Estate No. 32-2853708
Court File No. 32-2853708

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF iS5 COMMUNICATIONS INC., OF THE CITY OF MISSISSAUGA IN THE PROVINCE OF ONTARIO

MOTION RECORD

(Returnable December 1, 2022)

November 22, 2022

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TO: **THE SERVICE LIST**

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NOTICE OF MOTION
(Returnable December 1, 2022)

iS5 COMMUNICATIONS INC. (the "**Company**") will make a motion to the Ontario Superior Court of Justice (Commercial List) on December 1, 2022 at 12:00 P.M. (Toronto time), or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard by videoconference.

THE MOTION IS FOR:

(a) an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), substantially in the form attached hereto as Schedule "A" (with a blackline to the Model CCAA Initial Order attached hereto as Schedule "B"), among other things:

(i) declaring that iS5 is a company to which the CCAA applies;

(ii) continuing the NOI Proceeding (as defined below) under the CCAA;

(iii) appointing Grant Thornton Limited (“**Grant Thornton**”) as monitor of the Company in the CCAA proceeding (in such capacity, the “**Monitor**”);

(iv) granting a stay of proceedings until December 23, 2022;

(v) continuing the Directors’ Charge, the Administration Charge and the DIP Lender’s Charge (each as defined below) that were granted in the NOI Proceeding to remain in force and effect in the CCAA proceeding; and

(vi) extending the benefit of the Administration Charge to the Monitor, counsel to the Monitor and counsel to the Company in the CCAA proceeding, and increasing the quantum of the Administration Charge to CAD $350,000 to ensure that the fees and disbursements of the Proposal Trustee/ Monitor and its legal counsel, as well as the Company’s legal counsel, are adequately secured;

(b) an approval and reverse vesting order (the “**Reverse Vesting Order**”) substantially in the form attached hereto as Schedule “C”, among other things:

(i) authorizing and approving the transaction (the “**Transaction**”) contemplated in the share purchase agreement (the “**Stalking Horse Agreement**”) with Elektrophoenix GmbH (the “**Stalking Horse Purchaser**”);

(ii) vesting out of the Company all Excluded Assets, Excluded Contracts and Excluded Liabilities (as defined in the Stalking Horse Agreement), which will be transferred to 14544072 Canada Inc. (“**ResidualCo**”), a corporation incorporated by the Company for this sole purpose;

(iii) authorizing the Company to file articles of reorganization, issue New Common Shares, and undertake the Consolidation and Cancellation, and authorizing the Company to issue the Post-Consolidation Shares (each as defined in the Stalking Horse Agreement) and vesting in the Stalking Horse Purchaser all right, title, benefit and interest in and to the Post-Consolidation Shares free and clear of any claims and encumbrances, such that the Stalking Horse Purchaser will be the sole shareholder of the Company after closing of the Transaction;

(iv) authorizing the Monitor to cause ResidualCo to file an assignment in bankruptcy, naming Grant Thornton as trustee in bankruptcy (in such capacity, the "**Trustee in Bankruptcy**"); and

(c) an ancillary order (the "**Ancillary Order**"), substantially in the form attached hereto as Schedule "D", among other things:

(i) approving the fourth report of Grant Thornton, in its capacity as proposal trustee in the NOI Proceeding (in such capacity, the "**Proposal Trustee**"), to be filed (the "**Fourth Report**"), and the actions, conduct and activities of the Proposal Trustee described therein; and

(ii) approving the fees and disbursements of the Proposal Trustee and its legal counsel incurred in connection with the NOI Proceeding.

THE GROUNDS FOR THE MOTION ARE:

Background

(a) the Company provides integrated services and information technology solutions to clients, and manufactures intelligent industrial ethernet products designed to meet the stringent demand requirements of utility sub-stations, roadside transportation rail and industrial applications;

(b) the Company filed a notice of intention to make a proposal under the BIA on August 5, 2022 (the "**NOI Proceeding**") and named Grant Thornton as Proposal Trustee;

(c) the purpose of the NOI Proceeding was to provide the Company an opportunity to either identify one or more purchasers for its assets or an investor in the Company's business through a stalking horse sale process;

(d) on August 8, 2022, this Court issued an Order approving, among other things:

(i) a debtor-in-possession financing term sheet (the "**DIP Term Sheet**") and a charge (the "**DIP Lender's Charge**") benefitting the lender thereunder, Phoenix Contact Venture Funds I GmbH (the "**DIP Lender**");

(ii) a charge securing payment of the fees of the Proposal Trustee, its legal counsel and the Company's legal counsel in the amount of CDN $150,000 (the "**Administration Charge**"); and

(iii) an indemnity in favour of the Company's directors and officers and a charge as security for such indemnity (the "**Directors' Charge**");

(e) on September 2, 2022, the Court issued an Order, among other things:

(i) extending the time within which the Company must file a proposal with the Official Receiver under the BIA in the NOI Proceeding and the associated stay of proceedings in favour of the Company to and including October 17, 2022;

(ii) approving an interim distribution to the Company's senior secured creditor, Silicon Valley Bank ("**SVB**"), in the amount of USD $209,666.66; and

(iii) approving the Company's appointment of John Gillberry as an independent member of the Company's board of directors;

(f) the first tranche of the DIP loan in the amount of USD $600,000 was advanced to the Company under the DIP Term Sheet on August 9, 2022;

(g) the second tranche of the DIP loan in the amount of USD $500,000 can only be advanced subject to a further order of the Court—it is not anticipated that the Company will require this tranche as a result of, among other things, the anticipated closing of the Transaction as soon as possible after the Reverse Vesting Order is made;

(h) on October 17, 2022, the Court issued an Order approving, among other things:

(i) a stalking horse sale and investor solicitation process (the "**SISP**") to identify one or more financiers, purchasers of and/or investors in the

Company, its business and/ or assets that is superior to the offer contemplated by the Stalking Horse Agreement;

(ii) the Stalking Horse Agreement to act as the minimum bid in the SISP; and

(iii) extending the time period for the Company to file a proposal in the NOI Proceeding, and the associated stay of proceedings to and including December 1, 2022;

The SISP

(i) the SISP was administered by the Company and the Proposal Trustee in an effort to identify offers that were superior to the offer contained in the Stalking Horse Agreement;

(j) while the SISP generated some interest in the Company, no offers were received thereunder;

(k) the Stalking Horse Agreement is the successful bid and the Company now seeks approval of the Stalking Horse Agreement and the Transaction;

The Stalking Horse Agreement

(l) the Stalking Horse Agreement stipulates a purchase price of USD $5 million, a portion of which will be comprised of a “credit bid” of amounts owing under the DIP Term Sheet;

(m) the cash portion of the purchase price will be sufficient to repay SVB in full, and is expected to result in a distribution to the Company's second lien secured noteholders (the "**Secured Noteholders**");

(n) it is expected that the Stalking Horse Purchaser will continue to operate the business as a going concern, and will continue to employ substantially all of the Company's existing employees;

(o) the Stalking Horse Agreement is structured as a share purchase agreement to be implemented through the Reverse Vesting Order in order to allow the Stalking Horse Purchaser to, among other things:

   (i) assume over USD $30 million in operating losses to be applied against future profits, which tax losses were factored into the purchase price;

   (ii) allow the Company to maintain its existing export permits and avoid the need to re-apply for those permits, which can be a lengthy, cumbersome, and uncertain process;

   (iii) allow the Company to maintain its bank accounts and avoid lengthy "know your client" requirements for foreign corporations that would be required by Canadian banks if the Stalking Horse Purchaser (German entity) was required to open new bank accounts in Canada;

   (iv) maintain the Company's existing accounts with its vendors; and

(v) ensure that the Company is able to maintain its existing employee contracts to ensure a smooth transition of key employee resources;

(p) the closing of the Transaction is conditional upon, among other things, the Court granting the Reverse Vesting Order;

(q) among other provisions, the draft Reverse Vesting Order contemplates that the cash proceeds of the purchase price will be available to distribute to the Company's creditors in accordance with their priorities;

(r) upon closing of the Transaction and after payment of the outstanding fees and disbursements of the Proposal Trustee and the proposed Monitor, its legal counsel Cozen O'Connor LLP and the Company's legal counsel Fasken Martineau DuMoulin LLP (collectively, the "**Insolvency Professionals**"), and subject to a holdback to provide for the further fees and disbursements of the Insolvency Professionals to complete the administration of the CCAA proceeding, the proposed Monitor will return to Court at the first available opportunity to seek an order authorizing it to, among other things, distribute the balance of the cash proceeds of sale from the Transaction to the Company's first-ranking senior secured creditor, SVB, and to the Secured Noteholders, on a *pro rata* basis, in partial satisfaction of their secured claims;

(s) it is not expected that any unsecured creditors of the Company will receive distributions;

(t) the Stalking Horse Agreement contemplates that the target date to close the Transaction is the third business day following the issuance of the Reverse Vesting Order;

(u) the Company will endeavour to close the Transaction as soon as possible after the Reverse Vesting Order is granted;

(v) the Proposal Trustee/ proposed Monitor and the DIP Lender are supportive of the approval of the Stalking Horse Agreement;

(w) most of the Company's largest Secured Noteholders, Phoenix Contact Venture Funds I GmbH, ClearSky Security Fund I LLC and ClearSky Power & Technology Fund II LLC have indicated they are supportive of the approval of the Stalking Horse Agreement;

(x) prior to the commencement of the NOI Proceeding, the Company had engaged IOI Capital and Markets, LLC to market the Company for sale, which pre-filing sale process did not result in any offers—as described above, the SISP also did not result in any offers;

(y) the market has now been canvassed twice and the only transaction available to the Company is the Transaction;

(z) the Company is not aware of any stakeholders that will suffer prejudice as a result of the Transaction being implemented through the Reverse Vesting Order—to the contrary, the Stalking Horse Agreement will provide for the continuation of the Company's business, thereby assuring a customer for suppliers, a tenant for the

Company's landlord, employment for substantially all of the Company's employees and an ongoing business for its many customers;

(aa) furthermore, if the USD $30 million in tax attributes are not preserved, the purchase price for the Company would decrease, to the prejudice of the secured creditors of the Company;

Continuation of the NOI Proceeding under the CCAA

(bb) the Stalking Horse Agreement provides that the NOI Proceeding will be converted to a CCAA proceeding to implement the Transaction contemplated therein through the operation of the Reverse Vesting Order;

(cc) closing of the Transaction is conditional upon the Company obtaining the Reverse Vesting Order;

(dd) at the commencement of the NOI Proceeding, the company had liabilities exceeding CDN $5 million (and continues to do so) and is insolvent;

(ee) if the Court approves the Reverse Vesting Order, substantially all of the Company's liabilities will be transferred to ResidualCo, which will be added as an applicant in the CCAA proceeding, and the Company will cease being a debtor in the CCAA proceeding and will exit the CCAA proceeding;

(ff) ResidualCo will have liabilities in excess of CDN $5 million and will be insolvent;

(gg) the Company has been acting diligently and in good faith in pursuing a going concern sale that will benefit the Company's various stakeholders, which efforts have culminated in the Transaction—the only transaction available to the Company in the circumstances;

(hh) the conversion of the NOI Proceeding to a CCCA proceeding through the Initial Order, and the issuance of the Reverse Vesting Order in the CCAA proceeding, are critical steps towards closing the Transaction;

(ii) Grant Thornton has consented to act as the Monitor in the CCAA proceeding;

Enhanced Monitor's Powers

(jj) the Reverse Vesting Order contemplates that the Monitor will be granted enhanced powers to allow it to administer ResidualCo and to assist the Company in closing the Transaction and in making the proposed distributions to the Company's secured creditors upon closing of the Transaction;

(kk) upon closing of the Transaction, the Company will exit the CCAA proceeding and ResidualCo will be added as the sole debtor;

(ll) the enhanced powers include, among other things, the power to exercise any powers which may be properly exercised by a board of directors of ResidualCo, and to cause ResidualCo to make an assignment in bankruptcy;

(mm) in connection with the incorporation of ResidualCo on November 21, 2022, Clive Dias was appointed as its first and only director—following incorporation of ResidualCo, Mr. Dias immediately resigned as director of ResidualCo;

(nn) the Reverse Vesting Order contemplates that the Monitor will take direction and control of ResidualCo using the enhanced powers granted thereunder;

(oo) once the Transaction closes, and after addressing any post-closing issues, it is expected that the Monitor will cause ResidualCo to make an assignment in bankruptcy;

Releases

(pp) the draft Reverse Vesting Order contemplates a release in favour of (i) the current directors, officers and employees of, and independent contractors that have provided legal or financial services to, the Debtor or ResidualCo, as applicable, (ii) legal counsel and advisors of the Debtor or ResidualCo, (iii) Mr. Dias, in his capacity as a former director of ResidualCo, and (iv) the Proposal Trustee, the Monitor and their legal counsel (collectively, the "**Released Parties**");

(qq) the release covers all present and future claims against the Released Parties that relate in any manner whatsoever to the Company, its assets, obligations, business or affairs or the CCAA proceeding (including, for greater certainty, the NOI Proceeding continued under the CCAA), including any actions undertaken or completed pursuant to the terms of the Reverse Vesting Order, or arising in connection with the Stalking Horse Agreement or the completion of the Transaction contemplated therein, with the exception of any claims that are not permitted to be released under the CCAA;

(rr) the Released Parties have made significant contributions to the NOI Proceeding, the proposed CCAA proceeding, and the Company's restructuring efforts;

(ss) the Company's existing directors and officers remained with the Company to attempt to implement a going concern transaction for the benefit of the Company's stakeholders;

(tt) the continued involvement of the Released Parties was critical to finalizing the Stalking Horse Purchase Agreement and will be beneficial to close the Transaction with the Stalking Horse Purchaser;

(uu) the Company is current on all employee wages and HST remittances, and is current on deductions from employee wages at source;

(vv) no stakeholder of the Company has asserted any claims against the Company, its directors and officers, or any of the other Released Parties;

(ww) the DIP Lender and the Stalking Horse Purchaser are supportive of the release being sought, which will achieve certainty and finality for the Released Parties who have continued to support the Company through its restructuring efforts;

Proposed Distributions

(xx) the Company will endeavour to close the Transaction as soon as possible after the Reverse Vesting Order is granted;

(yy) if the Transaction closes on December 12, 2022, it is expected that the cash proceeds of sale payable to the Company upon closing will be approximately USD

$4.3 million—such cash proceeds of sale from the Transaction, after payment of the outstanding fees and disbursements of the Insolvency Professionals and a holdback to provide for the anticipated fees and disbursements of the Insolvency Professionals to complete the administration of the CCAA proceeding, will be distributed to the Company's creditors in accordance with their priority pursuant to a further order of the Court;

(zz) the Monitor will return to Court as soon as possible after closing of the Transaction to seek a Court order authorizing it to make the proposed distributions;

Increase to the Administration Charge

(aaa) the Administration Charge that was granted in the NOI Proceeding, and which is proposed to be continued in the CCAA proceeding, is in the amount of CDN $150,000—at the time that the Administration Charge was granted, it was contemplated that the fees and disbursements of the Insolvency Professionals would be paid regularly throughout the course of the NOI Proceeding;

(bbb) the negotiation of the Stalking Horse Agreement with the Stalking Horse Purchaser took longer than expected, and as a result, the NOI Proceeding involved more Court attendances than had been initially anticipated, resulting in higher than expected professional fees;

(ccc) to assist the Company in managing its liquidity during the course of this insolvency proceeding, the Insolvency Professionals agreed to defer payment of a substantial portion of their fees and disbursements until closing of the Transaction;

(ddd) to ensure that the accrued fees and disbursements of the Insolvency Professionals are adequately protected, the Company is seeking to increase the existing Administration Charge from CDN $150,000 to CDN $350,000;

(eee) the Insolvency Professionals have played a critical role in the Company's restructuring efforts and their ongoing support is necessary to close the Transaction and to ensure a going concern solution for the Company and its many stakeholders;

The Company's Cash Flow Forecasts

(fff) the Company's updated cash flow statement (the "**Fourth Cash Flow Statement**") demonstrates the cash needs of the Company during the forecast period ending;

(ggg) the cash outflows of the Company contemplated in the Fourth Cash Flow Statement include the direct costs of the Company (including restructuring costs) during the forecast period, including the payment of wages owing to employees, and the fees and expenses of the Insolvency Professionals to be paid upon closing of the Transaction;

(hhh) as reflected in the Fourth Cash Flow Statement, the Company continues to incur greater expenses than receipts on a weekly basis because its operations are not profitable—it is therefore critical that the Company close the Transaction in a timely manner;

(iii) if the Transaction closes on or before the week ending December 23, 2022, it does not appear that the Company will require the second advance under the DIP Term

Sheet—in the absence of a transaction, it is expected that the Company's financial situation will continue to deteriorate and its value will erode;

Stay Period

(jjj) the Company is no longer seeking an extension of the time to file a proposal (which currently expires on December 1, 2022) as it intends to convert the NOI Proceeding to a CCAA proceeding;

(kkk) the Company has sought an initial stay of proceedings in the CCAA proceeding up to, and including, December 23, 2022 (the "**Stay Extension**"), in order to permit it to close the Transaction and to allow the Monitor to return to Court to seek approval of the proposed distributions;

(lll) alternatively, if the Transaction does not close before December 23, 2022, the Company can return to Court on or before December 23, 2022 to seek the second advance under the DIP Term Sheet and an extension of the stay of proceedings in the CCAA proceeding;

(mmm)the Company has acted, and continues to act, in good faith and with due diligence in taking steps to facilitate a sale of its business—the Company is aware of any creditors that would be prejudiced by the proposed Stay Extension;

(nnn) the Fourth Cash Flow Statement indicates that the Company will have sufficient liquidity to continue to fund its operations until the week ending December 23, 2022—the Company will therefore have sufficient liquidity to fund its operations through the requested Stay Extension;

(ooo) the DIP Lender, the Stalking Horse Purchaser, and the Proposal Trustee/ proposed Monitor are supportive of the Stay Extension;

Approval of the Fees and Disbursements of the Proposal Trustee and its Legal Counsel

(ppp) the Company is seeking approval of the fees and disbursements of the Proposal Trustee and its legal counsel incurred in connection with the NOI Proceeding;

(qqq) the Proposal Trustee and its legal counsel have played a significant role in advancing the Company's restructuring efforts;

(rrr) fee affidavits providing a detailed summary of the fees and disbursements incurred by the Proposal Trustee and its legal counsel during the NOI Proceeding, and a summary of the activities of the Proposal Trustee and its legal counsel, will be included in the Fourth Report;

Other Grounds

(sss) those further grounds as set out in the affidavit of Clive Dias sworn November 22, 2022 and the exhibits thereto (collectively, the "**Dias Affidavit**");

(ttt) the provisions of the BIA and the CCAA;

(uuu) rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the Rules of Civil Procedure, R.R.O. 1990, Reg. 194, as amended; and

(vvv) such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

(a) the Dias Affidavit;

(b) the Fourth Report; and

(c) such further and other material as counsel may advise and this Honourable Court may permit.

November 22, 2022

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Lawyers for the Moving Party,
iS5 Communications Inc.

TO: **THE SERVICE LIST**

SCHEDULE “A”

DRAFT INITIAL ORDER

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	THURSDAY, THE 1ST
	)	
JUSTICE CONWAY	)	DAY OF DECEMBER, 2022
	)	

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF iS5 COMMUNICATIONS INC.

INITIAL ORDER
(Continuation Under CCAA)

THIS APPLICATION, made by the applicant, iS5 Communications Inc. (the "**Applicant**"), to continue the proceedings commenced by the Applicant by the filing of a notice of intention to make a proposal under Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**") bearing estate and court file number 32-2853708 (the "**NOI Proceeding**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day by video conference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Clive Dias sworn November 22, 2022 and the Exhibits thereto, the fourth report of Grant Thornton Limited ("**Grant Thornton**") in its capacity as proposal trustee of the Applicant in the NOI Proceeding (in such capacity, the "**Proposal Trustee**") dated November [●], 2022, and on being advised that the secured creditors who are likely to be affected by the charges continued herein were given notice, and on hearing the submissions of counsel for the Applicant, counsel for the Proposal Trustee, counsel for Phoenix Contact Venture Funds I GmbH (the "**DIP Lender**"), and counsel for those parties appearing as indicated by the counsel slip, no one appearing for any other party although duly served as appears from the affidavit of service of Daniel Richer sworn November 22, 2022 filed, and on reading the consent of Grant Thornton to act as the monitor of the Applicant in these proceedings under the CCAA (in such capacity, the "**Monitor**"),

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

DEFINED TERMS

2. THIS COURT ORDERS that capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Order of the Honourable Justice Osborne granted in the NOI Proceeding on August 8, 2022 (the "**First Day Order**").

CONTINUANCE UNDER THE CCAA

3. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies and the Applicant shall enjoy the benefits of the protection and authorizations provided to the Applicant by this Order.

4. THIS COURT ORDERS AND DECLARES that effective December 1, 2022, the NOI Proceeding is hereby taken up and continued under the CCAA and that, as of such date, the provisions of Part III of the BIA shall have no further application to the Applicant, save that any and all steps, agreements and procedures validly taken, done or entered into by the Applicant and all orders granted during the NOI Proceeding (collectively, the "**Existing Orders**") shall remain valid and binding, notwithstanding the commencement of these CCAA proceedings, including, without limitation, the First Day Order. In the event of a conflict between an order granted in the NOI Proceeding and this Order, this Order shall govern.

5. THIS COURT ORDERS that the Monitor shall have the benefit of all rights and protections granted to the Proposal Trustee under the BIA and the Existing Orders including, without limitation, the First Day Order, except to the extent inconsistent with the terms of this Order or the CCAA.

6. THIS COURT ORDERS AND DIRECTS the Proposal Trustee to take all necessary steps in furtherance of its discharge as Proposal Trustee in the NOI Proceeding, including the taxation of its fees and disbursements and those of its counsel.

PLAN OF ARRANGEMENT

7. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement.

POSSESSION OF PROPERTY AND OPERATIONS

8. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

9. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

10. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the

Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicant following the date of this Order.

11. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

12. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real

property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in accordance with past practice or on the terms pursuant to the lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

13. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

EMPLOYEES

14. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA, have the right to terminate the employment of such of its employees as it deems appropriate.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

15. THIS COURT ORDERS that until and including December 23, 2022, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the

Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or

licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

21. THIS COURT ORDERS that the indemnity provided by paragraph 3 of the First Day Order shall continue to be in force and effect in these proceedings pursuant to the CCAA.

APPOINTMENT OF MONITOR

22. THIS COURT ORDERS that Grant Thornton is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicant's receipts and disbursements;

(b) take any steps the Monitor deems necessary and appropriate to assist the Applicant to close the sale transaction between the Applicant and Elektrophoenix GmbH (the "**Sale Transaction**");

(c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, the Sale Transaction and such other matters as may be relevant to the proceedings herein;

(d) assist the Applicant, to the extent required by the Applicant, in its dissemination to the DIP Lender and its counsel of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings;

(e) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis;

(f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;

(g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(h) perform such other duties as are required by this Order or by this Court from time to time.

24. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

25. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or

collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

26. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant and the DIP Lender with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

27. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the

Applicant on a weekly basis or on such other basis as agreed between the Applicant and the applicable payee. For greater certainty, the Monitor shall be entitled to be paid its reasonable fees and disbursements in respect of work performed in its former capacity as Proposal Trustee.

29. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

DIP FINANCING

30. THIS COURT ORDERS that paragraphs 10 to 16 of the First Day Order are incorporated into this Order and shall be given full force and effect.

VALIDITY AND PRIORITY OF CHARGES CREATED IN THE NOI PROCEEDING

31. THIS COURT ORDERS that the Directors' Charge, the Administration Charge, and the DIP Lender's Charge (each as defined and granted in the First Day Order pursuant to paragraphs 4, 8 and 12 thereof, and collectively referred to herein as the "**Charges**") shall continue to be in force and effect in these proceedings pursuant to the CCAA with the priorities provided for in paragraph 32 hereof.

32. THIS COURT ORDERS that the Monitor, counsel to the Monitor, and the Applicant's counsel shall be entitled to the benefit of the Administration Charge as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings.

33. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First, the Administration Charge;

Second, the Directors' Charge; and

Third, the DIP Lender's Charge.

34. THIS COURT ORDERS AND DECLARES that the Administration Charge be and is hereby increased to $350,000.

35. THIS COURT ORDERS that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register, record or perfect.

36. THIS COURT ORDERS that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, except any validly perfected security interest in favour of equipment lessors.

37. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor and the beneficiaries of the Charges (collectively, the "**Chargees**"), or further Order of the Court.

38. THIS COURT ORDERS that the Charges, the DIP Term Sheet, and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Applicant pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

39. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

40. THIS COURT ORDERS AND DECLARES that, given the noticing procedures established and completed in the NOI Proceeding, the Monitor shall not be required to (i) publish any notices, (ii) send any notices to known creditors or (iii) prepare and publish a list showing names and addresses of those creditors and the estimated amounts of those claims.

41. THIS COURT ORDERS that the Guide Concerning Commercial List E-Service (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that the case website established in the NOI Proceeding (the "**Case Website**") shall be used in these proceedings under the CCAA in accordance with the Protocol, which Case Website can be accessed at the following URL 'https://www.grantthornton.ca/service/advisory/creditor-updates/#iS5-Communications-Inc'. The Monitor shall upload all documents filed in connection with these proceedings under the CCAA to the Case Website.

42. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

43. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

44. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

45. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

46. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative

in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

47. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

48. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF iS5 COMMUNICATIONS INC.

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at
Toronto

INITIAL ORDER
(Continuation Under CCAA)

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Lawyers for the Applicant, iS5 Communications Inc.

SCHEDULE "B"

BLACKLINE FROM MODEL INITIAL ORDER TO DRAFT INITIAL ORDER

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	~~WEEKDAY~~THURSDAY, THE ~~#~~ 1ST
	)	
JUSTICE CONWAY	)	DAY OF ~~MONTH~~DECEMBER,
	)	~~20YR~~2022

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ~~[APPLICANT'S NAME] (the "Applicant")~~iS5 COMMUNICATIONS INC.

INITIAL ORDER
(Continuation Under CCAA)

THIS APPLICATION, made by the ~~Applicant, pursuant to~~ applicant, iS5 Communications Inc. (the "**Applicant**"), to continue the proceedings commenced by the Applicant by the filing of a notice of intention to make a proposal under Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**") bearing estate and court file number 32-2853708 (the "**NOI Proceeding**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the ~~"~~"**CCAA**~~"~~") was heard this day by video conference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~Clive Dias sworn ~~[DATE]~~November 22, 2022 and the Exhibits thereto, the fourth report of Grant Thornton Limited ("**Grant Thornton**") in its capacity as proposal trustee of the Applicant in the NOI Proceeding (in such capacity, the "**Proposal Trustee**") dated November [●], 2022, and on being advised that the secured creditors who are likely to be affected by the charges ~~created~~continued herein were given notice, and on hearing the submissions of counsel for ~~[NAMES]~~the Applicant, counsel for the Proposal Trustee, counsel for Phoenix Contact Venture Funds I GmbH (the "**DIP Lender**"), and counsel for those parties appearing as indicated by the counsel slip, no one appearing for ~~[NAME]~~~~[1]~~any

~~[1] Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2)~~

other party although duly served as appears from the affidavit of service of ~~[NAME]~~Daniel Richer sworn ~~[DATE]~~November 22, 2022 filed, and on reading the consent of ~~[MONITOR'S NAME]~~Grant Thornton to act as the monitor of the Applicant in these proceedings under the CCAA (in such capacity, the "**Monitor**"),

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated~~[2]~~ so that this Application is properly returnable today and hereby dispenses with further service thereof.

~~APPLICATION~~DEFINED TERMS

2. THIS COURT ORDERS that capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Order of the Honourable Justice Osborne granted in the NOI Proceeding on August 8, 2022 (the "**First Day Order**").

CONTINUANCE UNDER THE CCAA

3. ~~2.~~ THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies and the Applicant shall enjoy the benefits of the protection and authorizations provided to the Applicant by this Order.

4. THIS COURT ORDERS AND DECLARES that effective December 1, 2022, the NOI Proceeding is hereby taken up and continued under the CCAA and that, as of such date, the provisions of Part III of the BIA shall have no further application to the Applicant, save that any and all steps, agreements and procedures validly taken, done or entered into by the Applicant and all orders granted during the NOI Proceeding (collectively, the "**Existing Orders**") shall remain

~~may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

~~[2] If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.~~

valid and binding, notwithstanding the commencement of these CCAA proceedings, including, without limitation, the First Day Order. In the event of a conflict between an order granted in the NOI Proceeding and this Order, this Order shall govern.

5. THIS COURT ORDERS that the Monitor shall have the benefit of all rights and protections granted to the Proposal Trustee under the BIA and the Existing Orders including, without limitation, the First Day Order, except to the extent inconsistent with the terms of this Order or the CCAA.

6. THIS COURT ORDERS AND DIRECTS the Proposal Trustee to take all necessary steps in furtherance of its discharge as Proposal Trustee in the NOI Proceeding, including the taxation of its fees and disbursements and those of its counsel.

PLAN OF ARRANGEMENT

7. ~~3.~~ THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement ~~(hereinafter referred to as the "Plan")~~.

POSSESSION OF PROPERTY AND OPERATIONS

8. ~~4.~~ THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the ~~"~~“**Property**~~"~~”). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the ~~"~~“**Business**~~"~~”) and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively~~"~~, “**Assistants**~~"~~”) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

~~5. [THIS COURT ORDERS that the Applicant shall be entitled to continue to utilize the central cash management system[3] currently in place as described in the Affidavit of [NAME] sworn~~

~~[3] This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to~~

~~[DATE] or replace it with another substantially similar central cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.]~~

9. ~~6.~~ THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee ~~and pension~~ benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

10. ~~7.~~ THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

~~often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicant following the date of this Order.

11. ~~8.~~ THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees~~'~~’ wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) ~~Quebec Pension Plan, and (iv)~~ income taxes;

(b) all goods and services or other applicable sales taxes (collectively, ~~"~~“**Sales Taxes**~~"~~”) required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

12. ~~9.~~ THIS COURT ORDERS that until a real property lease is disclaimed **~~[or resiliated]~~**[4] in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time (~~"~~“**Rent**~~"~~”), for the period commencing from and including the date of this Order, ~~twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears)~~in accordance with past practice or on the terms pursuant to the lease. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

13. ~~10.~~ THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

~~RESTRUCTURING~~EMPLOYEES

14. ~~11.~~ THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA ~~and such covenants as may be contained in the Definitive Documents (as hereinafter defined)~~, have the right to~~:~~ terminate the employment of such of its employees as it deems appropriate.

~~(a) permanently or temporarily cease, downsize or shut down any of its business or operations,~~ **~~[and to dispose of redundant or non-material assets not exceeding $● in any one transaction or $● in the aggregate]~~**[5]

[4] ~~The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

[5] ~~Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

~~(b) **[terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate]**~~; ~~and~~

~~(c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,~~

~~all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "Restructuring").~~

~~12. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims **[or resiliates]** the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer **[or resiliation]** of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.~~

~~13. THIS COURT ORDERS that if a notice of disclaimer **[or resiliation]** is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer **[or resiliation]**, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer **[or resiliation]**, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.~~

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

15. ~~14.~~ THIS COURT ORDERS that until and including ~~[DATE – MAX. 30 DAYS]~~December 23, 2022, or such later date as this Court may order (the ~~"~~“**Stay Period**~~"~~”), no proceeding or enforcement process in any court or tribunal (each, a ~~"~~“**Proceeding**~~"~~”) shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. ~~15.~~ THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being ~~"~~“**Persons**~~"~~” and each being a ~~"~~“**Person**~~"~~”) against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. ~~16.~~ THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. ~~17.~~ THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of

goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. ~~18.~~ THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.~~[6]~~

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. ~~19.~~ THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such

~~[6] This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

21. THIS COURT ORDERS that the indemnity provided by paragraph 3 of the First Day Order shall continue to be in force and effect in these proceedings pursuant to the CCAA.

~~**DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**~~

~~20. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings,[7] except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.~~

~~21. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")[8] on the Property, which charge shall not exceed an aggregate amount of $●, as security for the indemnity provided in paragraph **[20]** of this Order. The Directors' Charge shall have the priority set out in paragraphs **[38]** and **[40]** herein.~~

~~22. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph **[20]** of this Order.~~

~~[7] The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

~~[8] Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

APPOINTMENT OF MONITOR

22. ~~23.~~ THIS COURT ORDERS that ~~[MONITOR'S NAME]~~Grant Thornton is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. ~~24.~~ THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicant's receipts and disbursements;

(b) take any steps the Monitor deems necessary and appropriate to assist the Applicant to close the sale transaction between the Applicant and Elektrophoenix GmbH (the "**Sale Transaction**");

(c) ~~(b)~~ report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, the Sale Transaction and such other matters as may be relevant to the proceedings herein;

(d) ~~(c)~~ assist the Applicant, to the extent required by the Applicant, in its dissemination~~,~~ to the DIP Lender and its counsel ~~on a [TIME INTERVAL] basis~~ of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings ~~including reporting on a basis to be agreed with the DIP Lender~~;

(e) ~~(d)~~ advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis~~, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender~~;

~~(e) advise the Applicant in its development of the Plan and any amendments to the Plan;~~

~~(f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;~~

(f) ~~(g)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;

(g) ~~(h)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(h) ~~(i)~~ perform such other duties as are required by this Order or by this Court from time to time.

24. ~~25.~~ THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

25. ~~26.~~ THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, ~~"~~“**Possession**~~"~~”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the ~~"~~“**Environmental Legislation**~~"~~”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in

pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

26. ~~27.~~ THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant and the DIP Lender with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

27. ~~28.~~ THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28. ~~29.~~ THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a ~~[TIME INTERVAL] basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of $● [, respectively,] to be held by them as security for payment of their respective~~ weekly basis or on such other basis as agreed between the Applicant and the applicable payee. For greater certainty, the Monitor shall be entitled to be paid its reasonable fees and disbursements ~~outstanding from time to time~~in respect of work performed in its former capacity as Proposal Trustee.

29. ~~30.~~ THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

DIP FINANCING

30. THIS COURT ORDERS that paragraphs 10 to 16 of the First Day Order are incorporated into this Order and shall be given full force and effect.

VALIDITY AND PRIORITY OF CHARGES CREATED IN THE NOI PROCEEDING

31. THIS COURT ORDERS that the Directors' Charge, the Administration Charge, and the DIP Lender's Charge (each as defined and granted in the First Day Order pursuant to paragraphs 4, 8 and 12 thereof, and collectively referred to herein as the "**Charges**") shall continue to be in force and effect in these proceedings pursuant to the CCAA with the priorities provided for in paragraph 32 hereof.

32. ~~31.~~ THIS COURT ORDERS that the Monitor, counsel to the Monitor, ~~if any,~~ and the Applicant's counsel shall be entitled to the benefit of ~~and are hereby granted a charge (the "~~the Administration Charge~~") on the Property, which charge shall not exceed an aggregate amount of $●,~~ as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. ~~The Administration Charge shall have the priority set out in paragraphs [38] and [40] hereof.~~

~~**DIP FINANCING**~~

~~32. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from [DIP LENDER'S NAME] (the "DIP Lender") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed $● unless permitted by further Order of this Court.~~

~~33. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed.~~

~~34. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.~~

~~35. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs **[38]** and **[40]** hereof.~~

~~36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:~~

~~(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;~~

~~(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ● days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a~~

~~bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and~~

~~(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.~~

~~37. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.~~

~~**VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**~~

33. ~~38.~~ THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows[9]:

First~~–~~, the Administration Charge ~~(to the maximum amount of $●)~~;

Second~~– DIP Lender's~~, the Directors' Charge; and

Third~~– Directors'~~ , the DIP Lender's Charge ~~(to the maximum amount of $●)~~.

34. THIS COURT ORDERS AND DECLARES that the Administration Charge be and is hereby increased to $350,000.

35. ~~39.~~ THIS COURT ORDERS that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "~~Charges~~")~~ shall not be required, and that the Charges shall be valid and enforceable for all purposes,

~~[9] The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any ~~such~~ failure to file, register, record or perfect.

36. ~~40.~~ THIS COURT ORDERS that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein)~~Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, ~~"~~“**Encumbrances**~~"~~”) in favour of any Person, except any validly perfected security interest in favour of equipment lessors.

37. ~~41.~~ THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~Charges, unless the Applicant also obtains the prior written consent of the Monitor~~, the DIP Lender~~ and the beneficiaries of the ~~Directors' Charge and the Administration Charge~~Charges (collectively, the “**Chargees**”), or further Order of ~~this~~the Court.

38. ~~42.~~ THIS COURT ORDERS that the ~~Directors' Charge, the Administration Charge, the Commitment Letter,~~Charges, the DIP Term Sheet, and the Definitive Documents ~~and the DIP Lender's Charge~~ shall not be rendered invalid or unenforceable and the rights and remedies of the ~~chargees entitled to the benefit of the Charges (collectively, the "~~Chargees~~") and/or the DIP Lender~~ thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an ~~"~~“**Agreement**~~"~~”) which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the ~~Commitment Letter~~DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by ~~or resulting from the Applicant~~ entering into the ~~Commitment Letter~~DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Applicant pursuant to this Order, the ~~Commitment Letter~~DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

39. ~~43.~~ THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

40. ~~44.~~ THIS COURT ORDERS ~~that~~AND DECLARES that, given the noticing procedures established and completed in the NOI Proceeding, the Monitor shall not be required to (i) ~~without delay, publish in [newspapers specified by the Court] a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than $1000, and (C~~publish any notices, (ii) send any notices to known creditors or (iii) prepare and publish a list showing ~~the~~ names and addresses of those creditors and the estimated amounts of those claims~~, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder~~.

41. ~~45.~~ THIS COURT ORDERS that the ~~E-Service Protocol of the~~Guide Concerning Commercial List E-Service (the "**Protocol**") is approved and adopted by reference herein and, in

this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at ~~http~~https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/~~e-service-protocol~~eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that ~~a~~ the case website established in the NOI Proceeding (the "**Case Website**") shall be ~~established~~used in these proceedings under the CCAA in accordance with the Protocol ~~with~~, which Case Website can be accessed at the following URL '~~<@>'.~~https://www.grantthornton.ca/service/advisory/creditor-updates/#iS5-Communications-Inc'. The Monitor shall upload all documents filed in connection with these proceedings under the CCAA to the Case Website.

42. ~~46.~~ THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

43. ~~47.~~ THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

44. ~~48.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

45. ~~49.~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

46. ~~50.~~ THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

47. ~~51.~~ THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

48. ~~52.~~ THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

____

~~Revised: January 21, 2014~~

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF iS5 COMMUNICATIONS INC.

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INITIAL ORDER
(Continuation Under CCAA)

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SCHEDULE "C"

DRAFT APPROVAL AND REVERSE VESTING ORDER

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	THURSDAY, THE 1ST
	)	
JUSTICE CONWAY	)	DAY OF DECEMBER, 2022
	)	

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF iS5 COMMUNICATIONS INC.

ORDER
(Approval and Vesting Order)

THIS MOTION, made by iS5 Communications Inc. (the "**Debtor**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, among other things: (i) approving the Share Purchase Agreement (the "**SPA**") between the Debtor and Elektrophoenix GmbH (the "**Purchaser**"), dated October 17, 2022, and the transaction contemplated therein (the "**Transaction**"), (ii) adding 14544072 Canada Inc. ("**ResidualCo**") as an applicant to these CCAA proceedings; (iii) transferring and vesting all of the Debtor's right, title and interest in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities (as defined in the SPA) to and in ResidualCo; and (iv) vesting all of the right, title and interest in and to the New Common Shares (as defined in the SPA) in the Purchaser; was heard on December 1, 2022, by video conference in accordance with the Guidelines To Determine Mode of Proceeding in Civil.

