a Tax return and including in its capacity as withholding agent) that have become due, other than those being contested in good faith and by proper actions if it has maintained adequate reserves (in the good faith judgment of management of CGI Borrower or

such Restricted Subsidiary, as applicable) with respect thereto to the extent required by IFRS and (b) each of CGI Borrower and each of its Restricted Subsidiaries has paid, or has provided adequate reserves (in the good faith judgment of management of CGI Borrower or such Restricted Subsidiary, as applicable) in accordance with IFRS for the payment of all Taxes not yet due and payable. There is no current or proposed Tax assessment, deficiency or other claim against CGI Borrower or any Restricted Subsidiary that would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

1.12 Pension Plans; Compliance with ERISA

(a) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) no steps have been taken to terminate any Canadian Pension Plan (wholly or in part) which could result in any Credit Party being required to make a material additional contribution to any Canadian Pension Plan; (ii) no contribution failure has occurred with respect to any Canadian Pension Plan sufficient to give rise to a Lien under any applicable pension benefits laws of any other jurisdiction (for certainty, not including payments in respect of contributions payable but not yet due); and (iii) no condition exists and no event or transaction has occurred with respect to any Canadian Pension Plan which is reasonably likely to result in any Credit Party incurring any liability, fine or penalty. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) each Canadian Pension Plan is in compliance with all applicable pension benefits and tax laws; (ii) all contributions (including employee contributions made by authorized payroll deductions or other withholdings) required to be made to the appropriate funding agency have been made in accordance with all Requirements of Law and the terms of each Canadian Pension Plan; (iii) all liabilities under each Canadian Pension Plan are funded in accordance with the terms of the respective Canadian Pension Plans, the requirements of applicable pension benefits laws and of applicable Governmental Authorities and (v) no event has occurred and no conditions exist with respect to any Canadian Pension Plan that has resulted or could reasonably be expected to result in any Canadian Pension Plan having its registration revoked or refused by any administration of any relevant pension benefits regulatory authority or being required to pay any taxes (other than taxes the amounts of which are immaterial) or penalties under any applicable pension benefits or tax laws. As of the Closing Date and at all times thereafter until the Seventh Closing Date, none of the Credit Parties contributed to a Canadian DB Plan.

(b) Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, no ERISA Event or Foreign Plan Event has occurred or is reasonably expected to occur.

(c) Except as set forth on Schedule 9.12, as of the Seventh Closing Date no Foreign Plan of any Credit Party or any of their respective Related Parties is a pension plan or subject to any pension benefits legislation. Except as set forth on Schedule 9.12, as of the Seventh Closing Date no Canadian Credit Party has any Canadian Pension Plan.

1.13 Intellectual Property

As of the Seventh Closing Date, all Intellectual Property owned or licensed by any of CGI Borrower and its Subsidiaries that will be subject to a Lien under any of the Security Documents and which is registered, or in respect of which an application for registration has been made, with the United States Patent and Trademark Office, the United States Copyright Office, the Canadian Intellectual Property Office or with any equivalent Governmental Authority in the United Kingdom and Switzerland are described in Schedule 9.13. Each of CGI Borrower and the Restricted Subsidiaries owns or has the right to use all Intellectual Property that is used in or otherwise necessary for the operation of their respective businesses as currently conducted, except where the failure of the foregoing would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. Except as set forth on Schedule 9.13, or as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, the operation of their respective businesses by CGI Borrower and the

Restricted Subsidiaries does not infringe upon, misappropriate, violate or otherwise conflict with the Intellectual Property of any third party.

1.14 Environmental Laws

(a) Except as set forth on Schedule 9.14, or as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: (i) each of CGI Borrower and the Restricted Subsidiaries and their respective operations and properties are in compliance with all applicable Environmental Laws; (ii) none of CGI Borrower or any Restricted Subsidiary has received written notice of any Environmental Claim; (iii) none of CGI Borrower or any Restricted Subsidiary is conducting any investigation, removal, remedial or other corrective action pursuant to any Environmental Law at any location; and (iv) to the knowledge of CGI Borrower, no underground or above ground storage tank or related piping, or any impoundment or other disposal area containing Hazardous Materials is located at, on or under any Real Estate currently owned or leased by CGI Borrower or any of the Restricted Subsidiaries.

(b) Except as set forth on Schedule 9.14, none of CGI Borrower or any Restricted Subsidiary has treated, stored, transported, Released or arranged for disposal or transport for disposal or treatment of Hazardous Materials at, on, under or from any currently or, formerly owned or operated property nor, to the knowledge of CGI Borrower, has there been any other Release of Hazardous Materials at, on, under or from any such properties, in each case, in a manner that would reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

1.15 Properties

(a) Each of CGI Borrower and the Restricted Subsidiaries has good and valid record title to, valid leasehold interests in, or rights to use, all properties that are necessary for the ordinary operation of their respective businesses as currently conducted, free and clear of all Liens (other than any Liens permitted by this Agreement) and except where the failure to have such good title or interest or right to use would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(b) Schedule 9.15 contains a description as of the Seventh Closing Date of (i) the full address (including postal code or zip code) of each such Credit Party's chief executive office, (ii) all real property owned by each Credit Party including municipal addresses, legal description (to the extent available), the name of the Credit Party that owns such property and a brief description of such property's use), (iii) all real property leased by each Credit Party (including municipal addresses, the name of the Credit Party that leases such property and the name of the landlord), and (iv) all real property not owned or leased by a Credit Party at which any of its Inventory may from time to time be stored or located (including municipal addresses, the name of the Credit Party which keeps Inventory at such property and the name of the bailee or third party holding such Inventory at such property) and (v) if different than above, the address at which the books and records of each Credit Party are located.

1.16 Solvency

On the Seventh Closing Date CGI Borrower on a consolidated basis with its Restricted Subsidiaries will be Solvent.

1.17 Patriot Act; Anti-Terrorism Laws

No proceeds of the Loans (if any) will be used by Holdings, CGI Borrower and its Subsidiaries (i) in violation of the FCPA, (ii) in violation of the Patriot Act, (iii) in violation of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*, *Criminal Code (Canada)*, *Freezing Assets of Corrupt Foreign Officials Act (Canada)*, *Special Economic*

Measures Act (Canada), United Nations Act (Canada) or any other applicable Anti-Money Laundering Law, Sanctions and "know your client" laws of Canada or any province or territory thereof or the United States, and (iv) for the purpose of financing the activities of any person currently subject to any Sanctions, in each case, in any material respect.

1.18 Security Interest in Collateral

Subject to the terms of the proviso in Section 7.2, the provisions of this Agreement and the other Credit Documents create legal, valid, and enforceable Liens on all of the Collateral in favor of the Administrative Agent, for the benefit of itself and the other Secured Parties, subject, as to enforceability, to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and to general principles of equity and principles of good faith and dealing, and, subject to the proper recordation of Mortgages and fixture filings with respect to any Mortgaged Property and to the filing of UCC financing statements (and similar public filings and registration in other applicable jurisdictions) in each case in favor of the Administrative Agent for the benefit of the Secured Parties, such Liens constitute perfected Liens on the Collateral of the type required by the Security Documents securing the Obligations to the extent such Liens may be perfected by such filings and the taking of such other actions required to be taken hereunder or under the applicable Credit Documents, including by (i) with respect to Intellectual Property included in the Collateral that is registered or in respect of which an application for registration has been made with a Governmental Authority, the filing of appropriate notices with the Canadian Intellectual Property Office, the U.S. Patent and Trademark Office and the U.S. Copyright Office and the filings, registrations or other actions required under the laws of Switzerland and the United Kingdom; and (ii) the delivery to the Administrative Agent of any stock or equivalent certificates or promissory notes required to be delivered pursuant to the applicable Credit Documents.

Notwithstanding anything to the contrary, the Borrowers and the other Credit Parties shall not be required, nor shall the Administrative Agent be authorized, (i) to perfect any pledges, security interests and mortgages by any means other than by (A) (I) filings pursuant to the UCC in the office of the secretary of state (or similar central filing office) of the relevant state(s), (II) PPSA filings or the registration of one or more hypothecs in Canada or the relevant province or territory thereof, and (III) customary filings and registrations and other necessary perfection steps pursuant to the laws of the United Kingdom, Switzerland and, to the extent permitted by applicable law, solely with respect to Collateral included in the Borrowing Base located in another Relevant Jurisdiction, other Relevant Jurisdictions outside of Canada, the United States, the United Kingdom and Switzerland; (B) filings in the United States, Canadian, United Kingdom and Swiss government offices with respect to Intellectual Property as expressly required in the Security Documents; (C) delivery to the Administrative Agent for its possession of all Collateral consisting of material intercompany notes, stock certificates of CGI Borrower and its Material Subsidiaries (other than Excluded Stock and Stock Equivalents) and material instruments issued to a Borrower or other Credit Party, (D) Mortgages, solely to the extent required pursuant to Section 10.14, or (E) control agreements solely to the extent required by Section 10.9 or (ii) to take any action other than the actions listed in clause (i)(A), (B), (D) and (E) above with respect to any Collateral titled or located outside of the United States, Canada, the United Kingdom, Switzerland or, solely with respect to Collateral included in the Borrowing Base, any other Relevant Jurisdiction, including The Netherlands.

1.19 Anti-Terrorism Laws, Anti-Corruption Laws and Sanctions

(a) To the extent applicable, each of Holdings, the Borrowers and the Restricted Subsidiaries is in compliance, in all material respects, with the Trading with the Enemy Act, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR Subtitle B, Chapter V) and any other enabling legislation or executive order relating thereto.

(b) No part of the proceeds of the Loans will be used by Holdings, the Borrowers or any of the Restricted Subsidiaries, directly or, to the knowledge of CGI Borrower, indirectly, for

any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain retain or direct business obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977 or under similar Requirements of Law in Canada.

(c) None of Holdings, the Borrowers or any of the Restricted Subsidiaries nor, to the knowledge of CGI Borrower, any director, officer or employee of Holdings, any Borrower or any of the Restricted Subsidiaries, (i) is a person on the list of "*Specialty Designated Nationals and Blocked Persons*" or (ii) is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**").

(d) The Credit Parties and each of their Restricted Subsidiaries is in compliance with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions, except where the failure to be so in compliance would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

1.20 Borrowing Base Certificates

The information set forth in each Borrowing Base Certificate is true and correct in all material respects and has been prepared in accordance with the requirements of this Agreement.

1.21 Non-Bank Rules

Swiss Borrower is in compliance with the Non-Bank Rules, it being understood, however, that the Swiss Borrower shall not be in breach of this representation if the relevant number of creditors is exceeded solely (i) by reason of a failure by one or more Lenders to comply with their obligations under Section 14.6, (ii) by a Lender having made a misrepresentation in respect of the information provided under Section 6.4(e)(i)(D), or (iii) by a Lender having lost its status as Qualifying Bank.

Article 10 AFFIRMATIVE COVENANTS

Each Borrower hereby covenants and agrees that on the Closing Date and thereafter, until the Commitments, the Swingline Commitment and each Letter of Credit, Banker's Acceptance and BA Equivalent Note have terminated or been Cash Collateralized in accordance with the terms of this Agreement, the Secured Bank Product Obligations and Secured Hedge Obligations have been paid in full or other arrangements reasonably satisfactory to the applicable Lender (or its applicable Affiliate) have been made in respect thereof and the Loans and Unpaid Drawings, together with interest, Fees and all other Obligations incurred hereunder (other than contingent obligations, Secured Cash Management Obligations), are paid in full:

1.1 Information Covenants

The Borrower Representative will furnish to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

- (a) Annual Financial Statements. On or before the date that is 120 days after the end of each fiscal year, the consolidated balance sheets of Holdings, CGI Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations and cash flows for such fiscal year, and setting forth comparative consolidated figures for the prior fiscal year, all in reasonable detail and prepared in accordance with IFRS, and, in each case, certified by Deloitte, LLP or independent certified public accountants of

recognized national standing whose opinion shall not be qualified as to the scope of audit or as to the status of CGI Borrower or any Restricted Subsidiaries as a going concern (other than any exception, explanatory paragraph or qualification, that is expressly solely with respect to, or expressly resulting solely from, (i) an upcoming maturity date under any Indebtedness of CGI Borrower and its Restricted Subsidiaries occurring within one year from the time such opinion is delivered or (ii) any prospective or actual default of a financial maintenance covenant), together with a narrative providing a summary description of the highlights of results of operations of CGI Borrower and its Restricted Subsidiaries for such fiscal year; provided, that if at the end of any applicable fiscal year there are any Unrestricted Subsidiaries, Borrower Representative shall also furnish the related consolidating balance sheets of CGI Borrower and its Restricted Subsidiaries as at the end of such fiscal year, and the related consolidating statements of income or operations and cash flows for such fiscal year, in each case, reflecting the adjustments necessary to eliminate such Unrestricted Subsidiaries from the consolidated balance sheets of CGI Borrower and its Restricted Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations and cash flows for such fiscal year; provided, further, that no consolidating financial statements provided pursuant to the immediately preceding proviso shall be required to be audited.

- (b) Quarterly Financial Statements. On or before the date that is 45 days after the end of each of the first three fiscal quarters of each fiscal year, the consolidated balance sheets of Holdings, CGI Borrower and its Subsidiaries as at the end of such fiscal quarter and the related consolidated statements of income or operations for such fiscal quarter and for the elapsed portion of the fiscal year ended with the last day of such fiscal quarter, and the related consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of such fiscal quarter, and a narrative providing a summary description of the highlights of results of operations of CGI Borrower and its Restricted Subsidiaries for such fiscal quarter and for the elapsed portion of the fiscal year ended with the last day of such fiscal quarter setting forth comparative consolidated figures for the related periods in the prior fiscal year or, in the case of such consolidated balance sheet, for the last day of the related period in the prior fiscal year, all of which shall be certified by an Authorized Officer of CGI Borrower as fairly presenting in all material respects the financial position, results of operations and cash flows of CGI Borrower and its Subsidiaries in accordance with IFRS (except as noted therein), subject to changes resulting from normal year-end adjustments and the absence of footnotes; provided, that if at the end of any applicable fiscal quarter there are any Unrestricted Subsidiaries, Borrower Representative shall also furnish the related consolidating balance sheets of CGI Borrower and its Restricted Subsidiaries as at the end of such fiscal quarter, and the related consolidating statements of income or operations and cash flows for such fiscal quarter, in each case, reflecting the adjustments necessary to eliminate such Unrestricted Subsidiaries from the consolidated balance sheets of CGI Borrower and its Restricted Subsidiaries as at the end of such fiscal quarter, and the related consolidated statements of income or operations and cash flows for such fiscal quarter.
- (c) [Reserved].
- (d) Budgets. Within 90 days after the commencement of each fiscal year of CGI Borrower, a budget of CGI Borrower and its Restricted Subsidiaries in reasonable detail on a quarterly basis for such fiscal year, setting forth the principal assumptions upon which such budget is based and containing a "Monthly Availability Model" (collectively, the "**Projections**"), which Projections shall in each case be accompanied by a certificate of an Authorized Officer of CGI Borrower stating that such Projections have been prepared in good faith on

the basis of the assumptions stated therein, which assumptions were based on good faith estimates and assumptions believed by such Persons to be reasonable at the time of preparation of such Projections, it being recognized by the Lenders that such Projections and assumptions as to future events are not to be viewed as facts or a guarantee of performance, are subject to significant uncertainties and contingencies, many of which are beyond the control of CGI Borrower and its Subsidiaries and that actual results during the period or periods covered by any such Projections may differ from the projected results and such differences may be material.

- (e) Officer's Certificates. Not later than five days after the delivery of the financial statements provided for in Sections 10.1(a) and (b), a certificate of an Authorized Officer of CGI Borrower to the effect that no Event of Default exists or, if any Event of Default does exist, specifying the nature and extent thereof, as the case may be, which certificate shall set forth (i) a specification of any change in the identity of the Restricted Subsidiaries and Unrestricted Subsidiaries as at the end of such fiscal year or period, as the case may be, from the Restricted Subsidiaries and Unrestricted Subsidiaries, respectively, provided to the Administrative Agent on the Closing Date or the most recent fiscal year or period, as the case may be and (ii) a reasonably detailed calculation of the Fixed Charge Coverage Ratio and, to the extent then applicable, compliance with the provisions of Section 11.11. At the time of the delivery of the financial statements provided for in Section 10.1(a), a certificate of an Authorized Officer of CGI Borrower setting forth changes to the legal name, jurisdiction of formation, type of entity and organizational number (or equivalent) (to the extent such Person is organized in a jurisdiction where an organizational identification number is required to be included in a Uniform Commercial Code financing statement or any other similar requirement in any Relevant Jurisdiction), in each case for each Credit Party or confirming that there has been no change in such information since the Closing Date, the date of the most recent certificate delivered pursuant to this clause (e) or the most recent disclosure of any such information to the Administrative Agent, as the case may be.
- (f) Notice of Events of Default, Litigation; etc. Promptly after an Authorized Officer of CGI Borrower or any of the Restricted Subsidiaries obtains knowledge thereof, notice of (i) the occurrence of any event that constitutes a Default or an Event of Default, which notice shall specify the nature thereof, the period of existence thereof and what action the Borrowers and the other Credit Parties propose to take with respect thereto, (ii) any litigation or governmental proceeding pending against Holdings, any Borrower or any of their Subsidiaries that would, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (iii) any casualty or other insured damage to any portion of the Collateral included in the Borrowing Base in excess of \$2,000,000, or the commencement of any action or proceeding for the taking of any interest in a portion of the Collateral included in the Borrowing Base in excess of \$2,000,000 under power of eminent domain or by condemnation, expropriation or similar proceeding, and (iv) the occurrence of any event or circumstance that would reasonably be expected to have a Material Adverse Effect.
- (g) Environmental Matters. Promptly after an Authorized Officer of a Borrower or any of the Restricted Subsidiaries obtains knowledge of any one or more of the following environmental matters, unless such environmental matters would not reasonably be expected to result in a Material Adverse Effect, notice of:
 - (i) any pending or threatened Environmental Claim against any Credit Party or any Real Estate; and

- (ii) the conduct of any investigation, or any removal, remedial or other corrective action in response to the actual or alleged presence, Release or threatened Release of any Hazardous Material on, at, under or from any Real Estate.

All such notices shall describe in reasonable detail the nature of the claim, investigation or removal, remedial or other corrective action in response thereto. The term "**Real Estate**" shall mean land, buildings, facilities and improvements owned or leased by any Credit Party.

- (h) Other Information. Promptly upon filing thereof, copies of any filings (including on the Annual Information Form, Form 10-K, 10-Q or 8-K) or prospectus or registration statements with, and reports to, any Canadian provincial or territorial securities regulator, the SEC or any analogous Governmental Authority in any relevant jurisdiction by CGI Borrower or any of the Restricted Subsidiaries (other than amendments to any prospectus or registration statement (to the extent such prospectus or registration statement, in the form it becomes effective, is delivered to the Administrative Agent), exhibits to any of the foregoing and, if applicable, any registration statements on Form S-8 or any analogous form under Canadian Securities Laws) and copies of all financial statements, notices of default and reports that CGI Borrower or any of the Restricted Subsidiaries shall send to the holders of any publicly issued debt of CGI Borrower and/or any of the Restricted Subsidiaries, in their capacity as such holders (in each case to the extent not theretofore delivered to the Administrative Agent pursuant to this Agreement) and, with reasonable promptness, such other information (financial or otherwise) as the Administrative Agent on its own behalf or on behalf of any Lender (acting through the Administrative Agent) may reasonably request in writing from time to time; provided, that none of CGI Borrower or any Restricted Subsidiary will be required to disclose or permit the inspection or discussion of, any document, information or other matter (i) that constitutes non-registered Intellectual Property, non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective contractors) is prohibited by law or any binding agreement or (iii) that is subject to attorney-client or similar privilege or constitutes attorney work product.
- (i) Borrowing Base Certificates. The Borrower Representative will furnish to the Administrative Agent a certificate for each Borrower in substantially the form of Exhibit I (each a "**Borrowing Base Certificate**"), each certified as true and correct in all material respects on behalf of the Borrower Representative by a Financial Officer of the Borrower Representative and containing necessary supporting calculations, as follows:
 - (A) no later than (x) with respect to the Borrowing Base Certificate for CGI Borrower, the fifteenth (15th) Business Day following the end of each fiscal month (or on the third (3rd) Business Day of each week if the Borrower Representative shall so elect in its sole discretion, subject to the proviso at the end of this clause (i)(A)) or (y) with respect to the Borrowing Base Certificate for Swiss Borrower, the fifteenth (15th) Swiss Business Day following the end of each fiscal month (or on the third (3rd) Swiss Business Day of each week if the Borrower Representative shall so elect in its sole discretion, subject to the proviso at the end of this clause (i)(A)), in each case, showing the Borrowing Base as of the close of business on the last day of the immediately preceding fiscal month (or in the case of a voluntary weekly delivery of Borrowing Base Certificates at the election of the Borrower Representative, showing each Borrowing Base as of the close of business on the immediately preceding Friday); provided, that if

the Borrower Representative elects to furnish the Administrative Agent with Borrowing Base Certificates on a weekly basis, then the Borrower Representative shall continue to furnish Borrowing Base Certificates on such weekly basis until at least the date that is 60 days from the date of such election;

- (B) solely during an Accelerated Borrowing Base Delivery Period, more frequently (but not more frequently than weekly) as shall be determined by the Administrative Agent in its Permitted Discretion (if such Borrowing Base Certificates are required to be delivered on a weekly basis pursuant to this clause (i)(B), such Borrowing Base Certificates (which shall include information relating to the Inventory only to the extent then available) shall be delivered (x) with respect to the Borrowing Base Certificate for CGI Borrower, on the third (3rd) Business Day of each week or (y) with respect to the Borrowing Base Certificate for Swiss Borrower, on the third (3rd) Swiss Business Day of each week, in each case showing each Borrowing Base as of the close of business on the immediately preceding Friday); and
- (C) upon any Asset Sale of ABL Priority Collateral included in the Borrowing Base, if the Net Cash Proceeds thereof are in excess of \$2,000,000, the Borrower Representative shall also furnish an updated Borrowing Base Certificate to the Administrative Agent giving *Pro Forma* Effect to such Asset Sale promptly upon the receipt of such Net Cash Proceeds.

All calculations of Excess Availability in any Borrowing Base Certificate shall originally be made by the Borrowers and certified by a Financial Officer of the Borrower Representative in accordance with this Section 10.1(i); provided that the Administrative Agent may from time to time review and, in all respects in accordance with Section 2.19 (including with notice to the Borrower Representative as required thereunder), adjust any such calculation to the extent the calculation is not made in accordance with this Agreement or does not accurately reflect the Borrowing Base Reserves, in each case, as determined by the Administrative Agent in its Permitted Discretion.

The Borrower Representative will furnish to the Administrative Agent at the time of delivery of each Borrowing Base Certificate such additional information as the Administrative Agent may reasonably request in advance of such delivery, including, with respect to customer deposits, agings, freight/duty payables, gift card balances, a schedule of rent expenses organized by location, the amount of any unpaid Taxes, the amount of any overdue rent, overdue amounts owed to any warehousemen or bailee, any overdue amount owed to any third party manufacturer, a schedule of inventory organized by location and with respect to any disputes regarding Intellectual Property that would reasonably be expected to have a material impact on the realizable value of any Eligible Inventory.

Notwithstanding the foregoing, the obligations in clauses (a) and (b) of this Section 10.1 may be satisfied with respect to financial information of Holdings, CGI Borrower and its Subsidiaries by furnishing (A) the applicable financial statements of any direct or indirect parent company of CGI Borrower or (B) the Form 10-K or 10-Q (or any equivalent form under applicable Canadian Securities Laws), as applicable, of CGI Borrower or any direct or indirect parent of CGI Borrower, as applicable, filed with the SEC or Canadian Securities Administrator (or the Ontario Securities Commission, British Columbia Securities Commission or other securities commission in Canada or any province or territory thereof); provided that, with respect to each of subclauses (A) and (B) of this paragraph, to the extent such information relates to a parent of CGI Borrower, such information is accompanied by unaudited consolidating or other

information that explains in reasonable detail the differences between the information relating to such parent, on the one hand, and the information relating to CGI Borrower and the Restricted Subsidiaries on a standalone basis, on the other hand.

1.2 Books, Records, Inspections, Audit Rights and Appraisals

(a) CGI Borrower will, and will cause each Restricted Subsidiary to, permit officers and designated representatives of the Administrative Agent to visit and inspect any of the properties or assets of CGI Borrower and any such Restricted Subsidiary in whomsoever's possession to the extent that it is within such party's control to permit such inspection (and shall use commercially reasonable efforts to cause such inspection to be permitted to the extent that it is not within such party's control to permit such inspection), and to examine the books and records of CGI Borrower and any such Restricted Subsidiary and discuss the affairs, finances and accounts of CGI Borrower and of any such Restricted Subsidiary with, and be advised as to the same by, its and their officers and independent accountants, all at such reasonable times and intervals, and reasonable advance notice, and to such reasonable extent as the Administrative Agent may request (and subject, in the case of any such meetings or advice from such independent accountants, to such accountants' customary policies and procedures); provided that, subject to clause (b) below and excluding any such visits and inspections during the continuation of an Event of Default, (1) only the Administrative Agent on behalf of the Required Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 10.2, (2) the Administrative Agent shall not exercise such rights more than one time in any calendar year, which such visit will be at CGI Borrower's expense and (3) notwithstanding anything to the contrary in this Section 10.2, none of CGI Borrower nor any of the Restricted Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (x) constitutes non-registered Intellectual Property, non-financial trade secrets or non-financial proprietary information, (y) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any binding agreement or (z) is subject to attorney-client or similar privilege or constitutes attorney work product; provided, further, that when an Event of Default exists, the Administrative Agent (or any of its respective representatives or independent contractors) may do any of the foregoing at the expense of the Borrowers at any time during normal business hours and upon reasonable advance notice. The Administrative Agent shall give the Borrower Representative the opportunity to participate in any discussions with CGI Borrower's independent public accountants.

(b) Subject to the limitations in this Section 10.2(b), the Borrower Representative will from time to time upon the request of the Administrative Agent, permit the Administrative Agent or professionals (including consultants, accountants, lawyers and appraisers) retained by the Administrative Agent, on reasonable prior notice and during normal business hours, to conduct appraisals and commercial finance examinations, including, without limitation, of (i) the Borrowers' practices in the computation of their respective Borrowing Base, and (ii) the assets included in such Borrowing Base and related financial information such as, but not limited to, gross margins, payables, accruals and reserves. Subject to the limitations in the following clauses (b)(i) and (b)(ii), the Borrowers shall pay the reasonable out-of-pocket fees and expenses of the Administrative Agent and such professionals with respect to such evaluations, examinations and appraisals.

- (i) The Administrative Agent may conduct (A) one (1) commercial finance examination in each calendar year of the Credit Parties, at the Credit Parties' expense, and (B) one (1) additional commercial finance examination in any calendar year of the Credit Parties, at the Credit Parties' expense, solely during any period in such calendar year commencing on the date that Excess Availability shall have been less than the greater of (x) \$15,000,000 and (y) 20% of the Line Cap for five (5) consecutive Business Days and ending on the date thereafter that Excess Availability shall have been at least the greater of (i) \$15,000,000 and (ii) 20% of the Line Cap for thirty (30) consecutive calendar days.

