

**UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE APRIL 23, 2018.**

**THIS SECURITY HAS NOT BEEN NOR WILL BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, NOR ANY APPLICABLE STATE SECURITIES LAWS.**

**ADVANTEX MARKETING INTERNATIONAL INC.**

**● SENIOR SECURED NON-CONVERTIBLE DEBENTURE**

**WITH A MATURITY DATE OF DECEMBER 31, 2021**

Issued to: [NAME OF HOLDER]  
[ADDRESS OF HOLDER]  
(the "Holder")

Date of Issue: December 22, 2017

Principal Amount: \$●

ADVANTEX MARKETING INTERNATIONAL INC. (the "**Corporation**"), for value received, hereby acknowledges itself indebted and promises to pay to the Holder on the Maturity Date (as hereinafter defined) or on such earlier date as the principal amount hereof may become due in accordance with the provisions hereof, on presentation and surrender of this Debenture, the principal amount of [● Dollars] (\$●), at the offices of the Corporation.

In addition, the Holder will receive a restructuring bonus payment of \$180 for each \$1,000 of Debenture as provided for in Section 6.1 (the "**Restructuring Bonus Payment**").

This Debenture shall be subject to the terms and conditions set out below.

## Article 1 - DEFINITIONS, INTERPRETATIONS AND GENERAL PROVISIONS

### 1.1 Interpretation

In this Debenture, unless there is something in the subject matter or context inconsistent therewith:

"**Act**" means the *Business Corporations Act* (Ontario) as it exists on the date hereof;

"**Affiliate**" shall have the meaning given thereto under National Instrument 45-106;

"**Annual Debentures Interest**" means cash interest cost, paid or payable but excluding any accretion charges and amortization of deferred financing charges related to the Debentures.

"**Applicable Law**" means, with respect to any Person or matter, any supranational, national, federal, state, regional or local statute, law, rule, treaty, convention, regulation, order, decree, request, determination or other requirement relating to such Person or matter and, where applicable, any interpretation thereof by any Governmental Agency having jurisdiction with respect thereto or charged with the administration or interpretation thereof;

"**Associate**" has the meaning given thereto in the Securities Act;

"**Beneficial Owner**" – A Person shall be deemed to be the Beneficial Owner of

- (a) any securities as to which such Person or any of such Person's Affiliates or Associates is the beneficial owner;
- (b) any securities as to which such Person or any of such Person's Affiliates or Associates has, directly or indirectly:
  - (i) the unconditional immediate right to become beneficial owner or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; or
  - (ii) the unconditional, immediate right to vote (whether such right is exercisable immediately or after the passage of time or upon the occurrence of a contingency or payment of instalments or otherwise) pursuant to any agreement, arrangement or understanding, or otherwise, whether or not in writing; and
- (c) any securities which are beneficially owned by any other Person with which such Person or any of such Person's Affiliates is acting jointly or in concert;

For purposes of this Agreement, in determining the percentage of the outstanding Common Shares with respect to which a Person is or is deemed to be the Beneficial Owner, all Common Shares as to which such Person is deemed the Beneficial Owner shall be deemed outstanding.

"**Business**" means the business carried on by the Corporation consisting of providing customer-value management services;

"**Business Day**" means any day, other than Saturday, Sunday or any civic or statutory holiday in the City of Toronto, Ontario;

"**Carve-out Debt**" has the meaning given thereto in Section 6.2;

"**Change of Control**" means (i) the acquisition by a Person or Persons acting jointly or in concert from another Beneficial Owner of Common Shares (other than by way of issuance from the Corporation) or other securities which, together with the Person's other Common Shares, would constitute in the aggregate thirty-five percent (35%) or more of the outstanding Common Shares), (ii) any reorganization, merger or consolidation of the Corporation, other than a transaction or series of related transactions in which the holders of the voting securities of the Corporation outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least sixty-five percent (65%) of the total voting power represented by the outstanding voting securities of the Corporation or such other surviving or resulting entity or (iii) a sale, lease or other disposition of all or substantially all of the assets of the Corporation;

"**Closing**" means the issuance of this Debenture on the Closing Date;

"**Closing Date**" means December 22, 2017;

"**Close of Business**" means 5:00 p.m. Eastern Standard Time;

"**Common Shares**" means shares of common stock of the Corporation, as currently constituted, and any shares into which such shares of common stock may be changed, converted, exchanged or reclassified;

"**Corporation**" has the meaning given thereto on the first page of this Debenture;

"**Debenture**" means this non-convertible secured debenture of the Corporation;

"**Debentures**" means collectively this Debenture and the Other Debentures;

"**Default**" means any Event of Default or any condition or event which, after notice, lapse of outstanding time or both would constitute an Event of Default;

"**Default Notice**" has the meaning given thereto in Section 9.2;

"**director**" means a director of the Corporation for the time being, and "**directors**" or "**Board of Directors**" means the board of directors of the Corporation for the time being;

"**EBITDA Available to Debentures**" means Corporation EBITDA (defined as "Earnings from Operations before depreciation, amortization, and interest" in the consolidated financial statements of the Corporation for the fiscal year ended June 30, 2017) less (without duplication)

cash interest cost, paid or payable, but excluding any accretion charges and amortization of deferred financing charges on Carve-out Debt;

**“Eligible Current Assets”** means the sum of cash and cash equivalents, accounts receivable, transaction credits, and inventory (as such terms are defined in the consolidated financial statements of the Corporation for the fiscal year ended June 30, 2017) plus investments approved by Trapeze less principal amounts due under all Carve-out Debt;

**"Event of Default"** has the meaning given thereto in Section 7.1;

**"Exchange"** means the Canadian Securities Exchange and/or such other stock exchange on which the Common Shares may be listed;

**"Fair Market Value"** means the price determined in an open and unrestricted market between informed and prudent parties acting at arms' length and under no compulsion to act, expressed in terms of money or money's worth;

**"Financial Information"** means the Corporation's audited consolidated financial statements as at and for each of the fiscal years ended June 30, 2017 and June 30, 2016, together with the auditors' report thereon and the notes thereto;

**"Fully Participating Shares"** means the Common Shares and any other securities which participate to an unlimited amount in the earnings of the Corporation and upon the liquidation or winding-up of or other similar distribution of assets by the Corporation;

**"GAAP"** has the meaning ascribed thereto under applicable Canadian securities laws.

**"Governmental Agency"** means any supranational, national, federal, state, regional or local government or governmental department or other entity charged with the administration, interpretation or enforcement of any Applicable Law;

**"Holder"** has the meaning given thereto on the first page of this Debenture;

**"Holders"** means collectively the Holder and the Other Holders;

**"Indemnified Party"** has the meaning given thereto in Section 10.1 and **"Indemnified Parties"** has a corresponding meaning;

**"Instrument"** means any contract, agreement, indenture, mortgage, document or writing (whether by formal agreement, letter or otherwise) under which any obligation is evidenced, assumed, or undertaken, or any Lien (or right or interest therein) is granted or perfected or purported to be granted or perfected;

**"Interest Rate"** has the meaning given thereto in Subsection 2.6(a);

**"Lien"** means, with respect to the property of any Person, any of a mortgage, pledge, hypothecation, encumbrance, lien (statutory or other), privilege, charge or other security interest

of any kind in or with respect to such property (including, without limitation, any conditional sale or other title retention agreement, and any financing lease under which such Person is lessee having substantially the same economic effect as any of the foregoing) or any other arrangement that, directly or indirectly, has substantially the same effect as any of the foregoing or any right conferred to a creditor of such Person or which places a creditor of such Person in a position which enables such creditor effectively, without legal process and in priority to the Holder or to any other Person for the benefit of the Holder, to realize upon or otherwise enforce rights against, any of such Person's property, assets or undertaking (including, without limitation, proceeds thereof);

**"Majority of Holders"** means Holders holding Debentures of which the outstanding aggregate principal amount is greater than fifty percent (50%) of the outstanding aggregate principal amount of all Debentures;

**"Material Adverse Effect"** means with respect to the Corporation or any of its Subsidiaries or any other Person, an effect, resulting from any occurrence of whatever nature (including, without limitation, any adverse determination in any labour controversy, litigation, arbitration or governmental investigation or proceeding), which is materially adverse, or is or would be reasonably likely to be materially adverse, to the currently existing ability of such Person to make any payment or perform any other material obligation required under any Transaction Document or, in the case of the Corporation or any of its Subsidiaries to carry on its business;

**"Maturity Date"** has the meaning given thereto in Section 2.5 thereof;

**"Merchant Initiative"** means any combination of programs offered by the Corporation or any of its Subsidiaries to merchants;

**"Obligations"** means all of the obligations, liabilities and indebtedness of the Corporation to the Holder from time to time under this Debenture and includes all principal, interest, compound interest and other amounts payable hereunder, and all receivership fees, costs of seizure and realization and all Taxes and Liens that must be paid or discharged and all other costs and expenses incurred hereunder and under the Security Documents;

**"Offering"** means the issue and sale by the Corporation of up to \$500,000 principal amount of debentures;

**"Other Debentures"** means the debentures issued by the Corporation pursuant to the Offering, other than this Debenture;

**"Other Holders"** means the holders of the Other Debentures;

**"Permitted Encumbrances"** means:

- (a) Liens created by the Security Documents;

- (b) Liens granted to any third party, where such third party enables the Corporation to acquire rights in specific collateral and the Corporation grants to such party a first-ranking security interest in such collateral;
- (c) Liens which rank junior and subordinate to Liens created by the Security Documents and where such Lienholders provide an appropriate acknowledgement of such subordination to the Holder in a form acceptable to the Holder;
- (d) Liens for Taxes, assessments or other governmental charges or levies not at the time delinquent or thereafter payable without penalty or being contested in good faith by the Corporation or by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books so long as forfeiture of any part of the property or assets of the Corporation will not result from the failure to pay such Taxes, assessments, or governmental charges or levies during the period of such contest;
- (e) Liens of carriers, warehousemen, mechanics, materialmen, suppliers and landlords incurred in the ordinary course of business for sums not overdue or being contested by the Corporation or in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books;
- (f) Liens incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance or other forms of governmental insurance or benefits, or to secure performance of tenders, statutory obligations, leases and contracts (other than for borrowed money) entered into in the ordinary course of business or to secure obligations on surety or appeal bonds;
- (g) Liens granted by the Corporation or to a public utility or Governmental Agency, when required by such utility or Governmental Agency in connection with the operations of the Corporation in the ordinary course of business which singly, or in the aggregate, do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Corporation;
- (h) A Lien created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings by the Corporation and does not result in an Event of Default;
- (i) Existing Liens referenced in Schedule 1.1 and includes any extension, or renewal thereof;
- (j) Any other Lien which the Holder approves in writing as a Permitted Encumbrance; and
- (k) Liens as permitted under Section 6.1 and Section 6.2 or otherwise set out in this Agreement;