ON READING the Debtor's Notice of Motion, the affidavit of Clive Dias sworn November 22, 2022, and the Fourth Report of Grant Thornton Limited ("**Grant Thornton**"), in its capacity as proposal trustee of the Debtor (in such capacity, the "**Proposal Trustee**") in the proceedings commenced by the Debtor by the filing of a notice of intention to make a proposal under Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"), bearing estate and court file number 32-2853708, to be filed (the "**Fourth Report**"), and on hearing the submissions of counsel for the Debtor, counsel for Grant Thornton in its capacity as monitor in these CCAA proceedings (in such capacity, the "**Monitor**"), counsel for the Purchaser, and counsel for those other parties appearing as indicated by the counsel slip, no one appearing for any other party, although duly served as appears from the affidavit of service of Daniel Richer sworn November 22, 2022, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby validated so that this Motion was properly returnable on December 1, 2022, and hereby dispenses with further service thereof.

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the SPA.

APPROVAL AND VESTING

3. **THIS COURT ORDERS AND DECLARES** that the SPA and the Transaction be and are hereby approved and that the execution of the SPA by the Debtor is hereby authorized, approved and ratified, with such minor amendments as the parties thereto may deem necessary, with the approval of the Monitor. The Debtor is hereby authorized and directed to perform its obligations under the SPA and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the New Common Shares and the Post-Consolidation Common Shares to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that notwithstanding any provision hereof, the closing of the Transaction shall be deemed to occur in the manner, order and sequence set out in the SPA, including in accordance with the Closing Sequence, with such alterations, changes or amendments as may be agreed to by the Purchaser and the Debtor, with the approval of the Monitor, provided that such alterations, changes or amendments do not

materially alter or impact the Transaction or the consideration which the Debtor and/or its applicable stakeholders will benefit from as part of the Transaction.

5. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Debtor to proceed with the Transaction (including, for certainty, the Pre-Closing Reorganization and the Closing Sequence), and that no shareholder or other approval shall be required in connection therewith.

6. **THIS COURT ORDERS AND DECLARES** that upon the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to the Purchaser (the "**Effective Time**"), substantially in the form attached as Schedule "A" hereto, the following shall occur and shall be deemed to have occurred at the Effective Time in the following sequence:

(a) first, all of the right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, and all Claims and Encumbrances (each as defined below) shall continue to attach to the Excluded Assets and to the Proceeds (as defined below) in accordance with paragraph 9 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;

(b) second, all Excluded Contracts and Excluded Liabilities of the Debtor (which for certainty includes all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise), other than: (i) the Assumed Liabilities, and (ii) any set off claims asserted as defences to any claims made by the Debtor, shall be channelled to, assumed by and vest absolutely and exclusively in ResidualCo such that the Excluded Contracts and Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of the Debtor, and the Debtor and all of its assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate (together with the Retained Assets, the "**Debtor's Property**") shall be and are hereby forever released and discharged from such Excluded Contracts and

Excluded Liabilities and all related Claims and all Encumbrances (each as defined below) affecting or relating to the Debtor's Property are hereby expunged and discharged as against the Debtor's Property;

(c) third, all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person (defined below) and are convertible or exchangeable for any securities of the Debtor or which require the issuance, sale or transfer by the Debtor, of any shares or other securities of the Debtor and/or the share capital of the Debtor, or otherwise relating thereto, shall be deemed terminated and cancelled;

(d) fourth, all of the right, title and interest in and to the New Common Shares shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other Order of the Court in this CCAA Proceeding; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems; and (iii) those Claims listed on Schedule "B" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "C" hereto). For greater certainty, this Court orders that all of the Encumbrances affecting or relating to the New Common Shares are hereby expunged and discharged as against the New Common Shares; and

(e) fifth, the Debtor shall be deemed to cease being a Debtor in these CCAA proceedings, and the Debtor shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted in respect of this

CCAA Proceeding, save and except for this Order, the provisions of which (as they relate to the Debtor) shall continue to apply in all respects.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof in connection with the Transaction.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Debtor and the Purchaser regarding the fulfilment of conditions to closing under the SPA and shall have no liability with respect to delivery of the Monitor's Certificate.

9. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the New Common Shares (including, for greater certainty, the Deposit and the Cash Consideration) (the "**Proceeds**") shall stand in the place and stead of the Debtor's Property, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Proceeds and the Excluded Assets with the same priority as they had with respect to the Debtor's Property immediately prior to the sale.

10. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, the Debtor or the Monitor, as the case may be, is authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Debtor's records pertaining to past and current employees of the Debtor. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Debtor.

11. **THIS COURT ORDERS AND DECLARES** that, at the Effective Time and without limiting the provisions of paragraph 6 hereof, the Purchaser and the Debtor shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent), or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Debtor (provided, as it relates to the Debtor, such release shall not apply to Taxes in respect of the business and operations conducted by the Debtor after the Effective Time), including without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Debtor (including its affiliates and any predecessor corporations)

pursuant to section 160 of the *Income Tax Act*, R.S.C. 1985 c. 1 (5th Supp.), or any provincial equivalent, in connection with the Debtor. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes that are transferred to ResidualCo.

12. **THIS COURT ORDERS** that except to the extent expressly contemplated by the SPA, all Contracts to which the Debtor is a party at the time of delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Debtor);

(b) the insolvency of the Debtor or the fact that the Debtor sought or obtained relief under the BIA and the CCAA;

(c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the SPA, the Transaction or the provisions of this Order, or any other Order of the Court in these proceedings; or

(d) any transfer or assignment, or any change of control of the Debtor arising from the implementation of the SPA, the Transaction or the provisions of this Order.

13. **THIS COURT ORDERS**, for greater certainty, that (a) nothing in paragraph 12 hereof shall waive, compromise or discharge any obligations of the Debtor in respect of any Assumed Liabilities, and (b) the designation of any Claim as an Assumed Liability is without prejudice to the Debtor's right to dispute the existence, validity or quantum of any such Assumed Liability, and (c) nothing in this Order or the SPA shall affect or waive the Debtor's rights and defences,

both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set offs or recoupments against such Assumed Liability.

14. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Debtor then existing or previously committed by the Debtor, or caused by the Debtor, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, expressed or implied in any Contract existing between such Person and the Debtor (including for certainty, those Contracts constituting Retained Assets) arising directly or indirectly from the commencement of the NOI Proceeding or the conversion to the CCAA Proceedings and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph 12 hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Debtor from performing its obligations under the SPA or be a waiver of defaults by the Debtor under the SPA and the related documents.

15. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Debtor relating in any way to or in respect of any Excluded Assets, Excluded Liabilities or Excluded Contracts and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

16. **THIS COURT ORDERS** that from and after the Effective Time:

(a) the nature of the Assumed Liabilities retained by the Debtor, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this Order;

(b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;

(c) any Person that prior to the Effective Time had a valid right or claim against the Debtor under or in respect of any Excluded Contract or Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have such right or claim against the Debtor but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and

(d) the Excluded Liability Claim of any Person against ResidualCo following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Debtor prior to the Effective Time.

17. **THIS COURT ORDERS AND DECLARES** that, as of the Effective Time:

(a) ResidualCo shall be a company to which the CCAA applies; and

(b) ResidualCo shall be added as an Applicant in this CCAA Proceeding and all references in any Order of this Court in respect of this CCAA Proceeding to (i) an "Applicant" shall refer to and include ResidualCo, and (ii) "Property" shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of ResidualCo (the "**ResidualCo Property**"), and, for greater certainty, each of the Charges (as defined in the Initial Order dated December 1, 2022), shall constitute a charge on the ResidualCo Property.

18. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA, in respect of ResidualCo and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of ResidualCo;

the SPA, the implementation of the Transaction (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo, the transfer and vesting of the New Common Shares in and to the Purchaser) and any payments by or to the Purchaser, ResidualCo or the Monitor authorized herein shall be binding on any trustee in bankruptcy that may be appointed in respect of ResidualCo and shall not be void or voidable by creditors of ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

MONITOR'S ENHANCED POWERS

19. THIS COURT ORDERS that in addition to the powers and duties of the Monitor set out in the Initial Order or any other Order of this Court in this CCAA Proceeding, and without altering in any way the limitations and obligations of ResidualCo as a result of these proceedings, the Monitor be and is hereby authorized and empowered, but not required, to:

(a) take any and all actions and steps, and execute all documents and writings, on behalf of, and in the name of ResidualCo in order to facilitate the performance of any ongoing obligations of ResidualCo, including with respect to any Excluded Liability Claim, and to carry out the Monitor's duties under this Order or any other Order of this Court in this CCAA Proceeding;

(b) exercise any powers which may be properly exercised by a board of directors of ResidualCo;

(c) cause ResidualCo to retain the services of any person as an employee, consultant, or other similar capacity all under the supervision and direction of the Monitor and on the terms as agreed with the Monitor;

(d) open one or more new accounts (the "**ResidualCo Accounts**") into which all funds, monies, cheques, instruments and other forms of payment payable to ResidualCo shall be deposited from and after the making of this Order from any source whatsoever and to operate and control, as applicable, on behalf of ResidualCo, the ResidualCo Accounts in such manner as the Monitor, in its sole discretion, deems necessary or appropriate to assist with the exercise of the Monitor's powers and duties;

(e) cause ResidualCo to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the winding-down of ResidualCo or the distribution of the proceeds of the ResidualCo Property or any other related activities, including in connection with bringing this CCAA Proceeding to an end;

(f) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of ResidualCo in the name of or on behalf of ResidualCo;

(g) claim or cause ResidualCo to claim any and all insurance refunds or tax refunds, including refunds of harmonized sales taxes, to which ResidualCo is entitled;

(h) have access to all books and records that are the property of ResidualCo in ResidualCo's possession or control in addition to the Debtor's books and records in accordance with the terms of the SPA;

(i) assign ResidualCo, or cause ResidualCo to be assigned, into bankruptcy, and the Monitor shall be entitled but not obligated to act as trustee in bankruptcy thereof;

(j) consult with Canada Revenue Agency with respect to any issues arising in respect of this CCAA Proceeding; and

(k) apply to this Court for advice and directions or any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter.

20. THIS COURT ORDERS that notwithstanding anything contained in this Order, the Monitor is not and shall not be or be deemed to be, a director, officer, or employee of ResidualCo or the Debtor.

21. THIS COURT ORDERS that, without limiting the provisions of the Initial Order, ResidualCo shall remain in possession and control of its Property and Business (each as defined in the Initial Order) and the Monitor shall not take, or be deemed to have taken, possession or control of the Property or the Business of ResidualCo, or any part thereof.

22. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor and its legal counsel shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the Initial Order and any other Order of this Court and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor and the fulfillment of its duties and the carrying out of the provisions of this Order.

23. THIS COURT ORDERS that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of the Debtor or ResidualCo within the meaning of any relevant legislation and that any distributions to creditors of ResidualCo or the Debtor by the Monitor will be deemed to have been made by ResidualCo.

24. THIS COURT ORDERS that the power and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of ResidualCo with respect to such matters and, in the event of a conflict between the terms of this Order and those of the Initial Order or any other Order of this Court, the provisions of this Order shall govern.

RELEASES

25. **THIS COURT ORDERS AND DECLARES** that Clive Dias' resignation as director of ResidualCo on November 21, 2022 be and is hereby authorized and ratified.

26. **THIS COURT ORDERS** that effective upon filing of the Monitor's Certificate, (i) the current directors, officers, employees, independent contractors that have provided legal or financial services to the Debtor or ResidualCo, as applicable, (ii) legal counsel and advisors of the Debtor or ResidualCo, (iii) Clive Dias, in his capacity as former director of ResidualCo, and (iv) the Proposal Trustee, the Monitor and their legal counsel (collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part of any act or omission, transaction, dealing or other occurrence existing or taking place prior to the filing of the Monitor's Certificate and that relate in any manner whatsoever to the Debtor or any of its assets (current or historical), obligations, business or affairs or this CCAA Proceeding, including any actions undertaken or completed pursuant to the terms of this Order, or arising in connection with or relating to the SPA or the completion of the Transaction, or the administration and/or management of the Debtor or these proceedings (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, *provided that* nothing in this paragraph shall waive, discharge, release, cancel or bar any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

GENERAL

27. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the New Common Shares.

28. **THIS COURT ORDERS** that, following the Effective Time, the title of these proceedings is hereby changed to

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 14544072 CANADA INC.

29. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist ResidualCo, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to ResidualCo and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist ResidualCo and the Monitor and their respective agents in carrying out the terms of this Order.

31. **THIS COURT ORDERS** that each of ResidualCo and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

Schedule A – Form of Monitor's Certificate

Court File No. 32-2853708

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF iS5 COMMUNICATIONS INC.

RECITALS

A. Pursuant to the Initial Order of the Honourable Madam Justice Conway of the Ontario Superior Court of Justice (Commercial List), dated December 1, 2022, as amended, iS5 Communications Inc. (the "**Debtor**") was granted protection from its creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and Grant Thornton Limited was appointed as the monitor (in such capacity, the "**Monitor**") of the Debtor.

B. Pursuant to the Approval and Vesting Order of the Court dated December 1, 2022 (the "**Order**"), the Court approved the transaction (the "**Transaction**") contemplated by the Share Purchase Agreement dated October 17, 2022 (the "**SPA**"), between the Debtor and Elektrophoenix GmbH (the "**Purchaser**"), and ordered, *inter alia*, that: (i) all of the Debtor's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo; (ii) all of the Excluded Contracts and Excluded Liabilities shall be transferred to, assumed by and vest in ResidualCo; and (iii) all of the right, title and interest in and to the New Common Shares shall vest absolutely and exclusively in the Purchaser, which vesting is, in each case, to be effective upon the delivery by the Monitor to the Purchaser of a certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from the Purchaser and the Debtor that all conditions to closing have been satisfied or waived by the parties to the SPA.

C. Capitalized terms not defined herein shall have the meaning given to them in the Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser and from the Debtor, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the SPA.

2. This Monitor's certificate was delivered by the Monitor at __________ on ___________, 2022.

Grant Thornton Limited, in its capacity as Monitor of the Debtor, and not in its personal capacity.

Per: _________________________________

Name:

Title:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF iS5 COMMUNICATIONS INC.

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at
Toronto

APPROVAL AND VESTING ORDER

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Lawyers for the Applicant, iS5 Communications Inc.

SCHEDULE "A"

DRAFT ANCILLARY ORDER

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	THURSDAY, THE 1ST
	)	
JUSTICE CONWAY	)	DAY OF DECEMBER, 2022
	)	

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF iS5 COMMUNICATIONS INC.

ORDER

THIS MOTION, made by iS5 Communications Inc. (the "**Company**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, among other things, (i) approving the fourth report (the "**Fourth Report**") of Grant Thornton Limited ("**Grant Thornton**") in its capacity as the proposal trustee of the Company (in such capacity, the "**Proposal Trustee**") in the proceeding commenced by the Company by the filing of a notice of intention to make a proposal under Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**") bearing estate and court file number 32-2853708 (the "**NOI Proceeding**"), and the actions, conduct and activities of the Proposal Trustee described in the Fourth Report, and (ii) approving the fees and disbursements of the Proposal Trustee and its legal counsel Cozen O'Connor LLP ("**Cozen**") incurred in connection with the NOI Proceeding.

ON READING the affidavit of Clive Dias sworn November 22, 2022, the exhibits thereto and the Fourth Report, and on hearing the submissions of counsel for the Company, counsel for the Proposal Trustee, and counsel for those parties appearing as indicated by the counsel slip, no one appearing for any other party although duly served as appears form the affidavit of service of Daniel Richer sworn November 22, 2022 filed,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINED TERMS

2. THIS COURT ORDERS that capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Initial Order of the Honourable Madam Justice Conway of the Ontario Superior Court of Justice (Commercial List) granted in these proceedings on December 1, 2022.

REPORT AND ACTIVITIES OF THE PROPOSAL TRUSTEE

3. THIS COURT ORDERS that the Fourth Report, and the actions, conduct and activities of the Proposal Trustee described therein, be and are hereby approved, provided, however, that only the Proposal Trustee, in its personal capacity only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

APPROVAL OF PROFESSIONAL FEES

4. THIS COURT ORDERS that the fees and disbursements of the Proposal Trustee and Cozen in the total amounts of $[●] and $[●], respectively, as set out in the Fourth Report and the fee affidavits attached as Appendices "[●]" and "[●]" thereto, be and are hereby approved.

GENERAL

5. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Company, Residual Co, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and ResidualCo, and the Monitor as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any

foreign proceeding, or to assist the Company, ResidualCo, the Monitor and their respective agents in carrying out the terms of this Order.

6. THIS COURT ORDERS that each of the Company, ResidualCo and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

7. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order, and this Order is enforceable without the need for entry and filing.

____

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF iS5 COMMUNICATIONS INC.

Court File No. CV-22-00690563-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER

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Lawyers for the Applicant, iS5 Communications Inc.

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF iS5 COMMUNICATIONS INC., OF THE CITY OF MISSISSAUGA IN THE PROVINCE OF ONTARIO

Estate No. 32-2853708
Court File No. 32-2853708

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF MOTION
(Returnable December 1, 2022)

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Lawyers for the Moving Party, iS5 Communications Inc.

 Court File No./N° du dossier du greffe : CV-22-00690563-00CL

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF iS5 COMMUNICATIONS INC.

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant, iS5 Communication Inc. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing

☐ In person

☐ By telephone conference

☒ By video conference

at the following location

Video conference sign-in details to be determined

on December 1, 2022 at 12:30 p.m. Toronto time, or as soon after that time as the application can be heard.

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

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

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

Date: November 22, 2022 ~~November 21, 2022~~

Issued by: Rajesh Ramkalawan Digitally signed by Rajesh Ramkalawan Date: 2022.11.22 09:16:06 -05'00'
Local Registrar

Address of Court Office: 330 University Ave, 9th Floor
Toronto, Ontario M5G 1R7

TO: **THE SERVICE LIST**

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF iS5 COMMUNICATIONS INC.

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APPLICATION

1. The applicant, iS5 Communications Inc. (the "**Company**"), makes an application for:

   (a) an initial order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), among other things:

      (i) continuing under the CCAA the proceeding commenced by the Company by the filing of a notice of intention to make a proposal under Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, bearing estate and court file number 32-2853708 (the "**NOI Proceeding**"); and

      (ii) appointing Grant Thornton Limited ("**Grant Thornton**") as monitor of the Company in these CCAA proceedings (in such capacity, the "**Monitor**"); and

   (b) such further and other relief as this Honourable Court made deem just.

2. The grounds for this application are:

   (a) the grounds set out in the affidavit of Clive Dias to be sworn and filed (the "**Dias Affidavit**"), and the fourth report of Grant Thornton in its capacity as the proposal trustee of the Company in the NOI Proceeding to be filed (the "**Fourth Report**");

   (b) the provisions of the CCAA, including section 11.6 thereof;

   (c) such further and other grounds as counsel may advise.

3. The following documentary evidence will be used at the hearing of the application:

   (a) the Dias Affidavit;

   (b) the Fourth Report;

   (c) the consent of Grant Thornton to act as the Monitor; and

   (d) such further and other evidence as counsel may advise and this Honourable Court may permit.

November 21, 2022

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF iS5 COMMUNICATIONS INC.

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at
Toronto

NOTICE OF APPLICATION

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Estate No. 32-2853708
Court File No. 32-2853708

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
[COMMERCIAL LIST]

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF iS5 COMMUNICATIONS INC., OF THE CITY OF MISSISSAUGA IN THE PROVINCE OF ONTARIO

AFFIDAVIT OF CLIVE DIAS
(SWORN NOVEMBER 22, 2022)

I, Clive Dias, President, Chief Executive Officer and a Director of iS5 Communications Inc. ("**iS5**" or the "**Company**"), of the City of Brampton, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am the President, Chief Executive Officer and a Director of the Board of Directors of iS5 and as such, I have knowledge of the matters set out herein. Where information has been received from others, I have stated the source of the information and believe it to be true.

I. PURPOSE

2. I am swearing this affidavit in support of an Application by the Company for an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”), among other things:

(a) declaring that iS5 is a company to which the CCAA applies;

(b) continuing the NOI Proceeding (as defined below) under the CCAA;

(c) appointing Grant Thornton Limited (“**Grant Thornton**”) as monitor of the Company in the CCAA proceeding (in such capacity, the “**Monitor**”);

(d) granting a stay of proceedings until December 23, 2022;

(e) continuing the Directors’ Charge, the Administration Charge, and the DIP Lender’s Charge (each as defined below) that were granted in the NOI Proceeding to remain in force and effect in the CCAA proceeding; and

(f) extending the benefit of the Administration Charge to the Monitor, counsel to the Monitor and counsel to the Company in the CCAA proceeding, and increasing the quantum of the Administration Charge to CAD $350,000 to ensure that the fees and disbursements of the Proposal Trustee/ Monitor and its legal counsel, as well as the Company’s legal counsel are adequately secured.

3. I also swear this affidavit in support of a motion by the Company in the CCAA proceeding for:

(a) an approval and reverse vesting order (the “**Reverse Vesting Order**”), among other things:

(i) authorizing and approving the transaction (the “**Transaction**”) contemplated in the share purchase agreement (the “**Stalking Horse Agreement**”) with Elektrophoenix GmbH (the “**Stalking Horse Purchaser**”);

(ii) vesting out of the Company all Excluded Assets, Excluded Contracts and Excluded Liabilities (as defined in the Stalking Horse Agreement), which will be transferred to 14544072 Canada Inc. (“**ResidualCo**”), a corporation incorporated by the Company for this sole purpose;

(iii) authorizing the Company to file articles of reorganization, issue New Common Shares, and undertake the Consolidation and Cancellation, and authorizing the Company to issue the Post-Consolidation Shares (each as defined in the Stalking Horse Agreement) and vesting in the Stalking Horse Purchaser all right, title, benefit and interest in and to the Post-Consolidation Shares free and clear of any claims and encumbrances, such that the Stalking Horse Purchaser will be the sole shareholder of the Company after closing of the Transaction;

(iv) authorizing the Monitor to cause ResidualCo to file an assignment in bankruptcy, naming Grant Thornton as trustee in bankruptcy (in such capacity, the "**Trustee in Bankruptcy**"); and

(b) an ancillary order (the "**Ancillary Order**"), among other things:

(i) approving the fourth report of Grant Thornton, in its capacity as proposal trustee in the NOI Proceeding (in such capacity, the "**Proposal Trustee**"), to be filed (the "**Fourth Report**"), and the actions, conduct and activities of the Proposal Trustee described therein; and

(ii) approving the fees and disbursements of the Proposal Trustee and its legal counsel incurred in connection with the NOI Proceeding.

II. BACKGROUND

4. The Company filed a notice of intention to make a proposal under the BIA on August 5, 2022 (the "**NOI Proceeding**").

5. Grant Thornton was named as Proposal Trustee of the Company in the NOI Proceeding.

6. The purpose of the NOI Proceeding was to provide the Company an opportunity to either identify one or more purchasers for its assets or an investor in the Company's business through a stalking horse sale process.

7. On August 8, 2022, the Court issued an Order approving, among other things:

(a) a debtor-in-possession financing term sheet dated August 5, 2022 (the "**DIP Term Sheet**") between the Company and Phoenix Contact Venture Funds I GmbH (in such capacity, the "**DIP Lender**"), an affiliate of the Stalking Horse Purchaser, pursuant to which the DIP Lender agreed to advance up to a maximum amount of USD $1,100,000 to the Company in two tranches of USD $600,000 and USD $500,000, which advances are secured by a Court-ordered priority charge over all of the assets, rights, undertakings and properties of the Company as security for amounts advanced under the DIP loan (the "**DIP Charge**");

(b) a first-ranking charge on all of the Company's property, in priority to all other charges in the maximum amount of CDN $150,000 to secure the fees and disbursements of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company incurred in connection with services rendered to the Company both before and after the commencement of the NOI Proceeding (the "**Administration Charge**"); and

(c) an indemnity from the Company in favour of the Company's directors and officers for obligations and liabilities that they may incur in their capacity as directors or officers of the Company after commencement of the NOI Proceeding, and a charge on the assets of the Company in the maximum amount of CDN $200,000, as security for the aforesaid indemnity (the "**Directors' Charge**").

8. On September 2, 2022, the Court issued an Order approving, among other things:

(a) an extension of the time within which the Company must file a Proposal to its creditors to October 17, 2022;

(b) an interim distribution to the Company's senior secured creditor SVB in the amount of USD $209,666.66; and

(c) approval of the Company's appointment of Mr. John Gillberry as an independent member of the Company's board of directors.

9. The DIP Term Sheet contemplates that the interim financing will be advanced in two tranches. The first tranche of USD $600,000 was advanced on August 9, 2022. The second tranche of USD $500,000 can only be advanced subject to a further order of the Court. It is not expected that the Company will require the second advance as a result of: (i) the receipt of a tax refund in connection with a Scientific Research and Experimental Development ("**SRED**") credit from the Government of Canada in the amount of CDN $1,249,942, and (ii) the anticipated closing of the Transaction as soon as possible after the Reverse Vesting Order is made.

10. On October 17, 2022, the Court issued an Order (the "**SISP Order**") approving, among other things:

(a) a stalking horse sale and investor solicitation process (the "**SISP**") to identify one or more financiers, purchasers of and/or investors in the Company, its business and/ or assets that is superior to the offer contemplated by the Stalking Horse Agreement;

(b) the Stalking Horse Agreement to act as the minimum bid in the SISP; and

(c) extending the time period for the Company to file a proposal in the NOI Proceeding, and the associated stay of proceedings to and including December 1, 2022.

11. I provided a detailed description of the Company's business, operations, assets, liabilities, causes of insolvency and its restructuring efforts in my affidavit sworn on August 5, 2022 (the "**First Dias Affidavit**"). The First Dias Affidavit, along with the other materials filed in connection with this NOI Proceeding, are available on the Proposal Trustee's website at the following link: www.grantthornton.ca/is5.

III. THE SISP

12. On October 17, 2022, the Court issued the SISP Order approving the SISP and the Stalking Horse Agreement to serve as the minimum bid in the SISP.

13. The SISP was administered by the Company and the Proposal Trustee in an effort to identify offers that were superior to the offer contained in the Stalking Horse Agreement.

14. There were no offers received pursuant to the SISP and the Purchaser is therefore the "successful bidder" under the SISP. As described in greater detail below, the Company is seeking the Initial Order and the Reverse Vesting Order to allow it to close the Transaction.

15. I am advised by Dan Wootton of Grant Thornton, the Proposal Trustee and proposed Monitor, that the Proposal Trustee will provide a fulsome report on the SISP in the Fourth Report. By way of brief summary, I understand based on various reports that I have received from the Proposal Trustee that:

(a) the SISP commenced on October 17, 2022;

(b) the Proposal Trustee distributed the teaser document describing the opportunity to invest in, or acquire, the Company to approximately 191 parties; and

(c) seven parties executed a non-disclosure agreement and were provided access to a confidential data room containing information about the Company and its business and operations.

16. The deadline for the receipt of non-binding expressions of interest under the first phase of the SISP was November 16, 2022. The Company did not receive any bids.

17. In accordance with the terms of the SISP, the Stalking Horse Agreement is the successful bid and the Company now seeks approval of the Stalking Horse Agreement.

IV. THE STALKING HORSE AGREEMENT

18. Pursuant to the terms of the Stalking Horse Agreement, the Stalking Horse Purchaser will agree to purchase all of the Company's shares pursuant to a transaction to be implemented through the Reverse Vesting Order. Attached hereto and marked as **Exhibit "A"** is a true copy of the executed Stalking Horse Agreement.

19. The purchase price is USD $5 million, a portion of which will be comprised of a "credit bid" of amounts owing under the DIP Term Sheet. The cash portion of the purchase price will be sufficient to repay SVB in full, and is expected to result in a distribution to the Company's Secured Noteholders.

20. It is expected that the Stalking Horse Purchaser will continue to operate the business as a going concern, and will continue to employ substantially all of the Company's existing employees.

21. I provided a detailed description of the terms of the Stalking Horse Agreement in my affidavit sworn October 6, 2022 in connection with the approval of the SISP (the "**Third Dias Affidavit**"). An unexecuted copy of the Stalking Horse Agreement was attached as Exhibit "A" to the Third Dias Affidavit. I will repeat the summary I gave of the material terms of the Stalking Horse Agreement in the Third Dias Affidavit, as the Stalking Horse Agreement is now before the Court for approval.

22. Based on my conversations with Christian Fasse and Marcus Böker, representatives of the Stalking Horse Purchaser, I understand that the Stalking Horse Purchaser has structured the Stalking Horse Agreement as a share purchase agreement to be implemented through the Reverse Vesting Order in order to allow the Stalking Horse Purchaser to, among other things:

(a) assume over USD $30 million in operating losses to be applied against future profits, which tax losses were factored into the purchase price;

(b) allow the Company to maintain its existing export permits and avoid the need to re-apply for those permits, which can be a lengthy, cumbersome, and uncertain process;

(c) allow the Company to maintain its bank accounts and avoid lengthy "know your client" requirements for foreign corporations that would be required by Canadian banks if the Stalking Horse Purchaser (German entity) was required to open new bank accounts in Canada;

(d) maintain the Company's existing accounts with its vendors; and

(e) ensure that the Company is able to maintain its existing employee contracts to ensure a smooth transition of key employee resources.

23. The closing of the Transaction is conditional upon, among other things, the Court granting the Reverse Vesting Order.

24. Among other provisions, the draft Reverse Vesting Order contemplates that the cash proceeds of the purchase price will be available to distribute to the Company's creditors in accordance with their priorities.

25. Upon closing of the Transaction, and after payment of the outstanding fees and disbursements of the Proposal Trustee and the proposed Monitor, its legal counsel, and the Company's legal counsel Fasken Martineau DuMoulin LLP (collectively, the "**Insolvency Professionals**"), and subject to a holdback to provide for the further fees and disbursements of the Insolvency Professionals to complete the administration of the CCAA proceeding, the proposed Monitor will return to Court at the first available opportunity to seek an order authorizing it to, among other things, distribute the balance of the cash proceeds of sale from the Transaction to the Company's first-ranking senior secured creditor, SVB, and to the holders of the Company's secured notes (collectively, the "**Secured Noteholders**"), on a *pro rata* basis, in partial satisfaction of their secured claims. It is not expected that any unsecured creditors of the Company will receive distributions.

26. The Stalking Horse Agreement contemplates that the target date to close the Transaction is the third business day following the issuance of the Reverse Vesting Order. The Company will endeavour to close the Transaction as soon as possible after the Reverse Vesting Order is granted.

27. The Proposal Trustee/proposed Monitor and the DIP Lender are supportive of the approval of the Stalking Horse Agreement. As at the date of this affidavit, most of the Company's largest Secured Noteholders, Phoenix Contact Venture Funds I GmbH, ClearSky Security Fund I LLC, ClearSky Power & Technology Fund II LLC have indicated they are supportive of the approval of the Stalking Horse Agreement.

28. As discussed in the Third Dias Affidavit, prior to the commencement of the NOI Proceeding, the Company had engaged IOI Capital and Markets, LLC to market the Company for sale. That pre-filing sale process did not result in any offers. The Company ran a second sale process within the NOI Proceeding with the assistance of the Proposal Trustee, which also did not result in any offers. The market has now been canvassed twice and the only transaction available to the Company is the Transaction.

29. I am not aware of any stakeholders that will suffer prejudice as a result of the Transaction being implemented through the Reverse Vesting Order. To the contrary, the Stalking Horse Agreement will provide for the continuation of the Company's business, thereby assuring a customer for suppliers, a tenant for the Company's landlord, employment for substantially all of the Company's employees, and an ongoing business for its many customers. Further, if the USD $30 million in tax attributes are not preserved, based on my conversations with the Stalking Horse

Purchaser, I believe that the purchase price for the Company would decrease, to the prejudice of the secured creditors of the Company.

V. CONVERSION TO CCAA PROCEEDING

30. The Stalking Horse Agreement provides that the NOI Proceeding will be converted to a CCAA proceeding to implement the Transaction contemplated therein through the operation of the Reverse Vesting Order.

31. Closing of the Transaction is conditional upon the Company obtaining the Reverse Vesting Order.

32. As discussed in detail in the First Dias Affidavit, the Company had liabilities at the commencement of the NOI Proceeding exceeding CDN $5 million (and continues to do so) and is insolvent. Attached hereto and marked as **Exhibit "B"** is a copy of the First Dias Affidavit that provides a detailed description of the Company's financial difficulties and insolvency.

33. The Fourth Cash Flow Statement (defined below) indicates that the Company will have sufficient liquidity to continue to fund its operations until the week ending December 23, 2022. The Company will therefore have sufficient liquidity to continue operating in the CCAA proceeding until December 23, 2022, which will allow it to close the Transaction, and allow the Monitor to return to Court to seek approval of the proposed distributions to the Company's secured creditors and the termination of the CCAA proceeding. Alternatively, if the Transaction does not close before December 23, 2022, the Company can return to Court on or before December 23, 2022 to seek the second advance under the DIP Term Sheet.

34. If the Court approves the Reverse Vesting Order, substantially all of the Company's liabilities will be transferred to ResidualCo, which will be added as an applicant in the CCAA proceeding, and the Company will cease being a debtor in the CCAA proceeding and will exit the CCAA proceeding. ResidualCo will have liabilities in excess of CDN $5 million and will be insolvent.

35. The Company has been acting diligently and in good faith in pursuing a going concern sale that will benefit the Company's various stakeholders. Those efforts have culminated in the Transaction, which is the only transaction available to the Company in the circumstances. The conversion of the NOI Proceeding to a CCCA proceeding through the Initial Order, and the issuance of the Reverse Vesting Order in the CCAA proceeding, are critical steps towards closing the Transaction.

36. Grant Thornton has consented to act as the Monitor in the CCAA proceeding. A Copy of Grant Thornton's consent is attached a **Exhibit "C"**.

VI. ENHANCED MONITOR'S POWERS

37. The Reverse Vesting Order contemplates that the Monitor will be granted enhanced powers to allow it to administer ResidualCo and to assist the Company in closing the Transaction and in making the proposed distributions to the Company's secured creditors upon closing of the Transaction.

38. Upon closing of the Transaction, the Company will exit the CCAA proceeding and ResidualCo will be added as the sole debtor.

39. The enhanced powers include, among other things, the power to exercise any powers which may be properly exercised by a board of directors of ResidualCo, and to cause ResidualCo to make an assignment in bankruptcy.

40. In connection with the incorporation of ResidualCo on November 21, 2022, I was appointed as its first and only director. Following incorporation of ResidualCo, I immediately resigned as director of ResidualCo. A copy of my resignation dated November 21, 2022 is attached hereto as **Exhibit "D"**. The Reverse Vesting Order contemplates that the Monitor will take direction and control of ResidualCo using the enhanced powers granted thereunder.

41. The enhanced Monitor powers will allow it to act on behalf of ResidualCo and to take, on its behalf, any actions and steps which may be necessary to ensure the completion of the Transaction in accordance with the Stalking Horse Agreement and Reverse Vesting Order, and to make the anticipated distributions to the Company's stakeholders.

42. Once the Transaction closes, and after addressing any post-closing issues, it is expected that the Monitor will cause ResidualCo to make an assignment in bankruptcy.

VII. RELEASES

43. The draft Reverse Vesting Order contemplates a release in favour of (i) the current directors, officers and employees of, and independent contractors that have provided legal or financial services to, the Debtor or ResidualCo, as applicable, (ii) legal counsel and advisors of the Debtor or ResidualCo, (iii) me, in my capacity as a former director of ResidualCo, and (iv) the Proposal Trustee, the Monitor and their legal counsel (collectively, the "**Released Parties**").

44. The release covers all present and future claims against the Released Parties that relate in any manner whatsoever to the Company, its assets, obligations, business or affairs or the CCAA proceeding (including, for greater certainty, the NOI Proceeding continued under the CCAA), including any actions undertaken or completed pursuant to the terms of the Reverse Vesting Order, or arising in connection with the Stalking Horse Agreement or the completion of the Transaction contemplated therein, with the exception of any claims that are not permitted to be released under the CCAA.

45. The Released Parties have made significant contributions to the NOI Proceeding, the proposed CCAA proceeding, and the Company's restructuring efforts. The Company's existing directors and officers remained with the Company to attempt to implement a going concern transaction for the benefit of the Company's stakeholders. The continued involvement of the Released Parties was critical to finalizing the Stalking Horse Purchase Agreement and will be beneficial to close the Transaction with the Stalking Horse Purchaser.

46. The Company is current on all employee wages and HST remittances, and is current on deductions from employee wages at source. No stakeholder of the Company has asserted any claims against the Company, its directors and officers, or any of the other Released Parties.

47. The DIP Lender and the Stalking Horse Purchaser are supportive of the release being sought, which will achieve certainty and finality for the Released Parties who have continued to support the Company through its restructuring efforts.

VIII. PROPOSED DISTRIBUTIONS

48. The Company will endeavour to close the Transaction as soon as possible after the Reverse Vesting Order is granted. If the Transaction closes on December 12, 2022, it is expected that the cash proceeds of sale payable to the Company upon closing will be approximately USD $4.3 million. Such cash proceeds of sale from the Transaction, after payment of the outstanding fees and disbursements of the Insolvency Professionals and a holdback to provide for the anticipated fees and disbursements of the Insolvency Professionals to complete the administration of the CCAA proceeding, will be distributed to the Company's creditors in accordance with their priority pursuant to a further order of the Court.

49. The Monitor will return to Court as soon as possible after closing of the Transaction to seek a Court order authorizing it to make the proposed distributions.

IX. INCREASE TO ADMINISTRATION CHARGE

50. The Administration Charge that was granted in the NOI Proceeding, and which is proposed to be continued in the CCAA proceeding, is in the amount of CDN $150,000. At the time that the Administration Charge was granted it was contemplated that the fees and disbursements of the Insolvency Professionals would be paid regularly throughout the course of the NOI Proceeding.

51. The negotiation of the Stalking Horse Agreement with the Stalking Horse Purchaser took longer than expected, and as a result, the NOI Proceeding involved more Court attendances than had been initially anticipated. This resulted in higher than expected professional fees. To assist the Company in managing its liquidity during the course of this insolvency proceeding, the

Insolvency Professionals agreed to defer payment of a substantial portion of their fees and disbursements until closing of the Transaction.

52. To ensure that the accrued fees and disbursements of the Insolvency Professionals are adequately protected, the Company is seeking to increase the existing Administration Charge from CDN $150,000 to CDN $350,000.

53. The Insolvency Professionals have played a critical role in the Company's restructuring efforts and their ongoing support is necessary to close the Transaction and to ensure a going concern solution for the Company and its many stakeholders.

X. COMPANY'S CASH-FLOW FORECASTS

54. The Company's initial cash flow statement for the period from August 8, 2022 to November 4, 2022 was attached as Exhibit "N" to the First Dias Affidavit (the "**First Cash Flow Statement**"). The Company updated the First Cash Flow Statement to reflect, among other things, receipt of the SRED tax credit and the proposed interim distribution to SVB (the "**Second Cash Flow Statement**"), which was attached as Exhibit "G" to the Second Dias Affidavit. The Company updated the Second Cash Flow Statement to reflect, among other things, actual receipts and disbursements in the applicable period (the "**Third Cash Flow Statement**"), which was attached as Exhibit "C" to the Third Dias Affidavit.

55. The Company has updated the Third Cash Flow Statement to reflect, among other things, actual receipts and disbursements in the applicable period (the "**Fourth Cash Flow Statement**"). Attached hereto and marked as **Exhibit "E"** is a copy of the Fourth Cash Flow Statement.

56. The Fourth Cash Flow Statement demonstrates the cash needs of the Company during the forecast period. The cash outflows of the Company contemplated in the Fourth Cash Flow Statement include the direct costs of the Company (including restructuring costs) during the forecast period, including the payment of wages owing to employees, and the fees and expenses of the Insolvency Professionals to be paid upon closing of the Transaction.

57. As reflected in the Fourth Cash Flow Statement, the Company continues to incur greater expenses than receipts on a weekly basis because its operations are not profitable. It is therefore critical that the Company close the Transaction in a timely manner.