Notwithstanding anything to the contrary contained herein, (A) the Administrative Agent may undertake one (1) additional commercial finance examination in each calendar year at the sole expense of the Administrative Agent, and (B) after the occurrence and during the continuance of any Specified Default, the Administrative Agent may cause such additional commercial finance examinations to be taken for each of the Credit Parties (each, at the expense of the Credit Parties) as the Administrative Agent, in its Permitted Discretion, determines are necessary or appropriate.

- (ii) The Administrative Agent may conduct (A) one (1) appraisal of the Inventory included in the Borrowing Base in each calendar year of the Credit Parties, at the Credit Parties' expense, and (B) one (1) additional appraisal of the Inventory in any calendar year of the Credit Parties, at the Credit Parties' expense, solely during any period in such calendar year commencing on the date that Excess Availability shall have been less than the greater of (x) \$15,000,000 and (y) 20% of the Line Cap for five (5) consecutive Business Days and ending on the date thereafter that Excess Availability shall have been at least the greater of (i) \$15,000,000 and (ii) 20% of the Line Cap for thirty (30) consecutive calendar days. Notwithstanding anything to the contrary contained herein, (A) the Administrative Agent may undertake one (1) additional Inventory appraisal in each calendar year at the sole expense of the Administrative Agent, and (B) after the occurrence and during the continuance of any Specified Default, the Administrative Agent may cause such additional appraisals of the Inventory to be taken for each of the Credit Parties (each, at the expense of the Credit Parties) as the Administrative Agent, in its Permitted Discretion, determines are necessary or appropriate.

1.3 Maintenance of Insurance

(a) Each Borrower will, and will cause each Material Subsidiary to, at all times maintain in full force and effect, pursuant to self-insurance arrangements or arrangements with insurance companies that CGI Borrower believes (in the good faith judgment of the management of CGI Borrower) are financially sound and responsible at the time the relevant coverage is placed or renewed, insurance in at least such amounts (after giving effect to any self-insurance) which CGI Borrower believes (in the good faith judgment of management of CGI Borrower) and against at least such risks (and with such risk retentions) as CGI Borrower believes (in the good faith judgment of management of CGI Borrower) is reasonable and prudent in light of the size and nature of its business and the availability of insurance on a cost-effective basis; and will furnish to the Administrative Agent, promptly following written request from the Administrative Agent, certificates of insurance, copies of the policies of insurance and information presented in reasonable detail as to the insurance so carried.

(b) With respect to any Mortgaged Property, each Borrower will obtain flood insurance in such total amount as may reasonably be required by the Administrative Agent, if at any time the area in which any improvements located on any Mortgaged Property is designated a "special flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973.

(c) Each policy of insurance maintained by a Borrower or other Credit Party shall (i) in the case of each general liability and umbrella liability insurance policy, name the Administrative Agent, on behalf of the Secured Parties, as an additional insured thereunder as its interests may appear, (ii) in the case of each casualty insurance policy, contain a loss payable clause or endorsement that names the Administrative Agent, on behalf of the Secured Parties, as first loss payee thereunder, and (iii) contain such standard mortgage clauses as the Administrative Agent shall reasonably require for the Lenders' protection.

1.4 Payment of Taxes

CGI Borrower will pay and discharge, and will cause each of the Restricted Subsidiaries to pay and discharge, all Taxes imposed upon it (including in its capacity as a withholding agent) or upon its income or profits, or upon any properties belonging to it, prior to the date on which penalties attach thereto, and all lawful material claims in respect of any Taxes imposed, assessed or levied that, if unpaid, would reasonably be expected to become a material Lien upon any properties of CGI Borrower or any of the Restricted Subsidiaries; provided, that neither CGI Borrower nor any of the Restricted Subsidiaries shall be required to pay or discharge any such Tax the failure to pay or discharge would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

1.5 Preservation of Existence; Consolidated Corporate Franchises

Each Borrower will, and will cause each Material Subsidiary to, take all actions necessary (a) to preserve and keep in full force and effect its existence, organizational rights and authority and (b) to maintain its rights, privileges (including its good standing (if applicable)), permits, licenses and franchises necessary in the normal conduct of its business, in each case, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect; provided, however, that CGI Borrower and its Subsidiaries may consummate any transaction permitted under Permitted Investments and Section 11.2, 11.3, 11.4 or 11.5.

1.6 Compliance with Statutes, Regulations, Etc.

Each Borrower will, and will cause each Restricted Subsidiary to, (a) comply with all Requirements of Laws, including, without limitation, applicable laws administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury and the Foreign Corrupt Practices Act of 1977, and the rules and regulations promulgated thereunder, and all similar Requirements of Law in any other Relevant Jurisdiction, and all governmental approvals or authorizations required to conduct its business, and to maintain all such governmental approvals or authorizations in full force and effect, (b) comply with, and use commercially reasonable efforts to ensure compliance by all tenants and subtenants, if any, with, all Environmental Laws, and obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by Environmental Laws, and (c) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions required under Environmental Laws and promptly comply with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, other than such orders and directives which are being timely contested in good faith by proper actions, except in each case of (a), (b), and (c) of this Section 10.6, where the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

1.7 ERISA

The Borrower Representative will notify the Administrative Agent promptly following the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, would reasonably be expected to result in liability of any Credit Party that would reasonably be expected to have a Material Adverse Effect.

1.8 Maintenance of Properties

CGI Borrower will, and will cause each of the Restricted Subsidiaries to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear, casualty, and condemnation excepted, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

1.9 Maintenance of Cash Management Systems

(a) Attached hereto as Schedule 10.9 is a list of all deposit accounts and securities accounts (including any DDAs), maintained by the Credit Parties as of the Seventh Closing Date, which schedule includes, with respect to each account, (i) the name and address of the financial institution at which such account is established; (ii) the account number(s) for such account; and (iii) a contact person at such financial institution.

(b) Schedule 10.9 contains a list describing, as of the Seventh Closing Date, all arrangements to which any Credit Party is a party with respect to the payment to such Credit Party of the proceeds of all credit card and debit card charges for sales and services provided by such Credit Party.

(c) To the extent not previously delivered, each Credit Party shall:

- (i) on or prior to the 30 day anniversary of the Closing Date or such later date as the Administrative Agent shall agree in writing, deliver to the Administrative Agent notifications (each, a "**Credit Card Notification**") substantially in the form attached hereto as Exhibit J which have been executed on behalf of such Credit Party and addressed to such Credit Party's credit card and debit card clearinghouses and processors listed on Schedule 10.9; and
- (ii) on or prior to the 90 day anniversary of the Seventh Closing Date or such later date as the Administrative Agent shall agree in writing (such date, the "**Blocked Account Date**"), enter into a blocked account agreement (each, a "**Blocked Account Agreement**"), reasonably satisfactory to the Administrative Agent, with any Blocked Account Bank with respect to the DDAs existing as of the Seventh Closing Date (other than any Excluded DDA) (any DDAs, to the extent, subject to a Blocked Account Agreement, collectively, the "**Blocked Accounts**") failing which, within 30 days after the last day of such 90 day period (subject to extensions as may be agreed to by the Administrative Agent), CGI Borrower shall and shall cause each other Credit Party to: (x) move each DDA (other than any Excluded DDA) to the Administrative Agent or to another bank that will provide such control or other agreements on terms reasonably acceptable to the Administrative Agent and CGI Borrower, and (y) negotiate, execute and deliver to the Administrative Agent a control agreement with respect to each such account that is reasonably acceptable to the Administrative Agent and CGI Borrower.

(d) The Credit Parties shall ACH or wire transfer no less frequently than once each Business Day (and whether or not there are then any outstanding Obligations) to a Blocked Account all amounts on deposit in each DDA (other than, for the avoidance of doubt, Excluded DDAs, and net of such minimum balance consistent with past practices, but not to exceed \$75,000 in the aggregate for all such DDAs in any event) and all payments received by any Credit Party from credit card processors.

(e) Each Credit Card Notification and Blocked Account Agreement entered into by a Credit Party shall require (after delivery of notice to the credit card processor or Blocked Account Bank, as applicable, from the Administrative Agent (which notice may (or, at the direction of the Required Lenders, shall) be given by the Administrative Agent, as applicable, during the continuance of a Cash Dominion Period)), the ACH or wire transfer on each Business Day of all cash receipts and collections (the "**Cash Receipts**") (other than Uncontrolled Cash which may be deposited into a segregated DDA which the Borrower Representative designates in writing to the Administrative Agent as being the "Uncontrolled Cash Account" (the "**Designated Account**")) to the concentration account maintained by the Administrative Agent at Canadian Imperial Bank of Commerce (the "**Concentration Account**"), from:

- (i) the sale of Inventory and other ABL Priority Collateral;
- (ii) all proceeds of collections of Accounts;
- (iii) any amounts on deposit in a Blocked Account (including all cash deposited therein net of any minimum balance required to be maintained therein); and
- (iv) the cash proceeds of all credit card and debit card charges.

If any cash or Cash Equivalents owned by any Credit Party (other than (i) amounts not in excess of \$3,500,000 on deposit in the Designated Account, which funds, when withdrawn from the Designated Account, shall not be replenished by funds constituting proceeds of ABL Priority Collateral so long as such Cash Dominion Period continues ("**Uncontrolled Cash**"), (ii) amounts in petty cash accounts funded in the ordinary course of business, the deposits in which shall not aggregate more than \$500,000 or exceed \$100,000 with respect to any one account (or in each case, such greater amounts to which the Administrative Agent may agree in its sole discretion), (iii) amounts in zero balance disbursement accounts, (iv) amounts in payroll, trust, tax, employee health and benefits, pension and 401(k) accounts, in each case, funded in the ordinary course of business and, to the extent applicable, required by applicable law, and (v) any account held at, and subject to the sole dominion and control of, any Term Loan Administrative Agent under any Term Loan Credit Documents in respect of a Permitted Term Loan, in which any proceeds from any disposition of Term Priority Collateral is held pending reinvestment or other application of such proceeds pursuant to such Term Loan Credit Document (the Designated Account, together with the accounts described in the foregoing clauses (ii) through (v), collectively, the "**Excluded DDAs**"), and other than in the case of a Permitted Acquisition or other acquisition permitted under this Agreement covered by Section 10.9(f) are deposited to any account, or held or invested in any manner, otherwise than in a Blocked Account (or a DDA which is swept daily to a Blocked Account), then (a) the Borrowers shall cause all funds in such accounts or so held or so invested to be transferred daily or with such other frequency as may be reasonably required by the Administrative Agent to a Blocked Account (or a DDA which is swept daily to a Blocked Account) and (b) the Administrative Agent may require the applicable Credit Party to close such account and have all funds therein transferred to a Blocked Account, and all future deposits made to a Blocked Account.

(f) The Credit Parties may close DDAs or Blocked Accounts and/or open new DDAs or Blocked Accounts, subject to the execution and delivery to the Administrative Agent of appropriate Blocked Account Agreements (unless expressly waived by the Administrative Agent) consistent with the provisions of this Section 10.9 and otherwise reasonably satisfactory to the Administrative Agent (provided that, the Credit Parties shall not be required to deliver a Blocked Account Agreement with respect to any DDA acquired by a Credit Party in connection with a Permitted Acquisition or other acquisition permitted under this Agreement until the date that is 90 days (or such later date as the Administrative Agent may agree) after the consummation of such Permitted Acquisition or other acquisition). The Borrower Representative shall furnish the Administrative Agent with prior written notice of their intention to open or close a DDA and the Administrative Agent shall promptly notify the Borrower Representative as to whether the Administrative Agent shall require a Blocked Account Agreement with the Person with whom such account will be maintained. Unless consented to in writing by the Administrative Agent, the Borrowers shall not enter into any agreements with credit card or debit card processors other than the ones expressly contemplated herein unless contemporaneously therewith a Credit Card Notification is executed and delivered to the Administrative Agent.

(g) The Concentration Account shall at all times be under the sole dominion and control of the Administrative Agent. Each Borrower hereby acknowledges and agrees that (i) such Borrower has no right of withdrawal from the Concentration Account, (ii) the funds on deposit in the Concentration Account shall at all times continue to be collateral security for all of the Obligations, and (iii) the funds on deposit in the Concentration Account shall be applied as

provided in this Agreement. In the event that, notwithstanding the provisions of this Section 10.9, during the continuation of a Cash Dominion Period, any Borrower receives or otherwise has dominion and control of any Cash Receipts (other than amounts permitted to be deposited into Excluded DDAs), such Cash Receipts shall be held in trust by such Borrower for the Administrative Agent, shall not be commingled with any of such Borrower's other funds or deposited in any account of such Borrower and shall promptly be deposited into the Concentration Account or dealt with in such other fashion as such Borrower may be instructed by the Administrative Agent.

(h) Any amounts received in the Concentration Account at any time when all of the Obligations then due have been and remain fully repaid shall be remitted to the operating account of the Borrower Representative maintained with the Administrative Agent.

(i) The Administrative Agent shall promptly (but in any event within one (1) Business Day) furnish written notice to each Person with whom a Blocked Account is maintained of any termination of a Cash Dominion Period.

(j) The following shall apply to deposits and payments under and pursuant to this Agreement:

- (i) funds shall be deemed to have been deposited to the Concentration Account on the Business Day on which deposited; provided that such deposit is available to the Administrative Agent by 4:00 p.m. (Toronto time) on that Business Day (except that if the Obligations are being paid in full, by 2:00 p.m. (Toronto time), on that Business Day);
- (ii) funds paid to the Administrative Agent, other than by deposit to the Concentration Account, shall be deemed to have been received on the Business Day when they are good and collected funds; provided that such payment is available to the Administrative Agent by 4:00 p.m. (Toronto time) on that Business Day (except that if the Obligations are being paid in full, by 2:00 p.m. (Toronto time), on that Business Day);
- (iii) if a deposit to the Concentration Account or payment is not available to the Administrative Agent until after 4:00 p.m. (Toronto time) on a Business Day, such deposit or payment shall be deemed to have been made at 9:00 a.m. (Toronto time) on the next Business Day; and
- (iv) all amounts received under this Section 10.9 shall be applied in the manner set forth in Section 12.14.

1.10 Physical Inventories

The Credit Parties, at their own expense, shall cause not less than one (1) physical count of Inventory to be undertaken in each twelve (12) month period (or alternatively, at the Borrower Representative's election, periodic cycle counts) in conjunction with the preparation of its annual audited financial statements, conducted following such methodology as is consistent with the methodology used in the immediately preceding Inventory (or cycle count) or as otherwise may be reasonably satisfactory to the Administrative Agent. Following the completion of such Inventory count, and in any event by the next date required for the delivery of a Borrowing Base Certificate hereunder, the Borrowers shall deliver the results of such physical inventory to the Administrative Agent and shall post such results to the Credit Parties' stock ledgers and general ledgers, as applicable.

1.11 Additional Guarantors and Grantors

Subject to any applicable limitations set forth in this Agreement, CGI Borrower will cause each direct or indirect Subsidiary (other than any Excluded Subsidiary) formed or otherwise purchased or acquired after the Closing Date (including pursuant to a Permitted Acquisition), and each other Subsidiary that ceases to constitute an Excluded Subsidiary, within 60 days from the date of such formation, acquisition or cessation, as applicable (or, in each case, such longer period as the Administrative Agent may agree in its reasonable discretion), and CGI Borrower may at its option cause any Subsidiary, to execute a supplement to the Guarantee and the applicable Security Documents in order to become a Guarantor under the applicable Guarantee and a grantor under such Security Documents or, to the extent reasonably requested by the Administrative Agent, enter into a new Guarantee or Security Document substantially consistent with the analogous existing Guarantees or Security Documents or otherwise in form and substance reasonably satisfactory to the Administrative Agent and take all other action reasonably requested by the Administrative Agent to grant a perfected (with respect to Collateral consisting of Intellectual Property, if and to the extent required under the Security Documents of existing Credit Parties in the applicable jurisdiction) security interest in, and Lien on, its assets to substantially the same extent as required to be created by the Credit Parties on the Closing Date. For the avoidance of doubt, no Credit Party or any Subsidiary of CGI Borrower shall be required to take any action outside Canada, the United States, Switzerland and the United Kingdom, and any other jurisdiction in which the owner of Collateral that will be included in the Borrowing Base is located and in the jurisdiction in which such Collateral included in the Borrowing Base is located, to grant, maintain or perfect any security interest in the Collateral.

1.12 Pledge of Additional Stock and Evidence of Indebtedness

Subject to any applicable limitations set forth in the Credit Documents and other than (x) when in the reasonable determination of the Administrative Agent and the Borrower Representative, the cost, burden or other consequences of doing so would be excessive in view of the benefits to be obtained by the Lenders therefrom or (y) to the extent doing so would result in material adverse tax consequences as reasonably determined by the Borrower Representative and the Administrative Agent, CGI Borrower will cause (i) all certificates representing Capital Stock of any Restricted Subsidiary (other than any Excluded Stock and Stock Equivalents) held directly by a Borrower or any Guarantor, (ii) all evidences of Indebtedness in excess of \$1,500,000 received by a Borrower or any of the Credit Parties in connection with any disposition of assets pursuant to Section 11.4(b), and (iii) any promissory notes executed after the Closing Date evidencing Indebtedness in excess of \$1,500,000 that is owing to a Borrower or any Credit Party, in each case, to be delivered to the Administrative Agent as security for the Obligations accompanied by undated instruments of transfer executed in blank pursuant to the terms of the Security Documents ; provided, however, that in no event shall Holdings be required to deliver the DTR Note to the Administrative Agent. Notwithstanding the foregoing any promissory note among a Borrower and/or its Subsidiaries need not be delivered to the Administrative Agent so long as (i) a global intercompany note, including any Intercompany Note, superseding such promissory note has been delivered to the Administrative Agent, (ii) such promissory note is not delivered to any other party other than a Borrower or its Subsidiaries, in each case, owed money thereunder, and (iii) such promissory note indicates on its face that it is subject to the security interest of the Administrative Agent.

1.13 Use of Proceeds

After the Seventh Closing Date, the Borrowers will use the proceeds of the Loans to finance working capital of the Borrowers and their Subsidiaries, to fund cash to the applicable Borrower's balance sheet and for general corporate purposes of the Borrowers and their Subsidiaries (including for capital expenditures, acquisitions and other Investments, Restricted Payments and any other transaction not prohibited by the Credit Documents).

1.14 Further Assurances

(a) Subject to the terms of, and limitations and exceptions contained in, Sections 10.11 and 10.12, this Section 10.14 and the Security Documents, each Borrower will, and will cause each other Credit Party to, execute any and all further documents, financing statements, agreements, and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust, and other documents) that may be required under any applicable law, or that the Administrative Agent or the Required Lenders may reasonably request, in order to grant, preserve, protect, and perfect the validity and priority of the security interests created or intended to be created by the applicable Security Documents, all at the expense of the Borrowers and the Restricted Subsidiaries.

(b) Subject to any applicable limitations set forth in the Credit Documents and other than (x) when in the reasonable determination of the Administrative Agent and CGI Borrower (as agreed to in writing), the cost or other consequences of doing so would be excessive in view of the benefits to be obtained by the Lenders therefrom or (y) to the extent doing so would result in material adverse tax consequences as reasonably determined by the Borrower Representative and the Administrative Agent, if any assets (other than Excluded Property) (including any fee-owned real estate or improvements thereto or any interest therein but excluding Capital Stock and Stock Equivalents of any Subsidiary and excluding any real estate which CGI Borrower or other applicable Credit Party intends to dispose of pursuant to a Permitted Sale Leaseback so long as actually disposed of within 270 days of acquisition (or such longer period as the Administrative Agent may reasonably agree)) with a book value in excess of \$5,000,000 (at the time of acquisition) are acquired by a Borrower or any other Credit Party after the Closing Date (other than assets constituting Collateral under a Security Document that become subject to the Lien of the applicable Security Document upon acquisition thereof) that are of a nature secured by a Security Document or that constitute a fee interest in real property in Canada or the United States, CGI Borrower will notify the Administrative Agent, and, if requested by the Administrative Agent, CGI Borrower will cause such assets to be subjected to a Lien securing the Obligations (provided, that in the event such real property required to be subject to a Mortgage pursuant to this Section 10.14(b) is located in a jurisdiction which imposes mortgage recording tax, intangibles tax or any similar taxes, fees or charges, such Mortgage shall only secure an amount equal to the Fair Market Value of such real property) and will take, and cause the other applicable Credit Parties to take, such actions as shall be necessary or reasonably requested by the Administrative Agent, as soon as commercially reasonable but in no event later than 90 days, unless extended by the Administrative Agent in its reasonable discretion, to grant and perfect such Liens consistent with the applicable requirements of the Security Documents, including actions described in clause (a) of this Section 10.14.

(c) Any Mortgage delivered to the Administrative Agent in accordance with the preceding clause (b) shall, if requested by the Administrative Agent, be received no later than 90 days after acquisition of such Mortgaged Property, unless extended by the Administrative Agent in its reasonable discretion, and shall be accompanied by (w) a policy or policies (or an unconditional binding commitment therefor to be replaced by a final title policy) of title insurance issued by a nationally recognized title insurance company, in such amounts as are reasonably acceptable to the Administrative Agent not to exceed the Fair Market Value of the applicable Mortgaged Property, insuring the Lien of each Mortgage as a valid junior Lien on the Mortgaged Property described therein, free of any other Liens except as permitted by Section 11.2 or as otherwise permitted by the Administrative Agent and otherwise in form and substance reasonably acceptable to the Administrative Agent and the Borrower Representative, together with such endorsements, coinsurance and reinsurance as the Administrative Agent may reasonably request but only to the extent such endorsements are (i) available in the relevant jurisdiction (provided in no event shall the Administrative Agent request a creditors' rights endorsement), and (ii) available at commercially reasonable rates, (x) to the extent reasonably requested by the Administrative Agent, an opinion of local counsel to the applicable Credit Party as to enforceability and perfection of the Mortgage, in form and substance reasonably acceptable to the Administrative Agent, (y) a completed "Life-of-Loan" Federal Emergency

Management Agency Standard Flood Hazard Determination, and if any improvements on such Mortgaged Property are located in a special flood hazard area, (i) a notice about special flood hazard area status and flood disaster assistance duly executed by the applicable Credit Parties and (ii) certificates of insurance evidencing the insurance required by Section 10.3 in form and substance reasonably satisfactory to the Administrative Agent, and (z) an ALTA survey in a form and substance reasonably acceptable to the Administrative Agent or such existing survey together with a no-change affidavit sufficient for the title company to remove all standard survey exceptions from the title policy related to such Mortgaged Property and issue the endorsements required in (w) above.

(d) Each Borrower agrees that it will deliver, or will cause to be delivered, to the Administrative Agent the items described on Schedule 10.14(d) by the times specified on such Schedule 10.14(d) with respect to such items, or such later time as the Administrative Agent may agree in its discretion. All conditions precedent, covenants and representations and warranties contained in this Agreement and the other Credit Documents shall be deemed modified to the extent necessary to effect the foregoing (and to permit the taking of the actions described on Schedule 10.14(d) within the time periods required by this Section 10.14(d), rather than as elsewhere provided in the Credit Documents); provided that (x) to the extent any representation and warranty would not be true, or any provision of any covenant breached, because the foregoing actions were not taken on the Closing Date, the respective representation and warranty shall be required to be true and correct in all material respects, and the covenant complied with, at the time the respective action is taken (or was required to be taken) in accordance with the foregoing provisions of this Section 10.14(d) and (y) all representations and warranties and covenants relating to the Security Documents shall be required to be true or, in the case of any covenant, complied with, immediately after the actions required to be taken by this Section 10.14(d) have been taken (or were required to be taken). For greater certainty, each of Swiss Borrower and each other Credit Party a party hereto acknowledges and agrees that Swiss Borrower shall not be permitted to make any Borrowings or obtain Letters of Credit under this Agreement until satisfaction of the requirements under Items 1(a), (i), (j), (k), (l), (m), (n), (o), (p), (q) and (z) of Schedule 10.14(d).

1.15 Lines of Business

CGI Borrower and the Restricted Subsidiaries, taken as a whole, will not fundamentally and substantively alter the character of their business, taken as a whole, from the business conducted or proposed to be conducted by CGI Borrower and the Restricted Subsidiaries, taken as a whole, on the Closing Date and other business activities which are extensions thereof or otherwise similar, incidental, complementary, synergistic, reasonably related, or ancillary to any of the foregoing (and non-core incidental businesses acquired in connection with any Permitted Acquisition or permitted Investment), in each case as determined by CGI Borrower in good faith.

1.16 Canadian Pension Benefit Plan

In each case except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect, each Canadian Credit Party shall cause each of its Canadian Pension Plans to be administered in all respects in compliance with, as applicable, the *Supplemental Pension Plans Act* (Quebec), the *Pension Benefits Act* (Ontario), all other applicable laws (including regulations, orders and directives) and the terms of the Canadian Pension Plans and any agreements relating thereto. In each case except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect, each Canadian Credit Party shall ensure: (a) it has no unfunded, solvency, or deficiency on windup liability and no accumulated funding deficiency (whether or not waived), or any amount of unfunded benefit liabilities in respect of any Canadian Pension Plan; (b) no liability upon it or them or Lien on any of its or their asset property arises or exists in respect of any Canadian Pension Plan and (c) it makes all required contributions to Canadian Pension Plans when due.

Article 11
NEGATIVE COVENANTS

Each Borrower hereby covenants and agrees that on the Closing Date and thereafter, until the Commitments, the Swingline Commitment and each Letter of Credit Banker's Acceptance and BA Equivalent Note have terminated or been Cash Collateralized in accordance with the terms of this Agreement, the Secured Bank Product Obligations and Secured Hedge Obligations have been paid in full or other arrangements reasonably satisfactory to the applicable Lender (or its applicable Affiliate) have been made in respect thereof and the Loans and Unpaid Drawings, together with interest, Fees, and all other Obligations incurred hereunder (other than contingent obligations and Secured Cash Management Obligations), are paid in full:

1.1 Limitation on Indebtedness

CGI Borrower will not, and will not permit any Restricted Subsidiary to create, incur, issue, assume, guarantee or otherwise become liable, contingently or otherwise (collectively, "**incur**" and collectively, an "**incurrence**") with respect to any Indebtedness (including Acquired Indebtedness) and CGI Borrower will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or, in the case of Restricted Subsidiaries that are not Borrowers or Guarantors, preferred Capital Stock; provided that CGI Borrower may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of preferred Capital Stock, in an aggregate outstanding amount at the time of incurrence or issuance not greater than (1) the greater of (x) \$105,000,000 and (y) 40.0% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such incurrence or issuance, in each case *plus* (2) unlimited additional amounts if, after giving effect thereto, CGI Borrower shall on a consolidated basis have an Interest Coverage Ratio of not less than 2.00:1.00 on a Pro Forma Basis at the time of incurrence or issuance; provided, further, that the amount of Indebtedness (including Acquired Indebtedness), Disqualified Stock and preferred Capital Stock that may be incurred and issued pursuant to the foregoing together with any amounts incurred under Section 11.1(m)(x) by Restricted Subsidiaries that are not Guarantors shall not exceed an aggregate amount equal to at any one time outstanding the greater of (x) \$80,000,000 and (y) 30.0% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis).