"**Person**" means an individual, natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture, government, governmental agency or any other entity, whether acting in an individual, fiduciary or other capacity, state or political subdivision thereof or any agency of such state or subdivision;

"**Restructuring Bonus Payment**" has the meaning given thereto on the first page of this Debenture;

"**Securities Act**" means the *Securities Act*, R.S.O. 1990, c. S.5, as amended, and the regulations made thereunder, as now in effect on the date hereof;

"**Security Agent Agreement**" means the Agreement Appointing Security Agent dated December 18, 2013 and made between the Corporation, the Guarantors (as defined therein), Trapeze, and the Other Holders, as amended by an amending agreement dated the date hereof, and as it may be amended, modified, restated, supplemented or replaced from time to time;

"**Security Documents**" means, collectively, the guarantees, security agreements, and securities pledge agreements and any additional security issued from time to time by the Corporation pursuant to Article 8 in favour of Trapeze as security for, *inter alia*, the Obligations;

"**Subsidiary**" means, with respect to any Person, any corporation at least a majority or more of the outstanding shares of capital stock of which having ordinary voting power to elect a majority of the board of directors or other governing body of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency) is at the time owned by such Person, by such Person and one or more other Subsidiaries of such Person, or by one or more other Subsidiaries of such Person;

"**Taxes**" means all taxes of any kind or nature whatsoever including, without limitation, income taxes, sales or value-added taxes, levies, stamp taxes, royalties, duties, and all fees, deductions, compulsory loans and withholdings imposed, levied, collected, withheld or assessed as of the date hereof or at any time in the future, by any Governmental Agency having power to tax, together with penalties, fines, additions to tax and interest thereon;

"**This Agreement**", "**this Debenture**", "**hereto**", "**herein**", "**hereby**", "**hereunder**", "**hereof**" and similar expressions refer to this agreement, as amended from time to time, and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto;

"**Transaction Documents**" means, collectively, this Debenture, the Security Documents, and all other documents, instruments and agreements to be executed and delivered by the Corporation, or any other Person on or by the Closing Date in connection with the obligations and liability of the Corporation to the Holder hereunder or thereunder; and

"**Trapeze**" means Trapeze Capital Corp. acting as agent for the Holders pursuant to the Security Agent Agreement.

## 1.2 Plurality and Gender

Words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine gender and words importing Persons shall include firms and corporations and vice versa.

## 1.3 Headings, etc.

The division of this Debenture into Articles, Sections, Subsections and paragraphs, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture.

## 1.4 Day Not a Business Day

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day.

## 1.5 Reference to Applicable Law

Reference herein to any Applicable Law means such Applicable Law as amended, modified, codified or re-enacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder.

## 1.6 Currency

All amounts payable under this Debenture shall be payable in Canadian dollars.

## 1.7 Accounting Terms

All accounting terms not defined herein shall be interpreted in accordance with GAAP.

## 1.8 Replacement of Debenture

If this Debenture shall become mutilated or be lost, stolen or destroyed and in the absence of notice that this Debenture has been acquired by a *bona fide purchaser*, the Corporation in its discretion may issue a new Debenture upon surrender and cancellation of the mutilated Debenture, or, in the event that this Debenture is lost, stolen or destroyed, in lieu of and in substitution for the same, and the substituted debenture shall be in the form hereof and the Holder shall be entitled to benefits hereof. In case of loss, theft or destruction, the Holder shall furnish to the Corporation such evidence of such loss, theft or destruction as shall be satisfactory to the Corporation in its discretion acting reasonably together with an indemnity in form and substance mutually acceptable to the Corporation and the Holder, each acting reasonably. The Holder shall pay reasonable expenses incidental to the issuance of any such new Debenture.



## Article 2- DEBENTURE FACILITY, PAYMENT OF PRINCIPAL, INTEREST AND OTHER AMOUNTS PAYABLE HEREUNDER

### 2.1 Debenture Facility

Subject to the provisions of this Agreement, the Holder agrees to make available to the Corporation a non-revolving term facility in the maximum principal amount of ● Dollars (\$●) on the Closing Date.

### 2.2 Purposes of Debenture Facility

The Corporation shall use the proceeds of the issuance of this Debenture to fund the working capital requirements of the Corporation, including but not limited to, advances to merchants under the Corporation's affinity partner programs, cash only program of the Corporation, and debt repayment.

### 2.3 Evidence of Indebtedness

This Debenture evidences the Obligations of the Corporation to the Holder. The Corporation shall maintain accounts and records evidencing the Obligations of the Corporation to the Holder hereunder. The Corporation's accounts and records shall constitute *prima facie* evidence of the obligation to the Holder hereunder in the absence of manifest error.

### 2.4 Transfer of Debenture

A transfer of this Debenture shall be valid if made by the Holder or, if the Holder is an individual, by the Holder's heirs, executors or administrators or other legal representatives or their attorney duly appointed by an instrument in writing in form and execution satisfactory to the Corporation, acting reasonably, and if made in accordance with the provisions of Sections 11.8 and 11.9, provided that no transfer of the Debenture shall be valid and the Corporation shall not be required to register a transfer of this Debenture or a portion of this Debenture subject to redemption under Section 2.9 hereof, if the Holder has provided the Corporation with a Response Notice.

### 2.5 Maturity Date

The maturity date (the "**Maturity Date**") of this Debenture shall be the earlier of (i) December 31, 2021 and (ii) if this Debenture is to be redeemed, the Redemption Date.

### 2.6 Payment of Interest

- (a) Rate: The Corporation shall pay interest to the Holder on the outstanding principal amount of the borrowing under this Debenture from the Closing Date to and including the date of payment, at a rate per annum equal to an interest rate ("**Interest Rate**") of nine percent (9%) per annum.

- (b) Calculation: Interest shall be calculated, compounded and payable semi-annually in arrears from the date of first issuance of the Debenture to the Holder, and shall be paid on June 15 and December 15 of each calendar year except, unless this Debenture has been otherwise redeemed, the final interest payment shall be payable on the Maturity Date for the period from June 16, 2021 to the Maturity Date. The first interest payment shall be payable on June 15, 2018 for the period from the date hereof to June 15, 2018.
- (c) Interest, as aforesaid, shall accrue both before and after Default and judgment and both before and after the Maturity Date, and shall be calculated and payable on overdue interest in the same manner and at the same rate as interest on the principal amount hereof from time to time outstanding.
- (d) All accrued and unpaid interest, and interest on interest on any amount outstanding hereunder shall be paid in full by the Corporation to the Holder on the date on which the principal amount outstanding hereunder becomes due and payable pursuant hereto.
- (e) All calculations of interest payable hereunder shall be made on the basis of a year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be, for the actual number of days occurring in the period in which such interest is payable.

## 2.7 Method of Payment

All payments hereunder required to be made on or prior to the Maturity Date shall be made by the Corporation paying such amount to the Holder by cheque, by bank draft or in immediately available wire transferred funds to the Holder at the Holder's address set out in Section 11.6. All payments hereunder required to be made on any day shall be deemed to have been made on such day only if payment has been received by the Holder prior to 1:00 p.m. (Toronto time) on such day.

## 2.8 No Voluntary Prepayment

Except as contemplated in Section 2.9, the Corporation shall not be entitled to voluntarily prepay any amounts outstanding hereunder without the prior written consent of the Holders.

## 2.9 Redemption

- (a) The Corporation shall have the right, at any time (the “**Redemption Date**”), to tender for redemption the outstanding principal amount of the Debentures at a price (the “**Redemption Price**”) which is 100% of the outstanding principal of the Debentures to be redeemed plus accrued and unpaid interest thereon to the Redemption Date.

- (b) A notice of redemption (the “**Redemption Notice**”) shall be given to the Holders of the Debentures, not more than 90 days nor less than 60 days prior to the Redemption Date. Every Redemption Notice shall state that Holders must respond if they wish to have their Debentures redeemed and shall specify the aggregate principal amount of Debentures called for redemption (the “**Maximum Amount**”).
- (c) Holders, including the Holder, wishing to tender their Debentures to the Corporation (a “**Retiring Holder**”) shall respond (the “**Response Notice**”) to the Redemption Notice (on the form provided therein and in the manner provided in Section 11.6 hereof) by a date that is no more than 45 days and no less than 30 day before the Redemption Date. A Retiring Holder’s election in a Response Notice is irrevocable.
- (d) If the Retiring Holders hold Debentures with an aggregate outstanding principal amount that is;
  - (i) less than or equal to the Maximum Amount, then all of the Debentures held by the Retiring Holders shall be redeemed,
  - (ii) greater than the Maximum Amount, then the Corporation shall select the Debentures, or portion thereof, to be redeemed on a pro rata basis provided that Debentures or portions of Debentures selected shall be in amounts of \$1,000 or whole number multiples of \$1,000.
- (e) Not more than 30 days nor less than 15 days prior to the Redemption Date, the Corporation shall give notice to each Retiring Holder stating if such Retiring Holder’s Debentures are to be redeemed in whole or in part, and if so, (i) the Redemption Price payable to the Retiring Holder, including the portion thereof representing the principal amount of the Debenture that is to be redeemed and any accrued and unpaid interest thereof, (ii) that Debentures called for redemption must be surrendered to the Corporation to collect the Redemption Price and (iii) the places of payment.
- (f) Upon a Response Notice having been given as provided in Section 2.9(b), all the Debentures so called for redemption or the principal amount to be redeemed of the Debentures called for redemption, as the case may be, shall thereupon be and become due and payable at the Redemption Price on, subject to 2.9(g), the Redemption Date. From and after such Redemption Date, if the monies necessary to redeem such Debentures shall have been paid in accordance with Section 2.7 or set aside in accordance with 2.9(h), interest ceases to accrue on the Debentures or portions of the Debentures to be redeemed.
- (g) No Retiring Holder shall be entitled to any portion of the Redemption Price owing to such Retiring Holder until such time as the Retiring Holder surrenders its Debenture to the Corporation. Subject to 2.9(h), upon the later of the Redemption

Date and the date a Retiring Holder surrenders its Debenture to the Corporation, Retiring Holders surrendering their Debentures shall be entitled to (a) receive payment of the Redemption Price of such Debenture or portion thereof and (b) if applicable, to be issued a new Debenture (a “**Replacement Debenture**”) in the form hereof for that portion of the Debentures held by such Retiring Holder that remains unredeemed.