58. If the Transaction closes on or before the week ending December 23, 2022, it does not appear that the Company will require the second advance under the DIP Term Sheet. In the absence of a transaction, it is expected that the Company's financial situation will continue to deteriorate and its value will erode.

XI. STAY PERIOD

59. The Company is no longer seeking an extension of the time to file a proposal (which currently expires on December 1, 2022) as it intends to convert the NOI Proceeding to a CCAA proceeding.

60. The Company has sought an initial stay of proceedings in the CCAA proceeding up to, and including, December 23, 2022 (the "**Stay Extension**"), in order to permit it to close the Transaction and to allow the Monitor to return to Court to seek approval of the proposed distributions. Alternatively, if the Transaction does not close before December 23, 2022, the

Company can return to Court on or before December 23, 2022 to seek the second advance under the DIP Term Sheet and an extension of the stay of proceedings in the CCAA proceeding.

61. The Company has acted, and continues to act, in good faith and with due diligence in taking steps to facilitate a sale of its business. I am not aware of any creditors who would be prejudiced by the proposed Stay Extension.

62. The Fourth Cash Flow Statement indicates that the Company will have sufficient liquidity to continue to fund its operations until the week ending December 23, 2022. The Company will therefore have sufficient liquidity to fund its operations through the requested Stay Extension.

63. I understand that the DIP Lender, the Stalking Horse Purchaser, and the Proposal Trustee/ proposed Monitor are supportive of the Stay Extension.

XI. APPROVAL OF THE PROPOSAL TRUSTEE'S AND IT'S LEGAL COUNSEL'S FEES & DISBURSEMENTS

64. The Company is seeking approval of the fees and disbursements of the Proposal Trustee and its legal counsel incurred in connection with the NOI Proceeding. As discussed above, the Proposal Trustee and its legal counsel have played a significant role in advancing the Company's restructuring efforts.

65. Dan Wootton, a representative of the Proposal Trustee, has advised that the Proposal Trustee and its legal counsel will include fee affidavits providing a detailed summary of their fees and disbursements incurred during the NOI Proceeding. The fee affidavits, and a

summary of the activities of the Proposal Trustee and its legal counsel, will be included in the Fourth Report.

66. I swear this Affidavit in support of the Company's Motion in these proceedings.

SWORN REMOTELY BY CLIVE DIAS, via videoconference, at the City of Brampton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 22nd day of November, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.	
DocuSigned by: Daniel Richer 6A252F5966B84F8...	DocuSigned by: Clive Dias 9D05738E963341C...
DANIEL RICHER Commissioner for Taking Affidavits	**CLIVE DIAS**

This is Exhibit "A" referred to in the Affidavit of Clive Dias of the City of Brampton, sworn before me at the City of Toronto, in the Province of Ontario, on November 22, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Daniel Richer

6A252F5906B84F8...

Commissioner for Taking Affidavits (or as may be)

DANIEL RICHER

AGREEMENT FOR THE PURCHASE OF ALL THE SHARES

OF

iS5 COMMUNICATIONS INC.

BY

ELEKTROPHOENIX GMBH

DATED OCTOBER 14, 2022

TABLE OF CONTENTS

SHARE PURCHASE AGREEMENT

This Agreement dated October 14, 2022 is made

B E T W E E N

iS5 Communcations Inc.

(the "**Corporation**")

- and -

Elektrophoenix GmbH

(the "**Purchaser**")

RECITALS

A. On August 3, 2022, PHOENIX CONTACT GmbH & Co. KG ("**Phoenix**") and the Corporation entered into a non-binding letter of intent (the "**LOI**") that, among other things, contemplated a stalking horse transaction (the "**Transaction**") as part of a sales process commenced by the Corporation under the NOI Proceeding (defined below).

B. On August 5, 2022, PHOENIX CONTACT Venture Funds I GmbH (the "**DIP Lender**") and the Corporation entered into a debtor-in-possession financing term sheet (the "**DIP Term Sheet**") whereby the DIP Lender agreed to provide a non-revolving credit facility up to the maximum amount of USD $1,100,000 (the "**DIP Facility**").

C. On August 5, 2022, the Corporation filed a Notice of Intention to make a Proposal under the *Bankruptcy and Insolvency Act* (Canada) (the "**NOI Proceeding**"). On the same date, Grant Thornton Limited was appointed as proposal trustee of the Corporation (in such capacity, the "**Proposal Trustee**").

D. On August 8, 2022, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted an order (the "**DIP Order**") that, among other things, approved the DIP Facility and granted a super-priority charge in the amount of USD $600,000 plus interest, fees, and expenses (the "**DIP Charge**").

E. Phoenix owns all of the issued and outstanding shares in the capital of each of the Purchaser and PHOENIX CONTACT Innovation Ventures GmbH. PHOENIX CONTACT Innovation Ventures GmbH owns all of the issued and outstanding shares in the capital of the DIP Lender.

F. This Agreement shall serve as a stalking horse bid in a sale and investment solicitation process to be commenced by the Corporation in the NOI Proceeding, subject to approval of the Court. The Transaction will be implemented pursuant to this Agreement, to be approved pursuant to an Approval and Vesting Order (defined below) granted by the Court in the CCAA Proceeding.

G. The Corporation will seek to obtain the Stalking Horse Sale Procedure Order (defined below) authorizing the Corporation to enter into this Agreement and authorizing the Sale Procedure (defined below).

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party, the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions.

In this Agreement:

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to "**control**" another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term "**controlled**" shall have a similar meaning.

"**Agreement**" means this share purchase agreement and all the Exhibits and the Schedules attached hereto.

"**Applicable Law**" means, with respect to any Person, property, transaction, event or other matter, (i) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order or other requirement having the force of law, (ii) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively, the "**Law**") relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of the Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

"**Approval and Vesting Order**" means an order of the Court substantially in the form attached hereto as Schedule 1.1(a) and otherwise acceptable to the Corporation, the Purchaser, and the Proposal Trustee, each acting reasonably: (i) authorizing and approving the transactions contemplated in this Agreement and pursuant to the terms of this Agreement, (ii) vesting out of the Corporation all Excluded Assets, Excluded Contracts and Excluded Liabilities and discharging all Liens against the Corporation, except only the Permitted Liens; (iii) authorizing and directing the Corporation to file the Articles of Reorganization, issue the New Shares, and undertake the Consolidation and Cancellation; (v) authorizing and directing the Corporation to issue the Post-Consolidation Shares, and vesting in the Purchaser all right, title, benefit and interest in and to the Post-Consolidation Shares, free and clear of any and all claims against the Post-Consolidation Shares of every nature and kind howsoever arising, including all Liens, upon the delivery of the Monitor's Certificate to the Purchaser indicating, among other things, that parties to this Agreement have certified in writing to the Monitor that the conditions precedent to the consummation of the transactions contemplated by this Agreement have been satisfied or waived (where permissible).

"**Assumed Liabilities**" means only the following Liabilities of the Corporation:

(a) Liabilities under (i) the Contracts (other than Excluded Contracts); (ii) the Licenses; and (iii) the Intellectual Property, in each case in respect of the period commencing at the Closing Time and not related to any matter, circumstance or default existing at, prior to or as a consequence of Closing;

(b) Liabilities on account of trade accounts payable incurred in the Ordinary Course of Business after the Filing Date;

(c) Liabilities respecting Employees, other than liabilities included in Excluded Liabilities; and

(d) Liabilities to the Vendor's customers under written warranties given by the Vendor to its customers in the Ordinary Course of Business (other than any Liability arising out of or relating to a breach thereof that occurred prior to the Closing Time).

"**Bid Deadline**" has the meaning set forth in Schedule 1.1(c).

"**Books and Records**" means the Financial Records and all other books, records, files and papers of the Corporation including drawings, engineering information, manuals and data, sales and advertising materials, sales and purchase correspondence, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, and the minute and share certificate books of the Corporation and all records, data and information stored electronically, digitally or on computer-related media.

"**Break-Up Fee**" has the meaning set forth in Section 5.1.

"**Business**" means the business carried on by the Corporation which involves operating as a developer, manufacturer and value added reseller of Industrial Ethernet switches, routers, media converters, servers, remote terminal units (RTUs), network management software, and wireless products to be used in demanding environments such as utility sub-stations, roadside transportation, rail, and in industrial applications such as mining, oil and gas and services/products ancillary or complementary thereto.

"**Business Day**" means any day except Saturday, Sunday or any day on which banks are generally not open for business in either the City of Toronto or Blomberg, Germany.

"**Cash Consideration**" has the meaning set out in Section 3.2(c).

"**CCAA**" means the *Companies' Creditors Arrangement Act* (Canada).

"**CCAA Proceeding"** means a proceeding to be commenced by the Corporation under the CCAA pursuant to an order of the Court, among other things, authorizing the Corporation to continue its NOI Proceeding under the CCAA.

"Claim" means any claim, chose in or cause of action, demand, suit, debt, obligation, Legal proceeding, Liability, Damages, losses, costs and expenses (including attorneys' fees) of every kind or nature whatsoever, known or unknown, actual or potential, suspected or unsuspected, fixed or contingent.

"**Closing**" means the completion of the purchase and sale of the Post-Consolidation Shares in accordance with the provisions of this Agreement.

"**Closing Date**" means the Target Closing Date or such earlier or later date as may be agreed to in writing by the Parties.

"**Closing Sequence**" has the meaning set out in Section 2.1.

"**Closing Time**" means the time of Closing on the Closing Date provided for in Section 7.1.

"**Confidential Information**" means, in relation to the Corporation or a Party (the "**Discloser**"):

(a) all information, in whatever form communicated or maintained, whether orally, in writing, electronically, in computer readable form or otherwise, that the Discloser discloses to, or that is gathered by inspection by a Party (the "**Recipient**") or any of the Recipient's Representatives in the course of the Recipient's review of the Transaction contemplated by this Agreement, whether provided before or after the date of this Agreement, including information that contains or otherwise reflects information concerning the Discloser or its businesses, affairs, financial condition, assets, liabilities, operations, prospects or activities, and specifically includes financial information, budgets, business plans, ways of doing business, business results, prospects, customer lists, forecasts, engineering reports, environmental reports, evaluations, legal opinions, names of venture partners and contractual parties, and any information provided to the Discloser by third parties under circumstances in which the Discloser has an obligation to protect the confidentiality of such information;

(b) all plans, proposals, reports, analyses, notes, studies, forecasts, compilations or other information, in any form, that are based on, contain or reflect any Confidential Information regardless of the identity of the Person preparing the same ("**Notes**");

(c) the existence and terms of this Agreement;

(d) the fact that information has been disclosed or made available to the Recipient or the Recipient's Representatives; and

(e) the fact that discussions or negotiations are or may be taking place with respect to the Transaction, the proposed terms of the Transaction and the status of any discussions or negotiations under this Agreement;

but does not include any information that:

(f) is at the time of disclosure to the Recipient or thereafter becomes generally available to the public, other than as a result of a disclosure by the Recipient or any of the Recipient's Representatives in breach of this Agreement;

(g) is or was received by the Recipient on a non-confidential basis from a source other than the Discloser or its Representatives if such source is not known to the Recipient to be prohibited from disclosing the information to the Recipient by a confidentiality agreement with, or a contractual, fiduciary or other legal confidentiality obligation to, the Discloser; or

(h) was known by the Recipient prior to disclosure in connection with the Transaction contemplated by this Agreement and was not subject to any contractual, fiduciary or other legal confidentiality obligation on the part of the Recipient.

"**Consent**" means any consent, approval, permit, waiver, ruling, exemption or acknowledgement from any Person (other than the Corporation) which is provided for or required: (i) in respect of or pursuant to the terms of any Contract; or (ii) under any Applicable Law, in either case in connection with the sale of the Shares to the Purchaser on the terms contemplated in this Agreement, to permit the Corporation to carry on the Business after Closing, or which is otherwise necessary to permit the Parties to perform their obligations under this Agreement, but does not include a Regulatory Approval.

"**Consolidation and Cancellation**" means the conversion of all Existing Shares to common shares in the capital of the Corporation, the consolidation of all New Common Shares and Existing Shares in accordance with the Consolidation Ratio, and the cancellation of all fractional New Common Shares and Existing Shares in accordance with ARTICLE 2.

"**Consolidation Ratio**" means the ratio by which all New Common Shares and Existing Shares shall be consolidated, as determined by the Purchaser, acting reasonably and in consultation with the Corporation and the Proposal Trustee, given the intended effect of the Transaction.

"**Contracts**" means all pending and executory contracts, agreements, leases and arrangements (whether oral or written) to which the Corporation is a party or by which the Corporation or any of its properties or assets or the Business is bound or under which the Corporation has rights, including Premises Leases and Permitted Liens.

"**Corporation**" has the meaning set out in Recital A.

"**Court**" has the meaning set out in Recital D.

"**Credit Bid Consideration**" has the meaning set out in Section 3.2(b).

"**Credit Bid Consideration Statement**" has the meaning set out in Section 3.2(b).

"**Damages**" means any loss, cost, Liability, claim, interest, fine, penalty, assessment, damages available at law or in equity (including incidental, consequential, special, aggravated, exemplary or punitive damages), expense (including reasonable costs, fees and expenses of legal counsel on a full indemnity basis, without reduction for tariff rates or similar reductions and reasonable costs, fees and expenses of investigation) or diminution in value.

"**Deposit**" has the meaning set out in Section 3.2(a).

"**DIP Charge**" has the meaning set out in Recital D.

"**DIP Facility**" has the meaning set out in Recital B.

"**DIP Lender**" has the meaning set out in Recital B.

"**DIP Order**" has the meaning set out in Recital D.

"**DIP Term Sheet**" has the meaning set out in Recital B.

"**Discloser**" has the meaning set out in the definition of Confidential Information.

"**Disclosure Letter**" means the disclosure letter delivered to the Purchaser and dated as of the date of this Agreement.

"**Distribution Order**" means an order of the Court to be sought by the Monitor in the CCAA Proceeding that, among other things, authorizes the Monitor to distribute the net proceeds of the Cash Consideration to the creditors of the Corporation in accordance with their relative priorities.

"**Equity Interests**" has the meaning set out in section 2 of the BIA and includes the Existing Shares, any shareholder agreement in respect of the Existing Shares, and any other interest or entitlement to shares in the capital of the Company, but, for greater certainty, does not include the Post-Consolidation Shares.

"**Employee**" means an individual who is employed by the Corporation, whether on a full-time or part-time basis.

"**Excluded Assets**" has the meaning set out in Section 4.1.

"**Excluded Contracts**" has the meaning set out in Section 4.1.

"**Excluded Liabilities**" has the meaning set out in Section 2.3(1).

"**Existing Shares**" means all of the common and preferred shares of all classes of the Corporation that are issued and outstanding immediately prior to the Closing

Time, which, for greater certainty, does not include the New Common Shares or the Post-Consolidation Shares.

"**Filing Date**" means August 5, 2022.

"**Financial Records**" means all of the Corporation's books of account and other financial data and information, and includes all records, data and information stored electronically, digitally or on computer-related media.

"**Financial Statements**" means the annual audited financial statements of the Corporation for the fiscal year ended March 31, 2021 and the internally prepared unaudited financial statements for the fiscal year ended March 31, 2022, true and complete copies of which are attached as Section 9.9(2)(c) of the Disclosure Letter.

"**Governmental Authority**" means:

(a) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise);

(b) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government;

(c) any court, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and

(d) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association.

"**Improvements**" means all buildings, fixtures, sidings, parking lots, roadways, structures, erections, fixed machinery, fixed equipment and appurtenances situate on, in, under, over or forming part of, any real property.

"**Income Tax Act**" means the *Income Tax Act*, R.S.C. 1985, 5th Supplement and the regulations thereunder.

"**Intellectual Property**" means all rights to and interests in:

(a) all business names, trade names, corporate names, telephone numbers, domain names, domain name registrations, website names and worldwide web addresses and other communications addresses used by the Corporation in the Business;

(b) all inventions, patents, patent rights, patent applications (including all reissues, divisions, continuations, continuations-in-part and extensions of any patent or patent application) used by the Corporation in the Business;

(c) all industrial designs and applications for and registration of industrial designs, design patents and industrial design registrations used by the Corporation in the Business;

(d) all trade-marks (whether used with wares or services and including the goodwill attaching to such trade-marks) and registrations and applications for registration of trade-marks and all trade dress, logos, slogans and brand names used by the Corporation in the Business;

(e) all copyright in all works (including software programs and databases) and database rights and registrations and applications for registrations of copyright used by the Corporation in the Business;

(f) all rights and interests in and to processes, lab journals, notebooks, data, trade secrets, designs, know-how, product formulae and information, manufacturing, engineering and other drawings and manuals, technology, blue prints, research and development reports, agency agreements, technical information, technical assistance, engineering data, design and engineering specifications, and similar materials recording or evidencing expertise or information used by the Corporation in the Business;

(g) all other intellectual property rights throughout the world used by the Corporation in carrying on, or arising from the operation of, the Business;

(h) all licenses granted by the Corporation of the intellectual property listed in items (a) to (g) above;

(i) all future income and proceeds from any of the intellectual property listed in items (a) to (g) above and the licenses listed in item (h) above; and

(j) all rights to damages and profits by reason of the infringement of any of the intellectual property listed in items (a) to (g) above and the licenses listed in item (h) above.

"**Interim Period**" means the period from the date of execution of this Agreement to the Closing Time.

"**Law**" has the meaning set out in the definition of "Applicable Law".

"**Leased Premises**" means all real property that is leased, subleased, licensed or otherwise occupied or used by a Person, including all Improvements thereon, therein or thereunder.

"**Legal Proceeding**" means any litigation, action, application, suit, investigation, hearing, claim, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court, tribunal or Governmental Authority, and includes any appeal or review thereof and any application for leave for appeal or review.

"**Liability**" means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"**License**" means any license, permit, authorization, approval or other evidence of authority issued or granted to, conferred upon, or otherwise created for, the Corporation by any Governmental Authority.

"**Lien**" means any lien, mortgage, charge, hypothec, pledge, security interest, prior assignment, option, warrant, lease, sublease, right to possession, encumbrance, claim, right or restriction which affects, by way of a conflicting ownership interest or otherwise, the right, title or interest in or to any particular property.

"**LOI**" has the meaning set out in Recital A.

"**Material Contract**" means a Contract which involves or may reasonably be expected to involve the payment to or by the Corporation of more than $10,000 over the term of that Contract, a Contract with an unexpired term of more than one year, a Contract containing a non-competition or non-solicitation covenant or other provision that restrict the Corporation's freedom to carry on the Business in any way or is otherwise material to the operation of the Business.

"**Monitor**" means Grant Thornton Limited or any other Person appointed by the Court, solely in its capacity as monitor of the Corporation, and shall include, as the context so requires, Grant Thornton Limited, in its capacity as monitor or trustee in bankruptcy of ResidualCo, if appointed by the Court.

"**Monitor's Certificate**" means a certificate signed by the Monitor to be filed with the Court following Closing substantially in the form attached as Schedule A to the Approval and Vesting Order confirming that (i) the Purchaser has paid, and the Corporation has received payment of, the Purchase Price in relation to the purchase by the Purchaser of the Post-Consolidation Shares; and (ii) the Proposal Trustee has received written confirmation from the Corporation and the Purchaser that the conditions to be complied with at or prior to the Closing Time as set out in Sections 8.1 and 8.2, respectively, have been satisfied or waived by the Corporation or the Purchaser, as applicable, pursuant to Section 8.3.

"**Mutual NDA**" has the meaning set out in Section 11.7.

"**New Common Shares**" means the common shares of the Corporation to be issued to the Purchaser as part of Closing in exchange for the Purchase Price.

"**NOI Proceeding**" has the meaning set out in Recital C.

"**Notes**" has the meaning set out in paragraph (b) of the definition of Confidential Information.

"**Order**" means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

"**Ordinary Course of Business**" when used in relation to the taking of any action by the Corporation means that the action:

(a) is consistent in nature, scope and magnitude with the past practices of the Corporation and is taken in the ordinary course of normal day-to-day operations of the Corporation;

(b) is similar in nature, scope and magnitude to actions customarily taken in the ordinary course of the normal day-to-day operations of other Persons that are in the same line of business as the Corporation; and

(c) does not require the authorization of the shareholders of the Corporation or any other separate or special authorization of any nature.

"**Outside Date**" means December 23, 2022 or such later date as the Parties may mutually agree.

"**Party**" means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and "**Parties**" means every Party.

"**Permitted Liens**" means:

(a) Liens for Taxes and utilities that in each case are not yet due or are not in arrears;

(b) construction, mechanics', carriers', workers', repairers', storers' or other similar liens (inchoate or otherwise) if individually or in the aggregate they: (i) are not material; (ii) arose or were incurred in the Ordinary Course of Business; (iii) have not been filed, recorded or registered in accordance with Applicable Law; (iv) notice of them has not been given to the Corporation; and (v) the indebtedness secured by them is not in arrears;

(c) minor title defects or irregularities, minor unregistered easements or rights of way and other minor unregistered restrictions affecting the use of Leased Premises if such title defects, irregularities or restrictions are complied with and do not, in the aggregate, materially adversely affect the operation of the Business or the continued use of the Leased Premises to which they relate after the Closing on substantially the same basis as the Business is currently being operated and such Leased Premises is currently being used;

(d) easements, covenants, rights of way and other restrictions if registered provided that they are complied with and do not, in the aggregate, materially adversely affect the operation of the Business or the continued use of the Leased Premises to which they relate after the Closing on substantially the same basis as the Business is currently being operated and such Leased Premises is currently being used;

(e) registered agreements with municipalities or public utilities if they: (i) have been complied with or adequate security has been furnished to secure compliance; and (ii) do not, in the aggregate, materially adversely affect the operation of the Business or the continued use of the Leased Premises to which they relate after the Closing on substantially the same basis as the Business is currently being operated and such Leased Premises is currently being used; and

(f) the Liens listed in Schedule 1.1(b).

"**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

"**Personal Information**" means information about an identifiable individual as defined in Privacy Law.

"**Post-Consolidation Shares**" means the 1,000 common shares of the Corporation that will remain after the Consolidation and Cancellation, which shall: (i) represent 100% of the issued and outstanding common shares of the Corporation after the Consolidation and Cancellation; and (ii) be solely owned and controlled by the Purchaser.

"**Post-Filing**" means the period of time after and including the Filing Date.

"**Post-Filing Tax Obligations**" has the meaning given to it in Section 9.3.

"**Premises Lease**" means a lease, an agreement to lease, a sublease, a license agreement and an occupancy or other agreement under which the Corporation has the right, or has granted another Person the right, to use or occupy any Leased Premises.

"**Privacy Law**" means the *Personal Information Protection and Electronic Documents Act* (Canada), the *Freedom of Information and Protection of Privacy Act* (Ontario) and any comparable Law of any other province or territory of Canada.

"**Proposal Trustee**" has the meaning set out in Recital C.

"**Purchase Price**" has the meaning set out in Section 2.2.

"**Qualified Bid**" has the meaning given in the Sale Procedure.

"**Recipient**" has the meaning set out in the definition of Confidential Information.

"**Regulatory Approval**" means any approval, Consent, ruling, authorization, notice, permit or acknowledgement that may be required from any Person pursuant to Applicable Law or under the terms of any License or the conditions of any Order in connection with the sale of the Shares to the Purchaser on the terms contemplated in this Agreement, to permit the Corporation to carry on the Business after Closing or which is otherwise necessary to permit the Parties to perform their obligations under this Agreement.

"**Representative**" when used with respect to a Party means each director, officer, employee, agent, consultant, adviser and other representative of that Party who is involved in the Transaction contemplated by this Agreement.

"**ResidualCo**" means a corporation to be incorporated by the Corporation in advance of Closing, to which the Excluded Assets, Excluded Contracts and Excluded Liabilities will be transferred to as part of the Closing Sequence, which shall have no issued and outstanding shares.

"**Retained Assets**" has the meaning set out in Section 4.1.

"**Sale Procedure**" means the stalking horse sale and solicitation process approved by the Stalking Horse Sale Procedure Order and on terms substantially similar to those attached as Schedule 1.1(c) hereto.

"**Stalking Horse Sale Procedure Order**" means an order of the Court issued in the NOI Proceeding approving the execution of this Agreement as a "stalking horse" share purchase agreement, the Transaction contemplated herein, and the Sale Procedure, in form and content acceptable to the Parties and the Proposal Trustee, each acting reasonably.

"**Successful Bid**" has the meaning given in the Sale Procedure.

"**Target Closing Date**" means the third Business Day following the issuance of the Approval and Vesting Order.

"**Taxes**" means all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers' compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties, in all cases imposed by any Governmental Authority in respect thereof and whether disputed or not.

"**Tax Returns**" means all returns, information returns, reports, elections, agreements, declarations or other documents of any nature or kind required to be filed with any applicable Governmental Authority in respect of Taxes.

"**Terminated Employees**" means no more than five (5) individuals currently employed by the Corporation as identified by the Purchaser as soon as possible, but in any event by no later than fifteen (15) days before Closing, whose employment will be terminated prior to Closing pursuant to Section 8.1(5).

"**Threatened**", when used in relation to a Legal Proceeding or other matter, means that a demand or statement (oral or written) has been made or a notice (oral or written) has been given that a Legal Proceeding or other matter is to be asserted, commenced, taken or otherwise pursued in the future or that an event has occurred or circumstances exist that would lead a reasonable Person to conclude that a Legal Proceeding or other matter is likely to be asserted, commenced, taken or otherwise pursued in the future.

"**Transaction**" has the meaning set out in Recital A.

"**Transaction Personal Information**" means any Personal Information in the possession, custody or control of the Corporation or the Corporation at the Closing Time, including Personal Information about Employees, suppliers, customers, directors, officers or shareholders of the Corporation that is:

(a) disclosed to the Purchaser or any Representative of the Purchaser prior to the Closing Time by the Corporation or its Representatives or otherwise; or

(b) collected by the Purchaser or any Representative of the Purchaser prior to the Closing Time from the Corporation, any of its Representatives or otherwise,

in either case in connection with the Transaction contemplated by the Agreement.

"**US Dollars**" means the lawful currency of the United States of America.

1.2 Accounting Principles.

Whenever in this Agreement reference is made to generally accepted accounting principles, or to GAAP, such reference shall be deemed to be to generally accepted accounting principles in effect from time to time in the United States of America.

1.3 Actions on Non-Business Days.

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

1.4 Currency and Payment Obligations.

Except as otherwise expressly provided in this Agreement:

(a) all dollar amounts referred to in this Agreement are stated in US Dollars;

(b) any payment contemplated by this Agreement shall be made by wire transfer of immediately available funds to an account specified by the payee, by cash, by certified cheque or by any other method that provides immediately available funds; and

(c) except in the case of any payment due on the Closing Date, any payment due on a particular day must be received by and be available to the payee not later than 2:00 p.m. on the due date at the payee's address for notice under Section 11.4 or such other place as the payee may have specified in writing to the payor in respect of a particular payment and any payment made after that time shall be deemed to have been made and received on the next Business Day.

1.5 Calculation of Interest.

In calculating interest payable under this Agreement for any period of time, the first day of such period shall be included and the last day of such period shall be excluded.

1.6 Calculation of Time.

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. Toronto time on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. Toronto time on the next succeeding Business Day.

1.7 Knowledge.

Where any representation, warranty or other statement in this Agreement is expressed to be made by the Corporation to its knowledge or is otherwise expressed to be limited in scope to facts or matters known to the Corporation or of which the Corporation is aware, it shall mean such knowledge as is actually known to Clive Dias, CEO or Maurizio Milani, CFO who have overall responsibility for or knowledge of the matters relevant to such statement.

1.8 Tender.

Except as otherwise provided in Section 3.2(a), any tender of documents or money hereunder may be made upon the Parties or their respective counsel and money shall be tendered by wire transfer.

1.9 Additional Rules of Interpretation.

(1) *Gender and Number*. In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.

(2) *Headings and Table of Contents*. The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience

of reference only and are not intended to be full or precise descriptions of the text to which they refer.

(3) *Section References*. Unless the context requires otherwise, references in this Agreement to Sections, Schedules or Exhibits are to Sections, Schedules or Exhibits of this Agreement.

(4) *Words of Inclusion*. Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" and the words following "include", "includes" or "including" shall not be considered to set forth an exhaustive list.

(5) *References to this Agreement*. The words "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.

(6) *Statute References*. Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.

(7) *Document References*. All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules and exhibits attached thereto.

(8) *Disclosure Letter.* Information disclosed any section, subsection or paragraph in the Disclosure Letter is deemed to be disclosed under and incorporated into the corresponding Section of this Agreement and to the extent that it is reasonably apparent that it applies to another section, subsection or subclause of Section 6.1 of the Agreement, such other section as well.

1.10 Schedules and Exhibits.

The following are the Schedules and Exhibits attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

SCHEDULES

1.1(a)	Approval and Vesting Order
1.1(b)	Permitted Liens
1.1(c)	Sale Procedure
2.3(1)	Excluded Liabilities
4.1	Excluded Assets and Excluded Contracts

ARTICLE 2
PURCHASE OF SHARES

2.1 Closing Sequence

At the Closing Time, the Closing shall take place in the following sequence (the "**Closing Sequence**"):

(1) Payment of Purchase Price: The Purchaser shall pay the unpaid balance of the Cash Consideration to be held in escrow by the Monitor, on behalf of the Corporation, and the entire Purchase Price shall be dealt with in accordance with this Closing Sequence.

(2) Release of Credit Bid Consideration: The DIP Lender shall cause the Corporation to be released from all amounts owing from the Corporation to the DIP Lender under the DIP Term Sheet, including all Credit Bid Consideration.

(3) Reverse Vesting: The Corporation shall be deemed to transfer to ResidualCo the Excluded Assets, Excluded Contracts, and Excluded Liabilities, in accordance with the Approval and Vesting Order.

(4) Share Issuance. The Corporation shall issue the New Common Shares to the Purchaser in a number to be determined by the Purchaser, acting reasonably and in consultation with the Corporation and the Proposal Trustee, having regard to the intended effect of the Transaction, free and clear of all Liens, in exchange for the payment of the Purchase Price.

(5) Share Consolidation. The Corporation's Articles shall be amended to, among other things: (i) convert all issued and outstanding shares of the Corporation into common shares; (ii) consolidate the New Common Shares and the Existing Shares (as converted to common shares) on the basis of the Consolidation Ratio; and (iii) provide for such additional changes to the rights and conditions attached to the New Common Shares and Existing Shares as may be requested by the Purchaser, in its sole and unfettered discretion.

(6) Share Cancellation. Any fractional New Common Shares and fractional Existing Shares held by any holder of such shares immediately following the consolidation of such shares shall be cancelled without any Liability, payment or other compensation in respect thereof, and the Articles shall be altered as necessary to achieve such cancellation.

(7) Equity Interests Extinguished. Any and all Equity Interests (for greater certainty, not including the Post-Consolidation Shares) that remain issued and outstanding immediately following the Consolidation and Cancellation shall be cancelled and extinguished without any Liability, payment or other compensation in respect thereof and all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any Liability, payment or other compensation in respect thereof

(8) Distribution of Cash Consideration. The net proceeds of the Cash Consideration shall be released from escrow, but shall continue to be held by the Monitor on ResidualCo's behalf. Upon filing of the Monitor's Certificate, the Monitor shall cause the net proceeds of the Cash Consideration to be distributed in accordance with the Distribution Order, or further order of the Court.

2.2 Post-Consolidation Shares

Subject to the terms and conditions of this Agreement, effective immediately after the Closing Time and following the Consolidation and Cancellation, the Purchaser shall be the sole owner of the Post-Consolidation Shares, which shall represent 100% of the Corporation's issued and outstanding equity.

2.3 Assumed Liabilities of the Company

(1) Pursuant to the Approval and Vesting Order, save and except for the Assumed Liabilities, all debts, obligations, Liabilities, Liens, Claims, indebtedness, Contracts, leases, agreements, undertakings, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Corporation or relating to any Excluded Assets or Excluded Contracts as at the Closing Time, including, *inter alia*, the non-exhaustive list of Liabilities set forth in Schedule 2.3(1), any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which the Corporation may be bound as at the Closing Time, all Liabilities relating to or under the Excluded Contracts and Excluded Assets, Liabilities for Terminated Employees whose employment with the Corporation is terminated on or before Closing (collectively, the "**Excluded Liabilities**") shall be excluded and will no longer be binding on the Corporation following the Closing Time.

(2) Pursuant to the Approval and Vesting Order, the Excluded Liabilities shall be channeled to and assumed in full by ResidualCo in accordance with and as further described in ARTICLE 4, and the Corporation and its assets, undertakings, Business and properties shall be discharged of such Excluded Liabilities. All Claims attaching to the Excluded Liabilities, if any, shall continue to exist against ResidualCo and the Purchase Price and the Excluded Assets, if any, shall be available to satisfy such Claims.

ARTICLE 3
PURCHASE PRICE

3.1 Amount of Purchase Price.

The aggregate price payable by the Purchaser to the Corporation for the New Common Shares (the "**Purchase Price**") is $5,000,000.

3.2 Payment of Purchase Price.

The Purchaser shall pay the Purchase Price at the Closing Time as follows:

(a) the Purchaser shall pay a cash deposit in the amount of USD $500,000 (the "**Deposit**") to the Monitor within two (2) business days after the granting of the Stalking Horse Sale Procedure Order by the Court, which Deposit shall be held in escrow by the Monitor in a non-interest bearing account on behalf of the Corporation. If the Closing does not occur and the Agreement is terminated, the Deposit will be forthwith refunded in full to the Purchaser (without interest, offset or deduction), except if the Agreement is terminated by the Corporation in accordance with Section 10.1(6) or if the Agreement is terminated by the Purchaser but the Purchaser is otherwise in breach of its obligations under this Agreement, in which case the Deposit shall not be refunded to the Purchaser. The Deposit shall be applied against the Purchase Price on Closing;

(b) an amount equivalent to all amounts and obligations owing by the Corporation to the DIP Lender under the DIP Term Sheet, including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees or expenses owing by the Corporation under the DIP Term Sheet, which the Purchaser shall cause the release thereof in favour of the Corporation at Closing (the "**Credit Bid Consideration**"), as particularized in a written payout statement provided by the Purchaser to the Corporation and the Monitor by no less than two Business Days prior to the Closing Date (the "**Credit Bid Consideration Statement**");

(c) the Purchaser shall pay to the Monitor by wire transfer, certified cheque, bank draft or other means of immediately available funds, the difference between: (i) the Purchase Price, and (ii) the sum of the Deposit and Credit Bid Consideration (together with the Deposit, the "**Cash Consideration**").

ARTICLE 4
TRANSFER OF EXCLUDED ASSETS AND EXCLUDED LIABILITIES

4.1 Transfer of Excluded Assets to ResidualCo.

On the Closing Date, the Corporation shall retain all of the assets owned by it on the date of this Agreement and any assets acquired by it up to and including Closing, including its Contracts, and Books and Records (the "**Retained Assets**"), save and except for the excluded assets set out on Schedule 4.1 (the "**Excluded Assets**") and the excluded contracts set out on Schedule 4.1 (the "**Excluded Contracts**"), which the Company shall transfer to ResidualCo on or before the Closing Time or shall be vested in ResidualCo pursuant to the Approval and Vesting Order.

4.2 Transfer of Excluded Liabilities to ResidualCo

At or before the Closing Time, the Excluded Liabilities shall have been channeled to and assumed by ResidualCo, in accordance with the Closing Sequence and pursuant to the

Approval and Vesting Order. Notwithstanding any other provision of this Agreement, neither the Purchaser nor the Corporation shall assume or have any Liability for any of the Excluded Liabilities and all Excluded Liabilities shall be discharged from the Corporation and its assets, undertakings, Business and properties from and after the Closing Time.

ARTICLE 5
STALKING HORSE SALE PROCEDURE

5.1 Stalking Horse Sale Procedure Order; Approval and Vesting Order.

(1) This Agreement is subject to Court approval and the granting of the Stalking Horse Sale Procedure Order, and Closing is subject to: (i) this Agreement being determined to be the Successful Bid in accordance with the Sale Procedure, and (ii) the issuance of the Approval and Vesting Order.

(2) The Corporation shall bring a motion as soon as practicable for approval of the Sale Procedure. The Stalking Horse Sale Procedure Order shall recognize this Agreement as a baseline or "stalking horse bid" (the "**Stalking Horse Bid**"), and shall also provide for a marketing process of all or substantially all of the assets or Shares of the Corporation by the Corporation with the potential for competitive bidding. The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a superior bid can be obtained.

(3) In consideration for the Purchaser's expenditure of time and money and agreement to act as the initial bidder through the Stalking Horse Bid, and the preparation of this Agreement, and subject to Court approval, the Purchaser shall be entitled to a break fee of $200,000 (the "**Break-Up Fee**") and an expense reimbursement fee in the amount of a maximum of $50,000 (exclusive of HST, if any) (the "**Expense Reimbursement Fee**") payable by the Corporation to the Purchaser only in the event that a successful bid other than the Stalking Horse Bid is accepted by the Corporation, approved by the Court and completed, provided, however, that the Break-Up Fee and Expense Reimbursement Fee shall not be paid to the Purchaser in the event the Agreement is terminated by the Corporation prior to Closing in accordance with Section 10.1(6) or if the Agreement is terminated by the Purchaser prior to Closing but the Purchaser is otherwise in breach of its obligations under this Agreement, and the Corporation accepts a successful bid other than the Stalking Horse Bid as a result. The payment of the foregoing amounts shall be approved in the Stalking Horse Sale Procedure Order and shall be payable to the Purchaser out of the sale proceeds derived from and upon completion of the winning bid. The Parties acknowledge and agree that the foregoing amounts represent a fair and reasonable estimate of the expenses that will be incurred by the Purchaser as a result of preparing for and entering into this Agreement, and is not intended to be punitive in nature nor to discourage competitive bidding for the assets or shares of the Corporation. For certainty, the Break-Up Fee and the Expense Reimbursement Fee do not form part of the Purchase Price.

(4) In the event that one or more Persons submits a Qualified Bid, the Corporation shall conduct an auction for the determination and selection of a winning bid (the Person submitting such bid being the "**Winning Bidder**"). Upon the selection of the Winning Bidder, there shall be a binding agreement of purchase and sale between the Winning Bidder and the Corporation. The Corporation shall forthwith bring a motion following the selection of the Winning Bidder for an order, among other things, approving the agreement reached with the Winning Bidder and, if granted, shall proceed with closing the transaction forthwith.

(5) Subject to the provision of Section 5.1(3), in the event that the Purchaser is not the Winning Bidder, then upon the closing of a transaction with such Winning Bidder, this Agreement shall be terminated and the Purchaser shall be entitled to the Break-Up Fee, the Expense Reimbursement Fee and a return of the Deposit and neither Party hereto shall have any further Liability, except as expressly provided for in this Agreement.

(6) If no Qualified Bids other than the Stalking Horse Bid are received by the Bid Deadline, the Corporation shall forthwith bring a motion to the Court to obtain the Approval and Vesting Order and, if granted, shall proceed with completing the Transaction contemplated hereby forthwith.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Corporation.

Subject to the issuance of the Approval and Vesting Order, the Corporation hereby represents and warrants to and in favour of the Purchaser as set out below, and acknowledges that, as of the Closing Time, the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Corporation set out in this Section 6.1:

(1) *Authority; Incorporation and Power of the Corporation*. The Corporation is a corporation incorporated, organized and subsisting under the laws of the jurisdiction of its incorporation and is in good standing under the *Business Corporations Act* (Ontario). The Corporation has the corporate power, authority and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and to perform its other obligations hereunder and under all such other agreements and instruments.

(2) *Authorization.* The execution, delivery and performance of this Agreement and all other agreements and instruments to be executed by it as contemplated herein and the completion of the Transaction contemplated hereby and thereby have been duly authorized, including all necessary corporate actions, on the part of the Corporation.

(3) *Enforceability of the Corporation's Obligations*. Subject to the Approval and Vesting Order having been issued, this Agreement constitutes a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms.