The foregoing limitations will not apply to:

- (a) Indebtedness arising under the Credit Documents;
- (b) (i) Indebtedness (including any unused commitment) outstanding on the Seventh Closing Date listed on Schedule 11.1 and (ii) intercompany Indebtedness (including any unused commitment) outstanding on the Seventh Closing Date owed by a Borrower to a Restricted Subsidiary, by a Restricted Subsidiary to CGI Borrower or by a Restricted Subsidiary to another Restricted Subsidiary;
- (c) Indebtedness (including Capitalized Lease Obligations), Disqualified Stock and preferred Capital Stock incurred or issued by CGI Borrower or any Restricted Subsidiary to finance the purchase, lease, construction, installation, maintenance, replacement or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets and Indebtedness arising from the conversion of the obligations of CGI Borrower or any Restricted Subsidiary under or pursuant to any "synthetic lease" transactions to on-balance sheet Indebtedness of such Borrower or such Restricted Subsidiary, in an aggregate principal amount which, when aggregated with the

principal amount of all other Indebtedness, Disqualified Stock and preferred Capital Stock then outstanding and incurred or issued pursuant to this clause (c), does not exceed the greater of (x) \$80,000,000 and (y) 30.0% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance; provided that Capitalized Lease Obligations incurred by CGI Borrower or any Restricted Subsidiary pursuant to this clause (c) in connection with a Permitted Sale Leaseback shall not be subject to the foregoing limitation so long as the Net Cash Proceeds of such Permitted Sale Leaseback are used by CGI Borrower or such Restricted Subsidiary to permanently repay outstanding Permitted Term Loans or other Indebtedness secured by a Lien on the assets subject to such Permitted Sale Leaseback;

- (d) Indebtedness incurred by CGI Borrower or any Restricted Subsidiary (including letter of credit obligations constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business), in respect of workers' compensation claims, bid, appeal, performance or surety bonds, performance or completion guarantees, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement or indemnification type obligations regarding workers' compensation claims, bid, appeal, performance or surety bonds, performance or completion guarantees, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance;
- (e) Indebtedness arising from agreements of CGI Borrower or a Restricted Subsidiary providing for indemnification, adjustment of purchase price, earnout or any similar obligations, in each case, incurred or assumed in connection with any transaction not expressly prohibited by this Agreement;
- (f) Indebtedness of CGI Borrower to Holdings or a Restricted Subsidiary; provided that any such Indebtedness owing to a Restricted Subsidiary that is not a Borrower or a Guarantor is subordinated in right of payment to the Obligations pursuant to an Intercompany Note or otherwise and any such Indebtedness owing by CGI Borrower to Holdings shall be subject to the Holdings Subordination Agreement for so long as the Holdings Subordination Agreement is in effect in accordance with its terms; provided, further, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to Holdings, CGI Borrower or any Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case to be an incurrence of such Indebtedness not permitted by this clause (f);
- (g) Indebtedness of a Restricted Subsidiary owing to CGI Borrower or any Restricted Subsidiary; provided that (i) if a Borrower or a Guarantor incurs such Indebtedness owing to a Restricted Subsidiary that is not a Borrower or a Guarantor, such Indebtedness is subordinated in right of payment to the Guarantee of such Guarantor or the other Obligations of such Borrower, as applicable, and (ii) if a Restricted Subsidiary that is not a Credit Party incurs such Indebtedness owing to a Credit Party, such Investment shall be permitted by Section 11.5; provided, further, that any subsequent transfer of any such Indebtedness (except to Holdings, CGI Borrower or any Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case to be an incurrence of such Indebtedness not permitted by this clause (g);
- (h) shares of preferred Capital Stock of a Restricted Subsidiary issued to CGI Borrower or any Restricted Subsidiary; provided that any subsequent

issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of preferred Capital Stock (except to CGI Borrower or any Restricted Subsidiary or any pledge of such preferred Capital Stock constituting a Permitted Lien) shall be deemed in each case to be an issuance of such shares of preferred Capital Stock not permitted by this clause;

- (i) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes) and obligations in respect of Bank Products, in each case, both as defined under this Agreement and as defined under any Term Loan Credit Document;
- (j) obligations in respect of self-insurance, performance, bid, appeal, and surety bonds and completion guarantees and similar obligations provided by CGI Borrower or any Restricted Subsidiary or obligations in respect of letters of credit, banker's acceptances, warehouse receipts, bank guarantees or similar instruments related thereto, in each case, in the ordinary course of business or consistent with past practice;
- (k) (i) Indebtedness, Disqualified Stock and preferred Capital Stock of CGI Borrower or any Restricted Subsidiary in an aggregate principal amount or liquidation preference up to 100.0% of the net cash proceeds received by CGI Borrower since immediately after the Closing Date from the issue or sale of Equity Interests of CGI Borrower or cash contributed to the capital of CGI Borrower (in each case, other than Excluded Contributions, proceeds of Disqualified Stock or sales of Equity Interests to CGI Borrower or any of its Subsidiaries) to the extent such net cash proceeds or cash have not been applied to make Restricted Payments or to make other Investments, payments or exchanges pursuant to Section 11.5(b) or to make Permitted Investments (other than Permitted Investments specified in clauses (a) and (c) of the definition thereof) and (ii) Indebtedness, Disqualified Stock and preferred Capital Stock of CGI Borrower or any Restricted Subsidiary not otherwise permitted hereunder in an aggregate principal amount or liquidation preference, which when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and preferred Capital Stock then outstanding and incurred or issued pursuant to this clause (k)(ii), does not at any one time outstanding exceed the greater of (x) \$105,000,000 and (y) 40.0% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of incurrence or issuance (it being understood that any Indebtedness, Disqualified Stock or preferred Capital Stock incurred or issued pursuant to this clause (k)(ii) shall cease to be deemed incurred, issued or outstanding for purposes of this clause (k)(ii) but shall be deemed incurred or issued for the purposes of the first paragraph of this Section 11.1 from and after the first date on which CGI Borrower or such Restricted Subsidiary could have incurred or issued such Indebtedness, Disqualified Stock or preferred Capital Stock under the first paragraph of this Section 11.1 without reliance on this clause (k)(ii));
- (l) the incurrence or issuance by CGI Borrower or any Restricted Subsidiary of Indebtedness, Disqualified Stock or preferred Capital Stock which serves to refinance any Indebtedness, Disqualified Stock or preferred Capital Stock incurred or issued as permitted under the first paragraph of this Section 11.1 and Sections 11.1(b), 11.1(c), 11.1(k)(i), 11.1(m), 11.1(u) and this Section 11.1(l) or any Indebtedness, Disqualified Stock or preferred Capital Stock incurred or issued to so refinance, replace, refund, extend, renew, defease, restructure, amend, restate or otherwise modify (collectively, "**refinance**") such Indebtedness, Disqualified Stock or preferred Capital Stock (the "**Refinancing Indebtedness**") prior to its respective maturity, so long as the aggregate principal amount,

accreted value or liquidation preference, as applicable, of such Refinancing Indebtedness shall equal no more than the aggregate outstanding principal amount, accreted value or liquidation preference of the refinanced Indebtedness, Disqualified Stock or preferred Capital Stock (*plus* the amount of any unused commitments thereunder), *plus* accrued interest, fees, defeasance costs and premium (including call and tender premiums), if any, under the refinanced Indebtedness, Disqualified Stock or preferred Capital Stock, *plus* underwriting discounts, fees, commissions and expenses (including original issue discount, upfront fees and similar items) in connection with the refinancing of such Indebtedness, Disqualified Stock or preferred Capital Stock and the incurrence or issuance of such Refinancing Indebtedness; provided, that such Refinancing Indebtedness (other than such Refinancing Indebtedness incurred or issued in respect of Indebtedness under Section 11.1(c)) (1) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or preferred Capital Stock being refinanced, (2) to the extent such Refinancing Indebtedness refinances (i) Indebtedness that is unsecured or secured by a Lien ranking junior to the Liens on the ABL Priority Collateral securing the Obligations, such Refinancing Indebtedness is unsecured or secured by a Lien ranking junior to the Liens on the ABL Priority Collateral securing the Obligations or (ii) Disqualified Stock or preferred Capital Stock, such Refinancing Indebtedness must be Disqualified Stock or preferred Capital Stock, respectively, and (3) shall not include Indebtedness, Disqualified Stock or preferred Capital Stock of a Subsidiary of CGI Borrower that is not a Borrower or a Guarantor that refinances Indebtedness, Disqualified Stock or preferred Capital Stock of a Borrower or a Guarantor;

- (m) Indebtedness, Disqualified Stock or preferred Capital Stock of (x) CGI Borrower or a Restricted Subsidiary incurred, assumed or issued to finance an acquisition, merger, amalgamation or consolidation; provided that the outstanding principal amount of Indebtedness (including Acquired Indebtedness), Disqualified Stock and preferred Capital Stock that may be incurred or issued pursuant to the foregoing, together with any outstanding principal amounts incurred or issued under the first paragraph of this Section 11.1, in each case, by Restricted Subsidiaries that are not Guarantors shall not exceed the greater of (A) \$78,000,000 and (B) 30.0% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis) at any one time outstanding, or (y) Persons that are acquired by CGI Borrower or any Restricted Subsidiary or merged into or amalgamated or consolidated with CGI Borrower or a Restricted Subsidiary in accordance with the terms hereof (including designating an Unrestricted Subsidiary a Restricted Subsidiary); provided that after giving effect to any such acquisition, merger, amalgamation, consolidation or designation described in this clause (m), the aggregate amount of Indebtedness, Disqualified Stock or preferred Capital Stock incurred or issued pursuant to this clause (m) shall not exceed the sum of (A) \$15,000,000 *plus* (B) unlimited additional amounts if, after giving effect thereto for the most recently ended Test Period (on a Pro Forma Basis) at the time of such acquisition, merger, amalgamation, consolidation or designation either (1) the Interest Coverage Ratio of CGI Borrower (on Pro Forma Basis) (x) is not less than 2.00:1.00 or (y) is not less than the Interest Coverage Ratio of CGI Borrower immediately prior to such acquisition, merger, amalgamation, consolidation or designation or (2) (x) the Total Net Leverage Test is met or (y) the Total Net Leverage Ratio of CGI Borrower is not higher than the Total Net Leverage Ratio of CGI Borrower immediately prior to such acquisition, merger, amalgamation, consolidation or designation;

- (n) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business;
- (o) (i) Indebtedness of CGI Borrower or any Restricted Subsidiary supported by a letter of credit, in a principal amount not in excess of the stated amount of such letter of credit so long as such letter of credit is otherwise permitted to be incurred pursuant to this Section 11.1 or (ii) obligations in respect of letters of support, guarantees or similar obligations issued, made or incurred for the benefit of any Subsidiary of CGI Borrower to the extent required by law or in connection with any statutory filing or the delivery of audit opinions performed in jurisdictions other than within Canada and the United States;
- (p) (i) any guarantee by CGI Borrower or a Restricted Subsidiary of Indebtedness of any Restricted Subsidiary so long as in the case of a guarantee of Indebtedness by a Restricted Subsidiary that is not a Guarantor, such Indebtedness could have been incurred directly by the Restricted Subsidiary providing such guarantee without violating this Agreement or any of the other Credit Documents or (ii) any guarantee by a Restricted Subsidiary of Indebtedness of CGI Borrower;
- (q) Indebtedness of (or Disqualified Stock or preferred Capital Stock issued by) Restricted Subsidiaries that are not Guarantors in an amount not to exceed, in the aggregate at any one time outstanding, the greater of (x) \$45,000,000 and (y) 17.5% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis) (it being understood that any Indebtedness, Disqualified Stock or preferred Capital Stock incurred or issued pursuant to this clause (q) shall cease to be deemed incurred, issued or outstanding for purposes of this clause (q) but shall be deemed incurred or issued for the purposes of the first paragraph of this covenant from and after the first date on which such Restricted Subsidiary could have incurred such Indebtedness or issued such Disqualified Stock or preferred Capital Stock under the first paragraph of this covenant without reliance on this clause (q));
- (r) Indebtedness of CGI Borrower or any of the Restricted Subsidiaries consisting of (i) the financing of insurance premiums or (ii) take or pay obligations contained in supply arrangements in each case, incurred in the ordinary course of business or consistent with past practice;
- (s) Indebtedness of CGI Borrower or any of the Restricted Subsidiaries undertaken in connection with cash management (including netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs and related or similar services or activities) with respect to CGI Borrower, any Subsidiary or any joint venture in the ordinary course of business, including with respect to financial accommodations of the type described in the definition of Cash Management Services;
- (t) Indebtedness consisting of Indebtedness issued by CGI Borrower or any of the Restricted Subsidiaries to future, current or former officers, directors, managers and employees thereof, their respective trusts, heirs, estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of CGI Borrower or any direct or indirect parent company of CGI Borrower to the extent described in clause (iv) of Section 11.5(b);
- (u) any first lien secured, junior lien secured or unsecured loans or notes, or secured or unsecured "Mezzanine" debt ("**Permitted Term Loans**") in an aggregate principal amount not to exceed (1) \$300,000,000, plus, (2) after the Seventh Closing Date, an additional aggregate principal amount not to exceed (i) the greater of (x) \$259,000,000 and (y) 100.0% of Consolidated EBITDA for the most

recently ended Test Period, plus (ii) all voluntary prepayments of the Permitted Term Loans (other than with the proceeds of long-term debt) (other than with loans under any revolving credit facility)), plus (iii) an unlimited amount so long as, in the case of this clause (u)(2)(iii) only, such amount outstanding at such time could be incurred without causing (x) in the case of Indebtedness secured on a first lien basis by the Term Priority Collateral and a junior lien basis by the ABL Priority Collateral (without regard to control of remedies), the First Lien Net Leverage Ratio to exceed 5.00:1.00 as of the most recently ended Test Period on a Pro Forma Basis, or (y) in the case of unsecured Indebtedness or Indebtedness that is secured by a Lien (I) on the ABL Priority Collateral that is junior in right of security to the Lien on the ABL Priority Collateral securing the Obligations and (II) on the Term Priority Collateral that is junior in right of security to the Lien on the Term Priority Collateral securing other Indebtedness that is secured by the Term Priority Collateral on a first lien basis, the Total Net Leverage Ratio to exceed 6.00:1.00 as of the most recently ended Test Period on a Pro Forma Basis, in each case, after giving effect to any acquisition consummated in connection therewith and all other appropriate pro forma adjustments, and assuming for purposes of this calculation that (I) the full committed amount of any revolving facility then being established shall be treated as outstanding for such purpose and (II) cash proceeds of any such Permitted Term Loans then being incurred shall not be netted from indebtedness for purposes of calculating such First Lien Net Leverage Ratio or Total Net Leverage Ratio, as applicable; provided, however, that if amounts incurred under this clause (u)(2)(iii) are incurred concurrently with the incurrence of Permitted Term Loans in reliance on clause (u)(2)(i) and/or clause (u)(2)(ii) above, the First Lien Net Leverage Ratio or the Total Net Leverage Ratio, as applicable, shall be permitted to exceed 5.00:1.00 or 6.00:1.00, as applicable, to the extent of such amounts incurred in reliance on clause (u)(2)(i) and/or clause (u)(2)(ii), on terms agreed by CGI Borrower and the lender(s), purchaser(s) or holder(s) providing, purchasing or holding the respective Permitted Term Loans (it being understood that (A) if the First Lien Net Leverage Ratio or the Total Net Leverage Ratio, as applicable, incurrence test in clause (x) and (y), respectively, is met, then, at the election of CGI Borrower, any Permitted Term Loans may be incurred under clause (c) above regardless of whether there is capacity under clause (u)(2)(i) and/or clause (u)(2)(ii) above and (B) any portion of any Permitted Term Loans incurred in reliance on clause (u)(2)(i) and/or (u)(2)(ii) shall be reclassified, as CGI Borrower may elect from time to time, as incurred under clause (u)(2)(iii) if CGI Borrower meets the applicable leverage ratio under clause (u)(2)(iii) at such time on a Pro Forma Basis);

- (v) Indebtedness constituting any part of any Permitted Reorganization;
- (w) Indebtedness representing deferred compensation to, or similar arrangements with, employees and independent contractors of CGI Borrower or any Subsidiary to the extent incurred in the ordinary course of business;
- (x) to the extent constituting Indebtedness, customer deposits and advance payments (including progress payments) received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;
- (y) to the extent constituting Indebtedness, all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in the first paragraph of this Section 11.1, clauses (a) through (x) above and clause (z) below; and
- (z) as long as the Payment Conditions are satisfied at the time of incurrence or issuance on a Pro Forma Basis, unsecured Subordinated Indebtedness and

other unsecured Indebtedness, in each case, the terms of which do not provide for any scheduled repayment, mandatory repayment, or redemption or sinking fund obligations prior to, at the time of incurrence or issuance, the Revolving Credit Maturity Date (other than, in each case, customary offers or obligations to repurchase or prepay upon a change of control, asset sale, or casualty or condemnation event, AHYDO Payments and customary acceleration rights after an event of default).

For purposes of determining compliance with this Section 11.1: (i) in the event that an item of Indebtedness, Disqualified Stock or preferred Capital Stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or preferred Capital Stock described in clauses (a) through (z) above or is entitled to be incurred pursuant to the first paragraph of this Section 11.1, CGI Borrower, in its sole discretion, will classify and may reclassify such item of Indebtedness, Disqualified Stock or preferred Capital Stock (or any portion thereof) and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or preferred Capital Stock in one of the above clauses or paragraphs; and (ii) at the time of incurrence or issuance or at the time of any reclassification, CGI Borrower will be entitled to divide and classify (or reclassify) an item of Indebtedness, Disqualified Stock or preferred Capital Stock in more than one of the types of Indebtedness, Disqualified Stock or preferred Capital Stock described in this Section 11.1.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or preferred Capital Stock will not be deemed to be an incurrence or issuance of Indebtedness, Disqualified Stock or preferred Capital Stock for purposes of this covenant.

For purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness (including pursuant to Sections 2.14, 2.15 and 2.16), the principal amount of Indebtedness denominated in any other currency shall be calculated based on the relevant currency exchange rate in effect on, at the Borrower Representative's election, either (x) the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt or (y) the date of pricing or allocation among the applicable lenders, whichever the Borrower Representative elects, of such Indebtedness; provided that if such Indebtedness is incurred to refinance other Indebtedness denominated in a different currency, and such refinancing would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, or the date of pricing or allocation among the applicable lenders of such Indebtedness, as applicable, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (i) the principal amount of such Indebtedness being refinanced (*plus* unused commitments thereunder) *plus* (ii) the aggregate amount of accrued interest, premiums (including call and tender premiums), defeasance costs, underwriting discounts, fees, commissions, costs and expenses (including original issue discount, upfront fees and similar items) incurred in connection with such refinancing.

The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

This Agreement will not treat (1) unsecured Indebtedness as subordinated or junior to secured Indebtedness merely because it is unsecured or (2) senior Indebtedness as subordinated or junior to any other senior Indebtedness merely because it has a junior priority with respect to the same collateral.

Notwithstanding any provision in this Section 11.1 to the contrary, any Indebtedness issued pursuant to clause (k)(i), (m) or (u) of this Section 11.1 (other than

assumed Indebtedness) or the first paragraph of this Section 11.1 (in all of the foregoing cases, other than such Indebtedness in an outstanding principal amount at any time not exceeding \$5,000,000) shall not have a final maturity date prior to the Revolving Credit Maturity Date.

1.2 Limitation on Liens

(a) CGI Borrower will not, and will not permit any of the Restricted Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any property or assets of any kind (real or personal, tangible or intangible) of CGI Borrower or any Restricted Subsidiary, whether now owned or hereafter acquired (each, a "**Subject Lien**") that secures obligations under any Indebtedness on any asset or property of CGI Borrower or any Restricted Subsidiary, except:

- (i) in the case of any Subject Liens on any Collateral, if such Subject Lien is a Permitted Lien; and
- (ii) in the case of any Subject Lien on any other property or assets of CGI Borrower or any Restricted Subsidiary other than Collateral, any such Lien if (i) the Obligations are equally and ratably secured with (or, with respect to any Lien on the ABL Priority Collateral, on a senior basis to) the obligations secured by such Subject Lien or (ii) such Lien is a Permitted Lien.

(b) Any Lien created for the benefit of the Secured Parties pursuant to clause (a)(ii) of this Section 11.2 shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Subject Lien that gave rise to the obligation to so secure the Obligations.

1.3 Limitation on Fundamental Changes

CGI Borrower will not, and will not permit any of the Restricted Subsidiaries to, enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all its business units, assets or other properties, except that:

- (a) so long as no Event of Default has occurred and is continuing or would result therefrom, any Subsidiary of CGI Borrower or any other Person may be merged, amalgamated or consolidated with or into CGI Borrower; provided that (A) CGI Borrower shall be the continuing or surviving entity or (B) if the Person formed by or surviving any such merger, amalgamation or consolidation is not CGI Borrower (such other Person, the "**Successor Borrower**"), (1) the Successor Borrower shall be an entity organized or existing under the laws of Canada or any province thereof or of the United States, any state thereof or the District of Columbia, (2) the Successor Borrower shall expressly assume all the obligations of CGI Borrower under this Agreement and the other Credit Documents in a manner and pursuant to documentation reasonably satisfactory to the Administrative Agent, (3) each Guarantor, unless it is the other party to such merger, amalgamation or consolidation, shall have by a supplement to the Guarantee confirmed that its guarantee thereunder shall apply to any Successor Borrower's obligations under this Agreement, (4) each Subsidiary grantor and each Subsidiary pledgor, unless it is the other party to such merger, amalgamation or consolidation, shall have by a supplement to any applicable Security Document affirmed that its obligations thereunder shall apply to its Guarantee as reaffirmed pursuant to clause (3), (5) each mortgagor of a Mortgaged Property, if any, unless it is the other party to such merger, amalgamation or consolidation, shall have affirmed that its obligations under the applicable Mortgage shall apply to its Guarantee as reaffirmed pursuant to clause (3), (6) the Successor Borrower shall have delivered to the Administrative Agent (x) an officer's certificate of an Authorized Officer stating that such merger,

amalgamation, or consolidation complies with the applicable requirements set forth in this clause (a) and (y) if reasonably requested by the Administrative Agent, an opinion of counsel as to corporate matters and to the effect that the provisions set forth in the preceding clauses (3) through (5), preserve the enforceability of the Guarantee and the perfection of the Liens created under the applicable Security Documents, (7) such transaction does not result in any adverse tax consequences to any Lender (unless reimbursed hereunder) or to the Administrative Agent (unless reimbursed hereunder), and (8) the Administrative Agent shall have received at least five (5) Business Days' prior written notice of the proposed transaction and the Borrower Representative shall promptly and in any event at least two (2) Business Days' prior to the consummation of the transaction provide all information any Lender or any Agent may reasonably request to satisfy its "know your customer" and other similar requirements necessary for such Person to comply with its internal compliance and regulatory requirements with respect to the proposed Successor Borrower (it being understood that if the foregoing are satisfied, the Successor Borrower will succeed to, and be substituted for, such Borrower under this Agreement);

- (b) so long as no Event of Default has occurred and is continuing or would result therefrom, any Subsidiary of CGI Borrower or any other Person (in each case, other than CGI Borrower) may be merged, amalgamated or consolidated with or into any one or more Subsidiaries of CGI Borrower; provided that (i) in the case of any merger, amalgamation or consolidation involving one or more Restricted Subsidiaries, (A) a Restricted Subsidiary shall be the continuing or surviving Person or (B) CGI Borrower shall cause the Person formed by or surviving any such merger, amalgamation or consolidation (if other than a Restricted Subsidiary) to become a Restricted Subsidiary, (ii) in the case of any merger, amalgamation or consolidation involving one or more Guarantors, (x) a Guarantor shall be the continuing or surviving Person or the Person formed by or surviving any such merger, amalgamation or consolidation and if the surviving Person is not already a Guarantor, such Person shall execute a Guarantee and the relevant Security Documents in form and substance reasonably satisfactory to the Administrative Agent in order to become a Guarantor and pledgor, mortgagor and grantor, as applicable, thereunder for the benefit of the Secured Parties, or (y) such merger, amalgamation or consolidation shall constitute a Permitted Investment or an Investment permitted under Section 11.5 and (iii) CGI Borrower shall have delivered to the Administrative Agent an officer's certificate stating that such merger, amalgamation or consolidation complies with the applicable requirements set forth in this clause (b);
- (c) (i) any Restricted Subsidiary that is not a Credit Party may convey, sell, lease, assign, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or dissolution or otherwise) to CGI Borrower or to any Restricted Subsidiary or (ii) any Credit Party (other than CGI Borrower) may convey, sell, lease, assign, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or dissolution or otherwise) to any other Credit Party;
- (d) any Restricted Subsidiary may liquidate or dissolve if CGI Borrower determines in good faith that such liquidation or dissolution is in the best interests of CGI Borrower and is not materially disadvantageous to the Lenders;
- (e) CGI Borrower and the Restricted Subsidiaries may consummate a merger, amalgamation, dissolution, liquidation, consolidation, investment or conveyance, sale, lease, license, sublicense, assignment or disposition, the purpose of which is to effect a disposition not prohibited by Section 11.4 or an investment permitted pursuant to Section 11.5 or an investment that constitutes a Permitted Investment;

- (f) so long as no Event of Default has occurred and is continuing or would result therefrom, CGI Borrower or any Restricted Subsidiary may change its legal form;
- (g) CGI Borrowers and the Restricted Subsidiaries may consummate any Permitted Reorganization;
- (h) CGI Borrowers, the Restricted Subsidiaries and the Unrestricted Subsidiaries may enter into and consummate an Intercompany License Agreement; and
- (i) any merger the purpose and only substantive effect of which is to reincorporate or reorganize CGI Borrower or any Subsidiary in another jurisdiction in the United States, any state thereof or the District of Columbia shall be permitted.