- (h) If the Retiring Holder fails on or before the Redemption Date to surrender its Debentures, or does not accept payment of the Redemption Price payable, or give such receipt therefor, if requested by the Corporation, monies in an amount equal to the Redemption Price owing to such Retiring Holder shall be set aside, without interest, and such setting aside shall for all purposes be deemed a payment to the Retiring Holder of the sum so set aside and, such Debentures or portions of the Debentures to be redeemed shall thereafter not be considered as outstanding hereunder and the Retiring Holder thereof shall have no other right except (i) to receive payment of the Redemption Price of such Debenture out of the monies so paid and deposited, upon surrender and delivery up of such Retiring Holder’s Debenture and (ii) if applicable, to be issued a Replacement Debenture. In the event that any money required to be set aside shall remain uncollected two years from the Redemption Date, then such monies (and any entitlement to Replacement Debentures), shall be fully, finally, irrevocably and forever compromised, released, and discharged without any compensation therefor, notwithstanding any federal, provincial, or state laws to the contrary.

## 2.10 Change of Control

- (a) In the event of a Change of Control prior to the Maturity Date, the outstanding principal amount, plus all accrued and unpaid interest with respect to this Debenture, and the Restructuring Bonus Payment shall be due and payable immediately prior to the closing of such Change of Control. The Corporation shall provide notice to the Holder as set forth in Section 11.6 no less than fifteen (15) days prior to the consummation of such Change of Control.
- (b) On the earlier of the Maturity Date, the Redemption Date and the date contemplated in Section 2.9(i) above, the Corporation shall pay to the Holder an amount equal to its entitlement in respect of the Restructuring Bonus Payment.

## **Article 3 - CONDITIONS PRECEDENT**

### 3.1 Representations, Warranties, Covenants and Conditions

At Closing, the representations and warranties contained in Article 4 are and shall continue to be true and correct. The Holder shall have received such certificates or other instruments of the Corporation or of the officers of the Corporation as the Holder's counsel may reasonably consider necessary in order to establish that the terms, covenants and conditions contained in this

Agreement have been performed or complied with at or prior to the time of closing by the Corporation and that the representations and warranties of the Corporation herein given are correct at the time of Closing.

### 3.2 Resolutions and Certificates

At Closing, the Holder or Trapeze shall have received, duly executed and in form and substance satisfactory to it:

- (a) a copy of the constating documents and by-laws of the Corporation and a copy of the resolutions of the Board of Directors of the Corporation authorizing the execution, delivery and performance of this Agreement, the Security Documents and any other instruments contemplated hereunder, certified by an appropriate officer of the Corporation; and
- (b) a certificate of incumbency for the Corporation showing the names, offices and specimen signatures of the officers who will execute this Agreement, the Security Documents and any other instruments contemplated hereunder and thereunder; and
- (c) such additional supporting documents as the Holder or Trapeze, or their respective counsel, may reasonably request.

### 3.3 Consents, Approvals

At Closing, the Holder or Trapeze shall have received all necessary consents, approvals, exemptions and authorizations required to complete all the transactions contemplated herein, including without limitation the approval of the Corporation's Board of Directors and any and all necessary Exchange approvals or other regulatory approvals.

### 3.4 Delivery of Security Documents

At Closing, the Holder or Trapeze shall have received the Security Documents (including any necessary consents or except for Permitted Encumbrances, subordinations or discharges of third parties as may be required by the Holder or Trapeze) duly executed by the Corporation or one of its Subsidiaries, as the case may be, and in form and substance satisfactory to the Holder or Trapeze and its counsel as set out in Article 8 hereof.

### 3.5 Registration

At Closing, the Security Documents will have been registered, recorded or filed in all jurisdictions deemed necessary by the Holder or Trapeze and its counsel.

### 3.6 Title and Liens

At Closing, the Corporation shall have provided evidence satisfactory to the Holder or Trapeze that all its property is free and clear of all Liens except the Permitted Encumbrances. For greater

certainty, the Corporation shall have executed and delivered to or shall have caused to be executed and delivered to the Holder or Trapeze, in form and substance satisfactory to the Holder or Trapeze, documents evidencing the discharge of any registrations pursuant to the *Personal Property Security Act* (Ontario) against the Corporation in favour of any Person other than the Permitted Encumbrances.

### 3.7 Legal Opinion

At Closing, the Holder or Trapeze shall have received from counsel to the Corporation favourable legal opinions in form and substance including, but not limited to, the corporate status of the Corporation and the Subsidiaries, the due authorization and execution of this Agreement, and the enforceability and the perfection of the Security Documents and any other matters satisfactory to the Holder and its counsel in connection with this Agreement and the Security Documents.

### 3.8 No Default

Except as publicly disclosed, at Closing, no Default shall have occurred and be continuing. The Corporation shall not have received any notice (written or otherwise), and shall not otherwise be aware, of any event or circumstances, whether existing or pending, which would cause any Default to occur with the lapse of time.

### 3.9 Insurance

At Closing, the Holder or Trapeze shall have received a certificate of insurance in respect of all policies maintained by the Corporation affecting assets charged by the Security Documents which shall name Trapeze as loss payee as its interest may appear.

### 3.10 Waiver

At Closing, the terms and conditions stated in this Article 3 are inserted for the sole benefit of the Holder and may be waived by it in whole or in part and with or without terms or conditions in respect of this Debenture.

## **Article 4- REPRESENTATIONS AND WARRANTIES OF THE CORPORATION**

The Corporation represents and warrants as follows:

### 4.1 Due Incorporation

The Corporation and each of its Subsidiaries are duly formed by incorporation or amalgamation, organized and validly subsisting under the laws of its jurisdiction of incorporation or amalgamation. The Corporation and each of its Subsidiaries has all necessary corporate power and authority to own its properties and assets and to carry on its business as now conducted and is, or will be, duly licensed or registered or otherwise qualified in all jurisdictions wherein the nature of its assets or the business transacted by it makes such licensing, registration or

qualification necessary, except where failure to do so would not give rise to any material legal impediment to the use of the property in the business of the Corporation or its Subsidiaries or the ability of the Corporation or its Subsidiaries to carry on the business or to perform its obligations hereunder.

#### 4.2 Power

The Corporation and each of its Subsidiaries has full power and capacity to enter into, deliver and perform its obligations under this Agreement, the Security Documents and all other instruments contemplated hereunder.

#### 4.3 Due Authorization and No Conflict

The execution, delivery and performance by the Corporation and its Subsidiaries as the case may be of this Agreement, the Security Documents and all other instruments contemplated hereunder and the consummation of the transactions contemplated hereby and thereby

- (d) have been duly authorized by all necessary corporate action,
- (e) do not and will not conflict with, result in any breach or violation of, or constitute a default under the constating documents or by-laws of the Corporation or any of its Subsidiaries, or any Applicable Laws, determination or award presently in effect and applicable to the Corporation or any of its Subsidiaries, or of any commitment, agreement or any other instrument to which the Corporation or any of its Subsidiaries is now a party or is otherwise bound,
- (f) do not (except for the Security Documents) result in or require the creation of any Lien upon or with respect to any of the properties or assets of the Corporation or any of its Subsidiaries, and
- (g) do not require the consent or approval (other than those consents or approvals set forth in Section 3.3, or as may be required from time to time pursuant to Applicable Laws or the requirements of the Exchange, or registration or filing with, any other party (including shareholders of the Corporation or any of its Subsidiaries) or any governmental body, agency or authority.

#### 4.4 Valid and Enforceable Obligations

This Agreement, the Security Documents and all other instruments contemplated hereunder are, or when executed and delivered to the Holder or Trapeze will be, legal, valid and binding obligations of the Corporation and each of its Subsidiaries as the case may be, enforceable in accordance with their respective terms, subject only to the exceptions and qualifications as may be set forth in the legal opinion referred to in Section 3.7.

#### 4.5 Title to Assets

The Corporation and each of its Subsidiaries has good and marketable title to all its assets, free from any mortgage, charge, hypothec, pledge, assignment, lien, security interest or other encumbrance other than the Permitted Encumbrances.

#### 4.6 Validity and Priority of Security Documents

The Security Documents constitute assignments, fixed charges or security interests, as applicable, on the undertaking and property and assets of the Corporation and the Subsidiaries purported to be assigned, mortgaged, charged or subjected to a security interest thereby and rank in priority to any other security interests upon such undertaking and property and assets other than Permitted Encumbrances.

#### 4.7 No Actions

Except as disclosed in Schedule 4.7 hereto, there are no actions, suits, proceedings, inquiries or investigations existing, pending or threatened, affecting the Corporation or any of its Subsidiaries in any court or before, or by, any federal, provincial or municipal or other governmental department, commission, board, tribunal, bureau or agency, Canadian or foreign, which is reasonably likely to have a Material Adverse Effect on the financial condition, property, assets, operations or business of the Corporation and its Subsidiaries, on a consolidated basis, the ability of the Corporation to repay the Obligations or which is reasonably likely to materially and adversely affect the ability of the Corporation or any of its Subsidiaries, as the case may be to perform any of its obligations under this Agreement, the Security Documents or any other instrument contemplated hereunder, or the validity or enforceability of this Agreement or the Security Documents.

#### 4.8 Financial Information

The Financial Information presents fairly the financial condition of the Corporation and its Subsidiaries, on a consolidated basis, as at the dates thereof and have been prepared in accordance with GAAP. Since September 30, 2017, no event has occurred which would have a Material Adverse Effect in respect of the financial position of the Corporation and its Subsidiaries, on a consolidated basis, except as disclosed to the Holder or Trapeze prior to the Closing Date. All such Financial Information and all other information, certificates, schedules, reports and other papers and data furnished to the Holder or Trapeze are accurate, complete and correct in all material respects.

#### 4.9 Compliance with Law

Neither the Corporation nor any of its Subsidiaries is in violation of any terms of its constating documents or by-laws, and neither the Corporation nor its Subsidiaries is in violation of any law, regulation, rule, order, judgment, writ, injunction, decree, determination or award presently in effect and applicable to it, the violation of which would have a Material Adverse Effect on the Corporation and its Subsidiaries, on a consolidated basis.