(4) *Authorized and Issued Capital and Title to New Common Shares.* Immediately following the Closing Time and the Consolidation and Cancellation, the Post-Consolidation Shares will constitute all of the issued and outstanding shares in the capital of the Corporation and the Purchaser will be the sole registered and beneficial owner of the Post-Consolidation Shares, with good and valid title thereto, free and clear of all Liens, pursuant to and in accordance with the Approval and Vesting Order. Immediately following the Closing Time and the Consolidation and Cancellation, the Post-Consolidation Shares will be duly authorized and validly issued as fully paid and non-assessable.

(5) *No Other Agreements to Purchase.* Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Corporation of any New Common Shares, Post-Consolidation Shares, or any Retained Assets.

(6) *Legal Proceedings*. There is no Legal Proceeding in progress, pending or, to the knowledge of the Corporation, Threatened against or affecting the Corporation or any of its property or assets or title thereto (including the New Common Shares, the Post-Consolidation Shares and the Retained Assets), which would reasonably be expected to enjoin, delay, restrict or prohibit the issuance of the New Common Shares, the Consolidation and Cancellation, or the Closing of the Transactions, as contemplated by this Agreement. Except for Orders granted in the NOI Proceeding and the CCAA Proceeding, as applicable, there is no outstanding Order against or affecting the Corporation or any of its property or assets, which would reasonably be expected to enjoin, delay, restrict or prohibit the issuance of the New Common Shares, the Consolidation and Cancellation, or the Closing of the Transactions, as contemplated by this Agreement.

(7) *Residence of the Corporation*. The Corporation is not a non-resident of Canada for purposes of section 116 of the Income Tax Act.

(8) *Organization of the Corporation*. The information set out in Section 6.1(8) of the Disclosure Letter concerning the name and jurisdiction of incorporation, the authorized, issued and outstanding shares and the directors and officers of the Corporation is materially true and complete.

(9) *Assumed Contracts.* The Corporation has provided to the Purchaser correct and complete copies of each Assumed Contract listed in Section 6.1(9) of the Disclosure Letter, together with all amendments, modifications and supplements thereto.

(10) *Licenses and Compliance with Applicable Law*. Section 6.1(10) of the Disclosure Letter lists all the Licenses and identifies those that by their terms are not transferable. The Licenses are the only licenses, permits, approvals or evidences of authority of any Governmental Authority required for the operation of the Business and are held by the Corporation free and clear of any and all Liens. Except as disclosed in Section 6.1(10) of the Disclosure Letter, the Corporation is conducting the Business in accordance with all terms and conditions of the Licenses and in material compliance with Applicable Law. All the Licenses are valid and are in full force and effect, and no Person has Threatened to revoke, amend

or impose any condition in respect of, or commenced proceedings to revoke, amend or impose conditions in respect of, any License. Except as specifically disclosed in this Agreement, no Regulatory Approval is required in connection with the Transaction contemplated by this Agreement or in order to maintain any License in full force and effect and in good standing after Closing.

(11) *Regulatory Approvals*. Except as set forth in Section 6.1(11) of the Disclosure Letter, no Regulatory Approval or filing with, notice to, or waiver from any Governmental Authority is required to be obtained or made by the Corporation: (a) in connection with the execution and delivery of, and performance by the Corporation of its obligations under, this Agreement or the consummation of the Transaction contemplated hereby; (b) to avoid the loss of any License; or (c) to permit the Corporation to carry on the Business after the Closing as the Business is currently carried on by the Corporation.

(12) *Absence of Conflict*. The execution, delivery and performance of this Agreement by the Corporation and the completion (with any required Consents and Regulatory Approvals and the giving of any required notices) of the Transaction contemplated by this Agreement do not and will not result in or constitute any of the following:

(a) a default, breach or violation or an event that, with notice or lapse of time or both, would be a default, breach or violation of any of the terms, conditions or provisions of the articles or by-laws of the Corporation; or

(b) the violation of any Applicable Law.

6.2 Representations and Warranties of the Purchaser.

The Purchaser represents and warrants to the Corporation as follows:

(1) *Incorporation and Corporate Power*. The Purchaser is a corporation incorporated, organized and subsisting under the laws of the jurisdiction of its incorporation. The Purchaser has the corporate power, authority and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and to perform its obligations under this Agreement and under all such other agreements and instruments.

(2) *Authorization by Purchaser*. The execution and delivery of this Agreement and all other agreements and instruments to be executed by it as contemplated herein and the completion of the Transaction contemplated by this Agreement and all such other agreements and instruments have been duly authorized by all necessary corporate action on the part of the Purchaser.

(3) *Enforceability of Obligations*. This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms. There is no Legal Proceeding in progress, pending, or, to the knowledge of the Purchaser, Threatened against or affecting the Purchaser, and there are no grounds on which any such Legal Proceeding might be commenced and there is no Order outstanding against or affecting the Purchaser which, in any such case,

affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder.

(4) *Absence of Conflict*. The execution, delivery and performance of this Agreement by the Purchaser and the completion of the Transaction contemplated by this Agreement do not and will not result in or constitute any of the following:

(a) a default, breach or violation or an event that, with notice or lapse of time or both, would be a default, breach or violation of any of the terms, conditions or provisions of the articles or by-laws of the Purchaser; or

(b) the violation of any Applicable Law.

(5) *Consents, Regulatory Approvals.* No Consent or Regulatory Approval or filing with, notice to, or waiver from any Governmental Authority is required to be obtained or made by the Purchaser in connection with the execution and delivery of, and performance by the Purchaser of its obligations under, this Agreement or the consummation of the Transaction contemplated hereby.

(6) *Investment Canada Act*. The Purchaser is a "non-Canadian" within the meaning of the ICA.

6.3 Commissions.

Each Party represents and warrants to the other Party that such other Party will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction contemplated by this Agreement because of any action taken by, or agreement or understanding reached by, that Party.

6.4 As is, Where is.

The representations and warranties of the Corporation shall survive the Closing Time on the Closing Date, provided, however, that the Purchaser's recourse for any breach or inaccuracy for such representation and warranties shall be against ResidualCo. The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the New Common Shares and the Post-Consolidation Shares shall be sold and delivered to the Purchaser on an "as is, where is" basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, Liens, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, including with respect to the New Common Shares, the Post-Consolidation Shares, and the Retained Assets.

ARTICLE 7
CLOSING ARRANGEMENTS

7.1 Pre-Closing

The Purchaser and the Corporation shall work cooperatively and use commercially reasonable efforts to prepare, before the Closing Date, all documentation necessary and do such other acts and things as are necessary to give effect to the Consolidation and Cancellation.

7.2 Closing.

The Closing shall take place virtually whereby required executed closing deliverables are circulated by electronic mail in pdf format on the Closing Date, in accordance with the Closing Sequence, and released at such time and pursuant to such protocols and confirmations as the Parties may agree.

7.3 Corporation's Closing Deliveries.

At the Closing, the Corporation shall deliver or cause to be delivered to the Purchaser the following documents:

(a) a true copy of the Approval and Vesting Order, as issued and entered by the Court;

(b) an executed copy of the Monitor's Certificate;

(c) share certificate(s) representing the New Common Shares;

(d) an executed copy of the Tax Direction, if applicable;

(e) the minute books, share certificate books and corporate seal of the Corporation;

(f) a bring-down certificate executed by the Corporation dated as of the Closing Date, in form and substance satisfactory to the Purchaser, acting reasonably, certifying that (i) all of the representations and warranties of the Corporation hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date, and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by the Corporation at or prior to Closing have been complied with or performed by the Corporation in all material respects; and

(g) the written resignation of each director and officer of the Corporation designated by the Purchaser in a form acceptable to the Purchaser in its sole discretion.

7.4 Purchaser's Closing Deliveries.

At the Closing, the Purchaser shall deliver or cause to be delivered to the Corporation the following documents and payments:

(a) the Credit Bid Consideration Statement;

(b) a release of the Corporation from the DIP Lender for all amounts owing from the Corporation to the DIP Lender under the DIP Term Sheet, including all Credit Bid Consideration;

(c) the payment referred to in Section 3.2(c), which shall be made to the Monitor;

(d) a bring-down certificate executed by a senior officer of the Purchaser dated as of the Closing Date, in form and substance satisfactory to the Corporation, acting reasonably, certifying that (i) all of the representations and warranties of the Purchaser hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date, and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by the Purchaser at or prior to Closing have been complied with or performed by the Purchaser in all material respects; and

(e) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Corporation to complete the Transaction provided for in this Agreement, all of which shall be in form and substance satisfactory to the Corporation, acting reasonably.

ARTICLE 8
CONDITIONS OF CLOSING

8.1 Purchaser's Conditions.

The Purchaser shall not be obligated to complete the Transaction pursuant to this Agreement unless, at or before the Closing Time, each of the conditions listed below in this Section 8.1 has been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser. The Corporation shall take all such actions, steps and proceedings as are reasonably within their control as may be necessary to ensure that the conditions listed below in this Section 8.1 are fulfilled at or before the Closing Time.

(1) *Court Approval.* The Stalking Horse Sale Procedure Order and the Approval and Vesting Order shall each have been issued and entered by the Court.

(2) *Successful Bid.* The Corporation, in consultation with the Proposal Trustee, shall have determined in accordance with the Sale Procedure that this Agreement is the Successful Bid.

(3) *Corporation's Deliverables*. The Corporation shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.3.

(4) *Representations and Warranties.* Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, the representations and warranties of the Corporation in Section 6.1 shall be true and correct in all material respects: (i) as at the Closing as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(5) *Corporation Employees*. The Corporation shall have terminated the employment of the Terminated Employees, as requested by the Purchaser in its sole discretion, and all Liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, shall be either satisfied by the Corporation prior to Closing or Excluded Liabilities pursuant to the Approval and Vesting Order.

(6) *Corporation's Compliance*. The Corporation shall have performed and complied with all of the terms and conditions in this Agreement on their part to be performed or complied with at or before the Closing Time and shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.3 and elsewhere in this Agreement.

8.2 Corporation's Conditions.

The Corporation shall not be obligated to complete the Transaction contemplated by this Agreement unless, at or before the Closing Time, each of the conditions listed below in this Section 8.2 has been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Corporation. The Purchaser shall take all such actions, steps and proceedings as are reasonably within the Purchaser's control as may be necessary to ensure that the conditions listed below in this Section 8.2 are fulfilled at or before the Closing Time.

(1) *Court Approval.* The Stalking Horse Sale Procedure Order and the Approval and Vesting Order shall each have been issued and entered by the Court.

(2) *Successful Bid.* The Corporation, in consultation with the Proposal Trustee, shall have determined in accordance with the Sale Procedure that this Agreement is the Successful Bid.

(3) *Purchaser's Deliverables*. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Corporation at the Closing all the documents contemplated in Section 7.4.

(4) *Representations and Warranties*. The representations and warranties of the Purchaser in Section 6.2 shall be true and correct at the Closing.

(5) *Purchaser's Compliance*. The Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before the Closing Time and shall have executed and delivered or caused to have been executed and delivered to the Corporation at the Closing all the documents contemplated in Section 7.4 and elsewhere in this Agreement.

(6) *Monitor's Certificate*. The Monitor shall have provided an executed copy of the Monitor's Certificate confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and the Corporation.

8.3 Monitor's Certificate.

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, an executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from each Party that all conditions of Closing in favour of such Party have been satisfied or waived, the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Monitor's written confirmation that all such funds have been received. Upon such confirmation being given, the Monitor's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

ARTICLE 9
COVENANTS

9.1 Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

9.2 Motion for Approval and Vesting Order

As soon as practicable if the Purchaser is selected as the Winning Bidder, the Corporation shall bring a motion for the Approval and Vesting Order. The Corporation shall diligently use its commercially reasonable efforts to seek the issuance and entry of the Approval and Vesting Order and the Purchaser shall cooperate with the Corporation in its efforts to obtain the issuance and entry of the Approval and Vesting Order, including for greater certainty, supporting the approval of the releases of the directors and officers of the Corporation, its advisors, the Monitor and the Monitor's counsel sought in the Approval and Vesting Order.

9.3 Tax Matters

The Corporation shall be responsible for all Taxes owed or owing or accrued due by the Corporation in respect of the period commencing on the Filing Date and ending on the Closing Date (the "**Post-Filing Tax Obligations**").

All Taxes owed or owing or accrued due by the Corporation prior to the Filing Date shall be transferred to, assumed by, and vested in ResidualCo as Excluded Liabilities.

Prior to Closing, the Corporation shall provide evidence in form and substance satisfactory to the Purchaser that all such Post-Filing Tax Obligations have been paid in full to the relevant Governmental Authority or that sufficient cash reserves will be held by the Corporation at Closing to pay all such Post-Filing Tax Obligations in full post-Closing. To the extent that any Post-Filing Tax Obligations remain outstanding and the Corporation will have insufficient cash reserves to cover such obligations at Closing, the Corporation shall provide an irrevocable direction to the Purchaser (the "**Tax Direction**") authorizing and directing the Purchaser to pay a portion of the Cash Consideration to the relevant Governmental Authorities to satisfy any such amounts. For certainty, the Post-Filing Tax Obligations include, but are not limited to, any and all withholding taxes, property taxes, and excise taxes. For greater certainty, any audits or reassessments by the Canada Revenue Agency or other Governmental Authority that occur after the Filing Date but relate to a time period occurring, or facts arising, prior to the Filing Date are not, and shall not be considered to be, Post-Filing Tax Obligations but shall be transferred to ResidualCo as Excluded Liabilities.

9.4 Investigation.

During the Interim Period, the Corporation shall give, or cause to be given, to the Purchaser and its Representatives reasonable access during normal business hours to the Business and the property and assets of the Corporation, including the Books and Records, the Contracts and the property subject to Premises Leases to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Corporation as the Purchaser deems necessary or desirable to familiarize itself with such properties, assets and other matters. Without limiting the generality of the foregoing, the Purchaser shall be permitted complete access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees. Such investigations, inspections, surveys and tests shall be carried out during normal business hours and without undue interference with the operations of the Corporation and the Business and the Corporation shall co-operate fully in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser. The Corporation shall execute and deliver any authorizations required to permit such investigations, inspections, surveys and tests.

9.5 Personal Information.

Each Party shall comply with Privacy Law in the course of collecting, using and disclosing Transaction Personal Information. The Purchaser shall collect Transaction Personal Information prior to Closing only for purposes related to the Transaction contemplated by this Agreement and as is necessary to determine whether to proceed with such Transaction in connection with its investigations of the Business, the Corporation and its property and assets and, if the Purchaser does not elect to terminate this Agreement as provided herein, for the completion of such Transaction. Prior to Closing, the Purchaser shall not disclose Transaction Personal Information to any Person other than to its Representatives who are evaluating and advising on the Transaction contemplated by this Agreement who need to know such information to perform such tasks. If the Purchaser proceeds with the Transaction contemplated by this Agreement, the Purchaser shall not, following the Closing, without the consent of the individuals to whom such Personal Information relates or as permitted or required by Applicable Law, use or disclose Transaction Personal Information:

(a) for purposes other than those for which such Transaction Personal Information was collected by the Corporation prior to the Closing; and

(b) which does not relate directly to the carrying on of the Business or to the carrying out of the purposes for which the Transaction contemplated by this Agreement was implemented.

The Purchaser shall protect and safeguard the Transaction Personal Information against unauthorized collection, use or disclosure, as provided by Privacy Law. The Purchaser shall cause its Representatives to observe the terms of this Section 9.5 and to protect and safeguard Transaction Personal Information in their possession. If the Corporation or the Purchaser terminates this Agreement as provided herein, the Purchaser shall promptly deliver to the Corporation all Transaction Personal Information in its possession or in the possession of any of its Representatives, including all copies, reproductions, summaries or extracts thereof and destroy any electronic copies thereof that remain in the possession or control of Purchaser or any of its Representatives.

9.6 Confidentiality.

(1) *Information To Be Confidential*. Each Party shall treat confidentially and not disclose, and shall cause each of its Representatives to treat confidentially and not disclose, other than as expressly contemplated by this Agreement, any Confidential Information of the other Parties.

(2) *Use Of Confidential Information*. Each Party may disclose Confidential Information only to those of its Representatives who need to know such Confidential Information for the purpose of implementing the Transaction contemplated by this Agreement. No Party shall use, or permit its Representatives to use, Confidential Information for any other purpose nor in any way that is, directly or indirectly, detrimental to the other Parties.

(3) *Required Disclosure*. If any Party or any of its Representatives receives a request or is legally required to disclose all or any part of the Confidential Information, such Party shall (a) immediately notify the other Parties of the request or requirement, (b) consult with the other Parties on the advisability of taking legally available steps to resist or narrow the request or lawfully avoid the requirement, and (c) if requested by the other Parties, take all necessary steps to seek a protective order or other appropriate remedy. If a protective order or other remedy is not available, or if the other Parties waive compliance with the provisions of this Section 9.6(3), (i) the Party receiving the request for disclosure or its Representatives, as the case may be, may disclose to the Person requiring disclosure only that portion of the Confidential Information which such Party is advised by written opinion of counsel is legally required to be disclosed, and (ii) such Party shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by such Party or its Representatives not permitted by this Agreement.

(4) *Return or Destruction*. Following the termination of this Agreement in accordance with the provisions of this Agreement, each Party shall (and shall cause each of its Representatives to) (a) return promptly to the other Parties all physical copies of the Confidential Information, excluding Notes, then in such Party's possession or in the possession of its Representatives, (b) destroy all (i) electronic copies of the Confidential Information, and (ii) Notes (including electronic copies thereof)

prepared by such Party or any of its Representatives, including electronic back-ups of the foregoing in a manner that ensures the same may not be retrieved or undeleted by such Party or any of its Representatives, and (c) deliver to the other Parties a certificate executed by one of its duly authorized senior officers indicating that the requirements of this sentence have been satisfied in full.

9.7 Risk of Loss.

If before the Closing all or any substantial portion of the property or assets of the Corporation are lost, damaged or destroyed or are expropriated or seized by any Governmental Authority or any other Person in accordance with Applicable Law or if notice of any such expropriation or seizure shall have been given in accordance with Applicable Law, the Purchaser, in its sole discretion, shall have the option, exercisable by notice to the Corporation given prior to the Closing Time:

(a) to terminate this Agreement by notice to the Corporation, as provided in Section 10.1(4); or

(b) to complete the Transaction contemplated by this Agreement and require the Corporation to reduce the Purchase Price by the amount of the cost of repair of the property and assets which were damaged or destroyed or, if lost or damaged beyond repair or seized or expropriated, by the replacement cost of the property and assets so lost, damaged, expropriated or seized, such reduction in price to be net of all proceeds of insurance or compensation for expropriation or seizure actually received by the Corporation.

9.8 Indemnity

The Purchaser hereby indemnifies the Corporation and its Representatives, and saves them fully harmless against, and will reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to:

(1) the Purchaser's access in accordance with Section 9.1; and

(2) the collection, use or disclosure of Transaction Personal Information by the Purchaser and its Representatives.

9.9 Action During Interim Period.

(1) *Operate in Ordinary Course*. Except: (i) as contemplated or permitted by this Agreement (ii) as necessary in connection with the NOI Proceeding or CCAA Proceeding; (iii) as otherwise provided in the DIP Order, Stalking Horse Sale Procedure Order and any other court Orders, prior to the Closing Time; or (iv) as consented to by the Purchaser and the Company, such consent not to be unreasonably withheld, conditioned or delayed, during the Interim Period, the Corporation shall operate the Business in the Ordinary Course of Business in compliance with Applicable Law and the terms and conditions of all Material Contracts.

(2) *Negative Covenants*. Except: (i) as contemplated or permitted by this Agreement (ii) as necessary in connection with the NOI Proceeding or CCAA Proceeding; (iii) as otherwise provided in the DIP Order, Stalking Horse Sale Procedure Order and any other court Orders, prior to the Closing Time; or (iv) as consented to by the Purchaser and the Company, such consent not to be unreasonably withheld, conditioned or delayed, during the Interim Period, save and except as otherwise specified herein, the Corporation shall ensure that it does not:

(a) amend its articles or by-laws or similar document adopted or filed in connection with the creation, formation or organization of the Corporation;

(b) directly or indirectly, declare, set aside for payment or pay any dividend or make any other payment or distribution on or in respect of any of the Shares;

(c) dispose of or revalue any of the assets reflected on the balance sheet forming part of the most recent Annual Financial Statements, except sales of assets in the Ordinary Course of Business;

(d) make any change in its accounting principles, policies, practices or methods;

(e) enter into any contract or any other transaction that is not in the Ordinary Course of Business;

(f) terminate, cancel, modify or amend in any material respect which would entitle any party to any Material Contract to terminate, cancel, modify or amend any Material Contract (other than by reducing, delaying or ceasing to pay amounts owing under Material Contracts from prior to the Filing Date);

(g) purchase or otherwise acquire any interest in any securities of any other Person;

(h) make any capital expenditure or authorize any capital expenditure or make any commitment for the purchase, construction or improvement of any capital assets except in the Ordinary Course of Business;

(i) enter into any Contract or commitment to hire, or terminate the service of, any officer or senior management employee; or

(j) agree, commit or enter into any understanding to take any actions enumerated in paragraphs (a) to (j) of this Section 9.8.

9.10 Consents and Approvals.

Commencing forthwith after the date hereof the Corporation shall use all commercially reasonable efforts to obtain, at or prior to the Closing Time, all Consents and Regulatory Approvals.

ARTICLE 10
TERMINATION

10.1 Grounds for Termination.

This Agreement may be terminated on or prior to the Closing Date:

(1) automatically and without any action or notice by either the Corporation to the Purchaser or the Purchaser to the Corporation, immediately upon the selection by the Corporation, in consultation with the Proposal Trustee, of a Successful Bid if this Agreement is not the Successful Bid selected at such time;

(2) by either Party upon written notice to the other Party if: (i) the Approval and Vesting Order has not been obtained by the Outside Date, or (ii) the Court declines at any time to grant the Approval and Vesting Order; in each case for reasons other than a breach of this Agreement by the Party proposing to terminate the Agreement;

(3) by the mutual written agreement of the Corporation and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require either the consent of the Proposal Trustee or Monitor, as applicable, or approval of the Court;

(4) by written notice from the Purchaser to the Corporation in accordance with Section 9.7 (Risk of Loss);

(5) by written notice from the Purchaser to the Corporation if there has been a material breach by the Corporation of any representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and such breach is not curable and has rendered the satisfaction of any condition in Section 8.1 impossible by the Outside Date, provided that at the time of providing such notice of termination, the Purchaser is not in breach of any of its obligations under this Agreement;

(6) by written notice from the Corporation to the Purchaser if there has been a material breach by the Purchaser of any representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Corporation and such breach is not curable and has rendered the satisfaction of any condition in Section 8.2 impossible by the Outside Date, provided that at the time of providing such notice of termination, the Corporation is not in breach of any of their obligations under this Agreement; and

(7) by the Purchaser, on the one hand, or by the Corporation, on the other hand, upon written notice to the other Party if the Closing has not occurred by the Outside Date, provided, however, that the right to terminate this Agreement pursuant to this Section 10.1(7) shall not be available to any Party whose breach hereof has been the principal cause of, or has directly resulted in the Closing not occurring by the Outside Date.

10.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 10.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability hereunder, except as contemplated in Sections 3.2(a) (Treatment of Deposit), 5.1(3) (Break-Up Fee), 9.5 (Personal Information), 9.8 (Indemnity), 10.2 (Effect of Termination), 11.4 (Notices), 11.7 (Entire Agreement), 11.8 (Amendment), 11.10 (Severability), 11.12 (Attornment), 11.13 (Governing Law), 11.14 (Successors and Assigns) and 11.15 (Assignment), which shall survive such termination.

ARTICLE 11
GENERAL

11.1 Payment of Taxes.

Except as otherwise provided in this Agreement, the Purchaser shall pay all Taxes applicable to, or resulting from the Transaction contemplated by, this Agreement (other than Taxes payable by the Corporation under Applicable Law, including Post-Filing Tax Obligations) and any filing, recording or transfer fees payable in connection with the instruments of transfer provided for in this Agreement.

11.2 Preparation of Tax Returns.

After Closing, the Purchaser shall cause to be prepared and filed on a timely basis all Tax Returns for the Corporation for (a) any period which ends on or before the Closing Date and for which Tax Returns have not been filed as of such date and (b) for any period that begins prior to the Closing Date and ends after the Closing Date for which Tax Returns are required to be prepared and filed.

11.3 Public Announcements.

Except to the extent otherwise required by Applicable Law or with the prior consent of the other Party, neither Party shall make any public announcement regarding this Agreement or the Transaction contemplated by this Agreement.

11.4 Notices.

(1) *Mode of Giving Notice*. Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent by e-mail or other similar means of electronic communication, in each case to the applicable address set out below:

(a) if to the Corporation or to ResidualCo, to:

iS5 Communications Inc.
5895 Ambler Drive
Mississauga, ON
L4W 5B7

Attention: Clive Dias
Email: clivedias@is5com.com

with a copy to:

Fasken Martineau DuMoulin LLP
55 Metcalfe Street, Suite 1300
Ottawa, ON K1P 6L5

Attention: Julia Kennedy
Email: jkennedy@fasken.com

(b) if to the Purchaser, to:

ELEKTROPHOENIX GmbH
Flachsmarktstraße 8
32825 Blomberg, Germany

Attention: Marcus Böker
Email: mboeker@phoenixcontact.com

with a copy to:

Allen McDonald Swartz LLP
100 King Street West, Suite 5600
First Canadian Place
Toronto, ON
M5X 1C9

Attention: Jennifer Allen
Email: jallen@amsbizlaw.com

(c) and in either case, with a copy to the Proposal Trustee/ Monitor, to:

Grant Thornton Limited
11th Floor, 200 King Street West
Toronto, ON M5H 3T4

Attention: Daniel Wootton
Email: Dan.Wootton@ca.gt.com

AND

Grant Thornton Limited
11th Floor, 200 King Street West
Toronto, ON M5H 3T4

Attention: Jason Kanji
Email: Jason.Kanji@ca.gt.com

with a copy to:

Cozen O'Connor LLP
Bay Adelaide Centre - West Tower
333 Bay Street, Suite 1100
Toronto, ON M5H 2R2

Attention: Steven Weisz
Email: SWeisz@cozen.com

(2) *Deemed Delivery of Notice*. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 4:30 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth Business Day following the mailing thereof; provided however that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.

(3) *Change of Address*. Any Party may from time to time change its address under this Section 11.4 by notice to the other Party given in the manner provided by this Section 11.4.

11.5 Time of Essence.

Time shall be of the essence of this Agreement in all respects.

11.6 Further Assurances.

Each Party shall from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Party may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

11.7 Entire Agreement.

This Agreement, together with the Mutual Confidentiality and Nondisclosure Agreement dated effective July 29, 2022 among the Corporation and Phoenix ("**Mutual NDA**"), which Purchaser acknowledges being bound by, constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, (including the LOI). There are no conditions, representations, warranties, obligations or other agreements between the Parties in connection with the subject matter of this

Agreement (whether oral or written, express or implied, statutory or otherwise) except or explicitly set out in this Agreement or in the Mutual NDA.

11.8 Amendment.

No amendment of this Agreement shall be effective unless made in writing and signed by the Parties.

11.9 Waiver.

A waiver of any default, breach or non-compliance under this Agreement shall not be effective unless in writing and signed by the Party to be bound by the waiver. No waiver shall be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Party. The waiver by a Party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

11.10 Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

11.11 Remedies Cumulative.

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

11.12 Attornment.

Each Party agrees (i) that any Legal Proceeding relating to this Agreement must be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (ii) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Province of Ontario on any jurisdictional basis, including *forum non conveniens*; and (iii) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 11.12. Each Party agrees that service of process on such Party as provided in Section 11.4 shall be deemed effective service of process on such Party.

11.13 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in such Province and this Agreement shall be treated, in all respects, as an Ontario contract.

11.14 Successors and Assigns.

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns. Neither Party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its respective rights or obligations under this Agreement without the prior written consent of the other Party.

11.15 Assignment.

Prior to the issuance of the Approval and Vesting Order, the Purchaser may assign all of its rights and obligations under this Agreement to an Affiliate, provided that (i) the Purchaser shall remain liable to perform all of its obligations hereunder, and (ii) the Purchaser and its assignee execute and deliver to the Vendors an assignment and assumption agreement, in form and substance satisfactory to the Vendors, evidencing such assignment. Other than in accordance with the preceding sentence, the Purchaser may not assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement.

11.16 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Party by electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

IS5 COMMUNICATIONS INC.

DocuSigned by:

By: Clive Dias
9D05738E963341C...
Name: Clive Dias
Title: President

ELEKTROPHOENIX GMBH

By: ______________________
Name: Frank Stührenberg
Title: Authorized Signing Officer

By: ______________________
Name: Axel Wachholz
Title: Authorized Signing Officer

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IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

IS5 COMMUNICATIONS INC.

By: ______________________________

Name: Clive Dias
Title: President

ELEKTROPHOENIX GMBH

By: DocuSigned by: 96270FFC660941C...

Name: Frank Stührenberg
Title: Authorized Signing Officer

By: DocuSigned by: Axel Wachholz 59D511B0CB114B2...

Name: Axel Wachholz
Title: Authorized Signing Officer

SCHEDULE 1.1(a)

Form of Approval and Vesting Order

See attached.

Court File No. 32-2853708

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	[▶], THE [▶]
	)	
	)	
JUSTICE OSBORNE	)	DAY OF [▶], 2022

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF iS5 COMMUNICATIONS INC.

ORDER
(Approval and Vesting Order)

THIS MOTION, made by iS5 Communications Inc. (the "**Debtor**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, among other things: (i) approving the Share Purchase Agreement (the "**SPA**") between the Debtor and Elektrophoenix GmbH (the "**Purchaser**"), dated [▶], 2022, and the transaction contemplated therein (the "**Transaction**"), (ii) adding [▶] ("**ResidualCo**") as an Applicant to these CCAA proceedings; (iii) transferring and vesting all of the Debtor's right, title and interest in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities (as defined in the SPA) to and in ResidualCo; and (iv) vesting all of the right, title and interest in and to the New Common Shares (as defined in the SPA) in the Purchaser; was heard on [▶], 2022, by video conference in accordance with the Guidelines To Determine Mode of Proceeding in Civil.

ON READING the Debtor's Notice of Motion, the affidavit of [▶] sworn [▶], 2022, and the [▶] Report of Grant Thornton Limited, in its capacity as Monitor of the Debtor (the "**Monitor**"), to be filed (the "[▶] **Report**"), and on hearing the submissions of counsel for the Debtor, counsel for the Monitor, counsel for the Purchaser, and counsel for those other parties appearing as indicated by the counsel slip, no one appearing for any other party, although duly served as appears from the affidavit of service of [▶] sworn [▶], 2022, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby validated so that this Motion was properly returnable on [►], 2022, and hereby dispenses with further service thereof.

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the SPA.

APPROVAL AND VESTING

3. **THIS COURT ORDERS AND DECLARES** that the SPA and the Transaction be and are hereby approved and that the execution of the SPA by the Debtor is hereby authorized, approved and ratified, with such minor amendments as the parties thereto may deem necessary, with the approval of the Monitor. The Debtor is hereby authorized and directed to perform its obligations under the SPA and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the New Common Shares and the Post-Consolidation Common Shares to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that notwithstanding any provision hereof, the closing of the Transaction shall be deemed to occur in the manner, order and sequence set out in the SPA, including in accordance with the Closing Sequence, with such alterations, changes or amendments as may be agreed to by the Purchaser and the Debtor, with the approval of the Monitor, provided that such alterations, changes or amendments do not materially alter or impact the Transaction or the consideration which the Debtor and/or its applicable stakeholders will benefit from as part of the Transaction.

5. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Debtor to proceed with the Transaction (including, for certainty, the Pre-Closing Reorganization and the Closing Sequence), and that no shareholder or other approval shall be required in connection therewith.

6. **THIS COURT ORDERS AND DECLARES** that upon the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to the Purchaser (the "**Effective Time**"), substantially in the form attached as Schedule "A" hereto, the following shall occur and shall be deemed to have occurred at the Effective Time in the following sequence:

(a) first, all of the right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, and all Claims and Encumbrances (each as defined below) shall continue to attach to the Excluded Assets and to the Proceeds (as defined below) in accordance with paragraph 9 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;

(b) second, all Excluded Contracts and Excluded Liabilities of the Debtor (which for certainty includes all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise), other than: (i) the Assumed Liabilities, and (ii) any set off claims asserted as defences to any claims made by the Debtor, shall be channelled to, assumed by and vest absolutely and exclusively in ResidualCo such that the Excluded Contracts and Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of the Debtor, and the Debtor and all of its assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate (together with the Retained Assets, the "**Debtor's Property**") shall be and are hereby forever released and discharged from such Excluded Contracts and Excluded Liabilities and all related Claims and all Encumbrances (each as defined below) affecting or relating to the Debtor's Property are hereby expunged and discharged as against the Debtor's Property;

(c) third, all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person (defined below) and are convertible or exchangeable for any securities of the Debtor or which require the issuance, sale or transfer by the Debtor, of any shares or other securities of the Debtor and/or the share capital of the Debtor, or otherwise relating thereto, shall be deemed terminated and cancelled;

(d) fourth, all of the right, title and interest in and to the New Common Shares shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other Order of the Court in this CCAA Proceeding; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems; and (iii) those Claims listed on Schedule "B" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "C" hereto). For greater certainty, this Court orders that all of the Encumbrances affecting or relating to the New Common Shares are hereby expunged and discharged as against the New Common Shares; and

(e) fifth, the Debtor shall be deemed to cease being a Debtor in these CCAA proceedings, and the Debtor shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted in respect of this CCAA Proceeding, save and except for this Order, the provisions of which (as they relate to the Debtor) shall continue to apply in all respects.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof in connection with the Transaction.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Debtor and the Purchaser regarding the fulfilment of conditions to closing under the SPA and shall have no liability with respect to delivery of the Monitor's Certificate.

9. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the New Common Shares (including, for greater certainty, the Deposit and the Cash Consideration) (the "**Proceeds**") shall stand in the place and stead of the Debtor's Property, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Proceeds and the Excluded Assets with the same priority as they had with respect to the Debtor's Property immediately prior to the sale.

10. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, the Debtor or the Monitor, as the case may be, is authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Debtor's records pertaining to past and current employees of the Debtor. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Debtor.

11. **THIS COURT ORDERS AND DECLARES** that, at the Effective Time and without limiting the provisions of paragraph 6 hereof, the Purchaser and the Debtor shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent), or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Debtor (provided, as it relates to the Debtor, such release shall not apply to Taxes in respect of the business and operations conducted by the Debtor after the Effective Time), including without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Debtor (including its affiliates and any predecessor corporations) pursuant to section 160 of the *Income Tax Act*, R.S.C. 1985 c. 1 (5th Supp.), or any provincial equivalent, in connection with the Debtor. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes that are transferred to ResidualCo.

12. **THIS COURT ORDERS** that except to the extent expressly contemplated by the SPA, all Contracts to which the Debtor is a party at the time of delivery of the Monitor's Certificate

will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Debtor);

(b) the insolvency of the Debtor or the fact that the Debtor sought or obtained relief under the *Bankruptcy and Insolvency Act*, R.S.C 195, c. B-3, as amended (the "**BIA**") and the CCAA;

(c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the SPA, the Transaction or the provisions of this Order, or any other Order of the Court in these proceedings; or

(d) any transfer or assignment, or any change of control of the Debtor arising from the implementation of the SPA, the Transaction or the provisions of this Order.

13. **THIS COURT ORDERS**, for greater certainty, that (a) nothing in paragraph 12 hereof shall waive, compromise or discharge any obligations of the Debtor in respect of any Assumed Liabilities, and (b) the designation of any Claim as an Assumed Liability is without prejudice to the Debtor's right to dispute the existence, validity or quantum of any such Assumed Liability, and (c) nothing in this Order or the SPA shall affect or waive the Debtor's rights and defences, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set offs or recoupments against such Assumed Liability.

14. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Debtor then existing or previously committed

by the Debtor, or caused by the Debtor, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, expressed or implied in any Contract existing between such Person and the Debtor (including for certainty, those Contracts constituting Retained Assets) arising directly or indirectly from the commencement of the NOI Proceeding or the conversion to the CCAA Proceedings and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph 12 hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Debtor from performing its obligations under the SPA or be a waiver of defaults by the Debtor under the SPA and the related documents.

15. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Debtor relating in any way to or in respect of any Excluded Assets, Excluded Liabilities or Excluded Contracts and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

16. **THIS COURT ORDERS** that from and after the Effective Time:

(a) the nature of the Assumed Liabilities retained by the Debtor, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this Order;

(b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;

(c) any Person that prior to the Effective Time had a valid right or claim against the Debtor under or in respect of any Excluded Contract or Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have such right or claim against the Debtor but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and

(d) the Excluded Liability Claim of any Person against ResidualCo following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Debtor prior to the Effective Time.

17. **THIS COURT ORDERS AND DECLARES** that, as of the Effective Time:

(a) ResidualCo shall be a company to which the CCAA applies; and

(b) ResidualCo shall be added as an Applicant in this CCAA Proceeding and all references in any Order of this Court in respect of this CCAA Proceeding to (i) an "Applicant" shall refer to and include ResidualCo, and (ii) "Property" shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of ResidualCo (the "**ResidualCo Property**"), and, for greater certainty, each of the Charges (as defined in the Initial Order dated [►], 2022), shall constitute a charge on the ResidualCo Property.

18. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA, in respect of ResidualCo and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of ResidualCo;

the SPA, the implementation of the Transaction (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo, the transfer and vesting of the New Common Shares in and to the Purchaser) and any payments by or to the Purchaser, ResidualCo or the Monitor authorized herein shall be binding on any trustee in bankruptcy that may be appointed in respect of ResidualCo and shall not be void or voidable by creditors of ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

MONITOR'S ENHANCED POWERS

19. THIS COURT ORDERS that in addition to the powers and duties of the Monitor set out in the Initial Order or any other Order of this Court in this CCAA Proceeding, and without altering in any way the limitations and obligations of ResidualCo as a result of these proceedings, the Monitor be and is hereby authorized and empowered, but not required, to:

(a) take any and all actions and steps, and execute all documents and writings, on behalf of, and in the name of ResidualCo in order to facilitate the performance of any ongoing obligations of ResidualCo, including with respect to any Excluded Liability Claim, and to carry out the Monitor's duties under this Order or any other Order of this Court in this CCAA Proceeding;

(b) exercise any powers which may be properly exercised by a board of directors of ResidualCo;

(c) cause ResidualCo to retain the services of any person as an employee, consultant, or other similar capacity all under the supervision and direction of the Monitor and on the terms as agreed with the Monitor;

(d) open one or more new accounts (the "**ResidualCo Accounts**") into which all funds, monies, cheques, instruments and other forms of payment payable to ResidualCo shall be deposited from and after the making of this Order from any source whatsoever and to operate and control, as applicable, on behalf of ResidualCo, the ResidualCo Accounts in such manner as the Monitor, in its sole discretion, deems necessary or appropriate to assist with the exercise of the Monitor's powers and duties;

(e) cause ResidualCo to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the winding-down of ResidualCo or the distribution of the proceeds of the ResidualCo Property or any other related activities, including in connection with bringing this CCAA Proceeding to an end;

(f) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of ResidualCo in the name of or on behalf of ResidualCo;

(g) claim or cause ResidualCo to claim any and all insurance refunds or tax refunds, including refunds of harmonized sales taxes, to which ResidualCo is entitled;

(h) have access to all books and records that are the property of ResidualCo in ResidualCo's possession or control in addition to the Debtor's books and records in accordance with the terms of the SPA;

(i) assign ResidualCo, or cause ResidualCo to be assigned, into bankruptcy, and the Monitor shall be entitled but not obligated to act as trustee in bankruptcy thereof;

(j) consult with Canada Revenue Agency with respect to any issues arising in respect of this CCAA Proceeding; and

(k) apply to this Court for advice and directions or any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter.