1.4 Limitation on Asset Sales

CGI Borrower will not, and will not permit any Restricted Subsidiary to, consummate an Asset Sale, unless:

- (a) CGI Borrower or such Restricted Subsidiary, as the case may be, receives consideration at least equal to the Fair Market Value (as determined at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of; and
- (b) except in the case of a Permitted Asset Swap, if the property or assets sold or otherwise disposed of have a Fair Market Value in excess of the greater of (x) \$52,000,000 and (y) 20.0% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis), at least 75.0% of the consideration therefor received by CGI Borrower or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; provided that the amount of:
 - (i) any liabilities (as reflected on CGI Borrower's or such Restricted Subsidiary's most recent consolidated balance sheet or in the footnotes thereto, or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been reflected on CGI Borrower's consolidated balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on or prior to the date of such balance sheet, as determined in good faith by CGI Borrower) of CGI Borrower or such Restricted Subsidiary, other than liabilities that are by their terms subordinated to the Loans or any guarantee of the Loans, that (A) are assumed by the transferee of any such assets or (B) are otherwise cancelled, extinguished or terminated in connection with the transactions relating to such Asset Sale and, in the case of clause (A) only, for which CGI Borrower and all such Restricted Subsidiaries have been validly released by all applicable creditors in writing;
 - (ii) any securities, notes or other obligations or assets received by CGI Borrower or such Restricted Subsidiary from such transferee that are converted by CGI Borrower or such Restricted Subsidiary into cash or Cash Equivalents, or by their terms are required to be satisfied for cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received), in each case, within 180 days following the closing of such Asset Sale; and
 - (iii) any Designated Non-Cash Consideration received by such Borrower or such Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-Cash

Consideration received pursuant to this clause (iii) that is at that time outstanding, not to exceed the greater of \$5,000,000 and 10.0% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of the receipt of such Designated Non-Cash Consideration, with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value, shall be deemed to be cash for purposes of this provision and for no other purpose;

provided, however, that no Asset Sale of ABL Priority Collateral may be consummated pursuant to this Section 11.4 unless (x) the Payment Conditions are satisfied immediately after giving effect to such Asset Sale on a Pro Forma Basis and (y) to the extent required by Section 10.1(i)(C), the Borrower Representative shall have furnished an updated Borrowing Base Certificate giving Pro Forma Effect to such Asset Sale promptly upon consummation thereof (it being acknowledged that the Administrative Agent shall have the right to establish Borrowing Base Reserves in its Permitted Discretion for the anticipated effects thereof on the orderly liquidation value of any Inventory included in such ABL Priority Collateral pending the next appraisal thereof).

In addition, notwithstanding the foregoing, none of the Borrowers nor any of their Restricted Subsidiaries may transfer legal title to, or license on an exclusive basis, any Material Intellectual Property to any Unrestricted Subsidiary.

1.5 Limitation on Restricted Payments

- (a) CGI Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly:
 - (i) declare or pay any dividend or make any payment or distribution on account of CGI Borrower's or any Restricted Subsidiary's Equity Interests, including any dividend or distribution payable in connection with any merger or consolidation, other than:
 - (A) dividends or distributions by CGI Borrower payable in Equity Interests (other than Disqualified Stock) of CGI Borrower or in options, warrants or other rights to purchase such Equity Interests, or
 - (B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Subsidiary other than a Wholly-Owned Subsidiary, CGI Borrower or a Restricted Subsidiary receives at least its *pro rata* share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities;
 - (ii) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of CGI Borrower or any direct or indirect parent company of CGI Borrower, including in connection with any merger, amalgamation or consolidation, in each case held by Persons other than CGI Borrower or a Restricted Subsidiary which is a Credit Party;
 - (iii) make any principal payment on, or redeem, purchase, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or maturity, any Subordinated Indebtedness with an aggregate principal amount in excess of \$5,000,000 (it being understood that payments of regularly

scheduled principal, interest and mandatory prepayments shall be permitted), other than (A) Indebtedness permitted under clauses (f) and (g) of Section 11.1, subject, in the case of Subordinated Indebtedness, to the applicable subordination provisions thereof, (B) the purchase, repurchase, redemption, defeasance, retirement for value or other acquisition of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of payment, redemption, purchase, repurchase, defeasance, acquisition or retirement or (C) AHYDO Payments with respect to Indebtedness permitted under Section 11.1; or

(iv) make any Restricted Investment;

(all such payments and other actions set forth in clauses (i) through (iv) above (other than any exception thereto) being collectively referred to as "**Restricted Payments**").

(b) The foregoing provisions of Section 11.5(a) will not prohibit:

- (i) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of such irrevocable notice, as applicable, if at the date of declaration or the giving of such notice such payment would have complied with the provisions of this Agreement;
- (ii) (a) the redemption, repurchase, retirement or other acquisition of any Equity Interests, including any accrued and unpaid dividends or distributions thereon ("**Retired Capital Stock**"), or Subordinated Indebtedness of CGI Borrower or any Restricted Subsidiary, or any Equity Interests of any direct or indirect parent company of CGI Borrower, in exchange for, or out of the proceeds of, the substantially concurrent sale (other than to a Restricted Subsidiary) of, Equity Interests of CGI Borrower or any direct or indirect parent company of CGI Borrower to the extent contributed to CGI Borrower (in the case of proceeds only) (in each case, other than any Disqualified Stock) ("**Refunding Capital Stock**") and (b) the declaration and payment of dividends or distributions on Retired Capital Stock out of the proceeds of the substantially concurrent sale or issuance (other than to a Restricted Subsidiary) of Refunding Capital Stock;
- (iii) the prepayment, redemption, defeasance, repurchase or other acquisition or retirement for value of Subordinated Indebtedness of CGI Borrower or a Restricted Subsidiary made by exchange for, or out of the proceeds of, the substantially concurrent sale of, new Indebtedness of CGI Borrower or a Restricted Subsidiary, as the case may be, which is incurred in compliance with Section 11.1 so long as: (A) if such Subordinated Indebtedness is subordinated in right of payment to the Obligations, such new Indebtedness is subordinated in right of payment to the Obligations or the applicable Guarantee at least to the same extent, in all material respects, as such Subordinated Indebtedness so purchased, exchanged, redeemed, defeased, repurchased, acquired or retired for value, (B) such new Indebtedness meets the applicable requirements set forth in Section 11.1(l) and, to the extent secured, is secured by Permitted Liens and (C) if such new Indebtedness is incurred in reliance on clause (m) of Section 11.1 (other than assumed Indebtedness) or the first paragraph of Section 11.1 (in all of the foregoing cases, other than such Indebtedness in an outstanding aggregate principal amount at any time not exceeding \$5,000,000) it shall have (x) a final scheduled maturity date equal to or

later than the final scheduled maturity date of the Subordinated Indebtedness being so redeemed, defeased, repurchased, exchanged, acquired or retired and (y) a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness being so redeemed, defeased, repurchased, exchanged, acquired or retired;

- (iv) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Equity Interests (other than Disqualified Stock) of CGI Borrower or any direct or indirect parent company of CGI Borrower held by any future, present or former employee, director, manager or consultant of CGI Borrower, any of its Subsidiaries or any direct or indirect parent company of CGI Borrower, or their estates, descendants, family, trusts, heirs, spouse or former spouse pursuant to any management equity plan or stock or other equity option plan or any other management or employee benefit plan or agreement, or any stock or other equity subscription or equityholder agreement (including, for the avoidance of doubt, any principal and interest payable on any notes issued by CGI Borrower or any direct or indirect parent company of CGI Borrower in connection with such repurchase, retirement or other acquisition), provided that, except with respect to non-discretionary purchases, the aggregate Restricted Payments made under this clause (iv) subsequent to the Closing Date do not exceed in any calendar year \$6,000,000 (with unused amounts in any calendar year being carried over to the next succeeding calendar year subject to maximum aggregate Restricted Payments under this clause (without giving effect to the following proviso) of \$12,000,000 in any calendar year); provided, further, that such amount in any calendar year may be increased by an amount not to exceed: (A) the cash proceeds from the sale of Equity Interests (other than Disqualified Stock) of CGI Borrower and, to the extent contributed to CGI Borrower, the cash proceeds from the sale of Equity Interests of any direct or indirect parent company of CGI Borrower, in each case to any future, present or former employees, directors, managers or consultants of CGI Borrower, any of its Subsidiaries or any direct or indirect parent company of CGI Borrower that occurs after the Closing Date, to the extent the cash proceeds from the sale of such Equity Interests have not otherwise been applied to the payment of any "restricted payments" with substantially the same definition as "Restricted Payments" hereunder under the Term Loan Credit Documents (or comparable "builder basket" provision in respect of Refinancing Indebtedness in respect thereof) and are not used for any Cure Amount, *plus* (B) the cash proceeds of key man life insurance policies received by CGI Borrower and the Restricted Subsidiaries after the Closing Date, *less* (C) the amount of any Restricted Payments previously made pursuant to clauses (A) and (B) of this clause (iv); and provided, further, that cancellation of Indebtedness owing to CGI Borrower or any Restricted Subsidiary from any future, present or former employees, directors, managers or consultants of CGI Borrower, any direct or indirect parent company of CGI Borrower or any Restricted Subsidiary, or their estates, descendants, family, trusts, heirs, spouse or former spouse pursuant in connection with a repurchase of Equity Interests of CGI Borrower or any direct or indirect parent company of CGI Borrower will not be deemed to constitute a Restricted Payment for purposes of this Section 11.5 or any other provision of this Agreement;
- (v) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of CGI Borrower or any Restricted Subsidiary or any class or series of preferred Capital Stock of any

Restricted Subsidiary, in each case, issued in accordance with Section 11.1 to the extent such dividends or distributions are included in the definition of Fixed Charges;

- (vi) Investments in Unrestricted Subsidiaries having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (vi) that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash, Cash Equivalents or marketable securities, not to exceed the greater of (x) \$10,000,000 and (y) 20.0% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);
- (vii) payments made or expected to be made by CGI Borrower or any Restricted Subsidiary in respect of withholding, employment or similar taxes payable by any future, present or former employee, director, manager, or consultant of CGI Borrower or any of its Restricted Subsidiaries or any direct or indirect parent company of CGI Borrower and any repurchases of Equity Interests deemed to occur upon exercise, vesting or settlement of, or payment with respect to, any equity or equity-based award, including, without limitation, stock or other equity options, stock or other equity appreciation rights, warrants, restricted equity units, restricted equity, deferred equity units or similar rights if such Equity Interests are used by the holder of such award to pay a portion of the exercise price of such options, appreciation rights, warrants or similar rights or to satisfy any required withholding or similar taxes with respect to any such award;
- (viii) Restricted Payments following consummation of the first public offering of CGI Borrower's common Equity Interests or the common Equity Interests of any direct or indirect parent company of CGI Borrower after the Closing Date, of up to 6.0% per annum of the net cash proceeds received by or contributed to CGI Borrower in or from any such public offering and subsequent public equity offerings, in each case, other than public offerings with respect to CGI Borrower's common Equity Interests registered on Form S-8 and other than any public sale constituting an Excluded Contribution;
- (ix) other Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (ix) after the Seventh Closing Date not to exceed the greater of (x) \$26,000,000 and (y) 10.0% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time made;
- (x) any Restricted Payment to the extent that at the time such Restricted Payment is made, the Payment Conditions have been satisfied with respect thereto on a Pro Forma Basis;
- (xi) CGI Borrower and the Restricted Subsidiaries may make Restricted Payments with the Net Cash Proceeds of Permitted Equity Issuances;
- (xii) the declaration and payment of dividends or distributions by CGI Borrower to, or the making of loans or advances to, any direct or indirect parent company of CGI Borrower in amounts required for any direct or indirect parent company (or such company's direct or indirect equity owners) to pay:

- (A) (i) franchise, excise and similar taxes, and other fees and expenses, required to maintain its corporate, legal and organizational existence and (ii) distributions to such Parent Entity's equity owners in proportion to their equity interests sufficient to allow each such equity owner to receive an amount at least equal to the aggregate amount of its out-of-pocket costs to any unaffiliated third parties directly attributable to creating (including any incorporation or registration fees) and maintaining the existence of the applicable equity owner (including doing business fees, franchise taxes, excise taxes and similar taxes, fees, or expenses), and legal and accounting and other costs directly attributable to maintaining its corporate, legal, or organizational existence and complying with applicable legal requirements, including such costs attributable to the preparation of tax returns or compliance with tax laws,
- (B) any Tax Distribution;
- (C) customary salary, bonus, severance (including, in each case, payroll, social security and similar taxes in respect thereof) and other benefits payable to, and indemnities provided on behalf of, officers, employees, directors, consultants and managers of any direct or indirect parent company of CGI Borrower to the extent such salaries, bonuses, and other benefits are attributable to the ownership or operation of CGI Borrower and the Restricted Subsidiaries, including CGI Borrower's proportionate share of such amount relating to such parent company being a public company,
- (D) general corporate, administrative, compliance or other operating (including, without limitation, expenses related to auditing or other accounting matters) and overhead costs and expenses of any direct or indirect parent company of CGI Borrower to the extent such costs and expenses are attributable to the ownership or operation of CGI Borrower and the Restricted Subsidiaries, including CGI Borrower's proportionate share of such amount relating to such parent company being a public company,
- (E) amounts required for any direct or indirect parent company of CGI Borrower to pay fees and expenses incurred by any direct or indirect parent company of CGI Borrower related to (i) the maintenance by such parent entity of its corporate or other entity existence and (ii) transactions of such parent company of CGI Borrower of the type described in clause (xi) of the definition of Consolidated Net Income,
- (F) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of CGI Borrower or any such direct or indirect parent company of CGI Borrower,
- (G) repurchases deemed to occur upon the cashless exercise of stock or other equity options,
- (H) to finance Permitted Acquisition and other Investments or other acquisitions otherwise permitted to be made pursuant to this Section 11.5 if made by CGI Borrower; provided, that (i) such Restricted Payment shall be made substantially concurrently with

the closing of such Investment or other acquisition, (ii) such direct or indirect parent company shall, promptly following the closing thereof, cause (1) all property acquired (whether assets or Equity Interests) to be contributed to CGI Borrower or one of its Restricted Subsidiaries or (2) the merger, amalgamation, consolidation, or sale of the Person formed or acquired into CGI Borrower or one of its Restricted Subsidiaries (in a manner not prohibited by Section 11.3) in order to consummate such Investment or other acquisition, (iii) such direct or indirect parent company and its Affiliates (other than CGI Borrower or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent CGI Borrower or a Restricted Subsidiary could have given such consideration or made such payment in compliance herewith, (iv) any property received by CGI Borrower shall not constitute an Excluded Contribution and (v) to the extent constituting an Investment, such Investment shall be deemed to be made by CGI Borrower or such Restricted Subsidiary pursuant to another provision of this Section 11.5 or pursuant to the definition of Permitted Investments (other than clause (a) thereof); and

- (l) to the extent constituting Restricted Payments, amounts that would be permitted to be paid directly by CGI Borrower or its Restricted Subsidiaries under Section 11.10 (other than Section 11.10(b));
- (xiii) the repurchase, redemption or other acquisition for value of Equity Interests of CGI Borrower deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of CGI Borrower, in each case, permitted under this Agreement;
- (xiv) the distribution, by dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to CGI Borrower or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than Unrestricted Subsidiaries, the primary assets of which are cash and/or Cash Equivalents) or the proceeds thereof;
- (xv) any Restricted Payment constituting any part of a Permitted Reorganization;
- (xvi) Restricted Payments set forth in clauses (iii) or (iv) of the definition thereof in an aggregate amount pursuant to this clause (xvi) after the Seventh Closing Date not to exceed the greater of (x) \$26,000,000 and (y) 10.0% of Consolidated EBITDA of CGI Borrower for the most recently ended Test Period (calculated on a Pro Forma Basis) at the time such prepayment, redemption, defeasance, repurchase or other acquisition or retirement for value is made;
- (xvii) a Restricted Payment by CGI Borrower to Holdings in respect of the Holdings Subordinate Debt to the extent permitted by the terms of the Holdings Subordination Agreement; and
- (xviii) the payment of dividends or distributions to Holdings or any other direct or indirect parent of CGI Borrower up to an amount equal to the Net Cash Proceeds of the Permitted Term Loans incurred or issued on the Initial Permitted Term Loan Closing Date;

provided that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (ix) and (xvi), no Event of Default shall have occurred and be continuing or would occur as a consequence thereof (or in the case of a Restricted Investment, no Event of Default under Section 12.1 or 12.5 shall have occurred and be continuing or would occur as a consequence thereof).

CGI Borrower will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the penultimate sentence of the definition of Unrestricted Subsidiary. For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by CGI Borrower and the Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be an Investment in an amount determined as set forth in the last sentence of the definition of Investment. Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time, whether pursuant to clauses (vi), (ix), (x) or (xi) of Section 11.5(b), or pursuant to the definition of Permitted Investments, and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in this Agreement.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment or Investment (or a portion thereof) meets the criteria of clauses (i) through (xviii) above and/or one or more of the exceptions contained in the definition of Permitted Investments, CGI Borrower will be entitled to classify or later reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment (or portion thereof) among such clauses (i) through (xviii), in a manner that otherwise complies with this covenant.

1.6 Limitation on Subsidiary Distributions

CGI Borrower will:

- (a) not, and will not permit any of the Restricted Subsidiaries that are not Borrowers or Guarantors to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Restricted Subsidiary to (i) pay dividends or make any other distributions to CGI Borrower or any Restricted Subsidiary that is a Guarantor or Borrower on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits or (ii) pay any Indebtedness owed to CGI Borrower or any Restricted Subsidiary that is a Guarantor or Borrower; (iii) make loans or advances to CGI Borrower or any Restricted Subsidiary that is a Guarantor or Borrower; or (iv) sell, lease or transfer any of its properties or assets to CGI Borrower or any Restricted Subsidiary that is a Guarantor or Borrower; or
- (b) not, and will not permit any other Credit Party to, enter into any agreement prohibiting the creation of any Lien upon any of its properties or assets, whether now owned or hereafter acquired, to secure the Obligations;

except (in each case under the foregoing clauses (a) and (b)) for such encumbrances or restrictions (x) which CGI Borrower has reasonably determined in good faith will not materially impair the Borrowers' ability to make payments under this Agreement when due or (y) existing under or by reason of:

- (i) contractual encumbrances or restrictions in effect on the Closing Date, including pursuant to this Agreement and the related documentation and related Hedging Obligations;
- (ii) any Term Loan Credit Documents and any Permitted Term Loans;

- (iii) purchase money obligations and Capitalized Lease Obligations that impose restrictions of the nature discussed in clause (a) or (b) above on the property so acquired, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to such arrangement, the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender (it being understood that such restriction shall not be permitted to apply to any property to which such restriction would not have applied but for such acquisition);
- (iv) Requirement of Law or any applicable rule, regulation or order, or any request of any Governmental Authority having regulatory authority over CGI Borrower or any of its Subsidiaries;
- (v) any agreement or other instrument of a Person acquired by or merged or consolidated with or into CGI Borrower or any Restricted Subsidiary, or of an Unrestricted Subsidiary that is designated a Restricted Subsidiary, or that is assumed in connection with the acquisition of assets from such Person, in each case that is in existence at the time of such transaction (but not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or designated, any replacements of such property or assets and additions and accessions thereto, after-acquired property subject to such agreement or instrument, the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by such lender (it being understood that such encumbrance or restriction shall not be permitted to apply to any property to which such encumbrance or restriction would not have applied but for such acquisition);
- (vi) contracts for the sale of assets, including customary restrictions with respect to a Subsidiary of CGI Borrower pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary and restrictions on transfer of assets subject to Permitted Liens;
- (vii)(x) secured Indebtedness otherwise permitted to be incurred pursuant to Sections 11.1 and 11.2 that limit the right of the debtor to dispose of the assets securing such Indebtedness and (y) restrictions on transfers of assets subject to Permitted Liens (but, with respect to any such Permitted Lien, only to the extent that such transfer restrictions apply solely to the assets that are the subject of such Permitted Lien);
- (viii) restrictions on cash or other deposits or net worth imposed by customers under, or made necessary or advisable by, contracts entered into in the ordinary course of business or consistent with past practice;
- (ix) solely with respect to clause (a) above, other Indebtedness, Disqualified Stock or preferred Capital Stock of Restricted Subsidiaries permitted to be incurred subsequent to the Closing Date pursuant to the provisions of Section 11.1;
- (x) customary provisions in joint venture agreements or arrangements and other similar agreements or arrangements relating solely to such joint venture and the Equity Interests issued thereby;

- (xi) customary provisions contained in leases, sub-leases, licenses, sub-licenses or similar agreements, in each case, entered into in the ordinary course of business, or consistent with past practice;
- (xii) customary restrictions on leases, subleases, licenses, sublicenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate to property interest, rights or the assets subject thereto;
- (xiii) customary provisions restricting assignment of any agreement entered into in the ordinary course of business; or
- (xiv) any encumbrances or restrictions of the type referred to in clauses (a) and (b) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (i) through (xiv) above (other than, in the case of clause (b) above, clause (ix)); provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements, or refinancings (x) are, in the good faith judgment of CGI Borrower, no more restrictive in any material respect with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing or (y) do not materially impair CGI Borrowers' ability to pay their respective obligations under the Credit Documents as and when due (as determined in good faith by the Borrower Representative).

1.7 Modifications of Organizational Documents and Subordinated Indebtedness

(a) CGI Borrower shall not agree, and shall not permit any of the Restricted Subsidiaries to agree, to any material amendment, restatement, supplement or other modification to, or waiver of, any of its Organizational Documents after the Closing Date in a manner that is materially adverse to the Lenders, except as required by law.

(b) CGI Borrower shall not, and shall not permit any Restricted Subsidiaries to, amend documentation governing Subordinated Indebtedness having a principal amount of more than \$5,000,000 in a manner materially adverse to the Lenders, other than in connection with (i) a refinancing or replacement of such Indebtedness permitted hereunder or (ii) in a manner expressly permitted by, or not prohibited under, the applicable intercreditor or subordination terms or agreement(s) governing the relationship between the Secured Parties, on the one hand, and the lenders or purchasers of the applicable Subordinated Indebtedness, on the other hand.

1.8 Permitted Activities

Holdings shall not engage in any material operating or business activities; provided that the following and any activities incidental thereto shall be permitted in any event: (i) its ownership of the Equity Interests of CGI Borrower and activities incidental thereto, including receipt and payment of Restricted Payments and other amounts in respect of Equity Interests, (ii) the maintenance of its legal existence (including the ability to incur fees, costs and expenses relating to such maintenance), (iii) the performance of its obligations with respect to the Transactions, the Credit Documents, any Term Loan Credit Documents and any other documents governing Indebtedness permitted hereby, (iv) any public offering of its common equity or any other issuance or sale of its Equity Interests, (v) financing activities, including the issuance of securities, incurrence of debt, payment of dividends and distributions, making contributions to the capital of CGI Borrower, guaranteeing the obligations of CGI Borrower and its other Subsidiaries and receipt of the DTR Note and any transaction involving the satisfaction

of the DTR Note in accordance with its terms, (vi) if applicable, participating in tax, accounting and other administrative matters as a member of the consolidated group of Holdings and CGI Borrower, (vii) holding any cash or property (but not operate any property), (viii) making of any Restricted Payments or Investments permitted hereunder, (ix) providing indemnification to officers and directors, (x) activities relating to any Permitted Reorganization, (xi) merging, amalgamating or consolidating with or into any direct or indirect parent or subsidiary of Holdings (pursuant to the definition of Holdings), (xii) repurchases of Indebtedness through open market purchases and Dutch auctions, (xiii) activities incidental to Permitted Acquisitions or similar Investments consummated by CGI Borrower and the Restricted Subsidiaries, including the formation of acquisition vehicle entities and intercompany loans and/or Investments incidental to such Permitted Acquisitions or similar Investments and (xiv) any activities incidental or reasonably related to the foregoing.

1.9 Fiscal Years

CGI Borrower shall not change its fiscal year end from on or about March 31 and shall not permit any Restricted Subsidiary to, change its fiscal year to end on dates inconsistent with past practice; provided, however, that CGI Borrower may, upon written notice to the Administrative Agent change the financial reporting convention specified above to (x) align the dates of such fiscal year and for any Restricted Subsidiary whose fiscal years end on dates different from those of CGI Borrower or (y) any other financial reporting convention reasonably acceptable to the Administrative Agent, in which case CGI Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary in order to reflect such change in financial reporting.

1.10 Affiliate Transactions

CGI Borrower shall not conduct, and shall not permit the Restricted Subsidiaries to conduct, any transactions (or series of related transactions) with an aggregate value in excess of \$2,000,000 with any of its Affiliates (other than Holdings, CGI Borrower and the Restricted Subsidiaries or any entity that becomes a Restricted Subsidiary as a result of such transaction), unless such transaction is on terms that are not materially less favorable to CGI Borrower or such Restricted Subsidiary than those that would have been obtained in a comparable arm's-length transaction with a Person that is not an Affiliate, as determined by the board of directors (or analogous governing body) of CGI Borrower or such Restricted Subsidiary in good faith for any such transaction with a value in excess of \$7,500,000; provided that the foregoing restrictions shall not apply to:

- (a) (i) the payment of management, monitoring, consulting, advisory and other fees (including termination and transaction fees) to the Sponsor pursuant to the Sponsor Management Agreement (*plus* any unpaid management, monitoring, consulting, advisory and other fees (including transaction and termination fees) accrued in any prior year); provided that the annual management fee payable under this clause (a)(i) (x) may only be paid in an aggregate amount in any fiscal year not to exceed the amount permitted to be paid in such fiscal year pursuant to the Sponsor Management Agreement as in effect on the Closing Date (*plus* any accrued and unpaid amounts) and (y) may accrue but may not be paid during the continuance of an Event of Default under Section 12.1 or Section 12.5, (ii) customary payments by CGI Borrower and any of the Restricted Subsidiaries to the Sponsor made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities (including in connection with acquisitions or divestitures), which payments are approved by the majority of the members of the board of directors (or analogous governing body) or a majority of the disinterested members of the board of directors (or analogous governing body) of CGI Borrower in good faith and (iii) indemnification and reimbursement of expenses pursuant to the Sponsor Management Agreement (*plus* any unpaid indemnities and expenses accrued in any prior year),

- (b) Restricted Payments permitted by Section 11.5 or Investments permitted by the definition of Permitted Investments,
- (c) consummation of the Transactions and the payment of fees and expenses (including the Transaction Expenses) related to the Transactions,
- (d) the issuance and transfer of Qualified Stock or Stock Equivalents of CGI Borrower (or any direct or indirect parent thereof) or any of its Subsidiaries not otherwise prohibited by the Credit Documents,
- (e) loans, advances and other transactions between or among CGI Borrower, any Restricted Subsidiary or any joint venture (regardless of the form of legal entity) in which CGI Borrower or any Subsidiary has invested (and which Subsidiary or joint venture would not be an Affiliate of CGI Borrower but for CGI Borrower's or a Subsidiary's ownership of Capital Stock or Stock Equivalents in such joint venture or Subsidiary) to the extent permitted under Article 11,
- (f) (i) employment, consulting and severance arrangements between CGI Borrower and the Restricted Subsidiaries (or any direct or indirect parent of CGI Borrower) and their respective officers, employees, directors or consultants in the ordinary course of business (including loans and advances in connection therewith) and (ii) transactions pursuant to any equityholder, employee or director equity plan or equity option plan or any other management or employee benefit plan or agreement, other compensatory arrangement or any equity subscription, co-invest agreement or equityholder agreement,
- (g) payments by CGI Borrower (and any direct or indirect parent thereof) and the Subsidiaries pursuant to tax sharing agreements among CGI Borrower (and any such parent) and the Subsidiaries on customary terms to the extent attributable to the ownership or operations of CGI Borrower and the Restricted Subsidiaries; provided that in each case the amount of such payments in any fiscal year does not exceed the amount that CGI Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent of the amount received from Unrestricted Subsidiaries) would have been required to pay in respect of such foreign, federal, state and/or local taxes for such fiscal year had CGI Borrower, the Restricted Subsidiaries and the Unrestricted Subsidiaries (to the extent described above) paid such taxes separately from any such direct or indirect parent company of CGI Borrower,
- (h) the payment of customary fees and reasonable out of pocket costs to, and indemnities provided on behalf of, directors, managers, consultants, officers, employees of CGI Borrower (or any direct or indirect parent thereof) and the Subsidiaries,
- (i) [reserved],
- (j) transactions pursuant to any agreement or arrangement as in effect as of the Closing Date, or any amendment, modification, supplement or replacement thereto (so long as any such amendment, modification, supplement or replacement is not disadvantageous in any material respect to the Lenders when taken as a whole as compared to the applicable agreement as in effect on the Closing Date as determined by the Borrower Representative in good faith),
- (k) transactions in which Holdings, CGI Borrower or any Restricted Subsidiary, as the case may be, delivers to the Administrative Agent a letter from an Independent Financial Advisor stating that such transaction is fair to CGI Borrower or such Restricted Subsidiary from a financial point of view and is not disadvantageous in any material respect to the Lenders,

- (l) the existence and performance of agreements and transactions with any Unrestricted Subsidiary that were entered into prior to the designation of a Restricted Subsidiary as such Unrestricted Subsidiary to the extent that the transaction was permitted at the time that it was entered into with such Restricted Subsidiary and transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the redesignation of any such Unrestricted Subsidiary as a Restricted Subsidiary; provided that such transaction was not entered into in contemplation of such designation or redesignation, as applicable,
- (m) Affiliate repurchases of the Loans or Commitments to the extent permitted hereunder, and of the loans and commitments pursuant to the terms of the Term Loan Credit Documents, and the holding of such Loans, Commitments, loans or commitments and, in the case of each of the foregoing, the payments and other transactions reasonably related thereto,
- (n) (i) investments by Permitted Holders in securities of CGI Borrower or any Restricted Subsidiary (and payment of reasonable out-of-pocket expenses incurred by such Permitted Holders in connection therewith) so long as the investment is being offered by CGI Borrower or such Restricted Subsidiary generally to other investors on the same or more favorable terms, and (ii) payments to Permitted Holders in respect of securities or loans of CGI Borrower or any Restricted Subsidiary contemplated in the foregoing clause (i) or that were acquired from Persons other than CGI Borrower and its Restricted Subsidiaries, in each case, in accordance with the terms of such securities or loans; provided that with respect to securities of CGI Borrower or any Restricted Subsidiary contemplated in clause (i) above, such investment constitutes less than 10% of the proposed or outstanding issue amount of such class of securities and the issuance of such securities is otherwise permitted under Article 11,
- (o) transactions pursuant to any arrangement or agreement set forth on Schedule 11.10, or any amendment, modification or replacement of any such arrangement or agreement (so long as any such amendment, modification or replacement is not adverse to the Lenders in any material respect in the good faith judgment of the Borrower Representative when taken as a whole), and
- (p) the payment of reasonable out-of-pocket costs and expenses relating to registration rights and indemnities provided to shareholders of Holdings or any direct or indirect parent thereof pursuant to the equityholders agreement, limited liability company agreement or the registration rights agreement entered into on or after the Closing Date.