#### 4.10 Capital of the Corporation

The authorized capital of the Corporation consists of 500,000 Class A non-voting, non-participating preference shares, an unlimited number of Class B preference shares issuable in series, 125,000 Class C non-voting, non-participating preference shares, and an unlimited number of Common Shares, of which 139,071,218 Common Shares and 461,887 Class A preference shares have been validly issued and outstanding as fully paid and non-assessable. There are no other shares issued and outstanding as of the date hereof. The authorized and issued capital of the Subsidiaries is as set out in Schedule 4.10.

#### 4.11 Non-Dilution

Except as listed in Schedule 4.11 annexed hereto, no Person now has any agreement, option or right capable of becoming an agreement or option for the pledge, purchase, subscription or issuance from the Corporation or any of its Subsidiaries of any shares of the Corporation or any of its Subsidiaries issued or unissued.

#### 4.12 Location of Assets

Except for inventory from time to time in the possession of freight forwarders, warehouses and packing stations acting on behalf of the Corporation or any of its Subsidiaries in the ordinary course, all material property and assets of the Corporation and its Subsidiaries are located at the places of business of the Corporation and its Subsidiaries described in Schedule 4.12 hereto.

#### 4.13 Operating Subsidiaries

Schedule 4.13 attached hereto lists the names and jurisdictions of incorporation of each Subsidiary of the Corporation. The Corporation owns, directly or indirectly, all of the issued shares of each Subsidiary. Each Subsidiary is duly incorporated, organized and validly subsisting under the laws of its jurisdiction of incorporation.

#### 4.14 Partnership

The Corporation is not in partnership with any Person nor is it a participant in any joint venture, or other profit sharing arrangement.

#### 4.15 Taxes

Each of the Corporation and its Subsidiaries has filed all foreign, federal, provincial and local tax returns which are required to be filed and has paid all Taxes due pursuant to such returns or pursuant to any assessment received by the Corporation or any of its Subsidiaries except such Taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided. Each of the Corporation and its Subsidiaries is not in arrears in the payment of any amount to any governmental body or agency including, without limitation, amounts owing or to be remitted with respect to employee withholdings for income tax or Canada Pension Plan, goods and services tax or provincial sales taxes. The charges, accruals and reserves on the books

of each of the Corporation and its Subsidiaries in respect of any taxes or other governmental charges are materially adequate.

#### 4.16 Solvency

Assuming the completion of the transactions contemplated herein, the Corporation and each of the Subsidiaries is solvent, is able to pay its debts as they become due, and has capital sufficient to carry on its business, now owns property having a value both at fair valuation and at present fair saleable value greater than the amount required to pay its debts, and will not be rendered insolvent by the execution and delivery of this Agreement or by the completion of the transactions contemplated hereunder or thereunder.

#### 4.17 French Form of Name

The Corporation's full corporate name is Advantex Marketing International Inc., and the Corporation has no French form of name.

#### 4.18 Real Property

The Corporation does not own, or have any interest in, any real property except for the leasing of those premises set out in Schedule 4.19.

#### 4.19 No Defaults

Except as publicly disclosed, no event has occurred and is continuing, and no circumstance exists which has not been waived which constitutes a Default hereunder or a default or event of default (or event which, with the giving of notice or the lapse of time or both, would constitute a default or an event of default) in respect of any material commitment, agreement or any other instrument to which the Corporation or any of its Subsidiaries is now a party or is otherwise bound, entitling any other party thereto to accelerate the maturity of amounts of principal owing thereunder, or which would have a Material Adverse Effect on the Corporation and its Subsidiaries, on a consolidated basis.

#### 4.20 Contingent Financial Obligations

Except as publicly disclosed, the Corporation does not have any obligations nor has it received notice of, or is not otherwise aware of, any event or circumstance whether existing or pending which would obligate it, to guarantee, indemnify or secure or in effect guarantee, indemnify or secure, whether directly or indirectly, any indebtedness, liability or obligations absolute or contingent of any Person as determined in accordance with GAAP the aggregate in excess of Two Hundred Thousand Dollars (\$200,000).

#### 4.21 Pension and Benefit Plans

The Corporation has not established any pension, retirement, or benefit plan for its employees and, to the knowledge of the Corporation (without any investigation), there are no claims existing, pending or threatened against the Corporation or any of its Subsidiaries by any

employee or regulatory authority with respect to any such plans or any plans established in the past.

#### 4.22 Full Disclosure

All written information prepared by the Corporation and heretofore furnished by the Corporation to the Holder or Trapeze for the purposes of, or in connection with, this Agreement or any transactions contemplated hereby is, and all such written information hereinafter furnished by the Corporation to the Holder or Trapeze will be true, accurate, and complete in all material respects on the date as of which said information is stated or certified.

#### 4.23 Deemed Trusts and Statutory Lines

Each of the Corporation and its Subsidiaries has remitted to all appropriate Governmental Agencies all payments which if not paid when due could result in the creation of a lien or charge against any of its property or which could result in any of its property becoming subject to a deemed trust established by any applicable legislation.

#### 4.24 Insurance

The undertaking, property, and assets of the Corporation and its Subsidiaries are insured against loss or damage with reputable insurers in amounts not less than the replacement cost thereof and against such losses as are normally insured against by Persons engaged in comparable businesses, including public liability and business interruption insurance, and, to its knowledge, it is not in default with respect to any of the provisions contained in any such insurance nor has it failed to give any notice or present any claim under any such insurance in a due and timely fashion.

#### 4.25 Intentionally Deleted.

#### 4.26 Survival of Representations and Warranties

The representations and warranties contained in Article 4.1 shall survive the execution and delivery of this Agreement and continue until the Obligations have been repaid in full.

### **Article 5 - COVENANTS OF THE CORPORATION**

#### 5.1 Positive Covenants

From the date hereof and until the Obligations are repaid in full, the Corporation will observe and perform, or will cause the observance and performance of each of the following covenants, unless compliance therewith shall have been waived in writing by the Holder:

- (a) Existence. The Corporation will do or cause to be done all such things as are necessary to maintain its corporate existence in good standing, to ensure that it has at all times the right and is duly qualified to conduct its business and to obtain

and maintain all rights, privileges and franchises necessary for the conduct of its business.

- (b) Conduct of Business. The Corporation will maintain, operate and use its properties and assets, and will carry on and conduct its business in a proper and efficient manner so as to preserve and protect such properties, assets, business, and the profits thereof. The Corporation shall continue to carry on the Business that it is currently undertaking in all material ways.
- (c) Payment of Principal, Interest and Expenses. The Corporation will duly and punctually pay, or cause to be paid, to the Holder the Obligations at the times and places and in the manner provided for herein.
- (d) Payment of Taxes and Claims. The Corporation will pay and discharge promptly when due all Taxes, assessments and other governmental charges or levies imposed upon it or upon its properties or assets or upon any part thereof, as well as all claims of any kind (including claims for labour, material and supplies) which, if unpaid, would by law become a Lien or charge upon any such properties or assets; but the Corporation shall not be required to pay any such Tax, assessment, charge or levy or claim if the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and if the Corporation shall have set aside on its books a reserve to the extent required by GAAP in an amount which is reasonably adequate with respect thereto.
- (e) Reporting Requirements. The Corporation shall deliver to the Holder or Trapeze, or such other party as the Holder may otherwise from time to time direct:
  - (i) Within sixty (60) days of the end of each fiscal quarter (except the fiscal quarter which is a year end and in that event within one hundred and twenty (120) days of the fiscal year end of the Corporation), and, at the same time, such reports are sent to the shareholders of the Corporation one copy of its financial statements which shall be prepared on a consolidated basis by the Corporation, including the balance sheet and statements of income, retained earnings and cash flow and all supporting notes and schedules therein, and for the annual financial statements, a detailed unqualified report of the auditors of the Corporation and all supporting notes and schedules and a copy of any other financial reports provided to shareholders generally;
  - (ii) Within sixty (60) days of the end of each fiscal quarter, except the fiscal quarter which is a year end and, in that event, within one hundred and twenty (120) days of the fiscal year end of the Corporation, a certificate of the CFO of the Corporation confirming compliance with the financial covenants as set out in Section 5.2 of this Agreement;

- (iii) Within sixty (60) days of the end of each fiscal quarter (except the fiscal quarter which is a year end and in that event within one hundred and twenty (120) days of the fiscal year end of the Corporation), a certificate signed by the CFO of the Corporation to the effect that the interim and annual financial statements, as the case may be, present fairly the financial position of the Corporation at the date thereof and have been prepared in accordance with GAAP;
- (iv) Upon request, such further information concerning the financial position and business operations as the Holder may from time to time reasonably request.
- (f) Books and Records. The Corporation shall at all times maintain proper records and books of account and therein make true and correct entries of all dealings and transactions relating to its business, shall keep such books, records and accounts at the principal place of business of the Corporation with the exception of the minute books and records which shall be kept at the principal place of business of the Corporation's counsel (and shall not maintain any duplicate of such books, records and accounts elsewhere except for back-ups required for data recovery). The Corporation shall, at the cost of the Holder, make its books of account and other accounting and corporate records and its property, plants and equipment available for inspection to any Holder holding in excess of ten percent (10%) of the issued and outstanding indebtedness under this Agreement, or any agent of such Holder and makes it senior management available to discuss with such Holder its affairs, finances and accounts, in each case upon reasonable prior notice to the Corporation at all reasonable times.
- (g) Notice of Material Adverse Change. The Corporation shall give to the Holder or Trapeze prompt written notice of any event which has a Material Adverse Effect on the business financial or other, or of any material loss, destruction or damage to the properties and assets of the Corporation and its Subsidiaries, on a consolidated basis.
- (h) Notice of Name Change or Acquisition of Assets. The Corporation shall give to the Holder written notice thirty (30) days prior to any change of name or any material acquisition of assets in any jurisdiction outside the Province of Ontario.
- (i) Maintenance of Security Documents. The Corporation will fully and effectively maintain and keep maintained the Security Documents hereby created as valid and effective security documents at all times so long as this Debenture shall remain outstanding.
- (j) Location of Assets. The Corporation shall give to the Holder or Trapeze prompt written notice of any change in the location of all property and assets of the Corporation and its Subsidiaries other than inventory, such that the representation

and warranty set out in Section 4.12 hereof, as updated, shall be true and correct at all times.