20. THIS COURT ORDERS that notwithstanding anything contained in this Order, the Monitor is not and shall not be or be deemed to be, a director, officer, or employee of ResidualCo or the Debtor.

21. THIS COURT ORDERS that, without limiting the provisions of the Initial Order, ResidualCo shall remain in possession and control of its Property and Business (each as defined in the Initial Order) and the Monitor shall not take, or be deemed to have taken, possession or control of the Property or the Business of ResidualCo, or any part thereof.

22. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor and its legal counsel shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the Initial Order and any other Order of this Court and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor and the fulfillment of its duties and the carrying out of the provisions of this Order.

23. THIS COURT ORDERS that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of the Debtor or ResidualCo within the meaning of any relevant legislation and that any distributions to creditors of ResidualCo or the Debtor by the Monitor will be deemed to have been made by ResidualCo.

24. THIS COURT ORDERS that the power and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of ResidualCo with respect to such matters and, in the event of a conflict between the terms of this Order and those of the Initial Order or any other Order of this Court, the provisions of this Order shall govern.

RELEASES

25. **THIS COURT ORDERS** that effective upon filing of the Monitor's Certificate, (i) the current directors, officers, employees, independent contractors that have provided legal or financial services to the Debtor, legal counsel and advisors of the Debtor, and (ii) the Monitor and its legal counsel (collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part of any act or omission, transaction, dealing or other occurrence existing or taking place prior to the filing of the Monitor's Certificate and that relate in any manner whatsoever to the Debtor or any of its

assets (current or historical), obligations, business or affairs or this CCAA Proceeding, including any actions undertaken or completed pursuant to the terms of this Order, or arising in connection with or relating to the SPA or the completion of the Transaction, or the administration and/or management of the Debtor or these proceedings (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, *provided that* nothing in this paragraph shall waive, discharge, release, cancel or bar any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

GENERAL

26. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the New Common Shares.

27. **THIS COURT ORDERS** that, following the Effective Time, the title of these proceedings is hereby changed to

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF [►]

28. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist ResidualCo, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to ResidualCo and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist ResidualCo and the Monitor and their respective agents in carrying out the terms of this Order.

30. **THIS COURT ORDERS** that each of ResidualCo and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

____

Schedule A – Form of Monitor's Certificate

Court File No. 32-2853708

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF iS5 COMMUNICATIONS INC.

RECITALS

A. Pursuant to the Initial Order of the Honourable Mr. Justice Osborne of the Ontario Superior Court of Justice (Commercial List), dated [►], 2022, as amended, iS5 Communications Inc. (the "**Debtor**") was granted protection from its creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and Grant Thornton Limited was appointed as the monitor ("**Monitor**") of the Debtor.

B. Pursuant to the Approval and Vesting Order of the Court dated [►], 2022 (the "**Order**"), the Court approved the transaction (the "**Transaction**") contemplated by the Share Purchase Agreement dated [►], 2022 (the "**SPA**"), between the Debtor and Elektrophoenix GmbH (the "**Purchaser**"), and ordered, *inter alia*, that: (i) all of the Debtor's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo; (ii) all of the Excluded Contracts and Excluded Liabilities shall be transferred to, assumed by and vest in ResidualCo; and (iii) all of the right, title and interest in and to the New Common Shares shall vest absolutely and exclusively in the Purchaser, which vesting is, in each case, to be effective upon the delivery by the Monitor to the Purchaser of a certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from the Purchaser and the Debtor that all conditions to closing have been satisfied or waived by the parties to the SPA.

C. Capitalized terms not defined herein shall have the meaning given to them in the Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser and from the Debtor, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the SPA.

2. This Monitor's certificate was delivered by the Monitor at __________ on ___________, 2022.

Grant Thornton Limited, in its capacity as Monitor of the Debtor, and not in its personal capacity.

Per: _________________________________

Name:

Title:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **iS5 COMMUNICATIONS INC.**

Court File No. 32-2853708

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

FASKEN MARTINEAU DuMOULIN LLP
Barristers and Solicitors
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Toronto ON M5H 2T6

Dylan Chochla (LSO: 62137I)
dchochla@fasken.com
Tel: 416 868 3425

Lawyers for the Moving Party, iS5 Communications Inc.

SCHEDULE 1.1(b)

PERMITTED LIENS

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class. CG	I	E	A	O	MV
1.	785852595 ***PPSA***	2	20220816 1537 5064 4829 Reg. 04 year(s)	IS5 COMMUNICATIONS INC.	VAULT CREDIT CORPORATION			X		X	
		General Collateral Description: AC/DC/IR/GB HIPOT SAFETY TESTER, DESCRIBED IN AGREEMENT NUMBER 217019, TOGETHER WITH ALL GOODS OF EVERY NATURE OR KIND , WHICH AGREEMENT MAY BE ASSIGNED TO THE SECURED PARTY AND FINANCED BY THE SECURED PARTY, FINANCED BY THE SECURED PARTY TO THE DEBTOR AND AS AMENDED FROM TIME TO TIME, TOGETHER WITH ANY AND ALL PAST, PRESENT AND FUTURE ACQUIRED PARTS, ATTACHMENTS, ACCESSORIES, ACCESSIONS, ADDITIONS, SUBSTITUTIONS, IMPROVEMENTS, REPAIR AND REPLACEMENT PARTS AND OTHER EQUIPMENT PLACED ON OR FORMING PART OF THE GOODS DESCRIBED HEREIN AND ANY AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL OR PROCEEDS THEREOF AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, INCLUDING ALL GOODS, SECURITIES, INSTRUMENTS DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES (AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT), RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENT AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.									

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class. CG	I	E	A	O	MV
2.	779706666 ***PPSA***	8	20220117 1204 6005 7407 Reg. 04 year(s)	IS5 COMMUNICATIONS INC.	CWB NATIONAL LEASING INC.			X			
		General Collateral Description:									

		ALL COMPUTER EQUIPMENT- INTELLAFLEX BLADE 36 PORT AGGREGATION/FILTERING BLADE C/W RELATED COMPONENTS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 3080052, BETWEEN QUESTOR FINANCIAL CORP., AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.									

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
3.	779150808 ***PPSA***	14	20211220 1009 1462 0406 Reg. 3 year(s)	IS5 COMMUNICATIONS INC.	VAULT CREDIT CORPORATION			X		X	

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
4.	774831753 ***PPSA***	18	20210727 1719 1901 1930 Reg. 03 year(s)	IS5 COMMUNICATIONS INC.	GREATCANADA FINANCIAL SERVICES INC.			X			

No Fixed Maturity Date

General Collateral Description:

2 ADOBE FRAMEMAKER FOR TEAMS - TEAM LICENSING SUBSCRIPTION RENEWAL (MONTHLY) - 1 USER 21 ADOBE ACROBAT STANDARD DC FOR TEAMS - TEAM LICENSING SUBSCRIPTION RENEWAL (MONTHLY) -- 1 USER - VIP SELECT - LEVEL 12 (10-49) - 3 YEARS COMMITMENT - WIN -- MULTI NORTH AMERICAN LANGUAGE 10 ADOBE ACROBAT PRO DC FOR TEAMS - TEAM LICENSING SUBSCRIPTION RENEWAL (MONTHLY) - 1 USER 1 ADOBE PHOTOSHOP CC FOR TEAMS - TEAM LICENSING SUBSCRIPTION RENEWAL (MONTHLY) - 1 USER 2 ADOBE CREATIVE CLOUD FOR TEAMS - ALL APPS - TEAM LICENSING SUBSCRIPTION RENEWAL (MONTHLY) -- 1 USER 2 ADOBE INDESIGN CC FOR TEAMS - TEAM LICENSING SUBSCRIPTION RENEWAL (MONTHLY) - 1 USER 4 ADOBE ILLUSTRATOR CC FOR TEAMS - TEAM LICENSING SUBSCRIPTION RENEWAL (MONTHLY) - 1 USER -- VIP SELECT - LEVEL 12 (10-49) - 3 YEARS COMMITMENT - WIN, MAC -- MULTI NORTH AMERICAN LANGUAGE 101 TREND MICRO X DETECTION & RESPONSE FOR USERS -- SUBSCRIPTION LICENSE RENEWAL - 1 USER - VOLUME - 101-250 LICENSES -- APPROVAL REQUIRED 2 LENOVO THINKSYSTEM SR650 7X06 - SERVER - RACK-MOUNTABLE - 2U - 2- WAY - RAM 0 GB - NO HDD -- NO GRAPHICS - NO OS - MONITOR NONE -CTO WITH LENOVO FOUNDATION SERVICE 1 TRIPP LITE PDU SWITCHED 120V 15A 5-15R 16 OUTLET 1U RM -- HORIZONTAL RACKMOUNT - POWER DISTRIBUTION UNIT (RACK-MOUNTABLE) - 15 A - AC 120 V - 1.4 KW - ETHERNET 10/100 - INPUT NEMA 5-15 -

		OUTPUT CONNECTORS 16 - 1U 1 VISSTUDIO PMSDN USER LSA 2 STARTECH.COM USB TO RS232/RS485/RS422 4 1 STARTECH.COM USB TO RS232/RS485/RS422 4 2 ACER V277U - LED MONITOR - 27" - 2560 X 2 STARTECH.COM 4 PORT USB TO SERIAL RS232 2 TRIPP LITE USB-C TO M.2 NVME SSD (M-KEY) 1 VERBATIM - 50 X DVD-R - 4.7 GB (120MIN) 1 STARTECH.COM M.2 SSD ALUMINUM ENCLOSURE 2 STARTECH.COM 4 PORT PCIE NETWORK CARD 2 STARTECH.COM DUAL PORT GIGABIT PCI EXPRE 3 IOGEAR USB PDA/ SERIAL ADAPTER GUC232A - 3 WD MY PASSPORT WDBYVG0010BBK - HARD DRIVE 1 LENOVO THINKPAD P1 (2ND GEN) 20QT - CORE 5 STARTECH.COM 4-PORT USB 3.0 SUPERSPEED H 1 3DCONNEXION SPACEMOUSE WIRELESS - 3D MOUSE 1 LENOVO THINKPAD P14S GEN 1 20S4 - CORE I 5 KINGSTON DATATRAVELER 100 G3 - USB FLASH 5 KINGSTON DATATRAVELER KYSON - USB FLASH 5 KINGSTON CANVAS SELECT PLUS - FLASH MEMO 5 IOGEAR USB PDA/ SERIAL ADAPTER GUC232A - 5 STARTECH.COM 4-PORT USB 3.0 HUB WITH BUI 2 STARTECH.COM 4 PORT USB TO SERIAL RS232 3 STARTECH.COM 4 PORT USB TO SERIAL RS232 1 LENOVO THINKPAD P15S GEN 1 - 15.6" - COR 2 LENOVO THINKPAD PRO DOCKING STATION - DO 2 C2G USB 3.0 TO GIGABIT ETHERNET NETWORK 3 SANDISK ULTRA FLAIR - USB FLASH DRIVE - 2 LOGITECH H600 - HEADSET -- ON EAR - 2.4 G 2 STARTECH.COM USB 3.0 TO GIGABIT ETHERNET 2 ADD ON USB 3.0 (A) TO RJ-45 ADAPTER - NET 2 LINKSYS USB ETHERNET ADAPTER USB3GIG - N 2 TRIPP LITE USB 3.0 SUPERSPEED TO GIGABIT 1 TRIPP LITE 1.4KW SINGLE-PHASE SWITCHED P 5 SANDISK ULTRA FLAIR - USB FLASH DRIVE - 1 LENOVO THINKSYSTEM SR650 7X06 - SERVER WITH LENOVO FOUNDATION SERVICE 1 LENOVO THINKPAD THUNDERBOLT 3 WORKSTATION 1 LENOVO THINKPAD THUNDERBOLT 3 DOCK GEN2 2 BROTHER TN-880 - SUPER HIGH YIELD -- BLACK 1 WINDOWS 10 PRO - LICENSE -- 1 LICENSE 1 LENOVO THINKPAD X1 CARBON GEN 8 - 14" 5 LOGITECH USB HEADSET H340 - HEADSET - ON 1 LENOVO THINKPAD P15S GEN 1 20T4 - CORE 2 WD MY PASSPORT WDBYVG0010BBK - HARD DRIVE 10 IOGEAR USB PDA/ SERIAL ADAPTER GUC232A 1 WD MY PASSPORT WDBYVG0010BBK - HARD DRIVE 3 STARTECH.COM USB TO RS232/ RS485/RS422 8 5 LOGITECH WIRELESS COMBO MK270 -- KEYBOARD 2 LENOVO THINKPAD P1 (3RD GEN) - 15.6" 1 KINGSTON - DDR4 - 16 GB -- SODIMM 260 1 LENOVO THINKPAD THUNDERBOLT 3 WORKSTATION 1 KINGSTON - DDR4 - 16 GB -- SODIMM 260 AND ALL PRODUCTS, PROCEEDS AND ATTACHMENTS

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class. CG	I	E	A	O	MV
5.	768498147 ***PPSA***	37	20201211 1239 1793 3248 Reg. 4 year(s)	IS5 COMMUNICATIONS INC.	NFS LEASING CANADA LTD. PEOPLES UNITED BANK			X			

No Fixed Maturity Date

General Collateral Description:

ALL EQUIPMENT, PERIPHERALS AND ANY AND ALL INVENTORY (COLLECTIVELY "**EQUIPMENT**") WHEREVER LOCATED, FINANCED UNDER AND DESCRIBED IN THE SCHEDULE 01 TO MASTER LEASE AGREEMENT 2020-0284 (THE "**LEASE**") ENTERED INTO BETWEEN LESSEE AND LESSOR AND ALL OF LESSOR'S RIGHTS, TITLE AND INTEREST IN AND TO USE ANY SOFTWARE AND SERVICES (COLLECTIVELY" SOFTWARE") FINANCED UNDER AND DESCRIBED IN THE LEASE, ALONG WITH ANY MODIFICATIONS OR SUPPLEMENTS TO THE LEASE WHICH ARE INCORPORATED OR EVIDENCED IN WRITING AND ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS TO THE EQUIPMENT OR SOFTWARE NOW OR HEREAFTER

		INSTALLED IN, AFFIXED TO, OR USED IN CONJUNCTION WITH THE EQUIPMENT OR SOFTWARE AND THE PROCEEDS THEREOF TOGETHER WITH ALL PAYMENTS, INSURANCE PROCEEDS, CREDITS OR REFUNDS OBTAINED BY LESSEE FROM A MANUFACTURER, LICENSOR OR SERVICE PROVIDER, OR OTHER PROCEEDS AND PAYMENTS DUE AND TO BECOME DUE AND ARISING FROM OR RELATING TO SUCH EQUIPMENT, SOFTWARE OR THE LEASE. IN THE EVENT LESSEE PURCHASES ANY SUCH EQUIPMENT OR SOFTWARE, THEN LESSEE, IN ACCORDANCE WITH THE PROVISIONS OF THE LEASE, HEREBY GRANTS TO LESSOR A FIRST PRIORITY SECURITY INTEREST IN ANY SUCH EQUIPMENT OR SOFTWARE PURCHASED UNTIL SUCH TIME AS LESSOR RECEIVES PAYMENT OF THE FULL PURCHASE PRICE FROM LESSEE.									

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
6.	766044945 ***PPSA***	46	20200923 1450 2203 0358 Reg. 02 year(s)	IS5 COMMUNICATIONS INC. IS5 COMMUNICATIONS INC	INDCOM LEASING INC.			X		X	
		General Collateral Description: SOFTWARE, TESTING, EVALUATION EQUIPMENT, IECEE CERTIFICATION TOGETHER WITH ALL ACCESSORIES, OPTIONAL EQUIPMENT, COMPONENTS, PARTS, INSTRUMENTS, APPURTENANCES, FURNISHINGS AND OTHER EQUIPMENT OF WHATEVER NATURE OR KIND IN CONNECTION WITH THEREFOR SAID EQUIPMENT.									

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
7.	763408296 ***PPSA***	48	20200707 1030 6005 4093 Reg. 05 year(s)	IS5 COMMUNICATIONS INC.	CWB NATIONAL LEASING INC.			X			
		General Collateral Description: ALL COMPUTER EQUIPMENT-FIXED, OFFICE FURNITURE, GAMING CHAIRS WITH RELATED COMPONENTS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 3005283, BETWEEN CATALYST FINANCE PARTNERS INC., AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.									

	File No.		Reg. No.	Debtor(s)	Secured Party	Collateral Class.

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	CG	I	E	A	O	MV
8.	758100006 ***PPSA***	51	20191129 1602 2203 0086 Reg. 04 year(s)	IS5 COMMUNICATIONS INC. IS5 COMMUNICATIONS INC	INDCOM LEASING INC.	X				X	
		General Collateral Description: EMC TESTING EQUIPMENT WITH ALL ATTACHMENTS AND ACCESSORIES									

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class. CG	I	E	A	O	MV
9.	758100969 ***PPSA***	52	20191129 1625 1901 6977 Reg. 04 year(s)	IS5 COMMUNICATIONS INC.	BLUE CHIP LEASING CORPORATION			X		X	
		53	20191203 1606 1902 8127 A AMENDMENT	IS5 COMMUNICATIONS INC.							
		Reason for Amendment: AMEND DEBTOR FROM IS5 COMMUNICATIONS INC. 5895 AMBER DR MISSISSAUGA, ON, L4W5B7 TO IS5 COMMUNICATIONS INC. 5895 AMBLER DR MISSISSAUGA, ON, L4W5B7									

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class. CG	I	E	A	O	MV
10.	757449954 ***PPSA***	54	20191108 1713 1462 7719 Reg. 4 year(s)	IS5 COMMUNICATIONS INC.	VAULT CREDIT CORPORATION			X		X	

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
11.	754590942 ***PPSA***	55	20190820 1433 8077 6213 Reg. 4 year(s)	IS5 COMMUNICATIONS INC.	RCAP LEASING INC.			X	X	X	

No Fixed Maturity Date

General Collateral Description:

ALL COMPUTER EQUIPMENT FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS ENTERED INTO BETWEEN THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS.

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
12.	753395328 ***PPSA***	58	20190716 1136 2203 9957 Reg. 04 year(s)	IS5 COMMUNICATIONS INC. IS5 COMMUNICATIONS INC	INDCOM LEASING INC	X		X		X	

General Collateral Description:

COMPUTER EQUIPMENT AND OFFICE FURNITURE TOGETHER WITH ALL ACCESSORIES, OPTIONAL EQUIPMENT, COMPONENTS, PARTS, INSTRUMENTS, APPURTENANCES, FURNISHINGS AND OTHER EQUIPMENT OF WHATEVER NATURE OR KIND IN CONNECTION WITH THEREFOR SAID EQUIPMENT.

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV

13.	752424687 ***PPSA***	60	20190618 1125 6005 1917 Reg. 05 year(s)	IS5 COMMUNICATIONS INC.	CWB NATIONAL LEASING INC.			X			
		General Collateral Description: ALL COMPUTER EQUIPMENT,ADAPTOR CARDS, ADAPTERS, THINKPADS, DVD BURNERS, CASSETTES, PRINTERS, SCANNERS, LASER PRINTERS, THINKSTATIONS, DDR2, DDR4, EXTENDERS, TONERS, THINKCENTRES, AND LICENSING SUBSCRIPTIONS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 2916700, BETWEEN SOFTCHOICE LP, AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.									
	File No.	**Enquiry Page No.**	**Reg. No.**	**Debtor(s)**	**Secured Party**	**Collateral Class.**					
						CG	**I**	**E**	**A**	**O**	**MV**
14.	751721958 ***PPSA***	63	20190529 1526 1901 8999 Reg. 04 year(s)	IS5 COMMUNICTIONS INC.	GOULD LEASING LTD.			X			
		64	20190529 1704 1902 1348 A AMENDMENT	IS5 COMMUNICTIONS INC. IS5 COMMUNICATIONS INC.							
		Reason for Amendment: AMEND DEBTOR FROM IS5 COMMUNICTIONS INC. 5895 AMBLER DRIVE MISSISSAUGA, ON, L4W5B7 TO IS5 COMMUNICATIONS INC. 5895 AMBLER DRIVE MISSISSAUGA, ON, L4W5B7									
	File No.	**Enquiry Page No.**	**Reg. No.**	**Debtor(s)**	**Secured Party**	**Collateral Class.**					
						CG	**I**	**E**	**A**	**O**	**MV**

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class.					
						CG	I	E	A	O	MV
15.	750936663 ***PPSA***	65	20190507 1042 1902 5508 Reg. 05 year(s)	IS5 COMMUNICATIONS INC	LBEL INC.			X		X	
		General Collateral Description: COMPUTER EQUIPMENT WITH ALL ACCESSORIES									
16.	750023478 ***PPSA***	69	20190410 1545 6005 9877 Reg. 05 year(s)	IS5 COMMUNICATIONS INC.	CWB NATIONAL LEASING INC.			X			
		General Collateral Description: ALL OFFICE FURNITURE, RECTANGULAR TABLE, NESTING CHAIRS, DESKS, STORAGE WITH PLANTER TOP, PLANTER SURROUNDS, 3 HIGH LATERAL FILES, PANELS, PANELS WITH GLASS, AND VILLA CORDED SERIOUS WITH RELATED COMPONENTS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 2916165, BETWEEN QUESTOR FINANCIAL CORP., AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.									
17.	749490201 ***PPSA***	72	20190327 1434 8077 8500 Reg. 5 year(s)	IS5 COMMUNICATIONS INC	RCAP LEASING INC.			X	X	X	
		No Fixed Maturity Date General Collateral Description: ALL COMPUTER EQUIPMENT AND COMPUTER PERIPHERALS FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS									

	File No.	Enquiry Page No.	Reg. No.	Debtor(s)	Secured Party	Collateral Class. CG	I	E	A	O	MV
		ENTERED INTO BETWEEN THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS.									
		75	20190405 1033 8077 9061 A AMENDMENT	IS5 COMMUNICATIONS INC							
		Reason for Amendment: AMEND DEBTOR'S ADDRESS AND AMEND THE GENERAL COLLATERAL DESCRIPTION General Collateral Description: ALL COMPUTER EQUIPMENT AND SIGNAGE EQUIPMENT AND COMPUTER PERIPHERALS FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS ENTERED INTO BETWEEN THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS.									
18.	748756494 ***PPSA***	81	20190304 1128 6005 9051 Reg. 05 year(s)	IS5 COMMUNICATIONS INC.	CWB NATIONAL LEASING INC.			X			
		General Collateral Description: ALL COMPUTER EQUIPMENT, COMPUTER SOFTWARE OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 2914527, BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.									

SCHEDULE 1.1(c)

SALE PROCEDURE

See attached.

SALE AND INVESTOR SOLICITATION PROCESS

On August 5, 2022, iS5 Communications Inc. (the "**Company**") filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") with the Office of the Superintendent of Bankruptcy. Grant Thornton Limited was appointed as proposal trustee (in such capacity, the "**Proposal Trustee**").

It is anticipated that on October 17, 2022, the Company will apply to Court for an Order, which, among other things: (a) approves this sale and investor solicitation process (the "**SISP**"), and (b) authorizes the execution by the Company of the stalking horse agreement of purchase and sale between the Company and the Stalking Horse Bidder (as defined below) (the "**Stalking Horse Agreement**") as the stalking horse bid for the purpose of conducting the SISP.

The purpose of the SISP is to identify one or more financiers, purchasers of and/or investors in the Company, the Business and/or Assets (each as defined below) to make an offer (each a "**Bid**") that is superior to the offer contemplated by the Stalking Horse Agreement, and to complete the transactions contemplated by any such offer, or by the Stalking Horse Agreement if no other offers are accepted. Set forth below are the procedures (the "**SISP Procedures**") that shall govern the SISP and any transactions consummated as a result thereof.

1. Defined Terms

The following capitalized terms have the following meanings when used in this SISP:

"**2020 Noteholders**" means collectively, BDC Capital Inc., ClearSky Power & Technology Fund II LLC, ClearSky Security Fund I LLC, Phoenix Contact Venture Funds I GmbH, Cao Yang, and Coutinho Family Trust;

"**2020 Notes**" means the secured convertible promissory notes issued to the 2020 Noteholders in the aggregate amount of CAD $6,055,000 on November 19, 2020;

"**2021 Noteholders**" means collectively, ClearSky Power & Technology Fund II LLC, ClearSky Security Fund I LLC, Phoenix Contact Venture Funds I GmbH, Cao Yang, Clive Dias, and Artemis Capital Limited;

"**2021 Notes**" means the secured convertible promissory notes issued to the 2021 Noteholders in the aggregate amount of CAD $3,820,000 on August 17, 2021;

"**Acknowledgment of the SISP**" means an acknowledgment of the SISP in the form attached as Schedule "A" hereto;

"Additional Confidential Information" means commercially sensitive information with respect to the Company, the Business and/or Assets, which may include copies of material customer and vendor agreements, details of the equity and capital structure of the Business, and meetings with management and key employees;

"**Aggregate Bid**" means a combination of Portion Bids that do not overlap for Assets sought to be purchased, and which, when totalled, equal or exceed the Minimum Bid Amount;

"**Assets**" means the assets, undertakings and property of the Company;

"**Auction**" has the meaning given to it in Section 15;

"**Auction Procedur**e" has the meaning given to it in Section 15;

"**Back-Up Bid Expiration Date**" has the meaning given to it in Section 18;

"**Back-Up Bid**" has the meaning given to it in Section 15;

"**Back-Up Bidder**" has the meaning given to it in Section 15;

"**BIA**" has the meaning given to it in the introduction;

"**Bid**" has the meaning given to it in the introduction;

"**Business**" means the business carried on by the Company, which consists primarily of providing integrated services and information technology solutions to clients, and manufacturing intelligent industrial ethernet products designed to meet the stringent demand requirements of utility sub-stations, roadside transportation, rail, and industrial applications;

"**Business Day**" means any day, other than a Saturday, Sunday or statutory holiday in the Province of Ontario, on which commercial banks in Toronto, Ontario are open for business;

"**Company**" has the meaning given to it in the introduction;

"**Confidentiality Agreement**" means the confidentiality agreement, with terms satisfactory to the Proposal Trustee and the Company, entered into between the Company and an Interested Party;

"**Court**" has the meaning given to it in the introduction;

"**Data Room**" means an electronic data room created and maintained by the Company containing confidential information in respect of the Company, the Business and the Assets, but does not contain the Additional Confidential Information.

"**Deposit**" has the meaning given to it in Section 14(e);

"**DIP Lender**" means Phoenix Contact Venture Funds I GmbH;

"**DIP Term Sheet**" means the debtor-in-possession financing term sheet dated August 5, 2022 between iS5 Communications Inc., as borrower, and the DIP Lender, as lender;

"**Form Purchase Agreement**" means the template agreement of purchase and sale posted in the Data Room substantially in the form of the Stalking Horse Agreement;

"**Guaranteed Purchase Price**" has the meaning given to it in the Stalking Horse Agreement;

"**Interested Party**" has the meaning given to it in Section 2;

"**Investment Proposal**" has the meaning given to it in Section 9;

"**Known Potential Bidders**" has the meaning give to it in Section 5(a);

"**Management**" has the meaning given to it in Section 4;

"**Minimum Bid Amount**" means in the case of a Sale Proposal or Investment Proposal, an overall result or value which the Company, in consultation with the Proposal Trustee, considers to be greater than the Guaranteed Purchase Price by at least USD $350,000;

"**Notes**" means together, the 2020 Notes and the 2021 Notes;

"**Notice**" has the meaning given to it in Section 5(b);

"**Outside Date**" means December 23, 2022, or such other date as the Company, the Proposal Trustee, and the Successful Bidder(s) or the Back-Up Bidder, if applicable, may agree, acting reasonably;

"**Participation Notice**" has the meaning given to it in Section 4;

"**Phase I Bid**" means an initial non-binding Bid submitted by an Interested Party pursuant to Section 9 hereof;

"**Phase I Bid Deadline**" has the meaning given to it in Section 9 hereof;

"**Phase I Bidder**" means a bidder submitting a Phase I Bid;

"**Phase I Deposit**" has the meaning given to it in Section 11(i);

"**Phase I Participant Requirements**" has the meaning given to it in Section 10 hereof;

"**Phase II Bid**" means a binding unconditional Bid submitted by a Qualified Phase I Bidder;

“**Phase II Bidder**” means a bidder submitting a Phase II Bid;

“**Phase II Bid Deadline**” has the meaning given to it in Section 9;

“**Portion Bid**” means a Bid for less than all, or substantially all of the Assets, that is otherwise a Qualified Phase I Bid or a Qualified Phase II Bid;

“**Portion Bidder**” means a Qualified Phase I Bidder and/or a Qualified Phase II Bidder that submits a Portion Bid;

“**Proposal Trustee**” has the meaning given to in the introduction;

“**Purchase Price**” has the meaning given to it in Section 11(a)(i);

“Qualified Phase I Bid” means a Phase I Bid that satisfies the conditions set out in Section 11 hereof. For greater certainty, a Portion Bid may be a Qualified Phase I Bid if it forms part of an Aggregate Bid;

“**Qualified Phase I Bidder**” means a bidder submitting a Qualified Phase I Bid;

“**Qualified Phase II Bid**” means a Phase II Bid that satisfies the conditions set out in Section 14 hereof. For greater certainty, a Portion Bid may be a Qualified Phase II Bid if it forms part of an Aggregate Bid;

“**Qualified Phase II Bidder**” means bidder submitting a Qualified Phase II Bid;

“**Qualified Investment Bid**” is an Investment Proposal that is determined to be a Qualified Phase II Bid by the Company and the Proposal Trustee pursuant to Section 14;

“**Qualified Sale Bid**” is a Sale Proposal that is determined to be a Qualified Phase II Bid by the Company and the Proposal Trustee pursuant to Section 14;

“**Sale Proposal**” has the meaning given to it in Section 9;

“**Secured Lender**s” means Silicon Valley Bank and the holders of the Company’s secured notes;

“**SISP**” has the meaning given to it in the introduction;

“**SISP Procedures**” has the meaning given to it in the introduction;

“**Stalking Horse Agreement**” has the meaning given to it in the introduction;

“**Stalking Horse Bidder**” means Elektrophoenix GmbH, or an affiliate thereof;

“**Successful Bid**” has the meaning given to it in Section 15;

“**Successful Bidder**” has the meaning given to it in Section 15;

“**SVB**” means Silicon Valley Bank; and

“**Teaser Letter**” has the meaning given to it in Section 5(c).

2. The SISP Procedures

The SISP shall consist of two phases. In the first phase, any interested party (an “**Interested Party**”) that meets the preliminary participant requirements set out herein, including having executed a Confidentiality Agreement and an Acknowledgment of the SISP, shall be provided with access to the Data Room in order to prepare and submit a Phase I Bid by the Phase I Bid Deadline. Phase I Bidders that are determined by the Company, in consultation with the Proposal Trustee, to be Qualified Phase I Bidders shall be invited to participate in the second phase wherein they will be given access to the Additional Confidential Information in order to complete diligence prior to submitting a Phase II Bid by the Phase II Bid Deadline.

The Company, in consultation with the Proposal Trustee, shall supervise the SISP Procedures and each will generally consult with the other in respect of all matters arising out of these SISP Procedures. The Proposal Trustee shall direct and preside over the Auction, if applicable. In the event that there is disagreement as to the interpretation or application of these SISP Procedures, the Court will have the jurisdiction to hear and resolve such dispute.

3. “As Is, Where Is”

The sale of the Business or all or any part of the Assets or an investment in the Company will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature or description by the Company, the Proposal Trustee or any of their employees, officers, directors, agents or advisors, except to the extent set forth in the relevant definitive Sale Proposal or Investment Proposal agreement, as applicable, with a Successful Bidder.

By participating in this process, each Interested Party is deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Business, the Assets or the Company prior to making its Bid, that it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or regarding the Business, the Assets or the Company in making its Bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Business, the Assets or the Company or the completeness of any information provided in connection therewith, except as expressly stated in the terms of any definitive transaction documents.

4. Timeline

The following table sets out the key milestones under the SISP:

Milestone	Deadline
Commencement of SISP	October 17, 2022
Distribution of the Notice, Teaser Letter Confidentiality Agreement and Acknowledgement of SISP	October 21, 2022
Phase I Bid Deadline (5:00 PM (Eastern Time))	November 16, 2022
Phase II Bid Deadline (5:00 PM (Eastern Time))	December 1, 2022
Selection of Successful Bid(s), Back-Up Bid(s), or Notification of Auction (if any)	December 2, 2022
Auction (if any)	December 5, 2022
Sale Approval Hearing	As soon as practicable
Closing Date Deadline	December 23, 2022

5. Solicitation of Interest

As soon as is reasonably practicable and, in any event, by no later than October 21, 2022:

(a) the Company and the Proposal Trustee will prepare a list of potential bidders, including (i) parties that have approached the Company or the Proposal Trustee indicating an interest in the opportunity; and (ii) strategic parties who the Company and the Proposal Trustee believe may be interested in purchasing all or part of the Business and Assets, or investing in the Company, pursuant to the SISP (“**Known Potential Bidders**”);

(b) the Proposal Trustee, with the assistance of the Company, will cause a notice of the SISP (and such other relevant information that the Company, in consultation with the Proposal Trustee, considers appropriate (the “**Notice**”) to be published in *The Globe and Mail* (National Edition) and *Insolvency Insider* and any other newspaper, journal or industry publication as the Company and the Proposal Trustee considers appropriate, if any; and

(c) the Company and the Proposal Trustee will prepare: (i) a process summary (the “**Teaser Letter**”) describing the opportunity, outlining the process under the

SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; a (ii) Confidentiality Agreement; and (iii) an Acknowledgement of the SISP, in each case in form and substance satisfactory to the Company and the Proposal Trustee.

The Proposal Trustee, with the assistance of the Company will publish the Notice and send the Teaser Letter, Confidentiality Agreement, and Acknowledgement of the SISP to all Known Potential Bidders by no later than October 21, 2022, and to any other party who requests a copy of the Teaser Letter, Confidentiality Agreement, and Acknowledgement of the SISP, or who is identified to the Company or the Proposal Trustee as a potential bidder, as soon as reasonably practicable after such request or identification, as applicable

6. Role of Management of the Company

In the event that any party or parties that are associated with the Board of Directors or management of the Company (collectively, "**Management**") intends to submit a Bid pursuant to the SISP, any such party or parties must advise the Proposal Trustee of such intention in writing by November 1, 2022 (the "**Participation Notice**"). Upon receipt of a Participation Notice, such party or parties will be excluded from any participation in the SISP that might create an unfair advantage or jeopardize the integrity of the SISP, and any such party or parties delivering a Participation Notice will be subject to the SISP Procedures as an Interested Party. For greater certainty, Marcus Boker, a Senior Director of the Stalking Horse Bidder and a Director of the Company shall be excluded from participating in the SISP without the requirement of delivering a Participation Notice.

7. Role of the Proposal Trustee

The Proposal Trustee's responsibilities pursuant to the SISP include:

(a) consulting with the Company in connection with the bidding procedures included in this SISP and the closing of the transaction contemplated in the Successful Bid(s);

(b) overseeing the SISP Procedures;

(c) reporting to the Court in connection with the SISP Procedures, including the bidding procedures described in this SISP, and the closing of the transaction contemplated in the Successful Bid(s);

(d) conducting an Auction, if necessary, in accordance with the Auction Procedures attached hereto as Schedule "C"; and

(e) assisting the Company to facilitate information requests, including assisting the Company in preparing or modifying financial information to assist with the bidding procedures described in this SISP and the closing of the transaction contemplated in the Successful Bid(s) (including the Stalking Horse Agreement).

8. Access to Due Diligence Materials

Only Interested Parties that satisfy the Phase I Participant Requirements will be eligible to receive access to the Data Room. If the Company, in consultation with the Proposal Trustee, determines that a Phase I Bidder does not constitute a Qualified Phase I Bidder, then such Phase I Bidder shall not be eligible to receive the Additional Confidential Information. For greater certainty, the Data Room shall not contain the Additional Confidential Information and the Company shall provide the Additional Confidential Information to a Qualified Phase I Bidder by alternative means.

The Company, with the assistance of the Proposal Trustee, will be responsible for the coordination of all reasonable requests for additional information and due diligence access from Interested Parties. Neither the Company nor the Proposal Trustee shall be obligated to furnish any due diligence information after the Phase I Bid Deadline other than the Additional Confidential Information to Qualified Phase I Bidders before the Phase II Bid Deadline. Neither the Company nor the Proposal Trustee shall be obligated to furnish any due diligence information after the Phase II Bid Deadline, provided however that the Company and the Proposal Trustee may, but are not obligated to, provide further information including, without limitation, financial information to the Successful Bidder (including the Stalking Horse Bidder). Neither the Company nor the Proposal Trustee is responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the sale of the Assets and the Business, or an investment in the Company. If the Company provides additional information and due diligence to an Interested Party that was not previously provided to the Stalking Horse Bidder, the Company shall concurrently provide such additional information to the Stalking Horse Bidder or notify the Stalking Horse Bidder that such information is available in the Data Room.

9. Bid Deadlines

An Interested Party that wishes to make a Bid to: (a) acquire the Business or all, substantially all or any part of the Assets, including any offer to acquire some or all of the Company's software, intellectual property, manufacturing equipment, accounts receivable and furniture, fixtures and equipment (a "**Sale Proposal**"), or (b) make an investment in the Company by way of private issuances, sale or placement of newly issued or treasury equity, equity-linked or debt securities, instruments or obligations of the Company with one or more lenders and/or investors or security holders (an "**Investment Proposal**"), must deliver an executed copy of a Phase I Bid to the Proposal Trustee, at the address specified in Schedule "B" hereto (including by email) so as to be received by it **not later than 5:00 p.m. (Eastern Time) on November 16, 2022**, or such other later date or time as may be agreed by the Company and the Proposal Trustee (the "**Phase I Bid Deadline**").

All Phase II Bids must be submitted to the Proposal Trustee, at the address specified in Schedule "B" hereto (including by email) so as to be received by it **not later than 5:00 p.m. (Eastern Time) on December 1, 2022**, or such other later date or time as may be agreed by the Company and the Proposal Trustee (the "**Phase II Bid Deadline**").

PHASE I – NON BINDING BIDS

10. Phase I Participant Requirements.

To participate in Phase I of the SISP and to otherwise be considered for any purpose hereunder, each Interested Party must provide the Company with an executed copy of each of the following prior to being provided with access to the Data Room: (i) a Confidentiality Agreement; and (ii) an Acknowledgement of the SISP (collectively, the "**Phase I Participant Requirements**").

11. Qualified Phase I Bids

Only Qualified Phase I Bidders shall be allowed to participate in Phase II of the SISP and be eligible to receive the Additional Confidential Information.