1.11 Financial Covenant

If Excess Availability at any time is less than the greater of (x) 10% of the Line Cap, and (y) \$7,500,000 (a "**Financial Covenant Trigger Event**"), Borrowers shall not permit the Fixed Charge Coverage Ratio to be less than 1.00 to 1.00 as of the last day of any Test Period, commencing with the Test Period ended on or immediately prior to the date that the Financial Covenant Trigger Event occurs; provided that such requirement to maintain a Fixed Charge Coverage Ratio of at least 1.00 to 1.00 shall no longer apply (unless and until a subsequent Financial Covenant Trigger Event occurs) if Excess Availability on each day during any period of 30 consecutive calendar days commencing after the date of such Financial Covenant Trigger Event shall be at least the greater of (x) 10% of the Line Cap and (y) \$7,500,000.

1.12 Canadian Pension Plans

No Credit Parties shall, without the consent of the Administrative Agent, maintain, administer, establish or contribute to, or shall become liable in respect of any Canadian DB Plan.

1.13 Non-Bank Rules

No Swiss Credit Party shall breach the Non-Bank Rules; it being understood, however, that no Swiss Credit Party shall be in breach of this covenant if the relevant number of creditors is exceeded solely by reason of (i) a failure by one or more Lenders to comply with their obligations under Section 14.6, (ii) by a Lender having made a misrepresentation in respect of the information provided under Section 6.4(e)(i)(D), or (iii) by a Lender having lost its status as Qualifying Bank.

**Article 12
EVENTS OF DEFAULT**

Upon the occurrence of any of the following specified events (each an "**Event of Default**"):

1.1 Payments

Any Borrower shall (a) default in the payment when due of any principal of the Loans, (b) default, and such default shall continue for five (5) or more Business Days, in the payment when due of any interest on the Loans or Unpaid Drawings or (c) default, and such default shall continue for ten (10) or more Business Days, in the payment when due of any Fees or of any other amounts owing hereunder or under any other Credit Document; or

1.2 Representations, Etc.

On and after the Closing Date, any representation and warranty made or deemed made by any Credit Party herein or in any other Credit Document or any certificate delivered or required to be delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made, and, to the extent capable of being cured, such incorrect representation and warranty shall remain incorrect in any material respect for a period of 30 days after written notice thereof from the Administrative Agent to the Borrower Representative; or

1.3 Covenants

Any Credit Party shall:

- (a) default in the due performance or observance by it of any term, covenant or agreement contained in Section 10.1(f) (i), Section 10.5(a) (solely with respect to any Borrower's existence), Section 10.9 (solely during a Cash Dominion Period), or Article 11; provided, that any Event of Default under Section 11.11 is subject to the provisions of Section 12.15; or
- (b) default in the due performance or observance by it of any term, covenant or agreement contained in Section 10.1(i) or Section 10.9(d) and, in the case of any of the foregoing, such default shall continue unremedied for a period of at least five (5) Business Days (or, solely in the event Borrowing Base Certificates are required to be delivered weekly at such time under Section 10.1(i), such default under Section 10.1(i) shall continue unremedied for a period of at least two (2) Business Days); or

- (c) default in the due performance or observance by it of any term, covenant or agreement (other than those referred to in Section 12.1 or 12.2 or clause (a) or (b) of this Section 12.3) contained in this Agreement or any Security Document and such default shall continue unremedied for a period of at least 30 days after receipt of written notice by the Borrower Representative from the Administrative Agent or the Required Lenders; or

1.4 Default Under Other Agreements

(a) Holdings, CGI Borrower or any of the Restricted Subsidiaries shall (i) default in any payment with respect to any Indebtedness (other than the Obligations) in excess of \$20,000,000 in the aggregate, for Holdings, CGI Borrower and the Restricted Subsidiaries, beyond the period of grace and following all required notices, if any, provided in the instrument or agreement under which such Indebtedness was created or (ii) default in the observance or performance of any agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist (after giving effect to all applicable grace period and delivery of all required notices) (other than, with respect to Indebtedness consisting of any Hedge Agreements, termination events or equivalent events pursuant to the terms of such Hedge Agreements (it being understood that clause (i) shall apply to any failure to make any payment in excess of \$20,000,000 that is required as a result of any such event of default, termination or similar event and that is not otherwise being contested in good faith)), the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, any such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity; or

(b) without limiting the provisions of clause (a) above, any such Indebtedness in excess of \$20,000,000 shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment or as a mandatory prepayment (and, with respect to Indebtedness consisting of any Hedge Agreements, other than due to a termination event or equivalent event pursuant to the terms of such Hedge Agreements (it being understood that clause (a)(i) above shall apply to any failure to make any payment in excess of \$20,000,000 that is required as a result of any such termination or equivalent event under a Hedge Agreement and that is not otherwise being contested in good faith)), prior to the stated maturity thereof; provided that clauses (a) and (b) shall not apply to (x) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness, (y) Indebtedness which is convertible into Equity Interests and converts to Equity Interests in accordance with its terms and such conversion is not prohibited hereunder, or (z) any breach or default that is (I) remedied by Holdings, CGI Borrower or the applicable Restricted Subsidiary or (II) waived (including in the form of amendment) by the required holders of the applicable item of Indebtedness, in either case, prior to the acceleration of Loans pursuant to this Article 12. Notwithstanding the foregoing provisions of this Section 12.4, no breach, default or event of default under any Term Loan Credit Documents shall constitute an Event of Default under this Section 12.4, except (W) any such breach, default or event of default, giving effect to any applicable grace period, under the provisions of such Term Loan Credit Documents corresponding to Section 12.1 or Section 12.5 of this Agreement or any similar provision of such Term Loan Credit Document (or any successor provision thereto), (X) any event of default (except any event of default described in the immediately preceding clause (W)), giving effect to any applicable grace period, under such Term Loan Credit Documents that remains unremedied and unwaived for sixty (60) consecutive days after the occurrence thereof, (Y) any acceleration of such Permitted Term Loans or termination of the commitments of the lenders under such Term Loan Credit Documents prior to the scheduled maturity thereof as a result of an event of default under such Term Loan Credit Documents or (Z) the exercise of any secured creditor remedy by the Term Loan Administrative Agent or any other Person entitled to exercise such remedy under such Term Loan Credit Documents; or

1.5 Bankruptcy, Etc.

Except as otherwise permitted by Section 11.3, Holdings, a Borrower or any other Material Subsidiary shall commence a voluntary case, proceeding or action concerning itself under any applicable Insolvency Law, including, Title 11 of the United States Code entitled "Bankruptcy" (the "**Bankruptcy Code**"), the BIA or the *Companies' Creditors Arrangement Act* (Canada), in each case as now or hereafter in effect, or any successor thereto; or an involuntary case, proceeding or action is commenced against Holdings, a Borrower or any other Material Subsidiary and the petition is not dismissed or stayed within 60 days after commencement of the case, proceeding or action; or a custodian (as defined in the Bankruptcy Code), judicial manager, compulsory manager, receiver, receiver manager, interim receiver, trustee, monitor, liquidator, administrator, administrative receiver or similar Person is appointed for, or takes charge of, all or substantially all of the property of Holdings, a Borrower or any other Material Subsidiary; or Holdings, a Borrower or any other Material Subsidiary commences any other voluntary proceeding or action under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency, winding-up, administration, arrangement or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to Holdings, a Borrower or any other Material Subsidiary; or there is commenced against Holdings, a Borrower or any other Material Subsidiary any such proceeding or action that remains undismissed or unstayed for a period of 60 days; or Holdings, a Borrower or any other Material Subsidiary is adjudicated bankrupt; or any order of relief or other order approving any such case or proceeding or action is entered; or Holdings, a Borrower or any other Material Subsidiary suffers any appointment of any custodian receiver, receiver manager, interim receiver, trustee, monitor, administrator or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of 60 days; or Holdings, a Borrower or any other Material Subsidiary makes a general assignment for the benefit of creditors.

In particular, with respect to a Swiss Credit Party, without limitation, the institution or limitation of bankruptcy or insolvency or any composition proceedings (*Konkurs oder Nachlassverfahren*) within the meaning of articles 166 *et seq* of the Swiss Debt Enforcement and Bankruptcy Act (*Bundesgesetz über Schuldbetreibung und Konkurs*), including, but not limited to, pursuant to articles 166, 188, 190, 191 or 293; or

1.6 ERISA; Canadian Pension Plan

(a) An ERISA Event shall have occurred and such ERISA Event, together with all other such ERISA Events, if any, would reasonably be expected to result in a Material Adverse Effect, or (b)(i) any event or condition shall occur or exist with respect to a Canadian Pension Plan that could reasonably be expected to subject CGI Borrower or any other Canadian Credit Party to any tax, penalty or other liabilities under the *Supplemental Pension Plans Act* (Quebec), the *Pension Benefits Act* (Ontario) or any other applicable laws which would reasonably be expected to result in a Material Adverse Effect, or (ii) CGI Borrower or any other Canadian Credit Party is in default with respect to required payments to a Canadian Pension Plan, which default would reasonably be expected to result in a Material Adverse Effect.

1.7 Guarantee

Any Guarantee provided by Holdings, any Borrower or any Guarantor that is a Material Subsidiary, or any material provision thereof, shall cease to be in full force or effect (other than pursuant to the terms hereof and thereof, including in connection with a Foreign Guarantor Release Event) or any Credit Party shall deny or disaffirm in writing any such Guarantor's material obligations under its Guarantee; or

1.8 Security Documents

Any Security Document pursuant to which the Capital Stock of any Borrower or any Subsidiary is pledged or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof, as a result of acts or omissions of the

Administrative Agent or any Lender or as a result of the Administrative Agent's failure to maintain possession of any Capital Stock that has been previously delivered to it) or any pledgor thereunder or any Credit Party shall deny or disaffirm in writing any pledgor's obligations under any Security Document; or

1.9 Security Agreement

The Canadian Security Agreement or any other Security Document pursuant to which the assets of Holdings, a Borrower or any Material Subsidiary are pledged as Collateral or any material provision thereof shall cease to be in full force or effect (other than pursuant to the terms hereof or thereof, as a result of acts or omissions of the Administrative Agent in respect of certificates, promissory notes or instruments actually delivered to it or as a result of the Administrative Agent's failure to file a Uniform Commercial Code continuation statement or similar filing in any Relevant Jurisdiction), which results in the Administrative Agent ceasing to have (on behalf of the Secured Parties) a perfected security interest on a material portion of the Collateral on the terms and conditions set forth in such Security Documents or any grantor thereunder or any Credit Party shall deny or disaffirm in writing any grantor's obligations under the Canadian Security Agreement or any other Security Document; or

1.10 Termination of Business

Except as otherwise expressly permitted hereunder, any Credit Party shall take any action to suspend the operation of the business of the Credit Parties, taken as a whole, in the ordinary course or liquidate all or substantially all of the assets of the Credit Parties, taken as a whole; or

1.11 Judgments

One or more final judgments or decrees shall be entered against Holdings, CGI Borrower or any of the Restricted Subsidiaries for payment of money in an amount of \$20,000,000 or more in the aggregate for all such judgments and decrees for Holdings, CGI Borrower and the Restricted Subsidiaries (to the extent not paid or covered by insurance or indemnities as to which the applicable insurance company or third party has not denied coverage) and any such judgments or decrees shall not have been satisfied, vacated, discharged or stayed or bonded pending appeal within 60 consecutive days after the entry thereof; or

1.12 Change of Control

A Change of Control shall occur.

1.13 Remedies Upon Event of Default

If an Event of Default occurs and is continuing, the Administrative Agent shall, upon the written request of the Required Lenders, by written notice to the Borrower Representative, take any or all of the following actions, without prejudice to the rights of the Administrative Agent or any Lender to enforce its claims against Holdings, the Borrowers and any other Credit Parties, except as otherwise specifically provided for in this Agreement (provided that, if an Event of Default specified in Section 12.5 shall occur with respect to any Borrower or Holdings, the result that would occur upon the giving of written notice by the Administrative Agent as specified in clauses (i), (ii), (iii), and (iv) below shall occur automatically without the giving of any such notice): (i) declare the Total Revolving Credit Commitment and Swingline Commitment terminated, whereupon the Commitments and Swingline Commitment, if any, of each Lender or the Swingline Lender, as the case may be, shall forthwith terminate immediately and any Fees theretofore accrued shall forthwith become due and payable without any other notice of any kind; (ii) declare the principal of and any accrued interest and fees in respect of all Loans and all Obligations to be, whereupon the same shall become, forthwith due

and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Borrower to the extent permitted by applicable law; (iii) require the Borrowers to Cash Collateralize any outstanding Letters of Credit, Banker's Acceptances and BA Equivalent Notes; and/or (iv) direct the Borrowers to pay (and each Borrower agrees that upon receipt of such notice, or upon the occurrence of an Event of Default specified in Section 12.5 with respect to Holdings or any Borrower, it will pay) to the Administrative Agent at the Administrative Agent's Office such additional amounts of cash as are necessary to Cash Collateralize all outstanding Letters of Credit, Banker's Acceptances and BA Equivalent Notes, to be held as security for the Borrowers' respective reimbursement obligations for drawings that may subsequently occur thereunder; provided, that in the case of an Event of Default under Section 12.3(a) in respect of a failure to observe or perform the covenant under Section 11.11, such actions will be permitted to occur only following the expiration of the ability to effectuate the Cure Right if such Cure Right has not been so exercised.

1.14 Application of Proceeds

Subject to the terms of any ABL/Term Loan Intercreditor Agreement, any amount received by the Administrative Agent from any Credit Party (or from proceeds of any Collateral) during the continuance of a Cash Dominion Period or following any acceleration of the Obligations under this Agreement or any Event of Default with respect to any Borrower under Section 12.5 shall be applied:

- (a) *first*, to the payment of all reasonable and documented costs and expenses incurred by the Administrative Agent in connection with any collection or sale of the Collateral or otherwise in connection with any Credit Document, including all court costs and the reasonable fees and expenses of its agents and legal counsel, the repayment of all Protective Advances and any other advances made by the Administrative Agent hereunder or under any other Credit Document on behalf of any Credit Party and any other Obligations owing to, and reasonable and documented costs or expenses incurred by the Administrative Agent in connection with the exercise of any right or remedy hereunder or under any other Credit Document to the extent reimbursable hereunder or thereunder;
- (b) *second*, to the payment of reasonable and documented costs or expenses incurred by any Lender to the extent reimbursable hereunder;
- (c) *third*, to payment of all accrued unpaid interest on the Obligations and Fees owed to the Administrative Agent, the Lenders, and the Letter of Credit Issuer;
- (d) *fourth*, to payment of principal of the Obligations (other than Secured Cash Management Obligations), including without limitation, Secured Bank Product Obligations and Secured Hedge Obligations, any Unpaid Drawings and amounts necessary to Cash Collateralize all Letters of Credit Outstanding and any outstanding Banker's Acceptances and BA Equivalent Notes on the date of any payment;
- (e) *fifth*, to payment of any other Obligations, including Secured Cash Management Obligations; and
- (f) *sixth*, any surplus then remaining shall be paid to the applicable Credit Parties or their successors or assigns or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct;

provided that any amount applied to Cash Collateralize any Letters of Credit Outstanding that has not been applied to reimbursement of Unpaid Drawings under the applicable Letters of Credit at the time of expiration of all such Letters of Credit shall be applied by the Administrative Agent in the order specified in clauses (a) through (f) above. In carrying out the foregoing, (i) amounts received shall be applied in the numerical order provided until exhausted prior to the

application to the next succeeding category, (ii) each of the Lenders or other Persons entitled to payment shall receive an amount equal to its *pro rata* share of amounts available to be applied pursuant to clauses (b) through (f) above, and (iii) amounts applied to the principal of any Loans shall be applied first, to outstanding Swingline Loans and second, to outstanding Revolving Loans. Notwithstanding the foregoing, amounts received from any Guarantor that is not an "Eligible Contract Participant" (as defined in the Commodity Exchange Act) shall not be applied to Obligations that are Excluded Swap Obligations.

1.15 **Equity Cure**

Notwithstanding anything to the contrary contained in this Article 12, in the event that CGI Borrower fails to comply with the requirement of the financial covenant set forth in Section 11.11, any holder of Capital Stock or Stock Equivalents of CGI Borrower or any direct or indirect parent of CGI Borrower shall have the right to cure such failure (the "**Cure Right**") by causing cash equity proceeds derived from an issuance of Capital Stock or Stock Equivalents (other than Disqualified Stock, unless reasonably satisfactory to the Administrative Agent) by CGI Borrower or any direct or indirect parent of CGI Borrower, or cash proceeds derived from any issuance of Holdings Subordinate Debt by CGI Borrower to Holdings or any issuance of Shareholder Subordinate Debt by Holdings to Shareholder, in each case, to be contributed, directly or indirectly, to CGI Borrower in the form of common equity capital or additional Holdings Subordinate Debt, as the case may be (such cash amount being referred to as the "**Cure Amount**"), in each case, received at any time from the first day of the last fiscal quarter of the Test Period in respect of which such financial covenant is being measured until the last to occur of (x) fifteen (15) days after the event that triggered the requirement to comply with the financial covenant in Section 11.11 and (y) the expiration of the fifteenth (15th) day following the date financial statements referred to in Section 10.1(a) or (b) are required to be delivered in respect of such fiscal period for which such financial covenant is being measured (such date, the "**Cure Expiration Date**"), and upon such election by CGI Borrower to exercise such Cure Right, such financial covenant shall be recalculated giving effect to the following pro forma adjustments:

- (a) Consolidated EBITDA shall be increased, solely for the purpose of determining the existence of an Event of Default resulting from a breach of the financial covenant set forth in Section 11.11 with respect to any period of four consecutive fiscal quarters that includes the fiscal quarter for which the Cure Right was exercised and not for any other purpose under this Agreement, by an amount equal to the Cure Amount;
- (b) if, after giving effect to the foregoing recalculations, CGI Borrower shall then be in compliance with the requirements of the financial covenant set forth in Section 11.11, CGI Borrower shall be deemed to have satisfied the requirements of the financial covenant set forth in Section 11.11 as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of such financial covenant that had occurred shall be deemed cured for the purposes of this Agreement; provided that (i) in each period of four consecutive fiscal quarters there shall be at least two fiscal quarters in which no Cure Right is exercised, (ii) there shall be a maximum of five Cure Rights exercised during the term of this Agreement, (iii) each Cure Amount shall be no greater than the amount required to cause CGI Borrower to be in compliance with the financial covenant set forth in Section 11.11; (iv) all Cure Amounts shall be disregarded for the purposes of any financial ratio determination under the Credit Documents other than for determining compliance with Section 11.11; and (v) except to the extent such Indebtedness is actually repaid, there shall be no pro forma reduction in Indebtedness with the proceeds of any Cure Amount for determining compliance with the financial maintenance covenant in Section 11.11 in respect of the Test Period ending with the fiscal quarter for which the Cure Right is exercised; and

- (c) neither the Administrative Agent nor any Lender or Secured Party shall exercise any remedy under the Credit Documents or applicable law on the basis of an Event of Default caused by the failure to comply with Section 11.11 until after the Cure Expiration Date and CGI Borrower has not exercised the Cure Right (except to the extent that the Borrower Representative has confirmed in writing that it does not intend to exercise the Cure Right).

CGI Borrower may provide written notice to the Administrative Agent that it intends to exercise the Cure Right (the "**Notice of Intent to Cure**") in advance of receipt of the Cure Amount (it being understood that to the extent such notice is provided in advance of delivery of a Compliance Certificate for the applicable fiscal period, the amount of such net equity proceeds that is designated as the Cure Amount may be lower than specified in the Notice of Intent to Cure to the extent the amount necessary to cure such Event of Default is less than the full amount originally designated). Upon receipt by the Administrative Agent of the Notice of Intent to Cure, CGI Borrower shall be deemed to satisfied the requirement of the financial covenant in Section 11.11 as set forth in clause (b) above; provided that if the Cure Expiration Date has occurred without the Cure Amount having been received and designated, any such Default or Event of Default shall be deemed reinstated. Notwithstanding the foregoing, the Lenders and the Letter of Credit Issuer shall not be obligated to fund any Loans or honor any Letter of Credit Request until receipt by the Administrative Agent of the Cure Amount.

Article 13 **THE AGENTS**

1.1 Appointment

(a) Each Secured Party hereby irrevocably designates Canadian Imperial Bank of Commerce as Administrative Agent under this Agreement and the other Credit Documents. The general administration of the Credit Documents shall be by the Administrative Agent. The Secured Parties each hereby (a) irrevocably authorizes the Administrative Agent (i) to enter in its name and on its behalf into the Credit Documents to which it is a party, and (ii) at its discretion, to take or refrain from taking such actions as agent in its name and on its behalf and to exercise or refrain from exercising such powers under the Credit Documents as are delegated by the terms hereof or thereof, as appropriate, together with all powers reasonably incidental thereto, and (b) agrees and consents to all of the provisions of the Security Documents. The Administrative Agent shall have no duties or responsibilities except as set forth in this Agreement and the other Credit Documents, nor shall it have any fiduciary relationship with any other Secured Party, and no implied covenants, responsibilities, duties, obligations, or liabilities shall be read into the Credit Documents or otherwise exist against the Administrative Agent.

(b) Each Secured Party hereby irrevocably designates the Administrative Agent as collateral agent under this Agreement and the other Credit Documents. The Secured Parties each hereby (i) irrevocably authorizes the Administrative Agent (x) to enter in its name and on its behalf into the Credit Documents to which it is a party, and (y) at its discretion, to take or refrain from taking such actions as agent in its name and on its behalf and to exercise or refrain from exercising such powers under the Credit Documents as are delegated by the terms hereof or thereof, as appropriate, together with all powers reasonably incidental thereto, and (ii) agrees and consents to all of the provisions of the Security Documents. All Collateral shall be held or administered by the Administrative Agent (or its duly-appointed agent) for its own benefit, and for the ratable benefit of the other Secured Parties. Any proceeds received by the Administrative Agent from the foreclosure, sale, lease or other disposition of any of the Collateral and any other proceeds received pursuant to the terms of the Security Documents or the other Credit Documents shall be paid over to the Administrative Agent for application as provided in Section 12.14 (if applicable) and, otherwise, in accordance with this Agreement and the other Credit Documents. The Administrative Agent shall have no duties or responsibilities except as set forth in this Agreement and the other Credit Documents, nor shall it have any fiduciary relationship with any other Secured Party, and no implied covenants, responsibilities, duties,

obligations, or liabilities shall be read into the Credit Documents or otherwise exist against the Administrative Agent.

(c) No Joint Lead Arranger and Bookrunner, in its capacity as such, shall have any obligations, duties or responsibilities under this Agreement but each Joint Lead Arranger and Bookrunner shall be entitled to all benefits of this Article 13.

(d) For the purposes of the grant of security under the laws of the Province of Quebec which may now or in the future be required to be provided by any Canadian Credit Party, Canadian Imperial Bank of Commerce, or any successor thereto, as part of its duties as the Administrative Agent, is hereby irrevocably authorized and appointed to act as the hypothecary representative (within the meaning of Article 2692 of the *Civil Code of Québec*) for all Secured Parties in order to hold any hypothec granted under the laws of the Province of Quebec pursuant to a deed of hypothec as security for any Obligations and to exercise such rights and duties as are conferred upon a hypothecary representative under the relevant deed of hypothec and applicable laws (with the power to delegate any such rights or duties). The execution prior to the date hereof by the Administrative Agent of any deed of hypothec made pursuant to the laws of the Province of Quebec, is hereby ratified and confirmed. For greater certainty, the Administrative Agent, acting as hypothecary representative, shall have the same rights, powers, immunities, indemnities and exclusions from liability as are prescribed in favour of the Administrative Agent which shall apply *mutatis mutandis*. In the event of the resignation and appointment of a successor Administrative Agent such successor Administrative Agent shall also act as the successor hypothecary representative on behalf of all Secured Parties under each deed of hypothec without any further documentation or other formality being required to evidence the appointment of the successor hypothecary representative (subject to the registration of a notice of replacement as required by Article 2692 of the *Civil Code of Québec*). Notwithstanding any provision herein to the contrary, this provision shall be governed and construed in accordance with the laws of the Province of Quebec.