- (k) Insurance. The Corporation shall insure and keep insured its business, properties and assets, placed with such insurers and with such coverage (including without limitation business interruption insurance and all existing coverages now in place) and against such loss or damage to the full insurable value of such properties and assets without co-insurance as the Holder or Trapeze shall reasonably require or, in the absence of such requirement, to the extent insured against by comparable corporations engaged in comparable businesses. Upon request by the Holder, the Corporation shall promptly supply the Holder with copies of all insurance policies; losses under all such insurance policies affecting assets charged by the Security Documents shall be payable to Trapeze as loss payee as its interest may appear and each such policy shall provide for a minimum of forty-five (45) days' notice to the Holder of cancellation or lapse; the Corporation shall pay or cause to be paid all premiums necessary to maintain any such insurance policies in good standing as such premiums become due and payable.
- (l) Notice of Default in this Agreement. The Corporation shall give to the Holder prompt written notice of any Default hereunder.
- (m) Notice of Litigation. Except as publicly disclosed, the Corporation will give to the Holder or Trapeze prompt written notice of any action, suit, litigation, or other proceeding which is commenced or threatened against it or any of its Subsidiaries and which involves a claim or potential claim in excess of Two Hundred Thousand Dollars (\$200,000) or an aggregate of claims or potential claims in excess of Four Hundred Thousand Dollars (\$400,000).
- (n) Registration of Security Documents. The Corporation will provide the Holder with such assistance and do such things as the Holder or Trapeze may from time to time request so that the Security Documents and any other instruments of conveyance or assignment effected pursuant to this Agreement, or otherwise, will be and remain registered, recorded or filed from time to time in such manner and in such places as may, in the opinion of the Holder or Trapeze, be necessary or advisable in perfecting the security interests constituted thereby. The Corporation will fully and effectively maintain and keep maintained the Security Documents as valid and effective Security Documents at all times so long as this Debenture shall remain outstanding.
- (o) To Carry on Business. Subject to the express provisions hereof, the Corporation will carry on and conduct its business in a proper and efficient manner and comply in all material respects with all Applicable Laws, regulations and rules in each jurisdiction where it conducts business; and at all reasonable times it will furnish or cause to be furnished to the Holder such information relating to the business of the Corporation as the Holder may reasonable require; and, subject to

the express provisions hereof, it will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and rights.

- (p) After-Acquired Property and Further Assurances. The Corporation shall notify the Holder or Trapeze in writing in advance of any proposed acquisition by the Corporation in an amount greater than Five Hundred Thousand Dollars (\$500,000) of any property or asset (unless contemplated by the Corporation's capital expenditure budget or unless the property or asset is inventory or transaction defined under Section 2.2) including a full description of such property or asset, and the Corporation shall from time to time execute and deliver to Trapeze, in form satisfactory to Trapeze and its counsel, all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge, charge or security interest in connection with all property or asset acquired by the Corporation after the date of this Agreement, including any insurance thereon.
- (q) Defend Trademarks and Software. The Corporation shall use its best efforts to prosecute, defend and conduct at its own expense all suits involving the Corporation's trademarks, trade names, proprietary and software which it has developed, including actions involving infringements or passing off.
- (r) Board Nomination. If requested by Trapeze, the Corporation shall include one (1) nominee of Trapeze Capital Corp. among the slate of directors proposed for election to the Board of Directors of the Corporation beginning at the 2017 Annual Meeting of the shareholders of the Corporation.
- (s) Intentionally Deleted.
- (t) Pre-Purchased Transactions. At least seventy-five percent (75%) of the Corporation's pre-purchased transactions on designated credit cards shall be one hundred and eighty (180) days or less.
- (u) Third Party Valuation. Commencing on the date which is sixty (60) days following the issue date hereof and every sixty (60) days thereafter, the Corporation shall, at its own expense, cause a third party valuation to be done of the Corporation and its assets and shall promptly provide to Trapeze a copy of each such valuation.

## 5.2 Financial Covenants

The Corporation will ensure that, on a consolidated basis calculated as of the last date of each quarter commencing the quarter ending March 31, 2018 (the "**Calculation Date**"), and in the case of Section 5.2(c) commencing the quarter ending December 31, 2018, the covenants set forth below will be met. The calculation and determination of such financial covenants, and all accounting terms contained therein, shall be calculated and construed in accordance with GAAP:

(a) Eligible Assets: The Eligible Assets of the Corporation shall be equal to or greater than 125% of the Gross Proceeds of the Debentures as at the date of computation. For the purposes hereof, “Eligible Assets” as at each date of computation shall be the sum of:

- (i) Eligible Current Assets; plus
- (ii) the tax losses of the Corporation as reflected on the consolidated financial statements of the Corporation for the most recent fiscal year end multiplied by \$0.06; plus
- (iii) the value assigned to the Corporations’ proprietary information technology intellectual property in the amount of \$5,000,000; plus
- (iv) the Cash Flow;

provided however that if, as at any date of computation, the most recent valuation conducted pursuant to Section 5.1(u) determines that the tax losses referenced in clause (ii) above and/or the value of the proprietary information technology intellectual property referred to in clause (iii) above are less than the amounts referred to in such clauses, then the amounts determined pursuant to the said valuation shall be utilized.

For purposes of this Section 5.2:

- (v) “**Cash Flow**” means the positive cash flow expected to be earned by the Corporation during a six (6) month period after a decision to wind-down the Corporation; and
- (vi) “**Gross Proceeds**” means at any time the sum of the aggregate outstanding principal amount of the Debentures.

(b) Eligible Current Assets: The Eligible Current Assets shall at least be equal to the percentage of Gross Proceeds as at the applicable dates below:

- (i) 25% at June 30, 2018; September 30, 2018; December 31, 2018;
- (ii) 30% at March 31, 2019; June 30, 2019; September 30, 2019;
- (iii) 40% at December 31, 2019; March 31, 2020;
- (iv) 50% at June 30, 2020; September 30, 2020;
- (v) 70% at December 31, 2020; March 31, 2021; and
- (vi) 100% at June 30, 2021 and thereafter at each quarter end to the Maturity Date.



- (c) Interest Cover: the ratio of EBITDA Available to Debentures to the Annual Debentures Interest, calculated on a trailing four quarter basis, shall be at least 1.5 at December 31, 2018 and March 31, 2019; 1.75 at June 30, 2019 and September 30, 2019; and 2.0 at December 31, 2019 and each quarter end thereafter until the Maturity Date.

### 5.3 Negative Covenants

So long as any amount owing under this Debenture remains unpaid, the Corporation shall not:

- (a) Not to Amalgamate, etc. The Corporation shall not enter into any transaction or series of related transactions (whether by way of amalgamation, merger, winding-up, consolidation, reorganization, reconstruction, continuance, transfer, sale, lease or otherwise) other than with its direct or indirect wholly owned Subsidiaries, whereby all or substantially all of its undertaking, properties, rights or assets would become the property of any other Person or, in the case of amalgamation or continuance, of the continuing corporation resulting therefrom;
- (b) Relocation of Assets. The Corporation shall not locate, or permit to be situated, any of its property or assets in any jurisdiction other than as set out in Schedule 4.12 without having first providing notice, in writing, to the Holders or Trapeze;
- (c) Encumbrances. Except as set out in Article 8, the Corporation shall not create, incur, grant, assume or suffer to exist any mortgages, charges or security interests other than Permitted Encumbrances;
- (d) Disposal of Assets Generally. A division of the Corporation shall not remove, destroy, lease, transfer, assign, sell or otherwise dispose of any of the assets of the Corporation, where the proceeds at such sale of assets would be in excess of Five Hundred Thousand Dollars (\$500,000) and, except for *bona fide* dispositions in the ordinary course of business at fair market value, assets which have no material economic value in the business of the Corporation or are obsolete;
- (e) Acquisition of Business. Without the consent of the Holders or Trapeze, the Corporation shall not acquire for cash any business which would have an aggregate acquisition cost in excess of Five Hundred Thousand Dollars (\$500,000) provided, however, nothing herein will prohibit the Corporation from acquiring assets by the issuance of shares of the Corporation;
- (f) Financial Year. The Corporation shall not change its financial year end; or
- (g) Transactions With Related Parties. The Corporation shall not engage in any transactions with Persons not dealing at arm's length (as defined in the *Income Tax Act* (Canada)) with the Corporation except in the ordinary course of, and pursuant to the reasonable requirements of, business and at prices and on terms

not less favourable to the Corporation than could be obtained in a comparable arm's length transaction with another Person.

#### 5.4 Additional Indebtedness for Borrowed Money

Neither the Corporation nor any Subsidiary shall create, incur, or assume any additional indebtedness other than indebtedness relating to Permitted Encumbrances.

#### 5.5 Distribution

The Corporation shall pay no dividends, nor repurchase in excess of five percent (5%) of its Common Shares in any given year, nor pay bonuses to the officers of the Corporation in excess of those approved by the compensation committee of its Board of Directors.

### **Article 6 - SUBORDINATION AND CARVE-OUT DEBT**

#### 6.1 Intentionally Deleted.

#### 6.2 Carve-Out Debt

The Corporation shall be permitted to secure the following additional debt financing (collectively, the “**Carve-out Debt**”) to fund specific merchant initiatives:

- (a) permitted under the Corporation’s affinity partner agreements; and
- (b) for cash only product, secured by the current assets of those programs, providing that:
  - (i) there is no co-mingling of funds from those programs and those of the Corporation’s programs and activities funded by these Debentures;
  - (ii) the holders of the Carve-out Debt can only have first security on the current assets associated with the Carve-out Debt;
  - (iii) the Corporation receives funds from this venture sufficient to meet the financial tests described in Section 5.2;
  - (iv) the mix of the merchants, amount of pre-purchased transactions per merchant and therefore risk remain similar between those covered by the Carve-out Debt and the Debenture;
  - (v) that at least 75% of the pre-purchased transactions covered by the Debentures represent 180 days or less of designated transactions; and
  - (vi) the Holder is given an opportunity to participate in the Carve-out Debt, however in no way will the Holder’s non-participation hinder the ability of the Corporation to offer Carve-out Debt.