In order for the Company to determine whether an Interested Party is a Qualified Phase I Bidder, the Interested Party must provide, in form and substance satisfactory to the Company, in consultation with the Proposal Trustee, each of the following on or before the Phase I Bid Deadline:

(a) Non- Binding Letter of Intent Describing the Phase 1 Bid: A non-binding letter of intent describing the material terms of the Phase I Bid which includes the following information:

(i) Sale Proposal: in the case of a Sale Proposal, the material terms and conditions of the proposed transaction, including identification of the Business or the Assets proposed to be acquired, the obligations to be assumed, the purchase price for the Business or Assets proposed to be acquired (the "**Purchase Price**"), and the structure and financing of the proposed transaction; and

(ii) Investment Proposal: in the case of an Investment Proposal, the material terms and conditions of the proposed transaction, including details regarding the proposed equity and debt structure of the Company following completion of the proposed transaction, the direct or indirect investment target and the aggregate amount of equity and debt investment (including the sources of such capital, the underlying assumptions regarding the *pro forma* capital structure, as well as anticipated tranches of debt, debt service fees, interest and amortization) to be made in the Company, and the debt, equity, or other securities, if any, proposed to be allocated to creditors of the Company;

(b) Purchase Price: Evidence that the Purchase Price (in the case of a Sale Proposal) or imputed value (in the case of an Investment Proposal) under the Phase I Bid or Aggregate Bid shall be an amount greater than the Minimum Bid Amount (a "**Superior Offer**"); provided that any Portion Bidder shall not be subject to the Minimum Bid Amount except to the extent that it forms an Aggregate Bid. For greater certainty, any Phase I Bid must provide for payment in full in cash on closing in an amount sufficient to satisfy all indebtedness, fees, and expenses owed by the Company to the DIP Lender in accordance with the DIP Term Sheet;

(c) Proof of Financial Ability to Perform: Written evidence upon which the Company and the Proposal Trustee may reasonably conclude that the Interested Party has the necessary financial ability to close the contemplated transaction on or before the Outside Date and provide adequate assurance of future performance of all obligations to be assumed in such contemplated transaction. Such information should include, among other things, the following:

(i) evidence of the Interested Party's internal resources and proof of any debt or equity funding commitments that are needed to close the contemplated transaction;

(ii) contact names and phone numbers for verification of financing sources; and

(iii) any such other form of financial disclosure or credit-quality support information or enhancement requested by and reasonably acceptable to the Company and the Proposal Trustee demonstrating that such Interested Party has the ability to close the contemplated transaction;

(d) Outstanding Due Diligence: a description of any additional due diligence required to be conducted in order to submit a Qualified Phase II Bid;

(e) Identification: Full written disclosure of the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the Phase I Bid, including whether any prior or current member of the Company's board, management, any employee or consultant to the Company or any creditor) or shareholder of the Company is involved in any way with the Phase I Bid or assisted with the Phase I Bid, and the complete terms of any such participation as well as evidence of corporate authority to sponsor or participate in the Phase I Bid;

(f) Acknowledgment: An acknowledgement and representation that the Interested Party: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents regarding the Company, the Business and/or the Assets to be acquired, or the liabilities to be assumed in making its Phase I Bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties conditions or guaranties whatsoever, whether express or implied (by operation of law or otherwise) by the Company, the Proposal Trustee or any of their respective employees, directors, officers, agents, advisors or other representatives, regarding the Company, the Business, the Assets to be acquired, or the liabilities to be assumed, or the completeness of any information provided in connection therewith, except as expressly provided in any definitive transaction documents;

(g) Authorization: Evidence, in form and substance reasonably satisfactory to the Company and the Proposal Trustee, of authorization and approval from the Interested Party's board of directors (or comparable governing body) with respect to the submission, execution and delivery of the Phase I Bid, and identification of any anticipated shareholder, regulatory or other approvals outstanding, and the anticipated time frame and any anticipated impediments for obtaining such approvals;

(h) Break or Termination Fee: Evidence that it does not include any request for or entitlement to any break or termination fee, expense reimbursement or similar type of payment;

(i) Deposit: A cash deposit (the "**Phase I Deposit**") in an amount equal to 5% of the Purchase Price (in the case of a Sale Proposal) or imputed value (in the case of an Investment Proposal) that shall be paid to the Proposal Trustee in trust, which Phase I Deposit shall be held and dealt with in accordance with these SISP Procedures;

(j) Employees: If applicable, the proposed number of employees of the Company who are expected to become employees of the Phase I Bidder if determined to be the Successful Bidder;

(k) Other: Such other information as may reasonably be requested by the Company or the Proposal Trustee; and

(l) Phase I Bid Deadline: It is received by the Proposal Trustee, at the address specified in Schedule "B" hereto (including by email) on or before the Phase I Bid Deadline.

The Company and with the approval of the Proposal Trustee, may waive any one or more minor and non-material violations of the requirements specified for Qualified Phase I Bids and deem such non-compliant Bids to be Qualified Phase I Bids.

12. Evaluation of Qualified Phase I Bids and Designation as Qualified Phase I Bidder

The Company, in consultation with the Proposal Trustee, shall evaluate Qualified Phase I Bids on various grounds including, but not limited to, the Purchase Price or imputed or projected value, the treatment of creditors and related implied recovery for creditors (in each case, as applicable), the assumed liabilities, the certainty of closing the transactions contemplated by the Phase I Bid on or before the Outside Date and any delay or other risks (including closing risks) in connection with the Qualified Phase I Bids.

The Company, with the approval of the Proposal Trustee, shall have the option, in its discretion, to aggregate Portion Bids into an Aggregate Bid.

The Company shall be under no obligation to accept the highest or best offer or any offer (other than the offer contained in the Stalking Horse Agreement if no other higher or better offer is accepted).

As soon as practicable after the Phase I Bid Deadline, the Company, in consultation with the Proposal Trustee, will advise an Interested Party whether or not its Phase I Bid constitutes a Qualified Phase I Bid and that it is a Qualified Phase I Bidder and, if such Phase I Bidder is a Qualified Phase I Bidder, that it is invited to participate in Phase II of the SISP.

For certainty, the Stalking Horse Agreement is a Qualified Phase I Bid and the Stalking Horse Bidder is a Qualified Phase I Bidder for all purposes of these SISP Procedures.

13. No Qualified Phase I Bids

If no Qualified Phase I Bid other than the Bid pursuant to the Stalking Horse Agreement is received by the Phase I Bid Deadline, the Stalking Horse Bidder shall be declared the Successful Bidder and the Stalking Horse Agreement shall be declared the Successful Bid.

PHASE II – BINDING BIDS

14. Qualified Phase II Bid Requirements

Only Qualified Phase I Bidders shall be entitled to submit a Phase II Bid. In order to be considered a Qualified Phase II Bid, as determined by the Company, in consultation with the Proposal Trustee: (i) a Phase II Bid must satisfy all of the requirements for a Qualified Phase I Bid contained in Section 11, provided, however, that the Phase I Bid Deadline shall not apply, and; (ii) the Qualified Phase I Bidder must also submit the following, in form and substance satisfactory to the Company, in consultation with the Proposal Trustee, on or before the Phase II Bid Deadline:

(a) Irrevocable Bid: A cover letter stating that the Phase II Bid is irrevocable until Court approval of the Successful Bid(s), provided that if such Phase II Bidder is selected as the Successful Bidder or the Back-Up Bidder, its Phase II Bid shall remain irrevocable until the Back-Up Bid Expiration Date (as defined below), which includes:

   (i) Sale Proposal: in the case of a Sale Proposal, a duly authorized and executed definitive purchase agreement together with all completed schedules thereto substantially in the form of the Form Purchase Agreement, together with a blackline comparing the purchase agreement submitted to the Form Purchase Agreement which includes all or substantially all of the terms set out in the non-binding letter of intent submitted in Phase I; and

   (ii) Investment Proposal: in the case of an Investment Proposal, a duly authorized and executed binding term sheet which includes all or substantially all of the terms set out in the non-binding investment proposal submitted in Phase I;

(b) Unconditional Bid: Evidence that it is not conditioned on: (i) the outcome of unperformed due diligence including the review of any Additional Confidential Information; (ii) obtaining financing; and/or (iii) any other material closing conditions;

(c) Acknowledgment: An acknowledgement and representation that the Phase II Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents regarding the Company, the Business and/or the Assets to be acquired, or liabilities to be assumed in making its Phase II Bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties conditions or guaranties whatsoever, whether express or implied (by operation of law or otherwise) by the Company, the Proposal Trustee or any of their respective employees, directors, officers, agents, advisors or other representatives, regarding the Company, the Business, the Assets to be acquired, liabilities to be assumed, or the completeness of any information provided in connection therewith, except as expressly provided in any definitive transaction documents;

(d) Authorization: Evidence, in form and substance reasonably satisfactory to the Company and the Proposal Trustee, of authorization and approval from the Interested Party's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Phase II Bid, and confirmation that any other required approvals have been obtained;

(e) Deposit: A cash deposit (the "**Deposit**") which, in combination with the Phase I Deposit, shall be in an amount not less than 10% of the Purchase Price (in the case of a Sale Proposal) or imputed value (in the case of an Investment Proposal) that shall be paid to the Proposal Trustee in trust, which Deposit shall be held and dealt with in accordance with these SISP Procedures;

(f) Employees: If applicable, full details of the proposed number of employees of the Company who will become employees of the Phase II Bidder if determined to be the Successful Bidder and the proposed terms and conditions of employment to be offered to those employees;

(g) Other: Such other information as may reasonably be requested by the Company or the Proposal Trustee; and

(h) Phase II Bid Deadline: It is received by the Proposal Trustee, at the address specified in Schedule "B" hereto (including by email) on or before the Phase II Bid Deadline.

15. Evaluation of Qualified Phase II Bids and Subsequent Actions

The Company, in consultation with the Proposal Trustee, shall evaluate Qualified Phase II Bids on various grounds including, but not limited to, the Purchase Price or imputed or projected value, the treatment of creditors and related implied recovery for creditors (in each case, as applicable), the assumed liabilities, the certainty of closing the transactions contemplated by the Qualified Phase II Bid on or before the Outside Date and any delay or other risks (including closing risks) in connection with the Qualified Phase II Bids.

For certainty, the Stalking Horse Agreement is a Qualified Phase II Bid and the Stalking Horse Bidder is a Qualified Phase II Bidder for all purposes of these SISP Procedures.

Following such evaluation, the Company, with the approval of the Proposal Trustee, shall:

(a) identify if any Qualified Phase II Bid is a Superior Offer; and

(b) if one or more Qualified Phase II Bids are considered to be a Superior Offer, each Qualified Phase II Bidder presenting a Superior Offer shall proceed to an auction (the "**Auction**") with the Stalking Horse Bidder in accordance with the procedures set out in the attached Schedule "C" (the "**Auction Procedure**") to identify the "**Successful Bid**", and the Qualified Phase II Bidder making such Successful Bid, the "**Successful Bidder**". The determination of any Successful Bid by the Company, in consultation with the Proposal Trustee, shall be subject to approval by the Court.

The Company, with the approval of the Proposal Trustee, shall have the option to aggregate Portion Bids into an Aggregate Bid. Notwithstanding anything to the contrary herein, the Company, with the approval of the Proposal Trustee, shall be permitted to include Qualified Investment Bids or Qualified Sale Bids in the Auction, including to the extent such Qualified Phase II Bids are Portion Bids, provided that such Qualified Investment Bids or Qualified Sale Bids constitute a Superior Offer.

Following the selection of the Successful Bid, the Company shall take such steps as may be necessary to finalize definitive transaction documents for the Successful Bid(s) with the Successful Bidder(s).

The Company may conditionally accept one or more (if for distinct and compatible transactions that are Portion Bids) Qualified Phase II Bids, which acceptance will be conditional upon the failure of the transaction(s) contemplated by the Successful Bid to close (the "**Back-up Bid**" and Qualified Phase II Bidder making such Back-up Bid being the "**Back-Up Bidder**").

The Company shall be under no obligation to accept the highest or best offer or any offer (other than the offer contained in the Stalking Horse Agreement if no Superior Offer is accepted) or to select any Successful Bidder(s) and any Back-Up Bidder(s). For greater certainty, any accepted offer, whether at the Auction or otherwise, must constitute a Superior Offer.

As soon as reasonably practicable and by no later than December 2, 2022, the Company shall advise the Qualified Phase II Bidders if Successful Bid(s) and Back-Up Bid(s) have been accepted, or conditionally accepted, as the case may be. If the Company determines it is necessary to conduct an Auction pursuant to the SISP Procedures, the Company or the Proposal Trustee will advise the Qualified Phase II Bidders of the date, time, location and the rules (if any) of the Auction in accordance with the Auction Procedure.

16. No Qualified Phase II Bids

If no Superior Offer is received by the Phase II Bid Deadline, the Auction will not be held, and the Stalking Horse Bidder will be declared to be the Successful Bidder and the Stalking Horse Agreement shall be declared the Successful Bid.

APPROVAL MOTION

17. Approval Motion

The Company shall use reasonable efforts to make a motion to the Court to approve the Successful Bid(s) and Back-Up Bid(s) as soon as practicable following the determination by it and the Proposal Trustee of the Successful Bidder(s). The Company will be deemed to have accepted the Successful Bid(s) only when it has been approved by the Court. All Qualified Phase II Bids (other than the Successful Bid(s) and the Back-Up Bid(s)) shall be deemed rejected by the Company on and as of the date of approval of the Successful Bid(s) by the Court.

18. Back-Up Bidder

If a Successful Bidder fails to close the transaction contemplated by the Successful Bid(s) on or before the Outside Date for any reason, then the Company will be deemed to have accepted the Back-Up Bid(s) and will proceed with the transaction pursuant to the terms thereof. The Back-Up Bid(s) shall remain open for acceptance until the closing of the Successful Bid(s), or such other later date as the Company and the Back-Up Bidder may agree, acting reasonably (the "**Back-Up Bid Expiration Date**").

MISCELLANEOUS

19. Information From Interested Parties

Each Interested Party shall comply with all reasonable requests for additional information by the Company or the Proposal Trustee regarding such Interested Party and its contemplated transaction. Failure by an Interested Party to comply with requests for additional information will be a basis for the Company to determine that the Interested Party is not a Qualified Phase I Bidder or a Qualified Phase II Bidder, as applicable.

20. Deposits

All Deposits shall be held by the Proposal Trustee in a single interest bearing account designated solely for such purpose. A Deposit paid by a Successful Bidder shall be dealt with in accordance with the definitive documents for the transactions contemplated by the Successful Bid. Deposits, and any interest earned thereon, paid by Phase I Bidders not selected as either a Qualified Phase I Bidder or a Qualified Phase II Bidder shall be returned to such Phase I Bidder within three Business Days of being advised that it is not a Qualified Phase I Bidder or a Qualified Phase II Bidder, as the case may be. Deposits, and any interest thereon, paid by Qualified Phase II Bidders not selected as either a Successful Bidder or a Back-Up Bidder shall be returned to such Qualified Phase II Bidders within three Business Days of Court approval of the Successful Bid. In the case of Back-Up Bid(s), the Deposit and any interest earned thereon shall be retained by the Proposal Trustee until the Back-Up Bid Expiration Date and returned to the Back-Up Bidder within three Business Days thereafter or, if a Back-Up Bid becomes a Successful Bid, shall be dealt with in accordance with the definitive documents for the Back-Up Bid.

21. Modifications and Termination

The Company, in consultation with the Proposal Trustee, shall have the right to adopt such other rules for the SISP Procedures (including rules that may depart from those set forth herein) that will better promote the sale of the Business or all or any part of the Assets or investment in the Company under these SISP Procedures. The Company, in consultation with the Proposal Trustee, shall apply to the Court if it wishes to materially modify or terminate the process set out in these SISP Procedures. For certainty, any amendments to the Phase I Bid Deadline or the Phase II Deadline or other dates set out in these SISP Procedures, including those relating to the Auction, shall not constitute a material modification, provided that any extensions to the Phase I Bid Deadline or the Phase II Deadline are not longer than seven calendar days.

22. Consultation with the Secured Lenders

The Company, in consultation with the Proposal Trustee, shall, as appropriate, consult with SVB throughout the SISP; provided that, SVB shall not be permitted to participate in the SISP.

23. Credit Bids

Any holder of Notes is permitted to credit bid the amount outstanding under the Notes that it holds in partial satisfaction of the Purchase Price provided that: (i) the amount owing to any party with a claim against the Company in priority to the Notes; and (ii) the amount outstanding under all of the Notes, which each rank *parri passu*, is paid in cash or assumed by the Purchaser with the consent of such party.

24. Other

Neither the Company nor the Proposal Trustee shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions contemplated under the SISP arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid(s) and Back-Up Bid(s). Any such claim shall be the sole liability of the parties that submitted such Successful Bid(s) and Back-Up Bid(s).

Neither the Company nor the Proposal Trustee shall have any liability whatsoever to any person or party, including without limitation, to any Potential Bidder, Phase 1 Bidder, Phase 2 Bidder, a Successful Bidder or Back-Up Bidder, or any creditor, or other stakeholder, for any act or omission related to this SISP. By submitting a Bid, each

Interested Party shall be deemed to have agreed that it has no claim against the Company or the Proposal Trustee for any reason, matter or thing whatsoever related to this SISP.

SCHEDULE "A"

Acknowledgement of the SISP

The undersigned hereby acknowledges receipt of the Sale and Investor Solicitation Process approved by the Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) dated October 17, 2022 (the "**SISP**") and that compliance with the terms and provisions of the SISP is required in order to participate in the SISP and for any Bids to be considered by the Company.

This ____day of _______________, 2022.

[NAME]

By:

____
[Signing Officer]

SCHEDULE "B"
ADDRESS PARTICULARS

Grant Thornton Limited
11th Floor, 200 King Street West
Toronto, ON M5H 3T4

Attention:	Jason Kanji
Phone:	416.777.6136
Fax:	416.360.4949
Email:	jason.kanji@ca.gt.com

SCHEDULE "C"
AUCTION PROCEDURES

Auction

1. If the Company, with the approval of the Proposal Trustee, determines to conduct an Auction pursuant to the SISP Procedures, the Company or the Proposal Trustee will notify the Qualified Phase II Bidders (including the Stalking Horse Bidder) who made a Qualified Phase II Bid that the Auction will be held virtually at 9:00 a.m. (Eastern Time) on a date that is determined by the Company or the Proposal Trustee, provided that it is a date that is not later than two Business Days after the Phase II Bid Deadline, or such other place, date and time as the Company or the Proposal Trustee may advise. Capitalized terms used but not defined herein have the meaning given to them in the SISP Procedures.

The Auction shall be conducted in accordance with the following procedures:

(a) Participation At the Auction. Only a Qualified Phase II Bidder is eligible to participate in the Auction. Each Qualified Phase II Bidder must inform the Company and the Proposal Trustee whether it intends to participate in the Auction no later than 12:00 p.m. (Eastern Time) on the Business Day prior to the Auction. Only the authorized representatives of each of the Qualified Phase II Bidders, the Proposal Trustee and the Company, and their respective counsel and other advisors, and any other parties acceptable to the Company in consultation with the Proposal Trustee, shall be permitted to attend the Auction.

(b) Bidding at the Auction. Bidding at the Auction shall be conducted in rounds. The highest Qualified Phase II Bid at the beginning of the Auction shall constitute the "**Opening Bid**" for the first round and the highest Overbid (as defined below) at the end of each round shall constitute the "**Opening Bid**" for the following round. In each round, a Qualified Phase II Bidder may submit no more than one Overbid. Only a Qualified Phase II Bidder who bids in a round (including the Qualified Phase II Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction. For greater certainty, an Aggregate Bid may be determined to be the Opening Bid for any round including the opening round.

(c) Proposal Trustee Shall Conduct the Auction. The Proposal Trustee and its advisors shall direct and preside over the Auction. At the start of the Auction, the Proposal Trustee shall provide the terms of the Opening Bid to all participating Qualified Phase II Bidders at the Auction. The determination of which Qualified Phase II Bid constitutes the Opening Bid for each round shall take into account any factors that the Proposal Trustee reasonably deems relevant to the value of the Qualified Phase II Bid, including, among other things, the following: (i) the amount and nature of the consideration, including the value of any non-cash consideration; (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors; (iii) the Proposal Trustee's reasonable assessment of the certainty of the Qualified Phase II Bidder to close the proposed transaction on or before the Outside Date; (iv) the likelihood, extent and impact of any potential delays in closing; (v) the impact of the contemplated transaction on any actual or potential litigation; (vi) the net economic effect of any changes from the Opening Bid of the previous round; (vii) the net after-tax consideration to be received by the Company; and (viii) such other considerations as the Proposal Trustee deems relevant in its reasonable business judgment (collectively, the "**Bid Assessment Criteria**"). For greater certainty, the Proposal Trustee may ascribe monetary values to non-monetary terms in Overbids for the purposes of assessing and valuing such Overbids, including without limitation, the value to be ascribed to any liabilities or contracts to be assumed. All Bids made after the Opening Bid shall be Overbids, and shall be made and received on an open basis, and all material terms of the highest and best Overbid shall be fully disclosed to all other Qualified Phase II Bidders that are participating in the Auction. The Proposal Trustee shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction, including the Successful Bid and the Back-Up Bid.

(d) <u>Terms of Overbids</u>. An "**Overbid**" is any Bid made at the Auction subsequent to the Proposal Trustee's announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Qualified Phase II Bidder must comply with the following conditions:

(i) *Minimum Overbid Increment:* Any Overbid shall be made in such increments as the Proposal Trustee may determine in order to facilitate the Auction (the "**Minimum Overbid Increment**"). The amount of the cash purchase price consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment(s) at that time plus any additional Minimum Overbid Increments. In respect of the Stalking Horse Agreement and any Overbid by the Stalking Horse Purchaser, the value shall include the amount of any indebtedness owing to it that is to be deemed repaid or otherwise released and any priority indebtedness to be assumed pursuant to and in accordance with the terms of the Stalking Horse Agreement.

(ii) *The Bid Requirements same as for Qualified Phase II Bids:* Except as modified herein, an Overbid must comply with the bid requirements contained herein, provided, however, that the Phase II Bid Deadline shall not apply. Any Overbid made by a Qualified Phase II Bidder must provide that it remains irrevocable and binding on the Qualified Phase II Bidder and open for acceptance until the closing of the Successful Bid(s).

(iii) *Announcing Overbids:* At the end of each round of bidding, the Proposal Trustee shall announce the identity of the Qualified Phase II Bidder and the material terms of the then highest and/or best Overbid, including the nature of the proposed transaction contemplated by the best Overbid, the assets proposed to be acquired and the obligations proposed to be assumed, the basis for calculating the total consideration offered in such Overbid, and the resulting benefit to the Company based on, among other things, the Bid Assessment Criteria. For greater certainty, an Aggregate Bid may be determined to be the highest and/or best Overbid.

(iv) *Consideration of Overbids:* The Proposal Trustee reserves the right, in consultation with the Company, to make one or more adjournments in the Auction to, among other things: (A) facilitate discussions between the Company and individual Qualified Phase II Bidders; (B) allow individual Qualified Phase II Bidders to consider how they wish to proceed; (C) consider and determine the current highest and/or best Overbid at any given time during the Auction; and (D) give Qualified Phase II Bidders the opportunity to provide the Proposal Trustee with such additional evidence as it, or the Company, may require, that the Qualified Phase II Bidder has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Proposal Trustee and Company may have clarifying discussions with a Qualified Phase II Bidder, and the Proposal Trustee may allow a Qualified Phase II Bidder to make technical clarifying changes to its Overbid following such discussions.

(v) *Portion Bids:* Notwithstanding the forgoing, each Portion Bidder entitled to participate in the Auction shall be entitled to submit an Overbid (in a minimum increment to be determined by the Proposal Trustee) with respect to the Assets on which it is bidding without being required to submit an Overbid with respect to all Assets or the applicable Opening Bid; provided that any Aggregate Bid that is an Overbid shall be subject to these Auction procedures as any other Overbid, including that such Aggregate Bid that is an Overbid shall be subject to the Minimum Overbid Increment. Portion Bids can be aggregated with any other Qualified Phase II Bid, as determined by the Company and the Proposal Trustee.

(vi) *Failure to Bid:* If at the end of any round of bidding a Qualified Phase II Bidder (other than a Portion Bidder, or the Qualified Phase II Bidder that submitted the then highest and/or best Overbid or Opening Bid, as applicable) fails to submit an Overbid, then such Qualified Phase II Bidder shall not be entitled to continue to participate in the next round of the Auction.

(e) <u>Discussion with other Bidders</u>. A Qualified Phase II Bidder shall not strategize or discuss with other Qualified Phase II Bidders for the purpose of submitting an Overbid without the consent of the Proposal Trustee.

(f) <u>Additional Procedures</u>. The Proposal Trustee may, in consultation with the Company, adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction, including rules pertaining to the structure of the Auction, the order of bidding provided they are not inconsistent with any of the provisions of the SISP Procedures and provided further that no such rules may change the requirement that all material terms of the then highest and/or best

Overbid at the end of each round of bidding will be fully disclosed to all other Qualified Phase II Bidders.

(g) Closing the Auction. The Auction shall be closed after the Proposal Trustee, with the assistance of the Company and their respective legal counsel, has (i) reviewed the final Overbid of each Qualified Phase II Bidder on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale, and (ii) identified the Successful Bid and the Back-Up Bid and advise the Qualified Phase II Bidders participating in the Auction of such determination. One or more Portion Bids can, in the discretion of the Proposal Trustee, form part of a Successful Bid and Back-Up Bid so long as such Portion Bids do not overlap in respect of the Assets sought to be purchased and in such case, such Portion Bid shall be included in the definition of Successful Bidder or Back-Up Bid, as applicable.

(h) Finalizing Documentation. Promptly following a Bid of a Qualified Phase II Bidder being declared the Successful Bid or the Back-Up Bid, the applicable Qualified Phase II Bidder shall execute and deliver such revised and updated definitive transaction agreements as may be required to reflect and evidence the Successful Bid or Back-Up Bid.

(i) Qualified Investment Bids. Notwithstanding any other provision of these SISP Procedures, if a Qualified Phase II Bidder submits a Qualified Investment Bid, which the Company or the Proposal Trustee considers would result in a greater value being received for the benefit of the Company's creditors than the Qualified Sale Bids, then the Proposal Trustee may allow such Qualified Phase II Bidder to participate in the Auction, notwithstanding that such Qualified Investment Bid may not otherwise comply with the terms of these Auction Procedures. In such case, the Proposal Trustee may adopt appropriate rules to facilitate such Qualified Phase II Bidder's participation in the Auction.

Schedule 2.3(1)

EXCLUDED LIABILITIES

The following is a non-exhaustive list of Excluded Liabilities:

1. Any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which the Corporation may be bound as at the Closing Time.

2. Any and all Liabilities in respect of any litigation or Legal Proceedings brought or initiated, or which could be brought or initiated against the Corporation.

3. Any and all Liabilities relating to or under the Excluded Contracts and Excluded Assets.

4. All amounts outstanding to Her Majesty the Queen in Right of Canada, as represented by the Minister responsible for Federal Economic Development Agency in Southern Ontario, in connection with the Business Scale-Up and Productivity Contribution Agreement, including any other related agreements.

5. Any and all Liabilities with regard to the Terminated Employees.

6. Any Liabilities for Taxes owing or accrued due by the Corporation prior to the Filing Date.

7. Any and all Liabilities that are not Assumed Liabilities.

Schedule 4.1

EXCLUDED ASSETS AND EXCLUDED CONTRACTS

Excluded Assets – None.

Excluded Contracts – all agreements relating to Liabilities that are Excluded Liabilities.

This is Exhibit "B" referred to in the Affidavit of Clive Dias of the City of Brampton, sworn before me at the City of Toronto, in the Province of Ontario, on November 22, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Daniel Richer
6A252F5966B84F8...

Commissioner for Taking Affidavits (or as may be)

DANIEL RICHER

Estate / Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
[COMMERCIAL LIST]

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF iS5 COMMUNICATIONS INC., OF THE CITY OF MISSISSAUGA IN THE PROVINCE OF ONTARIO

AFFIDAVIT OF CLIVE DIAS
(SWORN AUGUST 5, 2022)

I, Clive Dias, President, Chief Executive Officer and a Director of iS5 Communications Inc. ("**iS5**" or the "**Company**"), of the City of Brampton, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am the President, Chief Executive Officer and a Director of the Board of Directors of iS5 and as such, I have knowledge of the matters set out herein. Where information has been received from others, I have stated the source of the information and believe it to be true.

2. In this Affidavit I describe a number of the Company's material agreements. In each case I provide a high level summary only and reference should be made to the applicable document attached as an Exhibit to my Affidavit.

I. PURPOSE

3. I am swearing this affidavit in support of a Motion by the Company for an order pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"),

(a) Abridging the time for service of the Notice of Motion and the Motion Record and dispensing with service on any other person other than those served;

(b) Approving the DIP Term Sheet (as defined below) and granting the DIP Charge (as defined below);

(c) Establishing the Administration Charge (as defined below);

(d) Declaring that the directors and officers of the Company shall be indemnified by the Company against obligations and liabilities that they may incur in their capacity as directors or officers of the Company after the commencement of these proceedings, and granting a D&O Charge (as defined below) to secure such indemnity; and

(e) Authorizing the Company to pay pre-filing amounts owing to certain suppliers if necessary to ensure the ongoing operations of the Company, in the maximum amount of USD $120,000.

4. The Company filed a notice of intention to make a proposal under the BIA on August 5, 2022 (the "**NOI Proceeding**").

5. Grant Thornton Limited ("**Grant Thornton**") has been named as proposal trustee (in such capacity, the "**Proposal Trustee**") of the Company in the NOI Proceeding.

6. The purpose of the NOI Proceeding is to provide the Company an opportunity to either identify a purchaser for its assets or an investor in the Company's business through a proposed stalking horse sale process. The requested relief is integral to achieving either of these goals.

7. As discussed in greater detail below, prior to the commencement of the NOI Proceeding, the Company was negotiating with one of its existing second-lien noteholders, Phoenix Contact Venture Funds I GmbH ("**Phoenix Venture**"), with respect to a potential sale of the Company. While those negotiations were ongoing, it became apparent that the Company did not have sufficient liquidity to allow it to complete the negotiations without bridge financing. Phoenix Venture offered to provide debtor-in-possession financing ("**DIP Financing**") to the Company, through its affiliated company Phoenix Contact GmbH & Co. KG ("**Phoenix**"), subject to Court approval of the DIP Financing and the granting of a DIP Charge within an NOI Proceeding. The Company was unable to secure bridge financing from other sources on acceptable terms in the timeline it required.

8. The purpose of the DIP Financing is to provide the Company with the funds it needs to complete the negotiation of a binding stalking horse purchase agreement with Phoenix, and once the stalking horse purchase agreement is executed, to commence a stalking horse sale process. Prior to the commencement of the NOI Proceeding, the Company and Phoenix entered

into a non-binding letter of intent dated August 3, 2022 (the "**LOI**") which sets out the terms upon which the parties are prepared to negotiate a binding stalking horse purchase agreement to act as the minimum bid in a proposed stalking horse sale process. The proposed purchase price, subject to the completion of due diligence by Phoenix, is in the range of USD $5 million to USD $7 million.

9. The DIP Financing and the DIP Charge requested on this motion, among other relief, are required to provide the Company with liquidity while it continues its negotiations with Phoenix towards a binding stalking horse purchase agreement.

II. BACKGROUND

A) Corporate History and Structure

10. iS5 is a company that provides integrated services and information technology solutions to clients. The Company is also a manufacturer of intelligent Industrial Ethernet products, which are designed to meet the stringent demand requirements of utility sub-stations, roadside transportation, rail, and industrial applications. iS5's services and products are key enablers of advanced technology implementation such as the Smart Grid, Intelligent Transportation Systems, Intelligent Oil Field, and Internet of Things ("**IoT**").

11. The Company is a global leader and trusted provider of cybersecure digital energy cloud platforms that transcend the boundaries of critical infrastructure networks. The Company drives edge and IoT solutions to enable a smarter grid. Its platforms provide high performance, reliability, and availability for harsh environments.

12. The Company was incorporated under the *Ontario Business Corporations Act* on October 10, 2012. Attached hereto and marked as **Exhibit "A"** is a copy of the Company's corporate profile report.

13. The Company operates from leased head office premises located at 5895 Ambler Drive, Mississauga, Ontario.

14. The Company also operates a manufacturing facility from the 5895 Ambler Drive premises, where it manufactures, tests, and designs communication devices for critical infrastructure, specifically the power grid.

15. The Company has framework agreements with Siemens AG, Phoenix, and Larson & Toubro (now part of Schneider Electric) to supply its products to their subsidiaries globally. Given the nature of the product the Company supplies, once a customer has tested and verified the product for their applications, the customer generally continues to purchase from iS5 for future projects.

16. iS5 uses various suppliers from Taiwan, China, and local suppliers to provide the Company with the specific material it requires to manufacturer it's products. iS5 also uses local stocking distributers that provide the required electronic components for its products.

17. Until recently the Company had five directors. As a result of the liquidity issues facing iS5, two directors have resigned since June 2022. The Company's remaining directors are James Huff, Marcus Boker and myself. Marcus Boker is a Senior Director of Phoenix, the proposed stalking horse purchaser under the LOI, and Managing Director of Phoenix Venture, one of the Company's Secured Noteholders (as defined below). James Huff is Managing Director of ClearSky Power & Technology Fund II LLC and ClearSky Security Fund I LLC

(together, "**ClearSky**"), who are each Secured Noteholders of the Company. I am also a Secured Noteholder of the Company in my personal capacity. Each of Phoenix Venture, ClearSky and I are also shareholders in the Company.

18. Because Marcus Boker is a principal of the proposed stalking horse purchaser and the proposed DIP Lender, he has recused himself from all Board discussions in respect of these matters.

B) iS5's Operations and Assets

19. The Company employs 39 employees, with 37 head-office employees, and 2 employees based in the United States; 38 employees are full time, salaried employees, and one is employed full time on a term contract. Of the 39 employees, five are on a leave of absence and two have been laid off temporarily. None of the Company's employees are unionized. In addition, the Company employs two foreign based sales staff contractors who work exclusively for the Company.

20. The Company's head office in Mississauga is responsible for managing iS5's operations. Given the nature of the Company's business, most of its employees outside of the head office, other than employees involved with manufacturing, work remotely.

21. The Company's assets relate to software, intellectual property, accounts receivable, inventory, manufacturing equipment, and office equipment and furniture.

III. CREDITORS

22. Attached hereto and marked as **Exhibit "B"** is a copy of the creditor list included in the NOI filing.

A) PPSA Search Results

23. A search of the Ontario Personal Property Registry ("**PPSA Search**") was conducted in respect of the Company on August 3, 2022. Attached hereto and marked as **Exhibit "C"** is a copy of the PPSA Search.

24. The PPSA Search reveals the following registrations (among others):

(a) Registration No. 20220106 0945 1793 9343, in favour of Silicon Valley Bank ("**SVB**"), registered on January 6, 2022. This registration appears to be in respect of substantially all of the Company's personal property, with the exception of its intellectual property and "consumer goods".

(b) Registration No. 20210816 1017 1590 0693, in favour of ClearSky, acting on its own behalf and for and on behalf of all of the secured creditors, registered on August 16, 2021. This registration appears to be in respect of substantially all of the Company's personal property, with the exception of "consumer goods".

(c) Registration No. 20201102 1344 1862 4148, in favour of BDC Capital Inc. ("**BDC**"), acting on its own behalf and for and on behalf all of the secured creditors, registered on November 2, 2020. This registration appears to be in respect of substantially all of the Company's personal property, with the exception of "consumer goods".

(d) Registration No. 20190412 1312 1793 2459, in favour of SVB, registered on April 12, 2019. This registration appears to be in respect of substantially all of the Company's personal property, with the exception of its intellectual property and "consumer goods".

25. The PPSA Search reflects a number of other registrations against the Company, all of which appear to be in respect of equipment financing arrangements whereby certain equipment lessors finance equipment to the Company. The court-ordered charges sought by the Company in this Motion are to rank subordinate in priority to those security interests, assuming same are validly perfected.

B) Secured Indebtedness to Silicon Valley Bank

26. The Company is indebted to SVB pursuant to the terms of a loan and security agreement dated as of May 15, 2019 (the "**SVB Loan Agreement**"). Pursuant to the SVB Loan Agreement, SVB agreed to make term loan advances available to the Company of up to an aggregate principal amount of USD $3 million, subject to the terms and conditions of the SVB Loan Agreement. Once repaid, the amounts advanced under the SVB Loan Agreement cannot be reborrowed. Attached hereto and marked as **Exhibit "D"** is a copy of the SVB Loan Agreement.

27. The SVB Loan Agreement was amended pursuant to a first amendment agreement dated February 1, 2022 (the "**SVB Loan Amendment**"). Pursuant to the SVB Loan Amendment SVB made additional term loan advances available to the Company up to the aggregate amount of USD $400,000, subject to certain conditions, including a successful equity raise by the Company. The equity raise did not occur and amounts were not advanced under the

contemplated additional term loan. Attached hereto and marked as **Exhibit "E"** is a copy of the SVB Loan Amendment.

28. The SVB Loan Amendment also provided for a new revolving line facility in favour of the Company in the maximum amount of USD $600,000, subject to availability under the borrowing base formula.

29. As of July 26, 2022, the aggregate amount outstanding under the SVB Loan Agreement, as amended by the SVB Loan Amendment, is:

(a) Term loan: USD $1.33 million, comprised of principal in the amount of USD $1,333,333.33 and accrued interest in the amount of approximately USD $7,000, respectively. Advances under the term loan bear interest at a floating rate equal to the greater of (i) 0.75% above the Prime Rate (as defined in the SVB Loan Agreement), and (ii) 6.25%, which is payable monthly; and

(b) Revolving line facility: USD $602,800, comprised of principal in the amount of USD $600,000 and accrued interest in the amount of USD $2,800, respectively. Advances under the revolving facility bear interest at a floating rate equal to the greater of (i) 1.75% above the Prime Rate (as defined in the SVB Loan Agreement), and (ii) 5%, which is payable monthly.

30. Pursuant to the SVB Loan Agreement (as amended by the SVB Loan Amendment), the Company granted a security interest in all of its present and after-acquired personal property, excluding its intellectual property (over which a negative pledge is granted in section 7.5 of the SVB Loan Agreement) in favour of SVB to secure payment and performance of the Company's obligations to pay amounts owing from the Company to SVB under the SVB

Loan Agreement, or otherwise. The SVB Loan Amendment expressly provides that the Company granted to SVB a security interest in any tax credits, including any of its Scientific Research and Experimental Development ("**SRED**") tax credits from the Government of Canada.

31. SVB's security interest is registered under the PPSA and appears to be first in priority.

32. As discussed below, on July 21, 2022, SVB provided short-term bridge financing to the Company in the form of two principal deferrals in the aggregate amount of USD $166,666.66 (one retroactive refund of a previous principal payment in July of USD $83,333.33, and a second deferral of a principal payment of USD $83,333.33 that was due August 2, 2022), and access to an additional USD $43,000 under the revolving line facility, in order to permit the Company additional time to negotiate the terms of a binding stalking horse purchase agreement with Phoenix. These amounts are included in the total aggregate indebtedness owing to SVB described above at paragraph 29.

C) Secured Notes

33. The Company has historically relied on debt and equity financing to fund its liquidity needs, primarily through notes and convertible secured debt issued to its existing shareholder groups.

34. As of August 4, 2022, the Company has issued and outstanding secured notes in the aggregate amount of CDN $11,104,905, comprised of the principal amount of CDN $9,875,000 and interest in the amount of CDN $1,229,905 (collectively, the "**Secured Notes**"). As described below, the Secured Notes were issued pursuant to a series of note offerings. In each case, the Company granted a security interest in favour of the Secured Noteholders (as defined

below) to secure the Company's obligations under the Secured Notes. The Company's obligations under each of the Secured Notes rank *pari passu*.