(e) Without limiting the generality of the foregoing Section 13.1(b), for the purposes of Swiss law, each Secured Party hereby appoints the Administrative Agent to act, as the case may be, as its direct representative (*direkter Stellvertreter*) for all purposes of any Security Document governed by Swiss law which is a pledge (*Pfandrecht*) (the "**Swiss Pledge**") and authorizes the Administrative Agent to exercise in such capacity the rights and powers specifically given to the Administrative Agent under or in connection with the Credit Documents together with any other incidental rights and powers, and in particular on behalf of each Secured Party to enter into any Swiss Pledge, to hold and release any security created under any Swiss Pledge and to deal with any formalities or take any actions in relation to the perfection or enforcement of any Swiss Pledge.

1.2 Liability of Agents

(a) The Agents, when acting on behalf of the Secured Parties, may execute any of their respective duties under this Agreement or any of the other Credit Documents by or through any of their respective officers, agents and employees, and none of the Agents nor any of their respective directors, officers, agents or employees shall be liable to any other Secured Party for any action taken or omitted to be taken in good faith, or be responsible to any other Secured Party for the consequences of any oversight or error of judgment, or for any loss, except to the extent of any liability imposed by law by reason of such Agent's own gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision). None of the Agents nor any of their respective directors, officers, agents and employees shall in any event be liable to any other Secured Party for any action taken or omitted to be taken by it pursuant to instructions received by it from the Required Lenders, all Lenders or affected Lenders, as applicable, or in reliance upon the advice of counsel selected by it. Without limiting the foregoing none of the Agents, nor any of their respective directors, officers, employees, or agents shall be: (i) responsible to any other Secured Party for the due execution, validity, genuineness, effectiveness, sufficiency, or enforceability of, or for any recital, statement, warranty or representation in, this Agreement, any

other Credit Document or any related agreement, document or order; (ii) required to ascertain or to make any inquiry concerning the performance or observance by any Credit Party of any of the terms, conditions, covenants, or agreements of this Agreement or any of the Credit Documents; (iii) responsible to any other Secured Party for the state or condition of any properties of the Credit Parties or any other obligor hereunder constituting Collateral for the Obligations or any information contained in the books or records of the Credit Parties; (iv) responsible to any other Secured Party for the validity, enforceability, collectability, effectiveness or genuineness of this Agreement or any other Credit Document or any other certificate, document or instrument furnished in connection therewith; or (v) responsible to any other Secured Party for the validity, priority or perfection of any Lien securing or purporting to secure the Obligations or for the value or sufficiency of any of the Collateral.

(b) The Agents may execute any of their duties under this Agreement or any other Credit Document by or through their agents or attorneys-in-fact, and shall be entitled to the advice of counsel concerning all matters pertaining to its rights and duties hereunder or under the other Credit Documents. The Agents shall not be responsible for the negligence or misconduct of any agent or attorneys-in-fact selected by them with reasonable care.

(c) None of the Agents nor any of their respective directors, officers, employees, or agents shall have any responsibility to any Credit Party on account of the failure or delay in performance or breach by any other Secured Party (other than by each such Agent in its capacity as a Lender) of any of its respective obligations under this Agreement or any of the other Credit Documents or in connection herewith or therewith.

(d) The Agents shall be entitled to rely, and shall be fully protected in relying, upon any notice, consent, certificate, affidavit, or other document or writing believed by them to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon the advice and statements of legal counsel (including counsel to the Credit Parties), independent accountants and other experts selected by any Credit Party or any Secured Party. The Agents shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless they shall first receive such advice or concurrence of the Required Lenders, all Lenders or affected Lenders, as applicable, as they deem appropriate or they shall first be indemnified to their satisfaction by the other Secured Parties against any and all liability and expense which may be incurred by them by reason of the taking or failing to take any such action.

1.3 Notice of Default

No Agent shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless such Agent has actual knowledge of the same or has received notice from a Secured Party or Credit Party referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that an Agent obtains such actual knowledge or receives such a notice, such Agent shall give prompt notice thereof to each of the other Secured Parties. Upon the occurrence of an Event of Default, the Agents shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders. Unless and until the Agents shall have received such direction, the Agents may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to any such Default or Event of Default as they shall deem advisable in the best interest of the Secured Parties. In no event shall the Agents be required to comply with any such directions to the extent that the Agents believe that their compliance with such directions would be unlawful.

1.4 Non-Reliance on Administrative Agent and Other Lenders

Each Secured Party (other than the Agents) acknowledges that it has, independently and without reliance upon the Agents or any other Secured Party, and based on the financial statements prepared by the Credit Parties and such other documents and information as it has deemed appropriate, made its own credit analysis and investigation into the

business, assets, operations, property, and financial and other condition of the Credit Parties and has made its own decision to enter into this Agreement and the other Credit Documents. Each Secured Party (other than the Administrative Agent) also acknowledges that it will, independently and without reliance upon the Agents or any other Secured Party, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in determining whether or not conditions precedent to closing any Credit Event hereunder have been satisfied and in taking or not taking any action under this Agreement and the other Credit Documents.

1.5 Reimbursement and Indemnification

Each Secured Party (other than the Administrative Agent) agrees to (i) reimburse the Administrative Agent for such Secured Party's *pro rata* share of outstanding Revolving Credit Loans, Swingline Loans and Letters of Credit held by such Secured Party (or, in the case of any Lender that has assigned its Commitments pursuant to Section 14.6 hereof, where the applicable assignee has not ratably assumed such Lender's obligations under this Section 13.5 with respect to acts or omissions that occurred prior to such assignment, such assigning Lender's Revolving Credit Commitment Percentage prior to such assignment) of (x) any expenses and fees incurred by such Agent for the benefit of Secured Parties under this Agreement and any of the other Credit Documents, including, without limitation, counsel fees and compensation of agents and employees paid for services rendered on behalf of the Secured Parties, and any other expense incurred in connection with the operation or enforcement thereof not reimbursed by the Credit Parties, and (y) any expenses of such Agent incurred for the benefit of the Secured Parties that the Credit Parties have agreed to reimburse pursuant to this Agreement or any other Credit Document and have failed to so reimburse, and (ii) indemnify and hold harmless such Agent and any of its directors, officers, employees, or agents, on demand, in the amount of such Secured Party's Revolving Credit Commitment Percentage (or, in the case of any Lender that has assigned its Commitments pursuant to Section 14.6 hereof, where the applicable assignee has not ratably assumed such Lender's obligations under this Section 13.5 with respect to acts or omissions that occurred prior to such assignment, such assigning Lender's Revolving Credit Commitment Percentage prior to such assignment), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against such Agent or any Secured Party in any way relating to or arising out of this Agreement or any of the other Credit Documents or any action taken or omitted by it or any of them under this Agreement or any of the other Credit Documents, to the extent not reimbursed by the Credit Parties, including, without limitation, costs of any suit initiated either by such Agent against any Secured Party or against such Agent or Secured Party (except such as shall have been determined by a court of competent jurisdiction or another independent tribunal having jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Agent); provided, however, that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Secured Party in its capacity as such. The provisions of this Section 13.5 shall survive the repayment or assignment of the Obligations and the termination of the Commitments and, in the case of any Lender that has assigned its Commitments pursuant to Section 14.6 hereof where the applicable assignee has not ratably assumed such Lender's obligations under this Section 13.5 with respect to acts or omissions that occurred prior to such assignment, with respect to events which have occurred prior to any such assignment.

1.6 Agents in Their Individual Capacities

The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent in its individual capacity as a Lender hereunder. Each Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Credit Party as though such Agent were not an Agent hereunder and under the other Credit Documents. With respect to the Loans made by it, each Agent shall have the same rights and powers under this Agreement and the other Credit

Documents as any Lender and may exercise the same as though it were not an Agent, and the terms Lender and Lenders shall include each Agent in its individual capacity.

1.7 Successor Agents

Any Agent may resign at any time by giving thirty (30) Business Days' prior written notice thereof to the other Secured Parties and the Borrower Representative. Upon any such resignation of an Agent, the Required Lenders shall have the right to appoint a successor Agent, which, so long as there is no Event of Default that has occurred and is continuing under Section 12.1 or Section 12.5 (with respect to CGI Borrower), shall be subject to the approval of the Borrower Representative (whose approval in any event shall not be unreasonably withheld or delayed). If no successor Agent shall have been so appointed by the Required Lenders and/or none shall have accepted such appointment within thirty (30) days after the retiring Agent's giving of notice of resignation, the retiring Agent may, on behalf of the other Secured Parties, appoint a successor Agent which shall be a commercial bank (or Affiliate thereof) organized as a Schedule I or Schedule II bank under the *Bank Act* (Canada), or under the laws of the United States of America or of any state thereof, and having a combined capital and surplus of a least \$1,000,000,000, or capable of complying with all of the duties of such Agent hereunder (in the opinion of the retiring Agent and as certified to the other Secured Parties in writing by such successor Agent) which, so long as there is no Specified Default, shall be reasonably satisfactory to the Borrower Representative (whose consent shall not in any event be unreasonably withheld or delayed). Upon the acceptance of any appointment as Agent by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent and the retiring Agent shall be discharged from its duties and obligations under this Agreement (other than under Section 14.16). After any retiring Agent's resignation hereunder as such Agent, the provisions of this Article 13 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was such Agent under this Agreement.

Notwithstanding anything to the contrary contained herein, any Letter of Credit Issuer or the Swingline Lender may, upon thirty (30) days' prior written notice to the Borrower Representative and the Lenders, resign as a Letter of Credit Issuer or the Swingline Lender, respectively; provided that on or prior to the expiration of such 30-day period with respect to such resignation, the relevant Letter of Credit Issuer or the Swingline Lender shall have identified a successor Letter of Credit Issuer or Swingline Lender reasonably acceptable to the Borrower Representative willing to accept its appointment as successor Letter of Credit Issuer or Swingline Lender, as applicable. In the event of any such resignation of a Letter of Credit Issuer or the Swingline Lender, the Borrower Representative shall be entitled to appoint from among the Lenders willing to accept such appointment a successor Letter of Credit Issuer or Swingline Lender hereunder; provided that no failure by the Borrower Representative to appoint any such successor shall affect the resignation of the relevant Letter of Credit Issuer or the Swingline Lender, as the case may be, except as expressly provided above. If a Letter of Credit Issuer resigns as a Letter of Credit Issuer, it shall retain all the rights and obligations of a Letter of Credit Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as a Letter of Credit Issuer and all Obligations with respect thereto (including the right to require the Lenders to make Prime Rate Loans, ABR Loans, European Base Rate Loans or fund risk participations in Letters of Credit). If the Swingline Lender resigns as Swingline Lender, it shall retain all the rights of the Swingline Lender provided for hereunder with respect to Swingline Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make ABR Loans, Prime Rate Loans, European Base Rate Loans or fund risk participations in outstanding Swingline Loans.

1.8 Withholding Tax

To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender, the Letter of Credit Issuer and the Swingline Lender under any Credit Document an amount equivalent to any applicable withholding Tax. If the Canada Revenue Agency or Governmental Authority of any other jurisdiction asserts a claim

that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including, because the appropriate form was not delivered, was not properly executed, or because such Lender, the Letter of Credit Issuer or the Swingline Lender, as applicable, failed to notify the Administrative Agent of a change in circumstances that rendered the exemption from, or reduction of, withholding Tax ineffective) or if the Administrative Agent reasonably determines that a payment was made to a Lender, the Letter of Credit Issuer or the Swingline Lender pursuant to this Agreement without deduction of applicable withholding Tax from such payment, such Lender, the Letter of Credit Issuer or the Swingline Lender, as applicable, shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by any applicable Credit Party and without limiting the obligation, if any, of any applicable Credit Party to do so) fully for all amounts paid, directly or indirectly, by the Administrative Agent as Tax or otherwise, including penalties, additions to Tax and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses. Each Lender, the Letter of Credit Issuer and the Swingline Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender, the Letter of Credit Issuer or the Swingline Lender, respectively, under this Agreement or any other Credit Document against any amount due to the Administrative Agent under this Section 13.8. The agreements in Section 13.8 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the Letter of Credit Issuer or the Swingline Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

1.9 Agents Under Security Documents and Guarantee

Each Secured Party hereby further authorizes the Administrative Agent, as applicable, on behalf of and for the benefit of the Secured Parties, to be the agent for and representative of the Secured Parties with respect to the Collateral and the Security Documents; provided that the Administrative Agent shall not owe any fiduciary duty, duty of loyalty, duty of care, duty of disclosure or any other obligation whatsoever to any holder of Secured Hedge Obligations. Subject to Section 14.1, without further written consent or authorization from any Secured Party, the Administrative Agent, as applicable, may execute any documents or instruments necessary to (a) release any Lien on any property granted to or held by the Administrative Agent (or any sub-agent thereof) under any Credit Document (i) on the date that the Commitments, the Swingline Commitment and each Letter of Credit, Banker's Acceptance and BA Equivalent Note are terminated or has been Cash Collateralized in accordance with the terms of this Agreement, the Secured Bank Product Obligations and Secured Hedge Obligations have been paid in full or other arrangements reasonably satisfactory to the applicable Lender (or its applicable Affiliate) have been made in respect thereof and the Loans and Unpaid Drawings, together with interest, Fees, and all other Obligations incurred hereunder (other than contingent obligations and Secured Cash Management Obligations), are paid in full, (ii) that is sold or to be sold or transferred as part of or in connection with any sale or other transfer permitted hereunder or under any other Credit Document to a Person that is not a Credit Party or in connection with the designation of any Restricted Subsidiary as an Unrestricted Subsidiary, (iii) if the property subject to such Lien is owned by a Credit Party, upon the release of such Credit Party from its Guarantee otherwise in accordance with the Credit Documents, (iv) as to the extent provided in the Security Documents or (v) if approved, authorized or ratified in writing in accordance with Section 14.1; (b) (i) release any Guarantor from its obligations under the Guarantee if such Person ceases to be a Restricted Subsidiary (or becomes an Excluded Subsidiary) as a result of a transaction or designation permitted hereunder or (ii) upon a Foreign Guarantor Release Event, release any Foreign Guarantor from its obligations under any applicable Guarantee and each other applicable Credit Document and to release any Lien on any property granted to or held by the Administrative Agent on any assets of the applicable Foreign Guarantor; (c) subordinate any Lien on any property granted to or held by the Administrative Agent under any Credit Document to the holder of any Lien permitted under clauses (e), (f) (solely with respect to Section 11.1(c) and Section 11.1(m)(y)), Section 11.1(h), Section 11.1(i) and Section 11.1(r) (solely with respect to Liens on property referred to in the foregoing clauses) of the definition of Permitted Lien; or (d) enter into subordination or

intercreditor agreements with respect to Indebtedness to the extent the Administrative Agent is otherwise contemplated herein as being a party to such intercreditor or subordination agreement, including any ABL/Term Loan Intercreditor Agreement; provided that, notwithstanding anything to the contrary set forth above in this Section 13.9, no Guarantor shall be released from its guaranty pursuant to this Section 13.9 on account of becoming an Excluded Subsidiary pursuant to clause (b)(i) hereof, and no Lien held by Administrative Agent for the benefit of the Secured Parties on the property owned by a Guarantor that becomes an Excluded Subsidiary pursuant to clause (b)(i) hereof shall be released pursuant to this Section 13.9 above, unless Borrowers have provided a satisfactory Borrowing Base Certificate to Administrative Agent evidencing on a *pro forma* basis after giving effect to such release and the removal of such Subsidiary's Collateral from the Borrowing Base that (A) the aggregate amount of the Lenders' Revolving Credit Exposures to CGI Borrower does not exceed the CGI Line Cap then in effect, and (B) the aggregate amount of the Lenders' Revolving Credit Exposures to Swiss Borrower shall not exceed the Swiss Line Cap then in effect.

1.10 Right to Realize on Collateral and Enforce Guarantee

Anything contained in any of the Credit Documents to the contrary notwithstanding, CGI Borrower, the Agents, and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guarantee, it being understood and agreed that all powers, rights, and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Secured Parties in accordance with the terms hereof and all powers, rights, and remedies under the Security Documents may be exercised solely by the Administrative Agent, and (ii) in the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Administrative Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Administrative Agent at such sale or other disposition. No holder of Secured Bank Product Obligations, Secured Cash Management Obligations or Secured Hedge Obligations shall have any rights in connection with the management or release of any Collateral or of the obligations of any Credit Party under this Agreement. No holder of Secured Bank Product Obligations, Secured Cash Management Obligations or Secured Hedge Obligations that obtains the benefits of any Guarantee or any Collateral by virtue of the provisions hereof or of any other Credit Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Credit Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Credit Documents. Notwithstanding any other provision of this Agreement to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Hedge Agreements, Secured Bank Product Agreements and Secured Cash Management Agreements, unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank, Bank Product Provider or Hedge Bank, as the case may be; .

1.11 ABL/Term Loan Intercreditor Agreement Governs

(a) The Administrative Agent, and each Lender (a) hereby agrees that it will be bound by and will take no actions contrary to the provisions of any intercreditor agreement entered into pursuant to the terms hereof, (b) hereby authorizes and instructs the Administrative Agent to enter into each intercreditor agreement, including any ABL/Term Loan Intercreditor Agreement, entered into pursuant to the terms hereof and to subject the Liens securing the Obligations to the provisions thereof, and (c) hereby consents to the subordination of the Liens

on the Collateral other than ABL Priority Collateral securing the Obligations on the terms set forth in each ABL/Term Loan Intercreditor Agreement in accordance with this Agreement. In the event of any conflict or inconsistency between the provisions of each intercreditor agreement (including any ABL/Term Loan Intercreditor Agreement) and this Agreement, the provisions of such intercreditor agreement shall control.

(b) Any ABL/Term Loan Intercreditor Agreement shall permit, among other things, (x) the incurrence of, and the joinder thereto of any collateral agent(s) representing holders of, any additional secured indebtedness permitted by the documentation governing the Permitted Term Loans and the Credit Facilities having liens with a priority corresponding to, or junior to, any of the parties thereto and (y) CGI Borrower to elect to make certain of its Subsidiaries that are organized outside of the U.S. and Canada guarantors in respect of (A) the Permitted Term Loans, but not the Credit Facility, without the consent of the Administrative Agent or any other Secured Party under the Credit Facility but subject to compliance with the provisions of this Agreement or (B) the Credit Facility, but not the Permitted Term Loans, without the consent of the Term Loan Administrative Agent in respect of, or holders of, Permitted Term Loans or any other secured party under the Permitted Term Loans.

(c) Notwithstanding anything to the contrary in this Agreement, upon the incurrence of a Permitted Term Loan by CGI Borrower and any of its Subsidiaries that is secured on a first lien basis by the Collateral other than the ABL Priority Collateral and on a junior lien basis by the ABL Priority Collateral, the ABL/Term Loan Intercreditor Agreement in respect of such Permitted Term Loan shall provide that the Obligations will be secured by the following (subject to Permitted Liens and other exceptions provided under this Agreement), other than with respect to any Guarantors pursuant to this Agreement but not in respect of the obligations under the applicable Term Loan Credit Documents (or vice versa) as provided for in Section 13.11(b): (i) a perfected first-priority security interest in the ABL Priority Collateral; (ii) a perfected junior-priority pledge of the Pledged Collateral; (iii) perfected junior-priority security interests in, and mortgages on, the PP&E Collateral and (iv) a perfected junior-priority security interest in the Other Personal Property Collateral; provided that, the Administrative Agent shall have a license allowing the use by the Administrative Agent of all Intellectual Property and customary access rights with respect to the PP&E Collateral as may be necessary for the exercise of the Administrative Agent's rights under the Security Documents in respect of the ABL Priority Collateral, in addition to the benefit of other customary intercreditor provisions relating to access and use of all Collateral, other than ABL Priority Collateral, on terms acceptable to the Administrative Agent and the Term Loan Administrative Agent, each acting reasonably.

Article 14 **MISCELLANEOUS**

1.1 Amendments, Waivers, and Releases

Neither this Agreement nor any other Credit Document, nor any terms hereof or thereof, may be amended, supplemented, modified or waived except in accordance with the provisions of this Section 14.1. Except as provided to the contrary under Section 2.14, Section 2.15 or the fourth, sixth, seventh and eighth paragraph hereof, and other than with respect to any amendment, modification or waiver contemplated in clause (a)(i), clause (a)(ii), clause (a)(viii), clause (a)(ix), clause (b) or clause (c) below, which, in each case, shall only require the consent of the Lenders expressly set forth therein and not Required Lenders, the Required Lenders may, or, with the written consent of the Required Lenders, the Administrative Agent may, from time to time, (a) enter into with the relevant Credit Party or Credit Parties written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents, for changing in any manner the rights of the Lenders or of the Credit Parties hereunder or thereunder or for any other purpose or (b) waive in writing, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences; provided, however, that each such waiver and

each such amendment, supplement or modification shall be effective only in the specific instance and for the specific purpose for which given; and provided, further, that no such waiver and no such amendment, supplement or modification shall:

- (a) (i) (A) increase the Commitment of any Lender, in each case without the written consent of such Lender or (B) forgive or reduce any portion of any Loan or extend the final scheduled maturity date of any Loan or reduce the stated interest rate (it being understood that only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrowers to pay interest at the "default rate" or amend Section 2.8(f)), or forgive any portion thereof, or extend the date for the payment, of any interest or fee payable hereunder (other than as a result of waiving the applicability of any post-default increase in interest rates), or extend the final expiration date of any Letter of Credit beyond the L/C Facility Maturity Date, or make any Loan, interest, Fee or other amount payable in any currency other than expressly provided herein, in each case without the written consent of each Lender directly and adversely affected thereby; provided that, in each case for purposes of this clause (a)(i) or clause (b) below a waiver of any condition precedent in Article 7 or Article 8 of this Agreement, the waiver of any Default, Event of Default, default interest, mandatory prepayment or reductions, any modification, waiver or amendment to the financial definitions or financial ratios or any component thereof or the waiver of any other covenant shall not constitute a reduction or forgiveness of any portion of any Loan or in the interest rates or the fees or premiums or a postponement of any date scheduled for the payment of principal or interest or an extension of the final maturity of any Loan, the scheduled termination date of any Commitment or the final expiration date of any Letter of Credit, in each case for purposes of this clause (a)(i) or clause (b) below, or
 - (i) consent to the assignment or transfer by any Borrower of its rights and obligations under any Credit Document to which it is a party (except as permitted pursuant to Section 11.3), in each case without the written consent of each Lender directly and adversely affected thereby, or
 - (ii) amend, modify or waive any provision of Article 13 without the written consent of the then-current Administrative Agent in a manner that directly and adversely affects such Person, or
 - (iii) amend, modify or waive any provision of Article 3 with respect to any Letter of Credit, or any other provision hereof, without the written consent of the Letter of Credit Issuer to the extent such amendment, modification or waiver directly and adversely affects the rights and duties of the Letter of Credit Issuer, or
 - (iv) amend, modify or waive any provisions hereof relating to Swingline Loans without the written consent of the Swingline Lender in a manner that directly and adversely affects the rights and duties of the Swingline Lender, or
 - (v) release all or substantially all of the Guarantors under the Guarantees (except as expressly permitted by the Guarantees, any ABL/Term Loan Intercreditor Agreement any other intercreditor agreement or arrangement permitted under this Agreement or this Agreement) or release all or substantially all of the Collateral under the Security Documents (except as expressly permitted by the Security Documents, any ABL/Term Loan Intercreditor Agreement, any other intercreditor agreement or arrangement permitted under this Agreement or this Agreement) without the prior written consent of each Lender, or

- (vi) reduce the percentages specified in the definitions of the terms Required Facility Lenders, Required Lenders or Supermajority Lenders or amend, modify or waive any provision of this Section 14.1 that has the effect of decreasing the number of Lenders that must approve any amendment, modification or waiver, without the written consent of each Lender, or
 - (vii) amend, waive or otherwise modify any term or provision which directly affects Lenders under one or more of a given Class of Commitments and does not directly affect Lenders under any other Credit Facilities, in each case, without the written consent of the Required Facility Lenders under such applicable Credit Facility or Credit Facilities with respect to a given Class of Commitments (and in the case of multiple Credit Facilities which are affected, such Required Facility Lenders shall consent together as one Credit Facility); provided, however, that the waivers described in this clause (viii) shall not require the consent of any Lenders other than the Required Facility Lenders under such Credit Facility or Credit Facilities, or
 - (viii) subordinate the Loans or the Liens securing the Loans with respect to the ABL Priority Collateral, except as otherwise may be provided in this Agreement or the other Loan Documents without the written consent of each Lender; or
 - (ix) amend Section 6.1(b), Section 6.2(b) or Section 12.14 in a manner that would alter the pro rata sharing of payments required thereby or order of payments specified therein, in each case, without the written consent of each Lender directly affected thereby; or
 - (x) change any provision in this Agreement or in any Collateral Document in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly affected thereby; or
 - (xi) amend, modify or waive the definition of the term "Borrowing Base", or any component definition used therein (including, without limitation, the definitions of Eligible Credit Card Receivables, Eligible In-Transit Inventory, Eligible Inventory, Eligible Letter of Credit and Eligible Trade Receivables) if, as a result thereof, the amounts available to be borrowed by the Borrowers would be increased without the prior written consent of Supermajority Lenders; provided, that the foregoing shall not limit the discretion of the Administrative Agent to change, establish or eliminate any Borrowing Base Reserves or to add Accounts, Inventory and any other assets included in the Borrowing Base acquired in a Permitted Acquisition or other Investment permitted by this Agreement to the Borrowing Base as provided herein,
- (b) notwithstanding anything to the contrary in clause (a) above, (i) extend the final expiration date of any Lender's Commitment or (ii) increase the aggregate amount of the Commitments of any Lender, in each case, without the written consent of such Lender, or
- (c) in connection with an amendment that addresses solely a repricing transaction in which any Class of Commitments and Revolving Loans in respect thereof is refinanced with a replacement Class of Commitments and Revolving Loans in respect thereof bearing (or is modified in such a manner such that the resulting Commitments and Revolving Loans in respect thereof bear) a lower "effective yield", only the consent of the Lenders holding Commitments subject to such permitted repricing transaction that will continue as a Lender in respect of the

repriced Class of Commitments and Revolving Loans in respect thereof or modified Class of Commitments and Revolving Loans in respect thereof.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except (x) that the Commitment of such Lender may not be increased or extended without the consent of such Lender (it being understood that any Commitments or Loans held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders) and (y) for any such amendment, waiver or consent that treats such Defaulting Lender disproportionately from the other Lender of the same Class (other than because of its status as a Defaulting Lender).

Any such waiver and any such amendment, supplement or modification shall apply equally to each of the affected Lenders and shall be binding upon Holdings, the Borrowers, such Lenders, the Letter of Credit Issuer, the Administrative Agent, and all future holders of the affected Loans. In the case of any waiver, Holdings, the Borrowers, the Lenders, the Letter of Credit Issuer and the Administrative Agent shall be restored to their former positions and rights hereunder and under the other Credit Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing, it being understood that no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. In connection with the foregoing provisions, the Administrative Agent may, but shall have no obligations to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender.

Notwithstanding the foregoing, in addition to any credit extensions and related Joinder Agreement(s) and Extension Amendment(s) effectuated without the consent of Lenders in accordance with Section 2.14 or 2.15, as applicable, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, Holdings and the Borrowers (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Credit Documents with the Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and other definitions related to such new Loans.