## Article 7- DEFAULT AND ENFORCEMENT

### 7.1 Events of Default

Each of the following events is herein sometimes referred to as an "**Event of Default**":

- (a) Failure to Pay Principal. If the Corporation makes default in payment of the principal of this Debenture on the Maturity Date or when the same otherwise becomes due under any provision hereof;
- (b) Failure to Pay Interest. If the Corporation fails to make a payment within five (5) Business Days of the day on which any interest payable hereunder is due;
- (c) Failure to Pay Other Amounts. If the Corporation fails to make payment when due of any amount payable hereunder other than principal or interest and if such payment is not made within five (5) Business Days after written notice;
- (d) False Representations, etc. If any representation, warranty, certificate, statement or report made or given herein or otherwise in connection hereunder including, without limitation, the Security Documents, is false or erroneous in any material respect;
- (e) Cross Default. If there is an event of default under any indebtedness permitted to be created under Article 6 and such default has not been cured within the time frames provided thereunder;
- (f) Default in Other Covenants. If, other than in respect of any covenant to pay, there is any default or failure in the observance or performance of any other act hereby required to be done or any other covenant or condition hereby required to be observed or performed, including without limitation, the financial covenants referred to in Section 5.2 hereof, and the default or failure continues for ten (10) Business Days after written notice by the Holder to the Corporation specifying such default or failure;
- (g) Insurance Lapse. If any insurance on the properties or assets of the Corporation lapses and such coverage shall not be reinstated within thirty (30) Business Days of such lapse;
- (h) Insolvency. If the Corporation or any Subsidiary is unable to pay debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- (i) Voluntary Proceedings. If the Corporation or any Subsidiary makes a general assignment for the benefit of creditors, or any proceedings or filing is instituted or made by the Corporation and any Subsidiary seeking relief on its behalf as debtor, or to adjudicate it to a bankrupt or insolvent, or seeking liquidation, winding-up,

reorganization, arrangement, adjustment recomposition of it or its debts under any similar law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties or assets; or the Corporation takes any corporate action to authorize any of the actions set forth in this Section 7.1(i);

- (j) Involuntary Proceedings. If any notice of intention is filed or any proceeding or filing is instituted or made against the Corporation or any Subsidiary in any jurisdiction seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties or assets or seeking possession, foreclosure or retention, or sale or other disposition of, or other proceedings to enforce security over, all or a substantial part of the assets of the Corporation or any Subsidiary unless the same is being contested actively and diligently in good faith by appropriate and timely proceedings and is dismissed, vacated or stayed within thirty (30) days of institution thereof;
- (k) Receiver, etc. If a receiver, liquidator, trustee, sequestrator or other officer with like powers is appointed with respect to, or an encumbrancer takes possession of, or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over all or a substantial part of the properties or assets of the Corporation or any Subsidiary or gives notice of its intention to do so, unless the same is being contested actively and diligently in good faith by appropriate and timely proceedings and is dismissed, vacated or stayed within sixty (60) days of institution thereof;
- (l) Execution, Distress. If any writ, attachment, execution, sequestration, extent, distress or any other similar process becomes enforceable against the Corporation or any Subsidiary or if a distress or any analogous process is levied against all or a substantial part of the properties or assets of the Corporation or any Subsidiary, except where the same is being contested actively and diligently in good faith by appropriate and timely proceedings;
- (m) Suspension of Business. If the Corporation or any Subsidiary suspends or ceases or threatens to suspend or cease its business;
- (n) Sale. If the Corporation sells or otherwise disposes of, or threatens to sell or otherwise dispose of, all or a substantial part of its undertaking and property and assets whether in one transaction or a series of related transactions;
- (o) Material Change. If there is a change that occurs which has a Material Adverse Effect on the business or affairs of the Corporation and its Subsidiaries, on a consolidated basis; or

- (p) Litigation. If the Corporation fails within thirty (30) days of the commencement of same to contest actively and diligently in good faith by appropriate and timely proceedings any action, suit, litigation or other proceeding commenced against it which would have a Material Adverse Effect on the business or affairs of the Corporation and its Subsidiaries, on a consolidated basis.

Any reference to a Subsidiary in this Section 7.1 shall not include such Subsidiary as the parties may agree upon.

#### 7.2 Notice of Event of Default

The Corporation shall give notice in writing to the Holders of the occurrence of any Event of Default or other event which, with the lapse of time or giving of notice or otherwise, would be an Event of Default, forthwith upon becoming aware thereof. Such written notice shall specify the nature of such default or Event of Default and the steps taken to remedy the same.

#### 7.3 Waiver of Default

If an Event of Default shall have occurred, the Holder shall have the power to waive any Event of Default hereunder, provided that no delay or omission of the Holder to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein and provided further that no act or omission of the Holder shall extend to, or be taken in any manner whatsoever, to affect any subsequent Event of Default hereunder or the rights resulting therefrom.

#### 7.4 Acceleration and Demand

If an Event of Default shall have occurred that is continuing, in addition to any other remedy of the Holder provided herein or at law, the Holder may declare that the outstanding principal amount hereof, together with any accrued but unpaid interest thereon, be forthwith accelerated and may demand immediate payment in full of such amount by the Corporation. Upon acceleration, the Holder may take such actions and commence such proceedings as may be permitted at law or in equity (whether or not provided for herein) at such times and in such manner as the Holder may consider expedient, all without, except as may be required by Applicable Law, any additional notice, presentment, demand, protest, notice of protest, dishonour or any other action.

#### 7.5 Remedies Cumulative

No remedy herein conferred upon, or reserved to, the Holder is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing by law or by statute.

## 7.6 Judgment Against the Corporation

In the case of any judicial or other proceeding to obtain judgment for the principal of or interest on this Debenture, judgment may be rendered against the Corporation in favour of the Holder for any amount which may remain due in respect of this Debenture.

## **Article 8 - SECURITY**

### 8.1 Obligation to Provide

As security for the repayment of the Obligations and the discharge and performance of all obligations of the Corporation to the Holder hereunder, the Corporation shall issue or cause to be issued in favour of Trapeze, the Security Documents referred to in Section 8.2 which, subject to the Permitted Encumbrances, shall rank in priority to the security of any other Person whatsoever or whomsoever.

### 8.2 Security Documents

The Security Documents referred to in Section 8.1 shall be the following:

- (a) A general security agreement creating a fixed charge on all the undertaking, property and assets now or hereafter owned by the Corporation, in favour of Trapeze;
- (b) A guarantee and postponement of claim agreement from each of the Subsidiaries in favour of Trapeze;
- (c) A general security agreement from each of the Subsidiaries in favour of Trapeze;
- (d) A securities pledge agreement from the Corporation or any Subsidiary, as the case may be, in favour of Trapeze, in respect of the issued and outstanding shares of the Subsidiaries, together with physical delivery of the shares of the Subsidiaries subject to the pledge;
- (e) A first amending agreement to the Security Agent Agreement;
- (f) A confirmation of and amendment to the Security Documents in favour of Trapeze; and
- (g) An amended endorsement of each of the insurance policies and proceeds thereof issued to the Corporation covering its business or property of the Corporation and each Subsidiary, showing Trapeze as loss payee in accordance with its interest therein.

### 8.3 Discharge of PPSA Registrations

The Corporation shall execute and deliver, or shall cause to be executed and delivered, to Trapeze, in form and substance satisfactory to Trapeze, documents evidencing the discharge of the registrations under the *Personal Property Security Act* (Ontario) in favour of any Person against the property of the Corporation other than the Permitted Encumbrances unless consented to in writing by Trapeze.

### 8.4 Further Assurances

The Corporation, from time to time, shall deliver or cause to be delivered to the Holder or Trapeze duly executed documents in form and substance satisfactory to the Holder or Trapeze and its counsel as may be reasonably requested by the Holder or Trapeze for the purpose of giving effect to this Agreement or for the purpose of establishing compliance with the representations, warranties and conditions of this Agreement.

## **Article 9 - MEETING**

### 9.1 Approval Process

Any time that the Corporation requires the Holders' consent to any matter referred to under this Debenture or any other amendment, renewal, extension, waiver, consent, approval, indulgence, release, discharge, or any other matter whatsoever ("**Action**") then the Corporation shall have the following options:

- (a) notify the Holder (and any of its affiliates holding Debentures) if the outstanding principal amount of this Debenture and any Other Debentures held by affiliates of the Holder exceeds 50% of the aggregate principal amount outstanding under all Debentures to seek such approval to such Action, and if the Holder and its affiliates so approves then such Action shall be binding upon all of the Holders upon the Corporation so notifying them; or
- (b) send a notice in writing to the Holders specifying the Action so required which Notice will set out the number of days within which the Holders must respond to such notice (provided that the time period is not less than five (5) Business Days), and provided that the Corporation receives responses from Holders holding at least twenty percent (20%) of the outstanding aggregate principal amount of the Debentures. If the Corporation receives the positive consent to such Action from Holders of at least fifty percent (50%) of the outstanding aggregate principal amount of the Debentures, then such Action shall be binding on all of the Holders; or
- (c) send a notice ("**Meeting Notice**") to all Holders calling a meeting of the Holders at a location in the Greater Toronto Area and at a time between 9:00 a.m. and 5:00 p.m. as more specifically set out in the Meeting Notice, which Meeting Notice will specify the Action to be discussed. The Meeting Notice shall be provided to

the Holders at least five (5) Business Days prior to the date of the meeting, which must occur on a Business Day. In order for the meeting to be duly constituted, Holders holding at least twenty percent (20%) of the outstanding aggregate principal amount of the Debentures must be present or represented by proxy. The chairman of the meeting shall be the chairman of the Corporation and, if not present, the meeting must be chaired by the CEO or next most senior-ranking officer of the Corporation. The meeting shall be held in accordance with Robert's Rules of Order. The vote of Holders present, or represented by proxy, of more than fifty percent (50%) of the outstanding aggregate principal amount of the Debentures at the meeting referenced in the Meeting Notice shall be required to approve any Action, and such decision shall be binding on all of the Holders.

## 9.2 Notification of Default

The Holder shall:

- (a) upon becoming aware of a Default under this Debenture, or
- (b) upon the occurrence of an Event of Default under this Debenture,

forthwith give notice of same to the Other Holders, together with particulars thereof (the "**Default Notice**").

## 9.3 Convene a Meeting

The Holders shall convene a meeting within three (3) Business Days of receipt by any Holder of a Default Notice pursuant to Section 9.2 hereof. Such meeting may be conducted by conference call or in person and shall determine, amongst other things, such steps or actions as are necessary to enforce the Security Documents. For the purpose of this Section 9.3, the determination to take steps or actions as are necessary to enforce the Security Documents shall be subject to the approval of a Majority of Holders.