35. The following table summarizes the Company's obligations to the various noteholders under the Secured Notes (collectively, the "**Secured Noteholders**") as of August 4, 2022:

OFFERING	DATE SECURED NOTE ISSUED	SECURED NOTE ISSUED TO	OUTSTANDING PRINCIPAL AMOUNT OF SECURED NOTE	ACCRUED INTEREST	INTEREST RATE PER ANNUM	MATURITY DATE
2020 Notes	Nov. 19, 2020	David Coutinho & Jessica Coutinho, Trustees to Coutinho Family Trust	Cdn $ 35,000	Cdn $ 5,288.60	8.55%	Nov. 19, 2023
2020 Notes	Nov. 19, 2020	Cao Yang	Cdn. $20,000	Cdn $3,022.06	8.55%	Nov. 19, 2023
2020 Notes	Nov. 19, 2020	Phoenix Contact Venture Funds I Gmbh	Cdn. $1,000,000	Cdn $ 151,102.06	8.55%	Nov. 19, 2023
2020 Notes	Nov. 19, 2020	ClearSky Security Fund I LLC	Cdn. $500,000	Cdn $ 75,551.43	8.55%	Nov. 19, 2023
2020 Notes	Nov. 19, 2020	ClearSky Power & Technology Fund II LLC	Cdn. $1,500,000	Cdn $226,654.29	8.55%	Nov. 19, 2023
2020 Notes	Nov. 19, 2020	BDC Capital Inc.	Cdn. $3,000,000	Cdn $ 453,308.58	8.55%	Nov. 19, 2023
2021 Notes	Aug. 17, 2021	ClearSky Power & Technology Fund II LLC	Cdn $ 1,875,000	Cdn $ 154,602.74	8.55%	Feb. 19, 2024
2021 Notes	Aug. 17, 2021	ClearSky Security Fund I LLC	Cdn $ 625,000	Cdn $ 51,534.25	8.55%	Feb. 19, 2024
2021 Notes	Aug. 17, 2021	Phoenix Contact Venture Funds I GmbH	Cdn $ 1,250,000	Cdn $ 103,068.49	8.55%	Feb. 19, 2024
2021 Notes	Aug. 17, 2021	Cao Yang	Cdn $20,000	Cdn $ 1,649.10	8.55%	Feb. 19, 2024
2021 Notes	Aug. 17, 2021	Clive Dias	Cdn $25,000	Cdn $ 2,061.37	8.55%	Feb. 19, 2024
2021 Notes	Aug. 17, 2021	Artemis Capital Limited	Cdn $25,000	Cdn $ 2,061.37	8.55%	Feb. 19, 2024
		GRAND TOTAL	**Cdn $ 9,875,000**	**Cdn $1,229,905**		

(i) 2020 Secured Notes Offering

36. On November 19, 2020, the Company completed a bridge financing for gross proceeds of CDN $6,055,000 (the "**2020 Secured Notes Offering**"). The Company issued a total of six convertible secured notes (the "**2020 Secured Notes**") as part of a series pursuant to the terms of a term sheet between the Company and BDC dated September 24, 2020 (the "**2020 Term Sheet**") as part of BDC's Venture Capital Bridge Financing Program. Attached hereto and marked as **Exhibit "F"** is a copy of the 2020 Term Sheet and attached hereto and marked as **Exhibit "G"** is a specimen 2020 Note.

37. The 2020 Secured Notes will mature on November 19, 2023 and bear interest, accruing and calculated and payable on maturity, conversion, acceleration of repayment or on a liquidation event (as defined in the 2020 Secured Notes) at a rate of 8.55%.

38. The due payment and performance of the obligations of the Company under the 2020 Secured Notes is secured by a security interest granted to BDC on behalf of itself and the other holders of 2020 Secured Notes in all of the Company's present and after-acquired property, excluding its intellectual property (over which a negative pledge is granted in section 11 of the 2020 Secured Notes). The 2020 Secured Notes rank *pari passu* with each other.

(ii) 2021 Secured Notes Offering

39. On August 17, 2021, the Company completed a bridge financing for gross proceeds of CDN $3,820,000 (the "**2021 Secured Notes Offering**"). The Company issued a total of six convertible secured notes (the "**2021 Secured Notes**") as part of a series pursuant to the terms of a term sheet between the Company and certain existing investors (the "**2021 Term Sheet**") on substantially the same terms and conditions as the 2020 Secured Notes, except that

each investor in the 2021 Secured Notes received a warrant for the purchase of 0.4231 Class A Common Shares of the Company at a strike price of $0.001 USD per share for each $1.00 USD of 2021 Secured Notes purchased ("**2021 Warrants**"). None of the 2021 Warrants have been exercised. Attached hereto and marked as **Exhibit "H"** is a copy of the 2021 Term Sheet and attached hereto and marked as **Exhibit "I"** is a specimen 2021 Note.

40. The 2021 Secured Notes will mature on February 19, 2024 and bear interest, accruing and calculated and payable on maturity, conversion, acceleration of repayment or on a liquidation event (as defined in the 2021 Secured Notes) at a rate of 8.55%.

41. The due payment and performance of the obligations of the Company under the 2021 Secured Notes is secured by a security interest granted to ClearSky on behalf of itself and the other holders of 2021 Secured Notes in all of the Company's present and after-acquired property, excluding its intellectual property (over which a negative pledge is granted in section 12 of the 2021 Secured Notes). The 2021 Secured Notes rank *pari passu* with each other.

D) Intercreditor Matters

42. The holders of the 2020 Secured Notes and the 2021 Secured Notes entered into an intercreditor agreement dated as of August 17, 2021 which provides, among other terms, that the 2020 Secured Notes and the 2021 Secured Notes would rank *pari passu* with each other prior to the maturity date of the 2020 Secured Notes. Attached hereto and marked as **Exhibit "J"** is a copy of the intercreditor agreement.

43. The holders of the 2020 Secured Notes entered into a subordination agreement made as of November 19, 2020 in favour of SVB (the "**2020 Subordination Agreement**"). Pursuant to the terms of the 2020 Subordination Agreement, each holder of the 2020 Secured

Notes agreed to subordinate all of the indebtedness and obligations of the Company under the 2020 Secured Notes and related security, to the Company's obligations to SVB under the SVB Loan Agreement, the SVB Loan Amendment, and related security. Among other provisions, the 2020 Subordination Agreement provides that, in the event of the Company's insolvency, the 2020 Subordination Agreement shall remain in full force and effect and SVB's claims shall be paid in full before any payment is made to the holders of the 2020 Secured Notes. Attached hereto and marked as **Exhibit "K"** is a copy of the 2020 Subordination Agreement.

44. The holders of the 2021 Secured Notes entered into a subordination agreement made as of July 31, 2021 in favour of SVB (the "**2021 Subordination Agreement**"). The 2021 Subordination Agreement is identical to the 2020 Subordination Agreement (with the exception of the date and signatories). Attached hereto and marked as **Exhibit "L"** is a copy of the 2021 Subordination Agreement.

E) Unsecured Creditors

45. The Company has approximately CAD $4 million in unsecured debt as of July 27, 2022.

46. As at August 4, 2022, the Company will owe its current and former employees for unpaid wages and vacation pay in the following approximate aggregate amounts:

(a) Wage arrears: CDN $52,974; and

(b) Accrued and unused vacation pay in the approximate amount of: CDN $121,520.

47. It is contemplated (and reflected in the projected cash flow statements discussed below) that the wage arrears and accrued but unpaid amounts for vacation pay will be paid by the Company from the first advance under the DIP facility.

48. The Company is current on all HST remittances. The Company does not maintain a pension for its employees. The Company is current on deductions from employee wages at source.

49. In addition to payroll obligations, the Company is indebted to the Federal Economic Development Agency for Southern Ontario in the aggregate amount of CDN $2,590,000 pursuant to the terms of two unsecured federal development loans dated September 9, 2016 and August 31, 2021 respectively.

50. The Company also owes various trade suppliers the aggregate approximate amount of USD $803,500. The Company is dependent on the continued supply of product from its vendors to ensure that it is able to meet the needs of its customers. Disruption to the continued supply of goods and services from some of these vendors could severely impact the ongoing financial performance of the Company. It is therefore contemplated that the Company be permitted to pay pre-filing amounts owing to those vendors that the Company deems critical to its operations, to the extent necessary, in the maximum aggregate amount of USD $120,000, in accordance with the Cash Flow Statement and subject to the express approval of the Proposal Trustee or Order of the Court.

IV. THE COMPANY'S FINANCIAL POSITION

51. The Company's most recent year-to-date ("**YTD**") summarized financial statements are presented as at June 30, 2022. Below is a summary of the Company's unaudited balance sheet as at June 30, 2022 in USD:

	Actual Jun-22
ASSETS	
Cash	713,844
Account Receivable	565,834
SRED Receivable	1,145,882
HST/GST	29,603
Prepaid Expenses	221,613
Inventory	2,496,037
Total Current Assets	***5,172,813***
Total Long Term Asset	***1,024,231***
TOTAL ASSETS	***6,197,044***
LIABILITIES AND EQUITY	
Current Liabilities	
Accounts Payable	971,432
Accrued Liabilities	600,632
Other current liabilities Taxes Payable	30,741
Total Current Liabilities	***1,602,805***
Long Term Liabilities	
FedDev Loans	2,006,970
SVB Loans	1,890,333
Repayable Grants	52,103
Leases	354,878
Convertible Debentures	8,533,892
Total Long Term Liabilities	***12,838,176***
Equity	
Total Shareholder Equity	22,518,156
Retained Earnings	(29,807,081)
Net Income	(955,012)
Total Equity	***(8,243,937)***
TOTAL LIABILITIES AND EQUITY	***6,197,044***

52. The June 30, 2022 balance sheet reflects that the Company has total liabilities of approximately USD $13 million, and assets of approximately USD $6 million, and is therefore insolvent.

V. THE COMPANY'S FINANCIAL DIFFICULTIES

53. Since inception, and in particular over the last five years, the Company has been focused on developing new products through research and development. As the cost of research and development and operating the business exceeded proceeds from sales, the Company relied primarily on debt and equity financings to fund its liquidity needs. The Company's ability to raise funds is largely tied to the health of the financial markets, investor interest in hardware based technology companies in the communication equipment sector, and the ability of the Company to demonstrate successful commercialization of its new products. Given the significant delays to commercialize the Company's new line of products, first due to design flaws, and once corrected, due to the severe impact of the pandemic which caused lock downs at the Company's clients, the Company has been unable to demonstrate sufficient commercialization traction to potential new investors as well as its existing shareholders. As such, the Company has been unable to raise additional capital to fund its ongoing liquidity needs.

54. Since October 2021, the Company has engaged with various venture capital firms, lenders, investment bankers, existing creditors and shareholders in an attempt to raise capital. On October 22, 2021 the Company engaged the services of IOI Capital and Markets, LLC ("**IOI Capital**") to assist it in identifying a potential sale, recapitalization or investment transaction. That engagement did not result in any bids. In the final stages of that process, commencing in May 2022, the Company engaged in discussions for a second time with parties who had shown some interest in acquiring or investing in the Company during the process run by IOI Capital, this time on the basis of a distressed transaction. Such endeavours did not result in a proposal by any party.

55. In furtherance of its recapitalization and restructuring efforts, the Company has engaged in extensive discussions with Phoenix with respect to a potential acquisition of the Company. Phoenix's affiliate, Phoenix Venture, is an existing Secured Noteholder and, shareholder of the Company, and itself is a client of the Company that has indicated it is prepared to act as a stalking horse purchaser in a sale process commenced within this NOI Proceeding. In furtherance of that goal, Phoenix has also agreed to provide the Company with the interim financing it requires to finalize the negotiation of a binding stalking horse purchase agreement and pursue a stalking horse sale process.

56. While Phoenix and the Company continue to negotiate the terms of a potential stalking horse purchase agreement, which remains subject to ongoing due diligence by Phoenix, the Company is facing an imminent liquidity crisis which requires that it be provided with access to the interim financing prior to the execution of the stalking horse purchase agreement.

57. In particular, commencing the week of August 8, 2022, the Company will not have sufficient liquidity to meet its employee wages and ongoing obligations that will accrue thereafter in the absence of interim financing. The directors have indicated that they are unlikely to continue as directors without access to the proposed interim financing to ensure that they are not incurring personal liability should wages go unpaid.

58. As discussed above, the Company's senior secured lender, SVB. had previously offered short-term bridge financing to the Company on July 21, 2022 which allowed the Company to meet its liquidity needs for approximately two weeks in the hopes that the Company and Phoenix would be able to execute a binding stalking horse purchase agreement during that period. As of the date of this Affidavit, Phoenix and the Company continue to make progress in

their negotiation of a definitive stalking horse purchase agreement but require additional time for Phoenix to complete its due diligence and to finalize the agreement. Phoenix has agreed to provide the Company with the interim financing it requires, in the context of this NOI Proceeding, to complete the stalking horse purchase agreement negotiations and, if an agreement can be reached with respect to the terms of the stalking horse purchase agreement, to pursue a proposed stalking horse sale process. The Company determined that it was in the best interests of its stakeholders generally for it to seek Court approval of the DIP Term Sheet and DIP Charge so that it may continue negotiating the proposed stalking horse purchase agreement with Phoenix with a view to maximizing recoveries for its stakeholders.

59. The amount of the interim financing sought in respect of the first advance under the DIP facility (USD $600,000) is limited to the amount required to allow Phoenix and the Company to finalize the negotiation of a binding stalking horse purchase agreement. Upon the execution of a binding stalking horse purchase agreement, the Company intends to return to Court to seek approval of that agreement to act as a stalking horse bid in a stalking horse sale process, and to seek approval of a further advance under the DIP facility to provide the Company with the funds its requires to carry out that sale process in the amount of USD $500,000.

60. The Company has limited cash on hand, it has exhausted its liquidity and presently has no viable alternative to raise additional capital, and as such, the Company filed a NOI and entered into a DIP Term Sheet to allow it the time it requires to continue negotiating a binding stalking horse purchase agreement. On August 5, 2022, the Company and Phoenix executed a non-binding LOI dated as of August 3, 2022 summarizing the terms upon which the parties are prepared to negotiate a definitive purchase agreement for Phoenix to acquire the

Company. The contemplated purchase price is between USD $5 million and USD $7 million. Attached hereto and marked as **Exhibit "M"** is a copy of the LOI.

VI. RESIGNATION OF DIRECTORS

61. Since June 2022, two Board members have resigned from the board of directors of the Company. As of the date of swearing this affidavit, only James Huff, Marcus Boker and I remain as directors of the Company.

62. The Company is attempting to identify a candidate to join the board of directors, and is in ongoing discussion with a potential candidate as to the terms of his potential engagement as a director of the Company.

VII. CURRENT FINANCIAL POSITION

63. The Company does not have sufficient funds to meet its obligations or carry out its active business operations. As described above, without immediate financing, the Company is unable to pay amounts due to its employees for unpaid wages and accrued vacation pay, or to remain current with its vendors.

64. In the absence of being able to fund its employee wages, there is a substantial risk that the Company's board of directors will resign and the negotiation of the proposed stalking horse purchase agreement will end. The Company's value to Phoenix and any other potential purchaser resides mainly in the know-how of iS5 employees and the Company as a going concern.

VIII. COMPANY'S CASH-FLOW FORECASTS

65. In connection with negotiations around the DIP Term Sheet (discussed below), the Company has prepared a cash flow statement (the "**Cash Flow Statement**") for the period from August 8, 2022 to November 4, 2022. A copy of the Cash Flow Statement is attached hereto as **Exhibit "N"**.

66. The Cash Flow Statement demonstrates the cash needs of the Company during the forecast period and assumes that the DIP Loan (defined below) is approved and advanced to the Company (among other assumptions outlined in the Cash Flow Statement). The cash outflows of the Company contemplated in the Cash Flow Statement include direct costs of the Company (including restructuring costs) during the forecast period, including the payment of wages owing to employees (including accumulated vacation pay).

IX. THE DIP TERM SHEET

67. In connection with the negotiation of the proposed stalking horse purchase agreement, and in light of the Company's liquidity constraints, the Company and Phoenix engaged in discussions with respect to possible interim financing to be provided by Phoenix during the course of the NOI proceeding. During the course of these discussions, it became apparent that the Company's liquidity needs were more severe than expected and that bridge financing would be required prior to the execution of a stalking horse agreement.

68. On July 21, 2022, SVB provided short-term bridge financing to the Company in the form of two principal deferrals in the aggregate amount of USD $166,666 and access to an additional USD $43,000 under the revolving line facility in order to permit the Company

additional time to negotiate the terms of a binding stalking horse purchase agreement with Phoenix. While the Company and Phoenix have made progress in their negotiations, they are not yet in a position to execute a binding stalking horse purchase agreement as of the date of this Affidavit.

69. The Company is facing another liquidity crisis and, as reflected in the Cash Flow Statement, requires immediate financing to fund its ongoing operations. Phoenix has indicated that it is prepared to provide interim financing to the Company provided the Company was able to commence the NOI proceeding and to obtain the DIP Charge, on a super-priority basis, securing the obligations advanced thereunder. The DIP Charge provides for a security interest in all of the present and future assets of the Company, including its intellectual property which is currently unencumbered. The Company was unable to secure bridge financing from any alternative source on acceptable terms within the timeframe it required, including from SVB.

70. The Company and Phoenix executed a DIP term sheet dated August 5, 2022 (the "**DIP Term Sheet**") pursuant to which Phoenix agreed to provide debtor-in-possession financing to the Company, up to a maximum amount of USD $1,100,000, subject to certain conditions including that the Company obtain an Order in these NOI Proceedings granting the DIP Charge in priority to all encumbrances except the Administration Charge, the D&O Charge, and any security interest in favour of an equipment financier, if properly perfected. A copy of the DIP Term Sheet is attached hereto and marked as **Exhibit "O"**.

71. The execution of the DIP Term Sheet by the Company was expressly subject to approval of the Proposal Trustee and the Court. The DIP Term Sheet requires that the Company close a transaction by no later than October 31, 2022, and contemplates the following:

(a) Phoenix will provide interim financing to the Company (the "**DIP Loan**") in the maximum amount of USD $1,100,000 (exclusive of interest, fees and costs) to be advanced in accordance with the terms of the DIP Term Sheet and the Cash Flow Statement approved by the Proposal Trustee and accepted by Phoenix;

(b) the DIP facility shall be advanced by Phoenix to the Company in two advances (each, an "**Advance**") of USD $600,000 and USD $500,000. Each Advance shall be requested by the Borrower in writing and in each case is subject to approval of the Court (each, an "**Advance Request**");

(c) The first Advance in the amount of USD $600,000 shall be made within two business days after the Conditions Precedent (as defined in the DIP Term Sheet) have been satisfied. Because this motion was brought on an urgent basis, the amount of the interim financing sought in respect of the first Advance is limited to the amount that is expected to be required to negotiate a binding stalking horse purchase agreement with Phoenix. If the Company and Phoenix agree to a binding stalking horse purchase agreement, they intend to return to Court to seek approval of the second Advance;

(d) as security for the obligations of the Company under the DIP Loan, Phoenix will receive a Court ordered charge over all of the assets of the Company that ranks in priority to all other claims and encumbrances, except for the Administration Charge, the D&O Charge, and validly perfected security in favour of equipment lessors;

(e) the Company shall pay to Phoenix a commitment fee equal to two percent of the amount of the DIP Loan. The commitment fee is non-refundable and fully earned and payable as of the date of the first Advance; and

(f) Advances under the DIP accrue at a rate of 14% *per annum*.

72. The primary purpose of the DIP Loan is to fund payroll obligations and other working capital requirements of the Company to allow it to continue negotiating the stalking horse purchase agreement and, if executed, to implement the stalking horse sale process to maximize recoveries for the benefit of the Company's stakeholders, subject to approval of the Court.

X. RELIEF SOUGHT

A) Approval of the DIP Term Sheet & DIP Charge

73. As set out above under the heading "DIP Term Sheet", the Company and Phoenix executed the DIP Term Sheet to provide interim financing to the Company during this NOI Proceeding.

74. It is a condition of the DIP Term Sheet that it be approved by the Court and that Phoenix be granted a super priority court-ordered charge over all of the assets, rights, undertakings and properties of the Company as security for amounts advanced under the DIP Loan (the "**DIP Charge**"), ranking ahead of all other encumbrances other than the Administration Charge and the D&O Charge and validly perfected security in favour of equipment lessors. Phoenix has advised the Company that it will not advance any funds under

the DIP Loan unless the Court approves the DIP Charge. The DIP Charge will not secure any obligations owing to Phoenix that were incurred prior to the NOI Proceeding.

75. The Company's Cash Flow Statement filed with the court shows that, without DIP Financing, the Company will be unable to fund its operations or pursue the negotiation of the stalking horse purchase agreement. Without the DIP Financing, the Company's ability to pursue a future sale or restructuring will be seriously jeopardized, to the detriment of all of its stakeholders. If the court approves the DIP Loan, the Cash Flow Statement projects that the Company will have sufficient funding to continue its operations until at least November 4, 2022, which is the expected timeframe required to negotiate and execute a binding stalking horse purchase agreement, commence the proposed stalking horse sale process, and conclude a transaction with a successful purchaser.

76. The Board of Directors of the Company has determined that the DIP Term Sheet is in the best interests of the Company in the circumstances, and will allow the Company to continue to pursue a transaction with the intention of maximizing value for its stakeholders.

77. I am advised by Dan Wootton of Grant Thornton Limited that the Proposal Trustee is supportive of the DIP Term Sheet and the granting of the DIP Charge.

78. The Company provided notice of this motion to SVB and its second ranking Secured Noteholders. The Company's other secured creditors are equipment financiers. As indicated above, it is contemplated in this Application that the charges to be created by Court order will rank subordinate in priority to the validity perfected security of the equipment financiers and they have therefore not been provided with notice of this motion.

79. As described above, the continued engagement of certain of the Company's suppliers is critical to its ongoing operations. Disruption to these vendors may interrupt the supply of inventory to the Company. The Company is therefore requesting that it be permitted to pay certain pre-filing amounts owing to certain of those vendors that it considers critical to its business, in the maximum aggregate amount of USD $120,000, provided that such payments shall be consistent with the Cash Flow Statement, and subject to the express prior approval of the Proposal Trustee or Order of the Court.

B) Approval of the Administration Charge

80. The Company is seeking a first-ranking charge on all of its property, in priority to all other charges in the maximum amount of CDN $150,000 (the "**Administration Charge**") to secure the fees and disbursements of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company incurred in connection with services rendered to the Company both before and after the commencement of these NOI Proceedings.

81. I believe that it is critical to the success of the contemplated stalking horse purchase agreement and sale process to have the Administration Charge in place to ensure that these restructuring professionals are protected with respect to their fees and disbursements. The professionals that are the beneficiaries of the Administration Charge have contributed, and continue to contribute, to the sale and restructuring of the Company.

82. The Company has worked with the Proposal Trustee and the other restructuring professionals to estimate the proposed quantum of the Administration Charge and I believe it to be reasonable and appropriate in the circumstances.

C) Approval of the D&O Indemnity and Charge

83. To ensure the ongoing stability of the Company during the NOI Proceeding and to maximize the potential of a successful sale or restructuring, the Company requires the continued participation of its directors and officers.

84. The directors and officers of the Company have specialized expertise and relationships with suppliers, employees and other stakeholders, as well as knowledge gained throughout the development of the Company's intellectual property and software programs, that cannot be replicated or replaced.

85. I am advised by Dylan Chochla of Fasken, counsel to the Company, that in certain circumstances directors and officers can be held liable for certain obligations and liabilities that they may incur as a director or officer after the NOI filing.

86. The Company maintains directors' and officers' liability insurance (the "**D&O Insurance**") for its directors and officers. The current D&O Insurance policy provides a total of CDN $3 million in coverage but is subject to numerous exclusions and limitations of coverage which may leave the directors and officers without coverage under the D&O Insurance. The presence of these exclusions and coverage limits create a degree of uncertainty with respect to whether the D&O Insurance will adequately cover potential claims.

87. In addition, there are contractual indemnities which have been given by the Company to its directors and officers. The Company does not have sufficient funds to satisfy those indemnities should the directors and/or officers incur obligations and liabilities after the commencement of these proceedings.

88. In light of the foregoing, the directors and officers of the Company have indicated that, due to the exposure associated with these liabilities, they are not prepared to continue their service as directors and officers unless the court grants an order: (i) indemnifying them for obligations and liabilities that they may incur in their capacity as directors or officers of the Company after commencement of these proceedings, and (ii) creating a charge on the assets of the Company in the maximum amount of CDN $200,000 (the "**D&O Charge**"), as security for the aforesaid indemnity. The D&O Charge is proposed to rank behind the Administration Charge and ahead of the DIP Charge. Phoenix has consented to the D&O Charge.

89. The amount of the cap on the D&O Charge of CDN $200,000 has been estimated by the Company's Board of Directors in consultation with management and the Proposal Trustee. By ensuring the continued participation of the Company's directors and officers the D&O Charge will allow the Company to continue to benefit from the expertise and knowledge of its directors and officers. I believe the D&O Charge is fair and reasonable in the circumstances.

90. I swear this Affidavit in support of the Company's Motion in these proceedings.

SWORN remotely by Clive Dias, via videoconference, at the City of Brampton, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 5th day of August, 2022, in accordance with O. Reg 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

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Commissioner for Taking Affidavits

MITCH STEPHENSON

DocuSigned by:

Clive Dias

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CLIVE DIAS

This is Exhibit “A” referred to in the Affidavit of Clive Dias sworn by Clive Dias at the City of Brampton, in the Province of Ontario, before me on August 5, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

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Commissioner for Taking Affidavits (or as may be)

Ontario

Ministry of Government and
Consumer Services

Profile Report

IS5 COMMUNICATIONS INC. as of August 04, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	IS5 COMMUNICATIONS INC.
Ontario Corporation Number (OCN)	2345438
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	October 10, 2012
Registered or Head Office Address	5895 Ambler Drive, Mississauga, Ontario, Canada, L4W 5B7

Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	Marcus BOKER
Address for Service	Flachsmarktstar. 8, 32825 Blomberg, Germany,
Resident Canadian	No
Date Began	March 20, 2018

Name	Clive DIAS
Address for Service	48 Amarillo Road, Brampton, Ontario, Canada, L6R 4A5
Resident Canadian	Yes
Date Began	October 10, 2012

Name	James HUFF
Address for Service	700 Universe Boulevard, Juno Beach, Florida, United States, 33408
Resident Canadian	No
Date Began	July 31, 2018

Active Officer(s)

Name	Clive DIAS
Position	Chief Executive Officer
Address for Service	48 Amarillo Road, Brampton, Ontario, Canada, L6R 4A5
Date Began	October 10, 2012

Name	Clive DIAS
Position	President
Address for Service	48 Amarillo Road, Brampton, Ontario, Canada, L6R 4A5
Date Began	October 10, 2012

Corporate Name History

Name	IS5 COMMUNICATIONS INC.
Effective Date	October 10, 2012

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Expired or Cancelled Business Names

Name	IS5COM
Business Identification Number (BIN)	221044431
Status	Inactive - Expired
Registration Date	October 11, 2012
Expired Date	October 10, 2017

Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: Clive DIAS	July 28, 2022
CIA - Notice of Change PAF: Clive DIAS	July 28, 2022
CIA - Notice of Change PAF: Clive DIAS	November 25, 2021
Annual Return - 2020 PAF: CAREY CHOW - DIRECTOR	September 20, 2020
Annual Return - 2019 PAF: CAREY CHOW - DIRECTOR	May 03, 2020
Annual Return - 2019 PAF: CAREY CHOW - DIRECTOR	October 13, 2019
CIA - Notice of Change PAF: CLIVE DIAS - DIRECTOR	November 20, 2018
Annual Return - 2018 PAF: JOHN MACCHARLES - DIRECTOR	September 23, 2018
CIA - Notice of Change PAF: CLIVE DIAS - DIRECTOR	August 09, 2018
BCA - Articles of Amendment	March 15, 2018
CIA - Notice of Change PAF: JOHN MACCHARLES - DIRECTOR	January 17, 2018
Annual Return - 2017 PAF: JOHN MACCHARLES - DIRECTOR	July 30, 2017
CIA - Notice of Change PAF: CLIVE DIAS - DIRECTOR	September 08, 2016

Annual Return - 2016 PAF: JOHN MACCHARLES - DIRECTOR	July 03, 2016
BCA - Articles of Amendment	June 06, 2016
CIA - Notice of Change PAF: JOHN MACCHARLES - DIRECTOR	November 13, 2015
Annual Return - 2015 PAF: JOHN MACCHARLES - DIRECTOR	July 11, 2015
Annual Return - 2014 PAF: JOHN MACCHARLES - DIRECTOR	October 18, 2014
Annual Return - 2013 PAF: MACCHARLES JOHN - DIRECTOR	April 05, 2014
BCA - Articles of Amendment	December 17, 2013
BCA - Articles of Amendment	November 29, 2012
BCA - Articles of Incorporation	October 10, 2012

All “PAF” (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

This is Exhibit "B" referred to in the Affidavit of Clive Dias sworn by Clive Dias at the City of Brampton, in the Province of Ontario, before me on August 5, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

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Commissioner for Taking Affidavits (or as may be)

- Creditor Mailing List -

In the Matter of the Proposal of
iS5 Communications Inc.
of the city of Mississauga, in the Province of Ontario

Creditor Type	Name	Attention	Address	Claim $
Director	Clive Dias		5895 Ambler Dr Mississauga ON L4W 5B7 CliveDias@is5com.com	
	3D Hubs Manufacturing Llc		228 East 45th Street Suite 9E New York NY 10017 United States	914.10
	Alectra Utilities Corporation		PO Box 3700 Concord ON L4K5N2	2,308.29
	Altran Act S.A.S.		96 Avenue Charles de Gaulle Neuilly-Sur-Seine FR 92200 France	224,318.80
	Arrow Electronics Canada Ltd.		171 Superior Blvd, Unit 2 Mississauga ON L5T2L1	12,912.92
	Artemis Captial Limited		3395 Buena Vista Court Oakville ON L6L 6W6	25,000.00
	Avnet International (Canada) Ltd		6950 Creditview Road Mississauga ON L5N0A6	72,439.62
	Axcen Photonics Corp.		6F No 119 Baozhong Road New Taipei City TW 23144 Taiwan	1,503.68
	Bal Global Finance 100752 - Appficiency		5955 Airport Road, Unit 218 Mississauga ON L4V1W5	7,311.85
	Bal Global Finance 149758		181 Bay Street 4th Floor Toronto ON M5J2V8	976.32
	Bayview Metals		6 Barr Road Ajax ON L1S3X9	92,812.53
	Bel Power Solutions		2390 Walsh Avenue Santa Clara CA 95051 United States	51,408.00
	Bell Canada		PO Box 3650 Station Don Mills Toronto ON M3C3X9	661.05
	Blue Chip Leasing Corporation		156 Duncan Mill Road, Unit 16 Toronto ON M3B 3N2	1.00
	Cao Yang		Flat 2804, Building J, Lane 55J Xizong Road Shanghai China	40,000.00
	Caravel Law		342 Queen Street West Suit 200 Toronto ON M5V2A2	1,421.54
	City Clean		6124 Shawson Drive Mississauga ON L5T1E6	32.32
	ClearSky Power & Technology Fund ll LLC		11231 US Highway 1, #395 North Palm Beach FL 33408 USA	3,375,000.00
	ClearSky Security Fund l LC		11231 US Highway 1, #395 North Palm Beach FL 33408 USA	1,125,000.00
	Clive Dias		48 Amarillo Road Brampton ON L6R 4A5	25,000.00
	CRA	INSOLVENCY UNIT	1 FRONT STREET WEST SUITE 100 Toronto ON M5J 2X6	250.00

- Creditor Mailing List -

In the Matter of the Proposal of
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Creditor Type	Name	Attention	Address	Claim $
	Csa Group Testing & Certification Inc		178 Rexdale Blvd Toronto ON M9W1R3	1,649.80
	CWB National Leasing Inc.		1525 Buffalo Place Winnipeg MB R3T 1L9	1.00
	David Coutinho & Jessica Coutinho		Trustees to Coutinho Family Trust 6760 Kazoo Court Mississauga ON L5W 1T4	35,000.00
	Delmar International Inc.		6399 Cantay Road Mississauga ON L5R0G4	1,278.77
	Descartes Systems(Usa) Llc		2030 Powers Ferry Road Atlanta GA 30339-5066 United States	12,390.61
	Dhyan Networks And Technologies Inc		160 Stanford Avenue Fremont CA 94539 United States	8,289.54
	Digi-Key Electronics 2296083		PO Box 250 Thief River Falls MN 56701-0250 United States	8,949.48
	Eas Exhibition Services		1400 Bayly Street Office Mall 2, Unit 4 Pickering ON L1W3R2	3,621.65
	Exposystems Canada		420 Passmore Avenue Scarborough ON M1V5B1	13,130.60
	Fasken Martineau Dumoulin Llp		333 Bay Street, Suite 2400 Toronto ON M5H2T6	31,693.02
	FedEx-Priority		FedEx-Priority PO Box 4626 Toronto St. A Toronto ON M5W5B4	10,863.98
	FPGA Technologies Ltd		236 Carrington Drive Guelph ON N1G5K3	3,051.00
	Future Electronics		PO Box 12539 Montreal QC H3C5G7	24,291.26
	GAL Power Systems Toronto Ltd.		217 Statesman Drive Mississauga ON L5S1X4	1,977.50
	Gould Leasing Ltd.		1220 Yonge Street, Suite 201 Toronto ON M4T 1W1	1.00
	Great-West Life		100 King Street West, 14th Floor Hamilton ON L8P1A2	17,127.12
	GreatCanada Financial Services Inc.		132-280 Nelson Street Vancouver BC V2B 2E2	1.00
	I.T. Mission Inc		6911 Creditview Road Mississauga ON L5N8G1	56.50
	Ieee Pes T&D Conference & Expo		PO Box 72097 Roselle IL 60172 United States	4,112.64
	Indcom 19JUN14IL		5061 Ure Street Oldcastle ON N0R1L0	1,481.43
	Indcom Lease 20JUL16IL		5061 Ure Street Oldcastle ON N0R1L0	2,551.73
	Infinite Cables		3993 14th Avenue Markham ON L3R4Z6	749.19
	Ingram Micro		55 Standish Court Mississauga ON L5R4A1	2,499.34

- Creditor Mailing List -

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Creditor Type	Name	Attention	Address	Claim $
	Integra Optics Inc.		28 Corporate Circle Albany NY 12203 United States	4,535.97
	Jc Janitorial Cleaning Services		618 Surrey Lane Burlington ON L7T3S6	2,158.30
	Kintetsu World Express		6405 Northam Drive Mississauga ON L4V1J2	478.96
	Lbc Capital Lease 37103L		5035 S Service Road Burlington ON L7L 6M9	840.95
	Macnica Americas		380 Stevens Avenue, Suite 206 Solana Beach CA 92075 United States	12,576.97
	Mara Technologies Inc.		5680 14th Avenue Markham ON L3S3K8	29,484.30
	Mcmaster-Carr		PO Box 7690 Chicago IL 606807690 United States	331.41
	Minister Of Revenue Of Quebec		1224226094 RS0001 Montreal QC H5B1A8	17,987.84
	Ministry of Finance	Collections Branch	33 King Street West PO Box 627 Oshawa ON L1H 8H5 Fax: (905) 436-4474	250.00
	Mouser Electronics, Inc.		PO Box 15820, Station A Toronto ON M5W1C1	6,050.23
	Muldoon's		5680 Timberlea Blvd Mississauga ON L4W4M6	67.68
	Newark Premier Farnell Canada Ltd		T27537 PO Box 4275 Toronto ON M5W5V8	204.76
	NFS Leasing Canada Ltd.		40 King Street West, Suite 2100, Scotia Plaza Toronto ON M5H 3C2	1.00
	North America Fiber Optics		5910 No 6 Road Richmond ON V6V1Z1	5,547.69
	Ohio Bureau Of Workers Compensation		PO Box 89492 Cleveland OH 441016492 United States	253.18
	Oracle Lease 113264 - Appficency		5955 Airport Road, Unit 218 Mississauga ON L4V1W5	2,548.90
	Oracle Lease 118122 - Appficency		5955 Airport Road, Unit 218 Mississauga ON L4V1W5	708.15
	Oring Indusrtrial Networking Corp		3F, No 542-2 Zhongzheng Road New Taipei TW 23148 Taiwan	68,412.48
	Pencom Canada		420 Thompson Drive Cambrdige ON N1T2K8	1,561.92
	Phoenix Contract Venture Funds I Gmbh		Flachsmarktstraße 8, 32825 Blomberg Germany	2,250,000.00
	Powersonic Industries Inc.		13 Simpson Road Bolton ON L7E1E4	5,027.46
	Questor 238067V		675 Cochrane Drive East Tower, 6th floor Markham ON L3R0B8	1,598.24
	Radiflow Ltd		31 Habarzel St. Tel Aviv IS 69710 Israel	93,568.99

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Creditor Type	Name	Attention	Address	Claim $
	RCAP Leasing Inc.		5575 North Service Road, STE 300 Burlington ON L7L 6M1	1.00
	Republic Packaging Of Canada		127 Jardin Drive Vaughan ON L4K1X5	3,088.22
	Riches, Mckenzie & Herbert Llp		2 Bloor Street East, Suite 1800 Toronto ON M4W3J5	2,314.83
	Rlx Solutions Inc		23 McCleary Court Concord ON L4K3R6	10,473.24
	Royal Bank Of Canada		260 East Beaver Creek Road Richmond Hill ON L4B3M3	36.75
	Samtec Usa		520 Park East Blvd New Albany NY 471507251 United States	22,491.00
	Shiu Li Technology Co.,Ltd		No. 435 Yongfeng Road Bade City TW 33455 Taiwan	2,206.69
	Silicon Valley Bank		4220-181 Bay Street Toronto ON M5J 2T3	1,807,000.00
	Softchoice Lp		PO Box 57102 Toronto ON M5W5M5	17,561.41
	System-On-Chip Engineering Sl		Edificio Udondo Planta 6ª Avd. de la Ribera de Axpe nº50 Erandio Erandio SP 48950 Spain	1,992.06
	Taitien Usa		1801 Broadway Street Charlottesville VA 22902 United States	22,433.17
	Tektronix Inc.		400 Britannia Road Mississauga ON L4Z1X9	144.24
	Telus		PO Box 5300 Burlington ON L7R4S8	1,741.23
	Testworx		PO Box 218 Brockville ON K6V5V2	8,075.97
	The Receiver General For Canada		Post Office Box 20000, Station A Sudbury ON P3A5C1	8,180.97
	Transit Components Inc.		2425 Matheson Blvd East Mississauga ON L4W5K4	33,628.48
	Tuv Sud Canada Inc		11 Gordon Collins Drive Gormley ON L0H1G0	10,141.75
	UCA Users Group		PO Box 315 Shell Knob MS 65747 United States	3,534.30
	Uline Canada Corporation		Uline Canada Corporation Box 3500 Mississauga ON L5M0S8	507.72
	United Healthcare		PO Box 94019 Palatine IL 600944017 United States	5,821.54
	Vault Credit Corporation		41 Scarsdale Road, Unit 5 Toronto ON M3B 2R2	1.00
	Waste Managment Of Canada Corp		420 King Street East Kitchener ON N2P2G5	535.07
	Wex Health,Inc (Previously Discovery Benefits)		4321 20th Avenue South Fargo ND 58103 United States	128.52
	Workplace Safety & Insurance Board		PO Box 4115, Station A Toronto ON M5W2V3	45.48
	Wurth Electronics Midcom		121 Airport Drive Watertown SD 57016330 United States	250.61

Creditor Type	Name	Attention	Address	Claim $

This is Exhibit "C" referred to in the Affidavit of Clive Dias sworn by Clive Dias at the City of Brampton, in the Province of Ontario, before me on August 5, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

8A6E4EF09DF34D5...

Commissioner for Taking Affidavits (or as may be)

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.