The Lenders hereby irrevocably agree that the Liens granted to the Administrative Agent by the Credit Parties on any Collateral shall be automatically released (i) in full, on the date that the Commitments, the Swingline Commitment and each Letter of Credit, Banker's Acceptance and BA Equivalent Note are terminated or has been Cash Collateralized in accordance with the terms of this Agreement, the Secured Bank Product Obligations and Secured Hedge Obligations have been paid in full or other arrangements reasonably satisfactory to the applicable Lender (or its applicable Affiliate) have been made in respect thereof and the Loans and Unpaid Drawings, together with interest, Fees, and all other Obligations incurred hereunder (other than contingent obligations and Secured Cash Management Obligations), are paid in full, (ii) upon the sale or other disposition of such Collateral (including as part of or in connection with any other sale or other disposition permitted hereunder) to any Person other than another Credit Party, to the extent such sale or other disposition is made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on a certificate to that effect provided to it by any Credit Party upon its reasonable request without further inquiry), (iii) to the extent such Collateral is comprised of property leased to a Credit Party, upon termination or expiration of such lease, (iv) if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders (or such other percentage of the Lenders whose consent may be required in accordance with this Section 14.1), (v) to the extent the property constituting such Collateral is owned by any Guarantor, upon the release of such Guarantor from its obligations under the applicable Guarantee (in accordance with the second following sentence), (vi) as required to effect any sale or other disposition of Collateral in connection with any exercise of remedies of the Administrative Agent pursuant to the Security Documents, and (vii) if such assets constitute

Excluded Property or Excluded Stock and Stock Equivalents. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those being released) upon (or obligations (other than those being released) of the Credit Parties in respect of) all interests retained by the Credit Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral except to the extent otherwise released in accordance with the provisions of the Credit Documents. Additionally, the Lenders hereby irrevocably agree that any Restricted Subsidiary that is a Guarantor shall be released from the Guarantees upon consummation of any transaction resulting in such Subsidiary ceasing to constitute a Restricted Subsidiary or upon becoming an Excluded Subsidiary or, in the case of any Foreign Guarantor, upon a Foreign Guarantor Release Event. The Lenders hereby authorize the Administrative Agent, as applicable, to, and the Administrative Agent agree to, execute and deliver any instruments, documents, and agreements necessary or desirable or reasonably requested by the Borrower Representative to evidence and confirm the release of any Guarantor or Collateral pursuant to the foregoing provisions of this paragraph, all without the further consent or joinder of any Lender; provided that, notwithstanding anything to the contrary set forth above in this Section 14.1, no Guarantor shall be released from its guaranty pursuant to this Section 14.1 on account of becoming an Excluded Subsidiary pursuant to clause (b)(i) hereof, and no Lien held by Administrative Agent for the benefit of the Secured Parties on the property owned by a Guarantor that becomes an Excluded Subsidiary pursuant to clause (b)(i) hereof shall be released pursuant to this Section 14.1 above, unless Borrowers have provided a satisfactory Borrowing Base Certificate to Administrative Agent evidencing on a *pro forma* basis after giving effect to such release and the removal of such Subsidiary's Collateral from the Borrowing Base that (A) the aggregate amount of the Lenders' Revolving Credit Exposures to CGI Borrower does not exceed the CGI Line Cap then in effect, and (B) the aggregate amount of the Lenders' Revolving Credit Exposures to Swiss Borrower shall not exceed the Swiss Line Cap then in effect.

Notwithstanding anything herein to the contrary, the Credit Documents may be amended to (i) add syndication or documentation agents and make customary changes and references related thereto and (ii) if applicable, add or modify "parallel debt" language in any jurisdiction in favor of the Administrative Agent or add collateral agents, in each case under (i) and (ii), with the consent of only the Borrower Representative and the Administrative Agent.

Notwithstanding anything in this Agreement (including, without limitation, this Section 14.1) or any other Credit Document to the contrary, (i) this Agreement and the other Credit Documents may be amended to effect an incremental facility or extension facility pursuant to Section 2.14 or Section 2.15 (and the Administrative Agent and the Borrower Representative may effect such amendments to this Agreement and the other Credit Documents without the consent of any other party as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower Representative, to effect the terms of any such incremental facility or extension facility); (ii) no Lender consent is required to effect any amendment or supplement to any ABL/Term Loan Intercreditor Agreement or other intercreditor agreement or arrangement permitted under this Agreement that is for the purpose of adding the holders of any Indebtedness as expressly contemplated by the terms of such ABL/Term Loan Intercreditor Agreement or such other intercreditor agreement or arrangement permitted under this Agreement, as applicable (it being understood that any such amendment or supplement may make such other changes to the applicable intercreditor agreement as, in the good faith determination of the Administrative Agent, are required to effectuate the foregoing; provided that such other changes are not adverse, in any material respect, to the interests of the Lenders taken as a whole); provided, further, that no such agreement shall amend, modify or otherwise directly and adversely affect the rights or duties of the Administrative Agent hereunder or under any other Credit Document without the prior written consent of the Administrative Agent; (iii) any provision of this Agreement or any other Credit Document (including, for the avoidance of doubt, any exhibit, schedule or other attachment to any Credit Document) may be amended by an agreement in writing entered into by the Borrower Representative and the Administrative Agent to (x) cure any ambiguity, omission, mistake, defect or inconsistency (as reasonably determined by the Administrative Agent and the Borrower Representative) and (y) to effect administrative changes of a technical or immaterial nature (including to effect changes to the terms and

conditions applicable solely to the Letter of Credit Issuer in respect of issuances of Letters of Credit) and such amendment shall become effective without any further action or consent of any other party to any Credit Document, with notification of such amendment made by the Administrative Agent to the Lenders promptly upon such amendment becoming effective; and (iv) guarantees, collateral documents and related documents executed by Credit Parties in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with any other Credit Document, entered into, amended, supplemented or waived, without the consent of any other Person, by the applicable Credit Party or Credit Parties and the Administrative Agent in its or their respective sole discretion, to (A) effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, (B) as required by local law or advice of counsel to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable Requirements of Law, or (C) to cure ambiguities, omissions, mistakes or defects (as reasonably determined by the Administrative Agent and the Borrower Representative) or to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Credit Documents.

Notwithstanding anything in this Agreement or any Security Document to the contrary, the Administrative Agent may, in its sole discretion, grant extensions of time for the satisfaction of any of the requirements under Sections 10.11, 10.12 and 10.14 or any Security Documents in respect of any particular Collateral or any particular Subsidiary if it determines that the satisfaction thereof with respect to such Collateral or such Subsidiary cannot be accomplished without undue expense or unreasonable effort or due to factors beyond the control of Holdings, CGI Borrower and the Restricted Subsidiaries by the time or times at which it would otherwise be required to be satisfied under this Agreement or any Security Document.

In addition, notwithstanding the foregoing, this Agreement may be amended, supplemented or modified with the written consent of the Administrative Agent and the Borrower Representative in a manner not materially adverse to any Lender.

1.2 Notices

Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Credit Document shall be in writing (including by facsimile or other electronic transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

- (a) if to Holdings, any Borrower, the Administrative Agent, the Letter of Credit Issuer or the Swingline Lender, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 14.2 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and
- (b) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to Holdings and the Borrower Representative, the Administrative Agent, the Letter of Credit Issuer and the Swingline Lender.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three (3) Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if

delivered by electronic mail, when delivered; provided that notices and other communications to the Administrative Agent or the Lenders pursuant to Sections 2.3, 2.6, 2.9, 4.2 and 6.1 shall not be effective until received.

1.3 No Waiver; Cumulative Remedies

No failure to exercise and no delay in exercising, on the part of the Administrative Agent, or any Lender, any right, remedy, power or privilege hereunder or under the other Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers, and privileges provided by law.

1.4 Survival of Representations and Warranties

All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

1.5 Payment of Expenses; Indemnification

Each of Holdings and each Borrower severally agrees (a) to pay or reimburse the Agents for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the preparation and execution and delivery of, and any amendment, supplement, waiver or modification to, this Agreement and the other Credit Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby (limited (i) in the case of legal fees and expenses, to the reasonable documented fees, disbursements and other charges of Davies Ward Phillips & Vineberg LLP, as counsel to the Agents and, if reasonably necessary, of a single firm of local counsel in each applicable material jurisdiction, other than allocated costs of in-house counsel, and (ii) in the case of fees and expenses related to any other advisor or consultant, to the extent the Borrower Representative has consented to the retention or engagement of such Person), (b) to pay or reimburse each Agent for all its reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Credit Documents and any other documents delivered in connection herewith or therewith upon the occurrence and during the continuance of an Event of Default (limited, in the case of legal fees and expenses to the reasonable documented fees, disbursements and other charges of Davies Ward Phillips & Vineberg LLP, as counsel to the Agents and, if reasonably necessary, of a single firm of local counsel in each applicable material jurisdiction, other than allocated costs of in-house counsel), (c) to pay, indemnify, and hold harmless each Lender and Agent from, any and all recording and filing fees, and (d) to pay, indemnify, and hold harmless each Lender and Agent and their respective Affiliates (other than Excluded Affiliates), directors, officers, members, controlling persons, employees, trustees, investment advisors, and agents and successors of the foregoing (excluding any Excluded Affiliate, the "**Indemnified Persons**") from and against any and all actual losses, damages, claims, expenses or liabilities of any kind or nature whatsoever (limited (i) in the case of legal fees and expenses, to the reasonable and documented fees, disbursements, and other charges of one primary counsel and, if reasonably necessary, one local counsel in each applicable material jurisdiction for all such Indemnified Persons (taken as a whole) and, if there is a conflict of interest, one additional counsel for the affected Indemnified Persons similarly situated (taken as a whole), in each case, other than allocated costs of in-house counsel, and (ii) in the case of fees and expenses related to any other advisor or consultant, to the extent the Borrower Representative has consented to the retention or engagement of such Person in writing), in each case to the extent arising out of or relating to any claim, litigation, investigation or other proceeding (including any investigation or inquiry related to the foregoing), regardless whether any such Indemnified Person is a party thereto,

that is related to the execution, delivery, enforcement, performance, and administration of this Agreement, the other Credit Documents and other documents delivered in connection herewith or therewith, including, without limitation, any of the foregoing relating to the violation of, noncompliance with or liability under, any Environmental Law, in each case, applicable to Holdings or any of its Subsidiaries or to any actual or alleged presence, Release or threatened Release of Hazardous Materials involving or attributable to Holdings or any of its Subsidiaries (all the foregoing in this clause (d), collectively, the "**Indemnified Liabilities**"); provided that Holdings and the Borrowers shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities (i) resulting from disputes between and among any Indemnified Persons (other than any claims against the Administrative Agent or the Joint Lead Arrangers and Bookrunners in their capacity as such, subject to the immediately succeeding clause (ii) or (ii) to the extent it has been determined by a final non-appealable judgment of a court of competent jurisdiction to have resulted from (x) the gross negligence, bad faith or willful misconduct of such Indemnified Person (or any of such Indemnified Person's Affiliates or any of its or their respective officers, directors, employees, agents, controlling persons, members or the successors of any of the foregoing) and (y) a material breach of any Credit Document by such Indemnified Person (or any of such Indemnified Person's Affiliates or any of its or their respective officers, directors, employees, agents, controlling persons, members or the successors of any of the foregoing). No Person entitled to indemnification under Section 14.5(d) and no other Person party to this Agreement shall be liable (i) for any damages to any other Indemnified Person or party hereto arising from the use by others of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement except to the extent that such damage resulted from willful misconduct or gross negligence of such Indemnified Person such other Person or any of such Indemnified Person's or such other Person's Affiliates or any of its or their respective officers, directors, employees, agents, controlling persons, members or the successors of any of the foregoing or (ii) for any special, punitive, indirect or consequential damages relating to this Agreement or any other Credit Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date); provided, that this clause (ii) shall not limit Holdings' or the Borrowers' indemnity or reimbursement obligations to the extent such special, punitive, indirect or consequential damages are included in any claim by a third party with respect to which the applicable Indemnified Person is entitled to indemnification in accordance with Section 14.5(d). In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 14.5 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Credit Party, its directors, stockholders or creditors or any other Person, whether or not any Indemnified Person is otherwise a party thereto. All amounts due under this Section 14.5 shall be paid within thirty (30) days after written demand therefor (together with backup documentation supporting such reimbursement request); provided, however, that an Indemnified Person shall promptly refund any amount to the extent that there is a final judicial or arbitral determination that such Indemnified Person was not entitled to indemnification rights with respect to such payment pursuant to this Section 14.5.

Holdings, CGI Borrower, and their respective Subsidiaries shall not be liable for any settlement of any proceeding effected without the Borrower Representative's written consent (which consent shall not be unreasonably withheld or delayed), but if settled with the Borrower Representative's written consent or if there is a final and non-appealable judgment by a court of competent jurisdiction for the plaintiff in any such proceeding, Holdings and the Borrowers agree to indemnify and hold harmless each Indemnified Person from and against any and all losses, claims, damages, liabilities, and reasonable and documented legal or other out-of-pocket expenses by reason of such settlement or judgment in accordance with, and to the extent provided in, the other provisions of this Section 14.5.

Holdings, the Borrowers and their respective Subsidiaries shall not, without the prior written consent of any Indemnified Person (which consent shall not be unreasonably withheld or delayed), effect any settlement of any pending or threatened proceedings in respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person in form and

substance reasonably satisfactory to such Indemnified Person from all liability or claims that are the subject matter of such proceedings and (ii) does not include any statement as to or any admission of fault, culpability, wrongdoing or a failure to act by or on behalf of any Indemnified Person.

Each Indemnified Person, by its acceptance of the benefits of this Section 14.5, agrees to refund and return any and all amounts paid by Holdings and the Borrowers to it if, pursuant to limitations on indemnification set forth in this Section 14.5, such Indemnified Person was not entitled to receipt of such amounts.

The agreements in this Section 14.5 shall survive repayment of the Loans and all other amounts payable hereunder. This Section 14.5 shall not apply with respect to Taxes, other than any Taxes that represent liabilities, obligations, losses, damages, penalties, judgments, costs, expenses, or disbursements, etc., arising from any non-Tax claim.

1.6 Successors and Assigns; Participations and Assignments

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) except as expressly permitted by Section 11.3, no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by any Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 14.6. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in clause (c) of this Section 14.6) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Letter of Credit Issuer and the Lenders and each other Person entitled to indemnification under Section 14.5) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in clause (b)(ii) below and Section 14.7, any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments of any Class and the Loans (including participations in L/C Obligations or Swingline Loans) of any Class at the time owing to it) with the prior written consent (such consent not be unreasonably withheld or delayed; it being understood that, without limitation, the Borrower Representative shall have the right to withhold or delay its consent to any assignment if, (A) in order for such assignment to comply with applicable law, any Borrower would be required to obtain the consent of, or make any filing or registration with, any Governmental Authority or (B) if, following an assignment, the Non-Bank Rules would be violated) of:

- (A) the Borrower Representative; provided that no consent of the Borrower Representative shall be required for an assignment of Loans or Commitments to any assignee if an Event of Default under Section 12.1 or Section 12.5 (with respect to CGI Borrower) has occurred and is continuing; and
- (B) the Administrative Agent, the Swingline Lender and the Letter of Credit Issuer; provided that no consent of the Administrative Agent, the Swingline Lender and the Letter of Credit Issuer shall be required for an assignment of any Commitments and Revolving Loans to a Lender or an Affiliate of a Lender or an Approved Fund.

Notwithstanding the foregoing, no such assignment shall be made to a natural Person, Excluded Affiliate, Disqualified Lender, Defaulting Lender, Holdings, CGI Borrower or any of their Subsidiaries, the Sponsor or any Affiliate of the Sponsor (excluding any Bona Fide Debt Fund); provided that the Administrative Agent shall not disclose, verbally or in writing, the

list of entities that are Disqualified Lenders; provided, further, that the Administrative Agent may confirm, verbally upon request of any Lender, whether any potential assignee is a Disqualified Lender (provided such Lender agrees to keep such identity confidential). For the avoidance of doubt, and notwithstanding the foregoing provisions, the Administrative Agent shall bear no responsibility or liability for monitoring and enforcing the list of Persons who are Disqualified Lenders at any time.

- (i) Assignments shall be subject to the following additional conditions:
 - (A) except in the case of an assignment to a Lender, an Affiliate or branch of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 in the case of Commitments, unless each of the Borrower Representative and the Administrative Agent otherwise consents (which consents shall not be unreasonably withheld or delayed); provided that no such consent of the Borrower Representative shall be required if an Event of Default under Section 12.1 or Section 12.5 has occurred and is continuing; provided, further, that contemporaneous assignments by a Lender and its Affiliates or Approved Funds shall be aggregated for purposes of meeting the minimum assignment amount requirements stated above (and simultaneous assignments to or by two or more Related Funds shall be treated as one assignment), if any;
 - (B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement; provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;
 - (C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance via an electronic settlement system or other method reasonably acceptable to the Administrative Agent, together with a processing and recordation fee in the amount of \$3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment; provided, further, that such recordation fee shall not be payable in the case of assignments by any Affiliate of the Joint Lead Arrangers and Bookrunners; and
 - (D) the assignee, if it was not a Lender prior to such assignment, shall deliver to the Administrative Agent an administrative questionnaire in a form approved by the Administrative Agent and the Borrower Representative (the "**Administrative Questionnaire**") and applicable tax forms (as required under Section 6.4(e)).
- (ii) Subject to acceptance and recording thereof pursuant to clause (b)(iv) of this Section 14.6, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this

Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.10, 2.11, 3.5, 6.4 and 14.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 14.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (c) of this Section 14.6. For the avoidance of doubt, in case of an assignment to a new Lender pursuant to this Section 14.6, (i) the Administrative Agent, the new Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the new Lender been an original Lender signatory to this Agreement with the rights and/or obligations acquired or assumed by it as a result of the assignment and to the extent of the assignment the assigning Lender shall each be released from further obligations under the Credit Documents and (ii) the benefit of each Security Document shall be maintained in favor of the new Lender.

- (iii) The Administrative Agent, acting solely for this purpose as an agent for the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans (and stated interest amounts) owing to each Lender, and any payment made by the Letter of Credit Issuer under any Letter of Credit, pursuant to the terms hereof from time to time (the "**Register**"). Further, the Register shall contain the name and address of the Administrative Agent and the lending office through which each such Person acts under this Agreement. The entries in the Register shall be conclusive, absent manifest error, and the Borrowers, the Administrative Agent, the Letter of Credit Issuer and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower Representative, the Letter of Credit Issuer, the Administrative Agent and its Affiliates and, with respect to itself, any Lender, at any reasonable time and from time to time upon reasonable prior notice.
- (iv) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire and applicable tax forms (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in Section 14.6(b)(ii)(C) and any written consent to such assignment required by Section 14.6(b), the Administrative Agent shall promptly accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment, whether or not evidenced by a promissory note, shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this clause (b)(v).

(c) (i) Any Lender may, without the consent of the Borrower Representative or the Administrative Agent, the Letter of Credit Issuer or the Swingline Lender sell participations to one or more banks or other entities (other than (x) Holdings and its Subsidiaries, (y) any Disqualified Lender and (z) the Sponsor and any Affiliate of the Sponsor (other than Bona Fide

Debt Funds); provided, however, that, notwithstanding clause (y) hereof, participations may be sold to Disqualified Lenders unless a list of Disqualified Lenders has been made available to all Lenders who so request) (each, a "**Participant**") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (including in the case of bankruptcy of or similar event of such Lender), (C) the Borrower Representative, the Administrative Agent, the Letter of Credit Issuer and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (D) the Participant will under no circumstances be subrogated to, or substituted in respect of, the Lender's claims under this Agreement or have otherwise any contractual relationship with, or rights against, any Borrower under or in relation to this Agreement. For the avoidance of doubt, the Administrative Agent shall bear no responsibility or liability for monitoring and enforcing the list of Disqualified Lenders with respect to the sales of participations thereto at any time. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Credit Document; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (i) and (vi) of the second proviso to Section 14.1 that affects such Participant. Subject to clause (c)(ii) of this Section 14.6, each Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.10, 2.11, 3.5 and 6.4 to the same extent as if it were a Lender (subject to the limitations and requirements of those Sections as though it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 14.6, including the requirements of clause (e) of Section 6.4) (it being agreed that any documentation required under Section 6.4(e) shall be provided to the participating Lender). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 14.8(b) as though it were a Lender; provided such Participant shall be subject to Section 14.8(a) as though it were a Lender. Notwithstanding the prior sentence, a Participant shall not be entitled to receive any greater payment under Section 2.10, 2.11, 3.5 or 6.4 than the Lender selling the participation would have been entitled to receive.

- (i) A Participant shall not be entitled to receive any greater payment under Section 2.10, 2.11, 3.5 or 6.4 than the applicable Lender would have been entitled to receive absent the sale of such the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower Representative's prior written consent (which consent may be withheld in its sole discretion). Each Lender that sells a participation shall maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest amounts) of each Participant's interest in the Loans or other obligations under this Agreement (the "**Participant Register**"). The entries in the Participant Register shall be conclusive, absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. No Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document).

(d) Any Lender may, without the consent of the Borrower Representative or the Administrative Agent, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to its central bank, including the Bank of Canada or a Federal Reserve Bank, and this Section 14.6 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release

a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Subject to Section 14.16, the Borrower Representative authorizes each Lender to disclose to any Participant, secured creditor of such Lender or assignee (each, a "**Transferee**") and any prospective Transferee any and all financial information in such Lender's possession concerning the Borrowers and their Affiliates that has been delivered to such Lender by or on behalf of the Borrowers and their Affiliates pursuant to this Agreement or that has been delivered to such Lender by or on behalf of the Borrowers and their Affiliates in connection with such Lender's credit evaluation of the Borrowers and their Affiliates prior to becoming a party to this Agreement.

(f) The words "execution," "signed," "signature," and words of like import in any Assignment and Acceptance shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(g) SPV Lender. Notwithstanding anything to the contrary contained herein, any Lender (a "**Granting Lender**") may grant to a special purpose funding vehicle (an "**SPV**"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower Representative, the option to provide to the Borrowers all or any part of any Loan that such Granting Lender would otherwise be obligated to make the Borrowers pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPV to make any Loan and (ii) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPV hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPV shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPV, it shall not institute against, or join any other Person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under any Insolvency Laws. In addition, notwithstanding anything to the contrary contained in this Section 14.6, any SPV may (i) with notice to, but without the prior written consent of, the Borrower Representative and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by the Borrower Representative and the Administrative Agent) other than a Disqualified Lender providing liquidity and/or credit support to or for the account of such SPV to support the funding or maintenance of Loans and (ii) subject to Section 14.16, disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPV. This Section 14.6(g) may not be amended without the written consent of the SPV. Notwithstanding anything to the contrary in this Agreement but subject to the following sentence, each SPV shall be entitled to the benefits of Sections 2.10, 2.11, 3.5 and 6.4 to the same extent as if it were a Lender (subject to the limitations and requirements of those Sections as though it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 14.6, including the requirements of clause (e) of Section 6.4 (it being agreed that any documentation required under Section 6.4(e) shall be provided to the Granting Lender)). Notwithstanding the prior sentence, an SPV shall not be entitled to receive any greater payment under Section 2.10, 2.11, 3.5 or 6.4 than its Granting Lender would have been entitled to receive absent the grant to such SPV, unless such grant to such SPV is made with the Borrower Representative's prior written consent (which consent shall

not be unreasonably withheld). If a Granting Lender grants an option to an SPV as described herein and such grant is not reflected in the Register, the Granting Lender shall maintain a separate register on which it records the name and address of each SPV and the principal amounts (and related interest) of each SPV's interest with respect to the Loans, Commitments or other interests hereunder, which entries shall be conclusive absent manifest error; provided, further, that no Lender shall have any obligation to disclose any portion of such register to any Person except to the extent disclosure is necessary to establish that the Loans, Commitments or other interests hereunder are in registered form for United States federal income tax purposes (or as is otherwise required by law).

1.7 Replacements of Lenders Under Certain Circumstances

(a) The Borrowers shall be permitted to (x) replace any Lender or (y) terminate the Commitment of such Lender or Letter of Credit Issuer, as the case may be, and (1) in the case of a Lender (other than the Letter of Credit Issuer), repay all Obligations of the Borrowers due and owing to such Lender relating to the Loans and participations held by such Lender as of such termination date and (2) in the case of the Letter of Credit Issuer, repay all Obligations of the Borrowers owing to such Letter of Credit Issuer relating to the Loans and participations held by the Letter of Credit Issuer as of such termination date and cancel or Cash Collateralize any Letters of Credit issued by it that (I) requests reimbursement for amounts owing pursuant to Section 2.10, 3.5 or 6.4, (II) is affected in the manner described in Section 2.10(a)(iii) and as a result thereof any of the actions described in such Section is required to be taken, (III) becomes a Defaulting Lender or (IV) refuses to make an Extension Election pursuant to Section 2.15, with a replacement bank, other financial institution or other Person (other than a natural Person); provided that, solely in the case of the foregoing clause (x), (i) such replacement does not conflict with any Requirement of Law, (ii) the Borrowers shall repay (or the replacement bank, other financial institution or other Person (other than a natural Person) shall purchase, at par) all Loans and other amounts pursuant to Section 2.10, 2.11, 3.5 or 6.4, as the case may be, owing to such replaced Lender (in respect of any applicable Credit Facility only, at the election of the Borrower Representative) prior to the date of replacement, (iii) the replacement bank, other financial institution or other Person (other than a natural Person), if not already a Lender, an Affiliate of a Lender or an Approved Fund, and the terms and conditions of such replacement, shall be reasonably satisfactory to the Administrative Agent, (iv) the replacement bank, other financial institution or other Person (other than a natural Person), if not already a Lender shall be subject to the provisions of Section 14.6(b), (v) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 14.6 (provided that unless otherwise agreed the Borrowers shall be obligated to pay the registration and processing fee referred to therein), and (vi) any such replacement shall not be deemed to be a waiver of any rights that the Borrowers, the Administrative Agent or any other Lender shall have against the replaced Lender.

(b) If any Lender (such Lender, a "**Non-Consenting Lender**") has failed to consent to a proposed amendment, waiver, discharge or termination that pursuant to the terms of Section 14.1 requires the consent of either (i) all of the Lenders of the applicable Class directly and adversely affected or (ii) all of the Lenders of the applicable Class, and, in each case, with respect to which the Required Lenders (or Required Facility Lenders in respect of the applicable Class) shall have granted their consent, then, the Borrowers shall have the right (unless such Non-Consenting Lender grants such consent) to (x) replace such Non-Consenting Lender by requiring such Non-Consenting Lender to assign its Loans and its Commitments hereunder (in respect of any applicable Class only, at the election of the Borrower Representative) to one or more assignees reasonably acceptable to the Administrative Agent (to the extent such consent would be required under Section 14.6) or (y) terminate the Commitment of such Lender and repay all Obligations of the Borrowers due and owing to such Lender relating to the Loans and participations held by such Lender as of such termination date, and, in the case of the Letter of Credit Issuer only, repay all Obligations of the Borrowers owing to such Letter of Credit Issuer relating to the Loans and participations held by the Letter of Credit Issuer as of such termination date and cancel or Cash Collateralize any Letters of Credit issued by it; provided that (I) all Obligations hereunder of the Borrowers owing to such Non-Consenting Lender being replaced

shall be paid in full to such Non-Consenting Lender concurrently with such assignment including any amounts that such Lender is owed pursuant to Section 2.11, and (II) the replacement Lender shall purchase the foregoing by paying to such Non-Consenting Lender a price equal to the principal amount thereof *plus* accrued and unpaid interest thereon. In connection with any such assignment, the Borrowers, the Administrative Agent, such Non-Consenting Lender and the replacement Lender shall otherwise comply with Section 14.6.