## Article 10- INDEMNITY

### 10.1 Indemnity

The Corporation shall at all times indemnify and hold the Holder and its directors, officers, employees, agents and shareholders in such capacity (each, an "**Indemnified Party**") harmless against and from any and all losses, damages, out-of-pocket expenses and liabilities which an Indemnified Party incurs as a consequence of (a) any acceleration of the payment of the principal amount hereof pursuant to Article 7; or (b) any Event of Default. The certificate of the Holder setting forth the amount of any such losses, damages, expenses and liabilities shall constitute *prima facie* evidence of any such amount and the Corporation shall forthwith pay to the Holder the amount stipulated in the certificate. The Holder shall also provide to the Corporation a statement setting out the basis for the calculation of such amount.

The indemnity provided in Section 10.1 shall constitute an obligation separate and independent from the other obligations contained in the Transaction Documents, shall give rise to a separate and independent cause of action, and shall apply irrespective of any indulgence granted by the Holder from time to time. A separate action, or actions, may be brought and prosecuted against the Corporation in respect of such indemnity, whether or not any action is brought against any other Person or whether or not any other Person is joined in such action or actions.

## Article 11 - GENERAL MATTERS

### 11.1 General Interest Provisions

- (a) Notwithstanding any other provision of this Debenture, in no event shall the aggregate "interest" (as that term is defined in Section 347 of the *Criminal Code* (Canada)) paid or payable pursuant to this Debenture exceed the effective annual rate of interest on the "credit advanced" (as defined therein) lawfully permitted under Section 347 of the *Criminal Code* (Canada). The effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles over the term of the Debenture, and in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Holder will be conclusive for the purposes of such determination. If at any time the implementation of any provision hereof results in a payment or an obligation to make a payment in contravention of this Subsection 11.1(a), the amount of the excess shall be applied as a partial prepayment of principal and the obligation to make such excess payment shall be deemed a severable obligation. The Corporation represents and warrants to the Holder that it has not incurred, and will not incur, any charges or expenses pursuant to this Debenture which may be considered to be "interest" in an aggregate amount which is in contravention of Section 347 of the *Criminal Code* (Canada).
- (b) A certificate of an authorized signing officer of the Holder as to each amount and/or each rate of interest payable hereunder from time to time shall, in the

absence of manifest error, be conclusive evidence of such amount and of such rate.

#### 11.2 Performance by Holder

If the Corporation fails to perform any of its obligations under this Debenture, the Holder may, after notice to the Corporation, but shall not be obligated to, perform any or all such obligations, and all costs, charges, expenses, fees, outlays and premiums incurred by the Holder in connection with such performance shall be payable by the Corporation forthwith upon demand by the Holder and shall bear interest from the date incurred by the Holder at the Interest Rate, compounded semi-annually and payable on demand. Any such performance by the Holder shall not constitute a waiver by the Holder of any right, power, or privilege under this Debenture.

#### 11.3 Non-Merger

The taking of a judgment or judgments (other than a final order of foreclosure) or any other action or dealing whatsoever by the Holder in respect of this Debenture or any security held in connection herewith shall not operate as a merger of any obligations of the Corporation hereunder or in any way suspend payment or affect or prejudice the rights, remedies and powers, legal or equitable, which the Holder may have in connection with such obligations, and the surrender, cancellation or any other dealings with any security for such obligations, shall not release or affect the liability of the Corporation hereunder or under any security held in connection herewith by the Holder.

#### 11.4 Appropriation of Funds

The Corporation agrees that the Holder may from time to time appropriate all monies realized by the Holder from the enforcement of any Security Documents on or towards the payment of any part of the obligations of the Corporation hereunder as the Holder in its sole discretion may determine, and the Corporation shall have no right to require or enforce any appropriation inconsistent therewith, and the Holder shall have the right to change the application of any such proceeds and re-apply the same to any part or parts of such obligations as the Holder may see fit notwithstanding any previous application.

#### 11.5 Relationship of Parties

- (a) The provisions contained in this Debenture shall not create or be deemed to create any relationship as between the Corporation and the Holder other than that of borrower and lender.
- (b) Nothing herein shall constitute the Holder and the Corporation as partners or joint venturers or impose any liability upon them as such.

#### 11.6 Notice to the Corporation and the Holder

Any notice to be given to the Corporation or the Holder shall be in writing and shall be deemed to be validly given if such notice is delivered personally or sent by prepaid registered mail or courier, (i) addressed to the Corporation at 600 Alden Road, Suite 606, Markham, Ontario L3R 0E7, Attention: Mr. Kelly Ambrose, with a copy to Miller Thomson LLP, Suite 5800, 40 King Street West, Toronto, Ontario M5H 3S1 Attention: Mr. Pierre Soulard, and (ii) addressed to the Holder at the address of the Holder set out on the first page hereof or sent by facsimile transmission, with a copy to McMillan LLP, 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3, Attention: Eric Friedman.

- (a) Any notice so given by personal delivery shall be deemed to have been given when received by the Corporation or the Holder, and by prepaid registered mail shall be deemed to have been received by the Corporation or the Holder on the third Business Day after the day of such mailing and any notice so given by facsimile transmission shall be deemed to have been received by the Corporation or the Holder when the appropriate confirmation of receipt of transmission is received.
- (b) The Holder or the Corporation may change the address to which notices shall be delivered by notice given at least ten (10) days before the effective date of such change of address.

#### 11.7 Monetary References

Any reference in this Debenture to "Dollars", "dollars" or the sign "\$" shall be deemed to be a reference to lawful money of Canada.

#### 11.8 Assignment

The Corporation may not assign this Agreement or any part hereof without the prior written consent of the Holder. Subject to the provisions of Section 11.9, the Holder shall be entitled to assign all or a portion of this Debenture, provided that no transfer of the Debenture shall be valid and the Corporation shall not be required to register a transfer of this Debenture or a portion of this Debenture subject to redemption under Section 2.9 hereof, if the Holder has provided the Corporation with a Response Notice.

#### 11.9 Restrictions on Assignment

Notwithstanding anything to the contrary contained herein, no assignment or transfer of this Debenture shall be permitted unless such transferee, assignee or holder, as the case may be:

- (a) Furnishes the Corporation with a written agreement, in form and substance satisfactory to the Corporation, to be bound by and comply with all provisions of this Agreement;

- (b) Is not, in the Corporation's reasonable judgment, a competitor of the Corporation or a party who is demonstrably hostile toward the Corporation;
- (c) Furnishes the Corporation with such evidence as it may reasonably require that such transfer or assignment is being made in compliance with this Agreement, all Applicable Laws and does not impose any requirements that are materially burdensome or could have a Material Adverse Effect upon the Corporation; and
- (d) Furnishes to each of Trapeze and the Corporation a joinder agreement to the Agreement Appointing Security Agent dated the date hereof, appointing Trapeze as security agent of the Holders in respect of the Security Documents.

#### 11.10 Invalidity of Provisions

Each of the provisions contained in this Debenture is distinct and severable and a declaration of invalidity or unenforceability of any such provision by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof or thereof.

#### 11.11 Governing Law

This Debenture shall be deemed to be a contract made under the laws of the Province of Ontario and shall be governed by and construed, interpreted and performed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein except to the limited extent that the Act shall control and govern the administration and governance of the Corporation.

#### 11.12 Publicity

The Corporation shall be entitled to publicity in connection with the transactions contemplated in this Agreement.

#### 11.13 Counterpart

This Agreement and any agreement contemplated thereby may be executed in one or more counterparts, each of which so executed shall constitute an original and all of which together shall constitute one and the same Agreement or agreement, as applicable.

#### 11.14 Time of Essence

Time shall be of the essence of this Debenture and a forbearance by the Holder of the strict application of this provision shall not operate as a continuing or subsequent forbearance.

#### 11.15 No Waiver

No failure or delay by the Holder in exercising any right, power or privilege under this Debenture shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

IN WITNESS WHEREOF, the Corporation has caused this Debenture to be executed under its corporate seal by its duly authorized officer.

**ADVANTECH MARKETING INTERNATIONAL  
INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE 1.1  
EXISTING LIENS**

**DELAWARE**

**Advantex Marketing International Inc.**

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Financing Statement No., Filing Date and Expiry Date</b>
1	Trapeze Capital Corp.	Advantex Marketing International Inc.	20134975224 Filing Date: December 17, 2013 Expiry Date: December 17, 2018

**ONTARIO**

**Advantex Marketing International Inc.**

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Collateral Classification</b>	<b>General Collateral Description</b>	<b>Reference File No., Registration Number(s) and Expiry Date</b>
1	National Leasing Group Inc.	Advantex Marketing International Inc.	E	All fixed computer equipment, computer software of every nature or kind described in lease number 2703015, between East Coast Capital Inc., as original lessor and the debtor, as lessee, which lease was assigned by the original lessor to the secured party, as	710235459 20150924 1302 6005 3420 (4 years)

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Collateral Classification</b>	<b>General Collateral Description</b>	<b>Reference File No., Registration Number(s) and Expiry Date</b>
				amended from time to time, together with all attachments, accessories and substitutions.	
2	Blue Chip Leasing Corporation	Advantex Marketing International Inc	E, O		708453909 20150728 1353 1901 6171 (4 years)
3	Gould Leasing Ltd.	Advantex Marketing International Inc.	E		705680046 20150501 1405 1462 5738 (3 years)
4	Multisource Capital Corporation	Advantex Marketing International Inc.	E	2-HP Proliant DL360P GEN8 XEONE5-2660V2 2.2 GHZ, 4-AX-Hard Drive – 300 GB-HOT-SWAP 2.5 IN SFF, 22-AX-DDR3-16 GB DIM 240-PIN 1866 MZH, PC3-1490, 10-AX DDR3-16 GB DIM 240 PIN-1866 MHZ, PC3-1490, 1-DUNIPER networks SRX240 services gateway – security appliance – 16 ports – 10 MB lan, 100 MB lan GIGE, HDLC, frame relay, RS-232, PPP, X.21, V.25, RS-449, MLPPP, FRF.15, FRF.16, MLFR-DC power and all accessories, accessions & substitutions.	705391857 20150423 1705 1462 1610 (4 years)
5	Trapeze Capital Corp..	Advantex Marketing	I, E, A, O, MV		692618931

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Collateral Classification</b>	<b>General Collateral Description</b>	<b>Reference File No., Registration Number(s) and Expiry Date</b>
		International Inc.			20131216 1500 1862 1454 (10 years)
					as amended by 20171208 1436 1530 7989
6	Konica Minolta Business	Advantex Marketing International Inc.	E, O		680982075 20120827 1446 1530 9481 (6 years)
7	National Leasing Group Inc.	Advantex Marketing International Inc.	E	All photocopiers of every nature or kind described in Lease Number 2561479 between Konica Minolta Business Solutions (Canada) Ltd., as original lessor and the Debtor, as lessee, which lease was assigned by the original lessor to the Secured Party, as amended from time to time, together with all attachments, accessories and substitutions.	674964252 20111209 1117 6005 9068 (6 years)
8	Trapeze Capital Corp.	Advantex Marketing International Inc.	I, E, A, O, MV		668802141 20110404 1654 1862 6263 (12 years)
					as amended by 20131216 1500 1862 1456



	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Collateral Classification</b>	<b>General Collateral Description</b>	<b>Reference File No., Registration Number(s) and Expiry Date</b>
					as amended by 20171212 1440 1530 9605
9	Trapeze Capital Corp.	Advantex Marketing International Inc.	I, E, A, O, MV		641211444 20071206 1427 1862 0207 (16 years)
					as amended by 20110404 1647 1862 6251
					as amended by 20110404 1651 1862 6256
					as amended by 20131216 1500 1862 1455
					as amended by 20171212 1440 1530 9606
10	Accord Financial Inc.  (formerly Montcap Financial Corporation)	Advantex Marketing International Inc.	I, E, A, O, MV		640975248 20071127 1453 1793 8370 (20 years)
					as amended by 20081016 1045 1793 8030

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Collateral Classification</b>	<b>General Collateral Description</b>	<b>Reference File No., Registration Number(s) and Expiry Date</b>
					as amended by 20171024 1846 1793 2751
					as amended by 20171025 1010 1462 6557
11	Trapeze Capital Corp.	Advantex Marketing International Inc.	I, E, A, O, MV		629162586 20060922 1525 1862 9935 (17 years)
					as amended by 20110404 1652 1862 6257
					as amended by 20110404 1653 1862 6259
					as amended by 20131216 1501 1862 1457
					as amended by 20171212 1440 1530 9607

**Advantex Dining Corporation**

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Collateral Classification</b>	<b>General Collateral Description</b>	<b>Reference File No., Registration Number(s) and Expiry Date</b>
1	Trapeze Capital Corp.	Advantex Dining Corporation	I, E, A, O, MV		692623206 20131216 1510 1862 1463 (10 years)
					as amended by 20171208 1436 1530 7990
2	Trapeze Capital Corp.	Advantex Dining Corporation	I, E, A, O, MV		668802321 20110404 1658 1862 6279 (12 years)
					as amended by 20131216 1510 1862 1461
					as amended by 20171219 1444 1530 2823
3	Trapeze Capital Corp.	Advantex Dining Corporation	I, E, A, O, MV		641211417 20071206 1426 1862 0206 (16 years)
					as amended by 20110404 1655 1862 6269

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Collateral Classification</b>	<b>General Collateral Description</b>	<b>Reference File No., Registration Number(s) and Expiry Date</b>
					as amended by 20110404 1655 1862 6271
					as amended by 20131216 1510 1862 1462
					as amended by 20171219 1444 1530 2824
4	Accord Financial Inc. (formerly Montcap Financial Corporation)	Advantex Dining Corporation	I, E, A, O, MV		640975239 20071127 1452 1793 8369 (20 years)
					as amended by 20081016 1046 1793 8031
					as amended by 20171024 1849 1793 2752
					as amended by 20171025 1010 1462 6558
5	Trapeze Capital Corp.	Advantex Dining Corporation	I, E, A, O, MV		629162604 20060922 1528 1862 9937 (17 years)

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Collateral Classification</b>	<b>General Collateral Description</b>	<b>Reference File No., Registration Number(s) and Expiry Date</b>
					as amended by 20110404 1656 1862 6275
					as amended by 20110404 1657 1862 6278
					as amended by: 20131216 1510 1862 1464
					as amended by: 20171219 1444 1530 2825

**Advantex Marketing Corporation**

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Collateral Classification</b>	<b>General Collateral Description</b>	<b>Reference File No., Registration Number(s) and Expiry Date</b>
1	Trapeze Capital Corp.	Advantex Marketing Corporation	I, E, A, O, MV		692622909 20131216 1502 1862 1458 (10 years)

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Collateral Classification</b>	<b>General Collateral Description</b>	<b>Reference File No., Registration Number(s) and Expiry Date</b>
					as amended by 20171208 1436 1530 7991
2	Trapeze Capital Corp.	Advantex Marketing Corporation	I, E, A, O, MV		629162577 20060922 1524 1862 9934 (17 years)
					as amended by 20110404 1658 1862 6280
					as amended by 20110404 1659 1862 6281
					as amended by 20131216 1502 1862 1459
					as amended by 20171219 1444 1530 2827

**Advantex SmartAdvance Inc.**

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Collateral Classification</b>	<b>General Collateral Description</b>	<b>Reference File No., Registration Number(s) and Expiry Date</b>
1	Accord Financial Inc.	Advantex SmartAdvance Inc.	I, E, A, O		704045268 20150305 1508 1590 1044 (10 years)
2	Trapeze Capital Corp.	Advantex SmartAdvance Inc.	I, E, A, O, MV		704775852 20150402 1159 1862 5069 (8 years after renewal)
					as amended by 20171211193015315171

**Advantex Marketing International (Maryland) Inc.**

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Collateral Classification</b>	<b>General Collateral Description</b>	<b>Reference File No., Registration Number(s) and Expiry Date</b>
1	Trapeze Capital Corp.	Advantex Marketing International (Maryland) Inc.	I, E, A, O, MV		698726835 20140807 1604 6083 7153 (9 years)

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Collateral Classification</b>	<b>General Collateral Description</b>	<b>Reference File No., Registration Number(s) and Expiry Date</b>
					as amended by 20171212 1440 1530 9604

**BRITISH COLUMBIA**

**Advantex Marketing International (Maryland) Inc.**

	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Collateral Classification</b>	<b>General Collateral Description</b>	<b>Registration Number(s) and Expiry Date</b>
1	Trapeze Capital Corp.	Advantex Marketing International (Maryland) Inc.	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, INCLUDING FLOATING UNCRYSTALLIZED LAND CHARGE.		Base Reg. #: 113174I (Expiry Date: August 7, 2023)
					as amended by



	<b>Secured Party(ies)</b>	<b>Debtor(s)</b>	<b>Collateral Classification</b>	<b>General Collateral Description</b>	<b>Registration Number(s) and Expiry Date</b>
					468554K

**SCHEDULE 4.7**  
**LITIGATION**

LITIGATION

Where Advantex Marketing International Inc. and /or its subsidiaries are defendants:

None which is reasonably likely to have a Material Adverse Effect on the financial condition, property, assets, operations or business of the Corporation and its Subsidiaries, on a consolidated basis, the ability of the Corporation to repay the Obligations or which is reasonably likely to materially and adversely affect the ability of the Corporation or any of its Subsidiaries, as the case may be to perform any of its obligations under this Agreement, the Security Documents or any other instrument contemplated hereunder, or the validity or enforceability of this Agreement or the Security Documents.

**SCHEDULE 4.10  
ADVANTECH COMPANIES**

Name of Company	Authorized Capital	Issued Capital
Advantex Marketing International Inc. (OBCA)	Unlimited Common; 500,000 Class A preference; Unlimited Class B preference; 125,000 Class C preference; Unlimited Common.  Additional details are available in the consolidated financial statements for the year ended June 30, 2017.	139,071,218 Common; 461,887 Class A preference.
Advantex Dining Corporation (OBCA)	Unlimited common	11,250,000 common issued to Advantex Marketing International Inc.
Advantex Marketing Corporation (OBCA)	Unlimited common	6,000,000 common shares issued to Advantex Marketing International Inc.
Advantex Marketing International Inc. (Delaware)	3,000 of capital stock	1,000 issued to Advantex Marketing Corporation
Advantex Marketing International (Maryland)	5,000 common	1,000 common issued to Advantex Marketing International Inc.
Advantex SmartAdvance Inc. (OBCA)	Unlimited common	100 common shares issued to Advantex Marketing International Inc.

**SCHEDULE 4.11**  
**DILUTION**

Dilution – Prior to issuance by Advantex Marketing International Inc., of the Debentures.

1. 1,490,000 common shares are issuable under Advantex Marketing International Inc. 2014 Stock Option Plan.

**SCHEDULE 4.12  
PLACES OF BUSINESS**

Advantex Marketing International Inc.

1. 600 Alden Road, Suite 606  
Markham, ON L3R 0E7

Advantex Dining Corporation

1. 600 Alden Road, Suite 606  
Markham, ON L3R 0E7
2. Centre De Bureau Cote De Liesse  
3700 Griffith  
Suite 121  
Ville St. Laurent, Québec H4T 2B3

**SCHEDULE 4.13  
SUBSIDIARIES**

Name of Company	Jurisdiction of Incorporation
Advantex Marketing Corporation	Ontario
Advantex Marketing International Inc.	State of Delaware
Advantex Dining Corporation	Ontario
Advantex Marketing International (Maryland) Inc.	State of Maryland
Advantex (GP) Inc.	Ontario
Advantex Systems Limited Partnership	Ontario
1600011 Ontario Limited	Ontario
Advantex Smartadvance Inc.	Ontario

**SCHEDULE 4.19**  
**REAL PROPERTY LEASES / OTHER LEASES**

A. Other leases:

1. Pitney Bowes – Mail Processor – expires July, 2018.
2. Konica Minolta – Konica Pro C6000L Color copier – expires July 31, 2018.
3. Multisource Capital Corporation – IT equipment – expires April 30, 2018.
4. Gould Leasing ltd. – IT equipment – expires May 31, 2018.
5. Blue Chip Leasing Corporation – IT equipment – expires February 28, 2019.
6. East Coast Capital Inc. - IT equipment - expires February 28, 2019.
7. East Coast Capital Inc. - IT equipment - expires October 16, 2020.
8. East Coast Capital Inc. - IT equipment - expires November 30, 2020

B. Real Property:

1. Material Lease is for Head Office at 600 Alden Road, Suite 606, Markham, Ontario, L3R OE7. Lease expires August 31, 2022. Landlord is Markham Gate Investments Limited;
2. Centre De Bureau Cote De Liesse, 3700 Griffith, Suite 121, Ville St. Laurent, Quebec, H4T 2B3.