1.8 Adjustments; Set-off

(a) Except as contemplated in Section 14.6 or elsewhere herein, if any Lender (a "**Benefited Lender**") shall at any time receive any payment of all or part of its Loans, or interest thereon, or receive any collateral in respect thereof as part of the exercise of remedies under this Agreement or any other Credit Document (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 12.5, or otherwise), in a greater proportion than any such payment to or such collateral received by any other Lender, if any, in respect of such other Lender's Loans, or interest thereon, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loan, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) After the occurrence and during the continuance of an Event of Default, in addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Credit Parties but with the prior consent of the Administrative Agent, any such notice being expressly waived by the Credit Parties to the extent permitted by applicable law, upon any amount becoming due and payable by the Credit Parties hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final) (other than payroll, trust, tax, fiduciary, and petty cash accounts), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Credit Parties. Each Lender agrees promptly to notify the Credit Parties and the Administrative Agent after any such set-off and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such set-off and application.

1.9 Counterparts

This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower Representative and the Administrative Agent.

1.10 Severability

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

1.11 Integration

This Agreement and the other Credit Documents represent the agreement of Holdings, the Borrowers, the Administrative Agent, the Letter of Credit Issuer and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by Holdings, the Borrowers, the Administrative Agent, the Letter of Credit Issuer nor any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

1.12 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 therein.

1.13 Submission to Jurisdiction; Waivers

Each party hereto irrevocably and unconditionally:

- (a) 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 any other Credit Document, 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 law. Nothing in this Agreement or in any other Credit Document shall affect any right that any party hereto or thereto may otherwise have to bring any action or proceeding relating to this Agreement or any other Credit Document against any party hereto or thereto or its properties in the courts of any jurisdiction.
- (b) waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Credit Document in any court referred to in this Section 14.3. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court;
- (c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Person at its address set forth on Schedule 14.2 at such other address of which the Administrative Agent shall have been notified pursuant to Section 14.2;
- (d) agrees that nothing herein shall affect the right of the Administrative Agent, any Lender or another Secured Party to effect service of process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against Holdings or any Borrower or any other Credit Party in any other jurisdiction; and
- (e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 14.3 any special, exemplary, punitive or consequential damages.

1.14 Acknowledgments

Holdings and each Borrower hereby acknowledge (on behalf of itself and the other Credit Parties) that:

- (a) it has been advised by counsel in the negotiation, execution, and delivery of this Agreement and the other Credit Documents;
- (b) (i) the credit facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Credit Document) are an arm's-length commercial transaction between the Borrowers and the other Credit Parties, on the one hand, and the Administrative Agent, the Lenders and the other Agents on the other hand, and the Borrowers and the other Credit Parties are capable of evaluating and understanding and understand and accept the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents (including any amendment, waiver or other modification hereof or thereof);
 - (i) in connection with the process leading to such transaction, each of the Administrative Agent and the other Agents, is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary for the Borrowers, any other Credit Parties or any of their respective Affiliates, stockholders, creditors or employees, or any other Person;
 - (ii) neither the Administrative Agent nor any other Agent has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Borrowers or any other Credit Party with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Credit Document (irrespective of whether the Administrative Agent or other Agent has advised or is currently advising the Borrowers, the other Credit Parties or their respective Affiliates on other matters) and neither the Administrative Agent or other Agent has any obligation to the Borrowers, the other Credit Parties or their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents;
 - (iii) the Administrative Agent, each other Agent and each Affiliate of the foregoing may be engaged in a broad range of transactions that involve interests that differ from those of the Borrowers and their Affiliates, and neither the Administrative Agent nor any other Agent has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and
 - (iv) neither the Administrative Agent nor any other Agent has provided and none will provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Credit Document) and the Borrowers have consulted their own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. Each Borrower hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against the Administrative Agent or any other Agent with respect to any breach or alleged breach of agency or fiduciary duty; and

- (c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrowers, on the one hand, and any Lender, on the other hand.

1.15 WAIVERS OF JURY TRIAL

EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVE (TO THE EXTENT PERMITTED BY APPLICABLE LAW) TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

1.16 Confidentiality

The Administrative Agent, each other Agent, the Letter of Credit Issuer and each Lender (collectively, the "**Restricted Persons**" and, each a "**Restricted Person**") shall treat confidentially all non-public information provided to any Restricted Person by or on behalf of any Credit Party hereunder in connection with such Restricted Person's evaluation of whether to become a Lender or Letter of Credit Issuer, as applicable, hereunder or obtained by such Restricted Person pursuant to the requirements of this Agreement ("**Confidential Information**") and shall not publish, disclose or otherwise divulge such Confidential Information; provided that nothing herein shall prevent any Restricted Person from disclosing any such Confidential Information (a) pursuant to the order of any court or administrative agency or in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable law, rule or regulation or compulsory legal process (in which case such Restricted Person agrees (except with respect to any routine or ordinary course audit or examination conducted by bank accountants or any governmental or bank regulatory authority exercising examination or regulatory authority), to the extent practicable and not prohibited by applicable law, rule or regulation, to inform the Borrower Representative promptly thereof prior to disclosure), (b) upon the request or demand of any regulatory authority having jurisdiction over such Restricted Person or any of its Affiliates (in which case such Restricted Person agrees (except with respect to any routine or ordinary course audit or examination conducted by bank accountants or any governmental or bank regulatory authority exercising examination or regulatory authority) to the extent practicable and not prohibited by applicable law, rule or regulation, to inform the Borrower Representative promptly thereof prior to disclosure), (c) to the extent that such Confidential Information becomes publicly available other than by reason of improper disclosure by such Restricted Person or any of its Affiliates or any Related Parties thereto in violation of any confidentiality obligations owing under this Section 14.16, (d) to the extent that such Confidential Information is received by such Restricted Person from a third party that is not, to such Restricted Person's knowledge, subject to confidentiality obligations owing to any Credit Party or any of their respective Subsidiaries or Affiliates, (e) to the extent that such Confidential Information was already in our possession prior to any duty or other undertaking of confidentiality or is independently developed by the Restricted Persons without the use of such Confidential Information, (f) to such Restricted Person's Affiliates and to its and their respective officers, directors, partners, employees, legal counsel, independent auditors, and other experts or agents who need to know such Confidential Information in connection with providing the Loans or action as an Agent hereunder and who are informed of the confidential nature of such Confidential Information and who are subject to customary confidentiality obligations of professional practice or who agree to be bound by the terms of this Section 14.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 14.16) (with each such Restricted Person, to the extent within its control, responsible for such person's compliance with this paragraph), (g) to potential or prospective Lenders, hedge providers, participants or assignees, in each case who agree (pursuant to customary syndication practice) to be bound by the terms of this Section 14.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 14.16); provided that (i) the disclosure of any such Confidential Information to any Lenders, hedge providers or prospective Lenders, hedge providers or participants or prospective participants referred to above shall be made subject to the acknowledgment and acceptance by such Lender, hedge provider or prospective Lender or participant or prospective participant that such Confidential Information is being disseminated on

a confidential basis (on substantially the terms set forth in this Section 14.16 or confidentiality provisions at least as restrictive as those set forth in this Section 14.16) in accordance with the standard syndication processes of such Restricted Person or customary market standards for dissemination of such type of information, which shall in any event require "click through" or other affirmative actions on the part of recipient to access such Confidential Information and (ii) no such disclosure shall be made by such Restricted Person to any person that is at such time a Disqualified Lender, (h) for purposes of establishing a "due diligence" defense, or (i) to rating agencies in connection with obtaining ratings for any Borrower and the Credit Facilities to the extent such rating agencies are subject to customary confidentiality obligations of professional practice or agree to be bound by the terms of this Section 14.16 (or confidentiality provisions at least as restrictive as those set forth in this Section 14.16). Notwithstanding the foregoing, (i) Confidential Information shall not include, with respect to any Person, information available to it or its Affiliates on a non-confidential basis from a source other than Holdings, its Subsidiaries or their respective Affiliates, (ii) the Administrative Agent shall not be responsible for compliance with this Section 14.16 by any other Restricted Person (other than its officers, directors or employees), (iii) in no event shall any Lender, the Letter of Credit Issuer, the Administrative Agent or any other Agent be obligated or required to return any materials furnished by Holdings or any of its Subsidiaries, and (iv) each Agent, the Letter of Credit Issuer and each Lender may disclose the existence of this Agreement and the information about this Agreement to market data collectors, similar services providers to the lending industry, and service providers to the Agents, the Letter of Credit Issuer and the Lenders in connection with the administration and management of this Agreement and the other Credit Documents.

1.17 Direct Website Communications

Each of Holdings and the Borrowers may, at its option, provide to the Administrative Agent any information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Credit Documents, including, without limitation, all notices, requests, financial statements, financial, and other reports, certificates, and other information materials, but, unless otherwise agreed by the Administrative Agent, excluding any such communication that (A) relates to a request for a new, or a conversion of an existing, borrowing or other extension of credit (including any election of an interest rate or interest period relating thereto), (B) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (C) provides notice of any Default or Event of Default under this Agreement or (D) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing or other extension of credit thereunder (all such non-excluded communications being referred to herein collectively as "**Communications**"), by transmitting the Communications in an electronic/soft medium in a format reasonably acceptable to the Administrative Agent to the Administrative Agent at an email address provided by the Administrative Agent from time to time; provided that (i) upon written request by the Administrative Agent, the Borrower Representative shall deliver paper copies of such documents to the Administrative Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) the Borrower Representative shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents. Nothing in this Section 14.17 shall prejudice the right of Holdings, the Borrower Representative, the Administrative Agent, any other Agent, the Letter of Credit Issuer or any Lender to give any notice or other communication pursuant to any Credit Document in any other manner specified in such Credit Document.

The Administrative Agent agrees that the receipt of the Communications by the Administrative Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Credit Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform shall constitute effective delivery of the

Communications to such Lender for purposes of the Credit Documents. Each Lender agrees (A) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's e-mail address to which the foregoing notice may be sent by electronic transmission and (B) that the foregoing notice may be sent to such e-mail address.

- (a) Each of Holdings and the Borrowers further agrees that any Agent may make the Communications available to the Lenders by posting the Communications on Syndtrak or a substantially similar electronic transmission system (the "**Platform**"), so long as the access to such Platform (i) is limited to the Agents, the Lenders, the Letter of Credit Issuer and Transferees or prospective Transferees and (ii) remains subject to the confidentiality requirements set forth in Section 14.16.
- (b) THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF ANY MATERIALS OR INFORMATION PROVIDED BY THE CREDIT PARTIES (THE "**BORROWER MATERIALS**") OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall (x) the Administrative Agent or any of its Related Parties (collectively, the "**Agent Parties**" and each an "**Agent Party**") have any liability to any Borrower, any Lender, or any other Person or (y) Holdings, CGI Borrower or any of their respective Subsidiaries have any liability to any Agent, any Lender or any other Person, for losses, claims, damages, liabilities, or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower Representative's or the Administrative Agent's transmission of Borrower Materials through the internet, except to the extent, in the case of clause (x), the liability of any Agent Party resulted from such Agent Party's (or any of its Related Parties' (other than any trustee or advisor)) gross negligence, bad faith or willful misconduct or material breach of the Credit Documents, in each case, as determined in the final non-appealable judgment of a court of competent jurisdiction or, in the case of clause (y), the liability of any of Holdings, CGI Borrower or any of their respective Subsidiaries resulted from such Person's (or any of its Related Parties' (other than any trustee or advisor)) gross negligence, bad faith or willful misconduct or material breach of the Credit Documents, in each case, as determined in the final non-appealable judgment of a court of competent jurisdiction.
- (c) Each of Holdings and the Borrowers and each Lender acknowledge that certain of the Lenders may be "public-side" Lenders (Lenders that do not wish to receive MNPI with respect to CGI Borrower or its Subsidiaries or their respective securities) and, if documents or notices required to be delivered pursuant to the Credit Documents or otherwise are being distributed through the Platform, any document or notice that Holdings or the Borrower Representative has indicated contains only publicly available information with respect to Holdings or the Borrowers may be posted on that portion of the Platform designated for such public-side Lenders. If Holdings or the Borrower Representative has not indicated whether a document or notice delivered contains only publicly available information, the Administrative Agent shall post such document or notice solely on that portion of the Platform designated for Lenders who wish to receive MNPI with respect to the Borrower, its Subsidiaries and their respective securities.

1.18 **USA Patriot Act; PCAML; etc.**

Each Lender hereby notifies each Credit Party that

- (a) (i) pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Patriot Act**") and the Beneficial Ownership Regulation, it may be required to obtain, verify, and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow such Lender to identify each Credit Party in accordance with the Patriot Act and the Beneficial Ownership Regulation, and (ii) as of the Seventh Closing Date, the information included in the Beneficial Ownership Certification is true and correct in all respects;
- (b) pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable Anti-Money Laundering Laws, Sanctions and "know your client" laws, including any guidelines or orders thereunder, the Lenders and the Agents may be required to obtain, verify and record information regarding Holdings, the Borrowers, the Guarantors, their directors, authorized signing officers, direct or indirect shareholders or other Persons in control of Holdings, the Borrowers and the Guarantors, and the transactions contemplated hereby. Each Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or Agent, or any prospective assignee or participant of a Lender or Agent, in order to comply with such laws, whether now or hereafter in existence; and
- (c) each of the Lenders agrees that none of the Agents has any obligation to ascertain the identity of Holdings, the Borrowers or any other Guarantor or any authorized signatories of Holdings, the Borrowers or any other Guarantor on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from Holdings, the Borrowers or any other Guarantor or any such authorized signatory in doing so.

1.19 **Judgment Currency**

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Credit Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Borrowers in respect of any such sum due from it to the Administrative Agent or the Lenders hereunder or under the other Credit Documents shall, notwithstanding any judgment in a currency (the "**Judgment Currency**") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "**Agreement Currency**"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent from the Borrowers in the Agreement Currency, the CGI Borrower agrees to indemnify the Administrative Agent or the Person to whom such obligation was owing against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent in such currency, the Administrative Agent agrees to return the amount of any excess to CGI Borrower (or to any other Person who may be entitled thereto under applicable law).

1.20 **Payments Set Aside**

To the extent that any payment by or on behalf of Holdings or the Borrowers is made to any Agent, the Letter of Credit Issuer or any Lender, or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent, the Letter of Credit Issuer or such Lender in its discretion) to be repaid to a trustee, receiver, or any other party, in connection with any proceeding or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by the Administrative Agent, as applicable, *plus* interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect.

1.21 **No Fiduciary Duty**

Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "**Lenders**"), may have economic interests that conflict with those of the Credit Parties, their stockholders and/or their Affiliates. Each Credit Party agrees that nothing in the Credit Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and such Credit Party, its stockholders or its Affiliates, on the other. The Credit Parties acknowledge and agree that (i) the transactions contemplated by the Credit Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Credit Parties, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Credit Party, its stockholders or its Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Credit Party, its stockholders or its Affiliates on other matters) or any other obligation to any Credit Party except the obligations expressly set forth in the Credit Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Credit Party, its management, stockholders or creditors. Each Credit Party acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Credit Party agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Credit Party, in connection with such transaction or the process leading thereto.

1.22 **Certain ERISA Matters**

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, each Agent and its respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Credit Party, that at least one of the following is and will be true:

- (i) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,
- (ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class

exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions 90 involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

- (iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of subsections (b) through (g) of Part I of PTE 84-14, and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or
- (iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, each Agent and its respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Credit Party, that none of any Agent or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

1.23 Acknowledgement and Consent to Bail-In of Affected Financial Institutions

Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability:

- (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document; or
- (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

1.24 Amendment and Restatement

(a) This Agreement amends and restates the Existing Credit Agreement effective as of the date of this Agreement. Nothing in this Agreement shall constitute a release or novation of any indebtedness outstanding under the Existing Credit Agreement and all Loans outstanding under the Existing Credit Agreement shall continue as Loans outstanding under this Agreement.

(b) The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent:

- (i) the Administrative Agent (or its counsel) shall have received:
 - (A) this Agreement, executed and delivered by a duly Authorized Officer of Holdings, CGI Borrower and Swiss Borrower;
 - (B) an acknowledgement and confirmation, executed and delivered by a duly Authorized Officer of each Credit Party, as to the continuing effectiveness of such Credit Party's Guarantee and Security Documents;
 - (C) a Swiss-law governed amendment and confirmation agreement, executed and delivered by a duly Authorized Officer of each Credit Party that is party to any Swiss-law governed Security Documents;
 - (D) an English-law governed supplemental debenture, executed and delivered by a duly Authorized Officer of each UK Credit Party and the Swiss Borrower; and
 - (E) an English-law governed supplemental share charge, executed and delivered by a duly Authorized Officer of CGI Borrower.
- (ii) the Administrative Agent (or its counsel) shall have received the executed legal opinions, in customary form, of each of:
 - (A) Stikeman Elliott LLP, Canadian counsel to the Credit Parties;
 - (B) Homburger AG, Swiss counsel to the Credit Parties;
 - (C) Borel & Barbey, Swiss counsel to the Administrative Agent; and
 - (D) Jones Day, UK counsel to the Administrative Agent;
- (iii) the Administrative Agent (or its counsel) shall have received a certificate of status or good standing (or an equivalent), as applicable, from each Borrower's jurisdiction of incorporation or organization;

- (iv) the Administrative Agent shall have received (A) a copy of the resolutions of the board of directors or other governing body of the Borrowers and Holdings (or a duly authorized committee thereof) authorizing (x) the execution, delivery, and performance of this Agreement (and any agreements relating thereto to which it is a party), and (y) in the case of the Borrowers, the extensions of credit contemplated hereunder, (B) the certificate of incorporation and by-laws, certificate of formation and operating agreement, up-to-date trade register excerpts or other comparable Organizational Documents, as applicable, of each Borrower and Holdings, and (D) signature and incumbency certificates (or other comparable documents evidencing the same) of the authorized officers of the Borrowers and Holdings;
- (v) payment to the Lenders of all fees due and owing;
- (vi) the representations and warranties set forth in Article 9 are true and correct in all material respects (except for representations and warranties that are already qualified by materiality, which representations and warranties shall be true and correct in all respects after giving effect to such materiality qualifier) on and as of the Seventh Closing Date and an Authorized Officer of CGI Borrower shall have certified the same to the Lenders;
- (vii) since December 31, 2022, a Material Adverse Effect will not have occurred or arisen and an Authorized Officer of CGI Borrower shall have certified the same to the Lenders;
- (viii) no Default or Event of Default has occurred and is continuing on the Seventh Closing Date and an Authorized Officer of CGI Borrower shall have certified the same to the Lenders; and
- (ix) the Administrative Agent shall have received a Borrowing Base Certificate.

(c) The Borrowers, the Administrative Agent and the Lenders hereby acknowledge and agree that (i) effective immediately prior to the execution of this Agreement The Bank of Nova Scotia and Credit Suisse AG, Cayman Islands Branch shall cease to be Lenders under this Agreement, and (ii) Credit Suisse AG, Toronto shall become a Lender under this Agreement. By execution of this Agreement, Credit Suisse AG, Toronto Branch hereby acknowledges and agrees that it is a Lender hereunder and accordingly take on all benefits and liabilities hereunder (including with respect to outstanding letters of credit).

1.25 Acknowledgment Regarding Any Supported QFCs

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Secured Hedge Agreements or any other agreement or instrument that is a QFC (such support, "**QFC Credit Support**" and each such QFC a "**Supported QFC**"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "**U.S. Special Resolution Regimes**") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "**Covered Party**") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any

interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

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

“**Covered Entity**” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“**Default Right**” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“**QFC**” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

1.26 Keepwell

Each Guarantor that is a Qualified ECP Guarantor at the time of any Guarantee or the grant of a Lien under the Loan Documents, in each case, by any Specified Credit Party becomes effective with respect to any Swap Obligation, hereby jointly and severally, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Credit Party with respect to such Swap Obligation as may be needed by such Specified Credit Party from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor’s obligations and undertakings under this Section 14.26 voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Obligations have been paid in full. Each Guarantor intends this Section 14.26 to constitute, and this Section 14.26 shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of, each Specified Credit Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

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IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

CGI BORROWER:

CANADA GOOSE INC.

By: /s/ David Forrest

Name: David Forrest
Title: General Counsel

/s/ Jonathan Sinclair

Name: Jonathan Sinclair
Title: Executive Vice President and Chief Financial Officer

SWISS BORROWER:

CANADA GOOSE INTERNATIONAL AG

By: /s/ Sabine Furler

Name: Sabine Furler
Title: Chairman

/s/ Juliette Streichenberger

Name: Juliette Streichenberger
Title: Member

HOLDINGS:

CANADA GOOSE HOLDINGS INC.

By: /s/ David Forrest

Name: David Forrest
Title: General Counsel

/s/ Jonathan Sinclair

Name: Jonathan Sinclair
Title: Executive Vice President and Chief Financial Officer

Signature Page to Third Amended and Restated ABL Credit Agreement (Canada Goose)

ADMINISTRATIVE AGENT:

**CANADIAN IMPERIAL BANK OF COMMERCE, as
Administrative Agent**

By: /s/ Anthony Tsuen

Name: Anthony Tsuen
Title: Authorized Signatory

/s/ Sunny Guo

Name: Sunny Guo
Title: Authorized Signatory

LENDERS:

**CANADIAN IMPERIAL BANK OF COMMERCE, as
Lender**

By: /s/ Anthony Tsuen

Name: Anthony Tsuen
Title: Authorized Signatory

/s/ Sunny Guo

Name: Sunny Guo
Title: Authorized Signatory

THE TORONTO-DOMINION BANK, as Lender

By: /s/ David Horton

Name: David Horton

Title: Director

/s/ Corey Dufort

Name: Corey Dufort

Title: Senior Manager – Commercial Credit

Signature Page to Third Amended and Restated ABL Credit Agreement (Canada Goose)

BANK OF MONTREAL, as Lender

By: /s/ Ali Jafri

Name: Ali Jafri
Title: Director – Asset Based Lending

/s/ Chaz Louisy

Name: Chaz Louisy
Title: Director – Asset Based Lending

Signature Page to Third Amended and Restated ABL Credit Agreement (Canada Goose)

HSBC BANK CANADA, as Lender

By: /s/ Philip Curry

Name: Philip Curry
Title: Relationship Director

/s/ Jesse MacMasters

Name: Jesse MacMasters
Title: Head of Large Corporate Banking

Signature Page to Third Amended and Restated ABL Credit Agreement (Canada Goose)

BANK OF AMERICA, N.A., as Lender

By: /s/ Geoffrey Reisbeck

Name: Geoffrey Reisbeck
Title: Vice President

BANK OF AMERICA, N.A. (acting through its Canada branch), as Lender

By: /s/ Sylwia Durkiewicz

Name: Sylwia Durkiewicz
Title: Vice President

ROYAL BANK OF CANADA, as Lender

By: /s/ Anna Bernat

Name: Anna Bernat

Title: Attorney-in-Fact

Signature Page to Third Amended and Restated ABL Credit Agreement (Canada Goose)

CREDIT SUISSE AG, TORONTO BRANCH, as Lender

By: /s/ Symon Ordys

Name: Symon Ordys

Title: Authorized Signatory

By: /s/ Tammy Oldenburg

Name: Tammy Oldenburg

Title: Authorized Signatory

BARCLAYS BANK PLC, as Lender

By: /s/ Ritam Bhalla

Name: Ritam Bhalla

Title: Director

Signature Page to Third Amended and Restated ABL Credit Agreement (Canada Goose)

SCHEDULE 1.1(a)**COMMITMENTS**

| <u>Lender</u> | <u>Revolving Credit Commitment</u> | <u>Revolving Credit Commitment (Peak Season)</u> |
|------------------------------------|--|--|
| Canadian Imperial Bank of Commerce | \$135,507,246 (including \$25,000,000 as Swingline Lender) | \$150,000,000 (including \$25,000,000 as Swingline Lender) |
| The Toronto-Dominion Bank | \$106,147,343 | \$117,500,000 |
| Bank of Montreal | \$87,628,019 | \$97,000,000 |
| Bank of America | \$40,652,174 | \$45,000,000 |
| Royal Bank of Canada | \$36,135,266 | \$40,000,000 |
| HSBC Bank Canada | \$27,101,449 | \$30,000,000 |
| Credit Suisse AG, Toronto Branch | \$22,584,541 | \$25,000,000 |
| Barclays Bank PLC | \$11,743,961 | \$13,000,000 |
| TOTAL | \$467,500,000 | \$517,500,000 |

SUBSIDIARIES OF CANADA GOOSE HOLDINGS, INC.

| Entity | Jurisdiction |
|---|-------------------|
| Canada Goose Inc. | Ontario |
| Canada Goose International Holdings Limited | United Kingdom |
| Canada Goose US, Inc. | Delaware |
| Canada Goose International AG | Zug (Switzerland) |
| Canada Goose Services Limited | United Kingdom |
| Canada Goose UK Retail Limited | United Kingdom |
| Canada Goose France Retail SAS | France |
| Canada Goose Italy Retail S.r.l | Italy |
| Canada Goose Germany Retail GmbH | Germany |
| Canada Goose Netherlands Retail B.V. | Netherlands |
| Canada Goose EU B.V. | Netherlands |
| Canada Goose Asia Holdings Limited | Hong Kong |
| CG (Shanghai) Trading Co., Ltd. | Jing'an, Shanghai |
| Canada Goose HK Limited | Hong Kong |
| Canada Goose Japan, K.K. ⁽¹⁾ | Japan |
| Canada Goose Australia Pty Ltd | Australia |
| Baffin Limited | Ontario |
| Baffin US, Inc. | Delaware |

⁽¹⁾ 50% owned by Canada Goose International AG.

CERTIFICATION

I, Dani Reiss, certify that:

1. I have reviewed this annual report on Form 20-F of Canada Goose Holdings Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
 4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
-

CERTIFICATION

I, Jonathan Sinclair, certify that:

1. I have reviewed this annual report on Form 20-F of Canada Goose Holdings Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
 4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
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5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: May 18, 2023

By: _____
/s/ Jonathan Sinclair
Jonathan Sinclair
Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this annual report on Form 20-F of Canada Goose Holdings Inc. (the “Company”) for the fiscal year ended April 2, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Dani Reiss, Chairman and Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (i) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 18, 2023

By: _____
 /s/ Dani Reiss
 Dani Reiss
 Chairman and Chief Executive Officer
 (Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Form 20-F or as a separate disclosure document.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statement No. 333-216812 on Form S-8 of our reports dated May 17, 2023, relating to the financial statements of Canada Goose Holdings Inc. (the “Company”) and the effectiveness of the Company’s internal control over financial reporting, appearing in this Annual Report on Form 20-F for the year ended April 2, 2023.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
May 18, 2023