FILE CURRENCY : 02AUG 2022

ENQUIRY NUMBER 20220803110804.78 CONTAINS 77 PAGE(S), 22 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

FASKEN MARTINEAU DUMOULIN LLP - CORPORATE SEARCHES

333 BAY STREET
TORONTO ON M5H 2T6

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crfj6 05/2022)

CONTINUED... 2

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
779706666

01 CAUTION FILING | PAGE NO. 001 | OF TOTAL PAGES 3 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20220117 1204 6005 7407 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 04

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME IS5 COMMUNICATIONS INC. — ONTARIO CORPORATION NO.
04 ADDRESS 5895 AMBLER DR MISSISSAUGA ON L4W 5B7

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT CWB NATIONAL LEASING INC.
09 ADDRESS 1525 BUFFALO PLACE (3080052) WINNIPEG MB R3T 1L9

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10			X						

11 MOTOR
12 VEHICLE — YEAR | MAKE | MODEL | V.I.N.

13 GENERAL ALL COMPUTER EQUIPMENT- INTELLAFLEX BLADE 36 PORT
14 COLLATERAL AGGREGATION/FILTERING BLADE C/W RELATED COMPONENTS OF EVERY NATURE OR
15 DESCRIPTION KIND DESCRIBED IN AGREEMENT NUMBER 3080052, BETWEEN QUESTOR

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
779706666

01 CAUTION FILING | PAGE NO. 002 | OF | TOTAL PAGES 3 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20220117 1204 6005 7407 | REGISTERED UNDER | REGISTRATION PERIOD

02 DEBTOR NAME | DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME | ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME | DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME | ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

10 COLLATERAL CLASSIFICATION | CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

11 MOTOR
12 VEHICLE | YEAR | MAKE | MODEL | V.I.N.

13 GENERAL FINANCIAL CORP., AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH
14 COLLATERAL AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE SECURED
15 DESCRIPTION PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS,

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 4
(5323)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 1S5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 779706666

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		003		3		20220117 1204 6005 7407		

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
02 DEBTOR
03 NAME BUSINESS NAME ONTARIO CORPORATION NO.
04 ADDRESS

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
10

YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE

13 GENERAL ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY
14 COLLATERAL OR INDIRECTLY THEREFROM.
15 DESCRIPTION

16 REGISTERING
17 AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
779491134

01 CAUTION FILING | PAGE NO. 001 | OF TOTAL PAGES 3 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20220106 0945 1793 9343 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 5

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME IS5 COMMUNICATIONS INC. — ONTARIO CORPORATION NO.
04 ADDRESS 5895 AMBLER DRIVE MISSISSAUGA ON L4W5B7

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT SILICON VALLEY BANK
09 ADDRESS 161 BAY STREET, SUITE 4410 TORONTO ON M5J2S1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

11 MOTOR
12 VEHICLE — YEAR | MAKE | MODEL | V.I.N.

13 GENERAL COLLATERAL DESCRIPTION ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.
14 NOTWITHSTANDING THE FOREGOING, THE COLLATERAL DOES NOT INCLUDE ANY
15 INTELLECTUAL PROPERTY OF THE DEBTOR PROVIDED, HOWEVER, THE

16 REGISTERING AGENT AIRD & BERLIS LLP (148949)
17 ADDRESS 181 BAY STREET, SUITE 1800 TORONTO ON M5J2T9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
779491134

01 CAUTION FILING | PAGE NO. 002 | OF | TOTAL PAGES 3 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20220106 0945 1793 9343 | REGISTERED UNDER | REGISTRATION PERIOD

02 DEBTOR DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 NAME BUSINESS NAME | ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 NAME BUSINESS NAME | ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

11 MOTOR YEAR | MAKE | MODEL | V.I.N.
12 VEHICLE

13 GENERAL COLLATERAL SHALL INCLUDE ALL ACCOUNTS AND ALL PROCEEDS OF
14 COLLATERAL INTELLECTUAL PROPERTY. PURSUANT TO THE TERMS OF A CERTAIN NEGATIVE
15 DESCRIPTION PLEDGE ARRANGEMENT WITH SECURED PARTY, DEBTOR HAS AGREED NOT TO

16 REGISTERING
17 AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 7

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
779491134

01 CAUTION FILING | PAGE NO. 003 | OF | TOTAL PAGES 3 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20220106 0945 1793 9343 | REGISTERED UNDER | REGISTRATION PERIOD

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME | ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME | ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

11 MOTOR VEHICLE — YEAR | MAKE | MODEL | V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION ENCUMBER ANY OF ITS INTELLECTUAL PROPERTY WITHOUT THE PRIOR WRITTEN
14 CONSENT OF THE SECURED PARTY.
15

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 8

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 8
(5327)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 779150808

CAUTION FILING | PAGE NO. | OF | TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER | REGISTRATION PERIOD
01 | 01 | | 002 | | 20211220 1009 1462 0406 | P PPSA | 3

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
02 DEBTOR
03 NAME BUSINESS NAME IS5 COMMUNICATIONS INC.
ONTARIO CORPORATION NO.
04 ADDRESS 5895 AMBLER DRIVE MISSISAUGA ON L4W5B7

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
05 DEBTOR
06 NAME BUSINESS NAME IS5 COMMUNICATIONS INC.
ONTARIO CORPORATION NO.
07 ADDRESS 7490 PACIFIC CIR, UNIT 3 MISSISAUGA ON L5T2A3

08 SECURED PARTY / LIEN CLAIMANT VAULT CREDIT CORPORATION
09 ADDRESS 41 SCARSDALE ROAD UNIT 5 TORONTO ON M3B2R2

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10			X		X				

YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT VAULT CREDIT CORPORATION
17 ADDRESS 41 SCARSDALE ROAD UNIT 5 TORONTO ON M3B2R2

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 9

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 9
(5328)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
779150808

01 CAUTION FILING | PAGE NO. 02 | OF TOTAL PAGES 002 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20211220 1009 1462 0406 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 3

02 DEBTOR NAME | DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME IS5 COMMUNICATIONS INC. | ONTARIO CORPORATION NO.
04 ADDRESS 1 1815 MEYERSIDE DRIVE MISSISAUGA ON L5T1G3

05 DEBTOR NAME | DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME | ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

10 COLLATERAL CLASSIFICATION
CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

11 MOTOR
12 VEHICLE | YEAR | MAKE | MODEL | V.I.N.

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT VAULT CREDIT CORPORATION
17 ADDRESS 41 SCARSDALE ROAD UNIT 5 TORONTO ON M3B2R2

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 10

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
775434879

01
CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	2		20210816 1017 1590 0693	P PPSA	5

02 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
03 BUSINESS NAME: IS5 COMMUNICATIONS INC. — ONTARIO CORPORATION NO.
04 ADDRESS: 5895 AMBLER DRIVE MISSISSAUGA ON L4W 5B7

05 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT: CLEARSKY POWER & TECHNOLOGY FUND II LLC, ACTING ON ITS OWN BEHALF AND
09 ADDRESS: 11231 US HIGHWAY 1, #395 NORTH PALM BEACH FL 33408

COLLATERAL CLASSIFICATION

10
CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
	X	X	X	X	X				X

11 MOTOR
12 VEHICLE — YEAR / MAKE / MODEL / V.I.N.

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: FASKEN MARTINEAU DUMOULIN LLP (A. FAERBERBOECK / 294035.00037)
17 ADDRESS: 2400-333 BAY STREET BOX 20 TORONTO ON M5H 2T6

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 11

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ISS COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
775434879

01 CAUTION FILING | PAGE NO. 002 | OF | TOTAL PAGES 2 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20210816 1017 1590 0693 | REGISTERED UNDER | REGISTRATION PERIOD

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME — ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT — FOR AND ON BEHALF OF ALL OF THE SECURED CREDITORS
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

11 MOTOR
12 VEHICLE — YEAR | MAKE | MODEL | V.I.N.

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 12

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
774831753

01 CAUTION FILING | PAGE NO. 001 | TOTAL OF PAGES 19 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20210727 1719 1901 1930 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 03

02 DEBTOR NAME | DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME IS5 COMMUNICATIONS INC. | ONTARIO CORPORATION NO.
04 ADDRESS 5895 AMBLER DR MISSISSAUGA ON L4W 5B7

05 DEBTOR NAME | DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME | ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT GREATCANADA FINANCIAL SERVICES INC.
09 ADDRESS 132-280 NELSON STREET VANCOUVER BC V6B 2E2

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10			X							X

11 MOTOR VEHICLE | YEAR | MAKE | MODEL | V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION 2 ADOBE FRAMEMAKER FOR TEAMS - TEAM LICENSING SUBSCRIPTION RENEWAL
14 (MONTHLY) - 1 USER 21 ADOBE ACROBAT STANDARD DC FOR TEAMS - TEAM
15 LICENSING SUBSCRIPTION RENEWAL (MONTHLY) -- 1 USER - VIP SELECT -

16 REGISTERING AGENT ESC CORPORATE SERVICES LTD.
17 ADDRESS 201-1325 POLSON DRIVE VERNON BC V1T 8H2

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 13

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
774831753

01 CAUTION FILING | PAGE NO. 002 | OF | TOTAL PAGES 19 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20210727 1719 1901 1930 | REGISTERED UNDER | REGISTRATION PERIOD

02 DEBTOR DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 NAME BUSINESS NAME | ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 NAME BUSINESS NAME | ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

11 MOTOR YEAR | MAKE | MODEL | V.I.N.
12 VEHICLE

13 GENERAL LEVEL 12 (10-49) - 3 YEARS COMMITMENT - WIN -- MULTI NORTH AMERICAN
14 COLLATERAL LANGUAGE 10 ADOBE ACROBAT PRO DC FOR TEAMS - TEAM LICENSING
15 DESCRIPTION SUBSCRIPTION RENEWAL (MONTHLY) - 1 USER 1 ADOBE PHOTOSHOP CC FOR

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

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CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
774831753

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06 BUSINESS NAME | ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

11 MOTOR YEAR | MAKE | MODEL | V.I.N.
12 VEHICLE

13 GENERAL TEAMS - TEAM LICENSING SUBSCRIPTION RENEWAL (MONTHLY) - 1 USER 2
14 COLLATERAL ADOBE CREATIVE CLOUD FOR TEAMS - ALL APPS - TEAM LICENSING
15 DESCRIPTION SUBSCRIPTION RENEWAL (MONTHLY) -- 1 USER 2 ADOBE INDESIGN CC FOR

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 15

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
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06 BUSINESS NAME | ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

11 MOTOR
12 VEHICLE | YEAR | MAKE | MODEL | V.I.N.

13 GENERAL TEAMS - TEAM LICENSING SUBSCRIPTION RENEWAL (MONTHLY) - 1 USER 4
14 COLLATERAL ADOBE ILLUSTRATOR CC FOR TEAMS - TEAM LICENSING SUBSCRIPTION RENEWAL
15 DESCRIPTION (MONTHLY) - 1 USER -- VIP SELECT - LEVEL 12 (10-49) - 3 YEARS

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

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CERTIFIED BY/CERTIFIÉES PAR
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(crj1fv 05/2022)

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07 ADDRESS

08 SECURED PARTY /
LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
CONSUMER GOODS — INVENTORY — EQUIPMENT — ACCOUNTS — OTHER — MOTOR VEHICLE INCLUDED — AMOUNT — DATE OF MATURITY — OR — NO FIXED MATURITY DATE
10

11 MOTOR — YEAR — MAKE — MODEL — V.I.N.
12 VEHICLE

13 GENERAL COMMITMENT - WIN, MAC -- MULTI NORTH AMERICAN LANGUAGE 101 TREND
14 COLLATERAL MICRO X DETECTION & RESPONSE FOR USERS -- SUBSCRIPTION LICENSE
15 DESCRIPTION RENEWAL - 1 USER - VOLUME - 101-250 LICENSES -- APPROVAL REQUIRED 2

16 REGISTERING
AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 17

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V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
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08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

11 MOTOR VEHICLE — YEAR — MAKE — MODEL — V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION — LENOVO THINKSYSTEM SR650 7X06 - SERVER - RACK-MOUNTABLE - 2U - 2-
14 WAY - RAM 0 GB - NO HDD -- NO GRAPHICS - NO OS - MONITOR NONE -CTO
15 WITH LENOVO FOUNDATION SERVICE 1 TRIPP LITE PDU SWITCHED 120V 15A

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

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CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

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05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
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07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL 5-15R 16 OUTLET 1U RM -- HORIZONTAL RACKMOUNT - POWER DISTRIBUTION
14 COLLATERAL UNIT (RACK-MOUNTABLE) - 15 A - AC 120 V - 1.4 KW - ETHERNET 10/100 -
15 DESCRIPTION INPUT NEMA 5-15 - OUTPUT CONNECTORS 16 - 1U 1 VISSTUDIO PMSDN

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

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CERTIFIED BY/CERTIFIÉES PAR
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Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
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07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

11 MOTOR — YEAR | MAKE | MODEL | V.I.N.
12 VEHICLE

13 GENERAL USER LSA 2 STARTECH.COM USB TO RS232/RS485/RS422 4 1
14 COLLATERAL STARTECH.COM USB TO RS232/RS485/RS422 4 2 ACER V277U - LED MONITOR
15 DESCRIPTION - 27" - 2560 X 2 STARTECH.COM 4 PORT USB TO SERIAL RS232 2

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 20

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Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
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02	DEBTOR				
03	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
04		ADDRESS			

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05	DEBTOR				
06	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
07		ADDRESS			

08 SECURED PARTY /
LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL TRIPP LITE USB-C TO M.2 NVME SSD (M-KEY) 1 VERBATIM - 50 X DVD-R -
14 COLLATERAL 4.7 GB (120MIN) 1 STARTECH.COM M.2 SSD ALUMINUM ENCLOSURE 2
15 DESCRIPTION STARTECH.COM 4 PORT PCIE NETWORK CARD 2 STARTECH.COM DUAL PORT

16 REGISTERING
AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 21

CERTIFIED BY/CERTIFIÉES PAR
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(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
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05 DEBTOR NAME | DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME | ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

10 COLLATERAL CLASSIFICATION
CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

11 MOTOR | YEAR | MAKE | MODEL | V.I.N.
12 VEHICLE

13 GENERAL GIGABIT PCI EXPRE 3 IOGEAR USB PDA/ SERIAL ADAPTER GUC232A 3
14 COLLATERAL WD MY PASSPORT WDBYVG0010BBK - HARD DRIVE 1 LENOVO THINKPAD P1
15 DESCRIPTION (2ND GEN) 20QT - CORE 5 STARTECH.COM 4-PORT USB 3.0 SUPERSPEED H

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 22

CERTIFIED BY/CERTIFIÉES PAR
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REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
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TYPE OF SEARCH : BUSINESS DEBTOR
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07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

11 MOTOR — YEAR | MAKE | MODEL | V.I.N.
12 VEHICLE

13 GENERAL 1 3DCONNEXION SPACEMOUSE WIRELESS - 3D MOUSE 1 LENOVO THINKPAD
14 COLLATERAL P14S GEN 1 20S4 - CORE I 5 KINGSTON DATATRAVELER 100 G3 - USB
15 DESCRIPTION FLASH 5 KINGSTON DATATRAVELER KYSON - USB FLASH 5 KINGSTON

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 23

CERTIFIED BY/CERTIFIÉES PAR
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(cr)1fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
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PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
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PAGE : 23
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TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

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06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
10

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL CANVAS SELECT PLUS - FLASH MEMO 5 IOGEAR USB PDA/ SERIAL ADAPTER
14 COLLATERAL GUC232A - 5 STARTECH.COM 4-PORT USB 3.0 HUB WITH BUI 2
15 DESCRIPTION STARTECH.COM 4 PORT USB TO SERIAL RS232 3 STARTECH.COM 4 PORT USB

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 24

CERTIFIED BY/CERTIFIÉES PAR
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REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ISS COMMUNICATIONS INC.
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07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY OR | NO FIXED MATURITY DATE

11 MOTOR YEAR | MAKE | MODEL | V.I.N.
12 VEHICLE

13 GENERAL TO SERIAL RS232 1 LENOVO THINKPAD P15S GEN 1 - 15.6" - COR 2
14 COLLATERAL LENOVO THINKPAD PRO DOCKING STATION - DO 2 C2G USB 3.0 TO GIGABIT
15 DESCRIPTION ETHERNET NETWORK 3 SANDISK ULTRA FLAIR - USB FLASH DRIVE - 2

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 25

CERTIFIED BY/CERTIFIÉES PAR
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07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

11 MOTOR VEHICLE — YEAR — MAKE — MODEL — V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION LOGITECH H600 - HEADSET -- ON EAR - 2.4 G 2 STARTECH.COM USB 3.0
14 TO GIGABIT ETHERNET 2 ADD ON USB 3.0 (A) TO RJ-45 ADAPTER - NET
15 2 LINKSYS USB ETHERNET ADAPTER USB3GIG - N 2 TRIPP LITE USB 3.0

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 26

CERTIFIED BY/CERTIFIÉES PAR
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09 ADDRESS

COLLATERAL CLASSIFICATION
CONSUMER GOODS — INVENTORY — EQUIPMENT — ACCOUNTS — OTHER — MOTOR VEHICLE INCLUDED — AMOUNT — DATE OF MATURITY — OR — NO FIXED MATURITY DATE
10

11 MOTOR VEHICLE — YEAR — MAKE — MODEL — V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION SUPERSPEED TO GIGABIT 1 TRIPP LITE 1.4KW SINGLE PHASE SWITCHED P
14 5 SANDISK ULTRA FLAIR - USB FLASH DRIVE - 1 LENOVO THINKSYSTEM
15 SR650 7X06 - SERVER WITH LENOVO FOUNDATION SERVICE 1 LENOVO

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

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	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
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DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
02 DEBTOR
03 NAME BUSINESS NAME ONTARIO CORPORATION NO.
04 ADDRESS

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL THINKPAD THUNDERBOLT 3 WORKSTATION 1 LENOVO THINKPAD THUNDERBOLT 3
14 COLLATERAL DOCK GEN2 2 BROTHER TN-880 - SUPER HIGH YIELD -- BLACK 1
15 DESCRIPTION WINDOWS 10 PRO - LICENSE -- 1 LICENSE 1 LENOVO THINKPAD X1 CARBON

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 28

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
774831753

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		017		19		20210727 1719 1901 1930		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02	DEBTOR				
03	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
04		ADDRESS			
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05	DEBTOR				
06	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
07		ADDRESS			

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL GEN 8 - 14" 5 LOGITECH USB HEADSET H340 - HEADSET - ON 1 LENOVO
14 COLLATERAL THINKPAD P15S GEN 1 20T4 - CORE 2 WD MY PASSPORT WDBYVG0010BBK
15 DESCRIPTION HARD DRIVE 10 IOGEAR USB PDA/ SERIAL ADAPTER GUC232A 1 WD MY

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 29

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
774831753

01 CAUTION FILING | PAGE NO. 018 | OF TOTAL PAGES 19 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20210727 1719 1901 1930 | REGISTERED UNDER | REGISTRATION PERIOD

02 DEBTOR DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 NAME BUSINESS NAME | ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 NAME BUSINESS NAME | ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

11 MOTOR YEAR | MAKE | MODEL | V.I.N.
12 VEHICLE

13 GENERAL PASSPORT WDBYVG0010BBK - HARD DRIVE 3 STARTECH.COM USB TO RS232/
14 COLLATERAL RS485/RS422 8 5 LOGITECH WIRELESS COMBO MK270 -- KEYBOARD 2
15 DESCRIPTION LENOVO THINKPAD P1 (3RD GEN) - 15.6" 1 KINGSTON - DDR4 - 16 GB --

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 30

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(cr)1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
774831753

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		019		19		20210727 1719 1901 1930		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL SODIMM 260 1 LENOVO THINKPAD THUNDERBOLT 3 WORKSTATION 1
14 COLLATERAL KINGSTON - DDR4 - 16 GB -- SODIMM 260 AND ALL PRODUCTS, PROCEEDS
15 DESCRIPTION AND ATTACHMENTS

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 31

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
768498147

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	7		20201211 1239 1793 3248	P PPSA	4

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
02 DEBTOR
03 NAME BUSINESS NAME IS5 COMMUNICATIONS INC.
ONTARIO CORPORATION NO.
04 ADDRESS 5895 AMBLER DRIVE MISSISSAUGA ON L4W5B7

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
05 DEBTOR
06 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT NFS LEASING CANADA LTD.
09 ADDRESS 40 KING ST. W, SUITE 2100, SCOTIA PLAZA TORONTO ON M5H3C2

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10			X							X

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR				
12 VEHICLE				

13 GENERAL ALL EQUIPMENT, PERIPHERALS AND ANY AND ALL INVENTORY (COLLECTIVELY
14 COLLATERAL "EQUIPMENT") WHEREVER LOCATED, FINANCED UNDER AND DESCRIBED IN THE
15 DESCRIPTION SCHEDULE 01 TO MASTER LEASE AGREEMENT 2020-0284 (THE "LEASE")

16 REGISTERING AGENT NFS LEASING CANADA LTD.
17 ADDRESS 900 CUMMINGS CTR., STE. 226-U BEVERLY MA 01915

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 32

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
768498147

01 CAUTION FILING | PAGE NO. OF | TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER | REGISTRATION PERIOD
| 002 | 7 | | 20201211 1239 1793 3248 | |

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT PEOPLES UNITED BANK
09 ADDRESS ONE POST OFFICE SQUARE, 32ND FLOOR BOSTON MA 02109

COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
10

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL ENTERED INTO BETWEEN LESSEE AND LESSOR AND ALL OF LESSOR'S RIGHTS,
14 COLLATERAL TITLE AND INTEREST IN AND TO USE ANY SOFTWARE AND SERVICES
15 DESCRIPTION (COLLECTIVELY" SOFTWARE") FINANCED UNDER AND DESCRIBED IN THE LEASE.

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 33

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
768498147

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		003		7		20201211 1239 1793 3248		

02 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 BUSINESS NAME — ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

11 MOTOR VEHICLE — YEAR — MAKE — MODEL — V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION ALONG WITH ANY MODIFICATIONS OR SUPPLEMENTS TO THE LEASE WHICH ARE
14 INCORPORATED OR EVIDENCED IN WRITING AND ALL SUBSTITUTIONS,
15 ADDITIONS, ACCESSIONS AND REPLACEMENTS TO THE EQUIPMENT OR SOFTWARE

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 34

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(cr)1iv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : ISS COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
768498147

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		004		7		20201211 1239 1793 3248		

02 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 BUSINESS NAME — ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

11 MOTOR VEHICLE — YEAR — MAKE — MODEL — V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION NOW OR HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN CONJUNCTION
14 WITH THE EQUIPMENT OR SOFTWARE AND THE PROCEEDS THEREOF TOGETHER
15 WITH ALL PAYMENTS, INSURANCE PROCEEDS, CREDITS OR REFUNDS OBTAINED

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 35

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
768498147

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		005		7		20201211 1239 1793 3248		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
10

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL BY LESSEE FROM A MANUFACTURER, LICENSOR OR SERVICE PROVIDER, OR
14 COLLATERAL OTHER PROCEEDS AND PAYMENTS DUE AND TO BECOME DUE AND ARISING FROM
15 DESCRIPTION OR RELATING TO SUCH EQUIPMENT, SOFTWARE OR THE LEASE. IN THE EVENT

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 36

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
768498147

01 CAUTION FILING | PAGE NO. OF | TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER | REGISTRATION PERIOD
006 | 7 | | 20201211 1239 1793 3248

02 DEBTOR NAME | DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME | ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME | DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME | ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE
10

11 MOTOR | YEAR | MAKE | MODEL | V.I.N.
12 VEHICLE

13 GENERAL LESSEE PURCHASES ANY SUCH EQUIPMENT OR SOFTWARE, THEN LESSEE, IN
14 COLLATERAL ACCORDANCE WITH THE PROVISIONS OF THE LEASE, HEREBY GRANTS TO LESSOR
15 DESCRIPTION A FIRST PRIORITY SECURITY INTEREST IN ANY SUCH EQUIPMENT OR SOFTWARE

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 37

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
768498147

01 CAUTION FILING | PAGE NO. OF | TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER | REGISTRATION PERIOD
| 007 | 7 | | 20201211 1239 1793 3248 | |

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL PURCHASED UNTIL SUCH TIME AS LESSOR RECEIVES PAYMENT OF THE FULL
14 COLLATERAL PURCHASE PRICE FROM LESSEE.
15 DESCRIPTION

16 REGISTERING
17 AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 38

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
767308428

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		002		20201102 1344 1862 4148	P PPSA	5

02 DEBTOR — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 NAME — BUSINESS NAME: IS5 COMMUNICATIONS INC. — ONTARIO CORPORATION NO.
04 ADDRESS: 5895 AMBLER DRIVE MISSISSAUGA ON L4W 5B7

05 DEBTOR — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 NAME — BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT: BDC CAPITAL INC., ACTING ON ITS OWN BEHALF AND FOR AND ON BEHALF OF ALL
09 ADDRESS: 5 PLACE VILLE MARIE, SUITE 100 MONTREAL PQ H3B 5E7

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

11 MOTOR — YEAR — MAKE — MODEL — V.I.N.
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: FASKEN MARTINEAU DUMOULIN LLP
17 ADDRESS: 55 METCALFE STREET, SUITE 1300 OTTAWA ON K1P 6L5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 39

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crjtfv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
767308428

01 CAUTION FILING | PAGE NO. 002 | OF TOTAL PAGES 002 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20201102 1344 1862 4148 | REGISTERED UNDER | REGISTRATION PERIOD

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME — ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT — OF THE SECURED CREDITORS
09 ADDRESS

COLLATERAL CLASSIFICATION
CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE
10

11 MOTOR
12 VEHICLE — YEAR | MAKE | MODEL | V.I.N.

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
17 AGENT — ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 40

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
766044945

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		2		20200923 1450 2203 0358	P PPSA	02

DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
02 DEBTOR
03 NAME BUSINESS NAME IS5 COMMUNICATIONS INC.
ONTARIO CORPORATION NO.
04 ADDRESS 5895 AMBLER DRIVE MISSISSAUGA ON L4W 5B7

DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
05 DEBTOR
06 NAME BUSINESS NAME IS5 COMMUNICATIONS INC
ONTARIO CORPORATION NO.
07 ADDRESS 5895 AMBLER DRIVE MISSISSAUGA ON L4W 5B7

08 SECURED PARTY / LIEN CLAIMANT INDCOM LEASING INC.
09 ADDRESS 5061 URE STREET OLDCASTLE ON N0R 1L0

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10			X		X					

YEAR / MAKE / MODEL / V.I.N.
11 MOTOR
12 VEHICLE

13 GENERAL SOFTWARE, TESTING, EVALUATION EQUIPMENT, IECEE CERTIFICATION TOGETHER
14 COLLATERAL WITH ALL ACCESSORIES, OPTIONAL EQUIPMENT, COMPONENTS, PARTS,
15 DESCRIPTION INSTRUMENTS, APPURTENANCES, FURNISHINGS AND OTHER EQUIPMENT OF

16 REGISTERING AGENT INDCOM LEASING INC.
17 ADDRESS 5061 URE STREET OLDCASTLE ON N0R 1L0

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 41

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
766044945

01 CAUTION FILING | PAGE NO. 002 | OF | TOTAL PAGES 2 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20200923 1450 2203 0358 | REGISTERED UNDER | REGISTRATION PERIOD

02 DEBTOR DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY /
LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE
10

11 MOTOR YEAR | MAKE | MODEL | V.I.N.
12 VEHICLE

13 GENERAL WHATEVER NATURE OR KIND IN CONNECTION WITH THEREFOR SAID EQUIPMENT.
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
17 AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 42

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
763408296

01 CAUTION FILING | PAGE NO. 001 | OF TOTAL PAGES 3 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20200707 1030 6005 4093 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 05

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME: IS5 COMMUNICATIONS INC. — ONTARIO CORPORATION NO.
04 ADDRESS: 5895 AMBLER DRIVE MISSISSAUGA ON

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT: CWB NATIONAL LEASING INC.
09 ADDRESS: 1525 BUFFALO PLACE (3005283) WINNIPEG MB R3T 1L9

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR NO FIXED MATURITY DATE
10			X						

11 MOTOR VEHICLE — YEAR | MAKE | MODEL | V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION: ALL COMPUTER EQUIPMENT-FIXED, OFFICE FURNITURE, GAMING CHAIRS WITH
14 RELATED COMPONENTS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT
15 NUMBER 3005283, BETWEEN CATALYST FINANCE PARTNERS INC., AS ORIGINAL

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 43

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
763408296

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		002		3		20200707 1030 6005 4093		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL SECURED PARTY AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED BY THE
14 COLLATERAL ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO
15 DESCRIPTION TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 44

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 44
(5363)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
763408296

01 CAUTION FILING | PAGE NO. 003 | OF | TOTAL PAGES 3 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20200707 1030 6005 4093 | REGISTERED UNDER | REGISTRATION PERIOD

02 DEBTOR DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 NAME BUSINESS NAME | ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 NAME BUSINESS NAME | ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

11 MOTOR YEAR | MAKE | MODEL | V.I.N.
12 VEHICLE

13 GENERAL PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 45

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER 758100006						
	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	1		20191129 1602 2203 0086	P PPSA	04

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02	DEBTOR				
03	NAME	BUSINESS NAME	IS5 COMMUNICATIONS INC.	ONTARIO CORPORATION NO.	
04		ADDRESS	5895 AMBLER DRIVE	MISSISSAUGA	ON L4Q 5B7
		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05	DEBTOR				
06	NAME	BUSINESS NAME	IS5 COMMUNICATIONS INC	ONTARIO CORPORATION NO.	
07		ADDRESS	5895 AMBLER DRIVE	MISSISSAUGA	ON L4W 5B7
08	SECURED PARTY / LIEN CLAIMANT		INDCOM LEASING INC.		
09		ADDRESS	5061 URE STREET	OLDCASTLE	ON N0R 1L0

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10	X				X					

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL EMC TESTING EQUIPMENT WITH ALL ATTACHMENTS AND ACCESSORIES
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING
17 AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 46

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 758100969

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	1		20191129 1625 1901 6977	P PPSA	04

02 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
03 BUSINESS NAME: IS5 COMMUNICATIONS INC. — ONTARIO CORPORATION NO.
04 ADDRESS: 5895 AMBER DR — MISSISSAUGA — ON — L4W 5B7

05 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
06 BUSINESS NAME: IS5 COMMUNICATIONS INC. — ONTARIO CORPORATION NO.
07 ADDRESS: 1-1815 MEYERSIDE DR — MISSISSAUGA — ON — L5T 1G3

08 SECURED PARTY / LIEN CLAIMANT: BLUE CHIP LEASING CORPORATION
09 ADDRESS: 156 DUNCAN MILL RD, UNIT 16 — TORONTO — ON — M3B 3N2

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10			X		X				

11 MOTOR — YEAR MAKE — MODEL — V.I.N.
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: ESC CORPORATE SERVICES LTD.
17 ADDRESS: 201-1325 POLSON DRIVE — VERNON — BC — V1T 8H2

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 47

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING | PAGE NO. OF | TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER

01 | 001 | 1 | | 20191203 1606 1902 8127 |

21 RECORD REFERENCED FILE NUMBER 758100969

PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED A AMENDMENT RENEWAL YEARS CORRECT PERIOD
22

FIRST GIVEN NAME INITIAL SURNAME
23 REFERENCE
24 DEBTOR/ TRANSFEROR BUSINESS NAME IS5 COMMUNICATIONS INC.

25 OTHER CHANGE
26 REASON/ AMEND DEBTOR FROM IS5 COMMUNICATIONS INC. 5895 AMBER DR
27 DESCRIPTION MISSISSAUGA, ON, L4W5B7 TO IS5 COMMUNICATIONS INC. 5895 AMBLER DR
28 MISSISSAUGA, ON, L4W5B7
02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME IS5 COMMUNICATIONS INC.
06 ONTARIO CORPORATION NO.
04/07 ADDRESS 5895 AMBLER DR MISSISSAUGA ON L4W 5B7

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS
COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
10

YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR ESC CORPORATE SERVICES LTD.
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 201-1325 POLSON DRIVE VERNON BC V1T 8H2

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 48

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
757449954

01 CAUTION FILING | PAGE NO. 01 | OF | TOTAL PAGES 001 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20191108 1713 1462 7719 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 4

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME IS5 COMMUNICATIONS INC.
ONTARIO CORPORATION NO.
04 ADDRESS 1815 MEYERSIDE DRIVE, UNIT 1 MISSISSAUGA ON L5T1G6

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME IS5 COMMUNICATIONS INC.
ONTARIO CORPORATION NO.
07 ADDRESS 5895 AMBLER DR. MISSISSAUGA ON L4W5B7

08 SECURED PARTY / LIEN CLAIMANT VAULT CREDIT CORPORATION
09 ADDRESS 41 SCARSDALE ROAD UNIT 5 TORONTO ON M3B2R2

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10			X		X					

11 MOTOR 12 VEHICLE — YEAR | MAKE | MODEL | V.I.N.

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT VAULT CREDIT CORPORATION
17 ADDRESS 41 SCARSDALE ROAD UNIT 5 TORONTO ON M3B2R2

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 49

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 49
(5368)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 754590942

01 CAUTION FILING | PAGE NO. 01 OF TOTAL PAGES 003 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20190820 1433 8077 6213 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 4

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME IS5 COMMUNICATIONS INC.
ONTARIO CORPORATION NO.
04 ADDRESS 5895 AMBLER DRIVE MISSISSAUGA ON L4W5B7

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT RCAP LEASING INC.
09 ADDRESS 5575 NORTH SERVICE RD, STE 300 BURLINGTON ON L7L 6M1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10			X	X	X					X

11 MOTOR VEHICLE — YEAR | MAKE | MODEL | V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION ALL COMPUTER EQUIPMENT FROM TIME TO TIME LEASED BY THE SECURED
14 PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES
15 AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS ENTERED INTO BETWEEN

16 REGISTERING AGENT REGISTRY = RECOVERY INC.
17 ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 50

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
754590942

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		02		003		20190820 1433 8077 6213		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT RCAP LEASING INC.
09 ADDRESS 300 - 5575 NORTH SERVICE RD BURLINGTON ON L7L 6M1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS
14 COLLATERAL THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND
15 DESCRIPTION ATTACHMENTS.

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 51

CERTIFIED BY/CERTIFIÈES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
754590942

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		03		003		20190820 1433 8077 6213		

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02	DEBTOR				
03	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
04		ADDRESS			

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05	DEBTOR				
06	NAME	BUSINESS NAME			ONTARIO CORPORATION NO.
07		ADDRESS			

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
17 AGENT
ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 52

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
753395328

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	2		20190716 1136 2203 9957	P PPSA	04

			DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR								
03	NAME	BUSINESS NAME	IS5 COMMUNICATIONS INC.					ONTARIO CORPORATION NO.	
04		ADDRESS	5895 AMBLER DRIVE				MISSISSAUGA	ON	L4W 5B7
			DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
05	DEBTOR								
06	NAME	BUSINESS NAME	IS5 COMMUNICATIONS INC					ONTARIO CORPORATION NO.	
07		ADDRESS	5895 AMBLER DRIVE				MISSISSAUGA	ON	L4W 5B7
08	SECURED PARTY / LIEN CLAIMANT		INDCOM LEASING INC						
09		ADDRESS	5061 URE STREET				OLDCASTLE	ON	N0R 1L0

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10	X		X		X					

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL COMPUTER EQUIPMENT AND OFFICE FURNITURE TOGETHER WITH ALL
14 COLLATERAL ACCESSORIES, OPTIONAL EQUIPMENT, COMPONENTS, PARTS, INSTRUMENTS,
15 DESCRIPTION APPURTENANCES, FURNISHINGS AND OTHER EQUIPMENT OF WHATEVER NATURE OR

16 REGISTERING AGENT INDCOM LEASING INC
17 ADDRESS 5061 URE STREET OLDCASTLE ON N0R 1L0

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 53

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
753395328

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		002		2		20190716 1136 2203 9957		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL KIND IN CONNECTION WITH THEREFOR SAID EQUIPMENT.
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 54

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
752424687

01 CAUTION FILING | PAGE NO. 001 | OF TOTAL PAGES 3 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20190618 1125 6005 1917 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 05

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME: IS5 COMMUNICATIONS INC. — ONTARIO CORPORATION NO.
04 ADDRESS: 5895 AMBLER DR MISSISSAUGA ON L4W 5B7

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT: CWB NATIONAL LEASING INC.
09 ADDRESS: 1525 BUFFALO PL (2916700) WINNIPEG MB R3T 1L9

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10			X							

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL COLLATERAL DESCRIPTION: ALL COMPUTER EQUIPMENT,ADAPTOR CARDS, ADAPTERS, THINKPADS, DVD
14 BURNERS, CASSETTES, PRINTERS, SCANNERS, LASER PRINTERS,
15 THINKSTATIONS, DDR2, DDR4, EXTENDERS, TONERS, THINKCENTRES, AND

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 55

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
752424687

01 CAUTION FILING | PAGE NO. 002 | OF TOTAL PAGES 3 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20190618 1125 6005 1917 | REGISTERED UNDER | REGISTRATION PERIOD

02 DEBTOR DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

11 MOTOR YEAR | MAKE | MODEL | V.I.N.
12 VEHICLE

13 GENERAL LICENSING SUBSCRIPTIONS OF EVERY NATURE OR KIND DESCRIBED IN
14 COLLATERAL AGREEMENT NUMBER 2916700, BETWEEN SOFTCHOICE LP, AS ORIGINAL SECURED
15 DESCRIPTION PARTY AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED BY THE ORIGINAL

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 56

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
752424687

01 CAUTION FILING | PAGE NO. 003 | OF TOTAL PAGES 3 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20190618 1125 6005 1917 | REGISTERED UNDER | REGISTRATION PERIOD

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME | ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME | ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

11 MOTOR
12 VEHICLE — YEAR | MAKE | MODEL | V.I.N.

13 GENERAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME,
14 COLLATERAL TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND
15 DESCRIPTION PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 57

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 57
(5376)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 751721958

01 CAUTION FILING | PAGE NO. 001 | OF TOTAL PAGES 1 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20190529 1526 1901 8999 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 04

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME: IS5 COMMUNICTIONS INC. — ONTARIO CORPORATION NO.
04 ADDRESS: 5895 AMBLER DRIVE MISSISSAUGA ON L4W 5B7

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT: GOULD LEASING LTD.
09 ADDRESS: 1220 YONGE STREET, SUITE 201 TORONTO ON M4T 1W1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10			X						

11 MOTOR
12 VEHICLE — YEAR | MAKE | MODEL | V.I.N.

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: ESC CORPORATE SERVICES LTD.
17 ADDRESS: 445 KING STREET WEST, SUITE 400 TORONTO ON M5V 1K4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 58

CERTIFIED BY/CERTIFIÈES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING | PAGE NO. OF | TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER

01 001 1 20190529 1704 1902 1348

21 RECORD REFERENCED FILE NUMBER 751721958

PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL YEARS CORRECT PERIOD

22 A AMENDMENT

FIRST GIVEN NAME INITIAL SURNAME

23 REFERENCE
24 DEBTOR/ TRANSFEROR BUSINESS NAME IS5 COMMUNICTIONS INC.

25 OTHER CHANGE
26 REASON/ AMEND DEBTOR FROM IS5 COMMUNICTIONS INC. 5895 AMBLER DRIVE
27 DESCRIPTION MISSISSAUGA, ON, L4W5B7 TO IS5 COMMUNICATIONS INC. 5895 AMBLER
28 DRIVE MISSISSAUGA, ON, L4W5B7

02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME IS5 COMMUNICATIONS INC.
06 ONTARIO CORPORATION NO.
04/07 ADDRESS 5895 AMBLER DRIVE MISSISSAUGA ON L4W 5B7

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION
CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

10

YEAR MAKE MODEL V.I.N.

11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR ESC CORPORATE SERVICES LTD.
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 445 KING STREET WEST, SUITE 400 TORONTO ON M5V 1K4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 59

CERTIFIED BY/CERTIFIÈES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 59
(5378)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
750936663

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		1		20190507 1042 1902 5508	P PPSA	05

02 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 BUSINESS NAME: IS5 COMMUNICATIONS INC
ONTARIO CORPORATION NO.
04 ADDRESS: 5895 AMBLER DR MISSISSAUGA ON L4W 5B7

05 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT: LBEL INC.
09 ADDRESS: 5035 SOUTH SERVICE ROAD BURLINGTON ON L7L 6M9

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10			X		X					

11 MOTOR VEHICLE — YEAR — MAKE — MODEL — V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION: COMPUTER EQUIPMENT WITH ALL ACCESSORIES
14
15

16 REGISTERING AGENT: ESC CORPORATE SERVICES LTD.
17 ADDRESS: 445 KING STREET WEST, SUITE 400 TORONTO ON M5V 1K4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 60

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
750103641

01 CAUTION FILING | PAGE NO. 001 | TOTAL OF PAGES 3 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20190412 1312 1793 2459 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 6

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME IS5 COMMUNICATIONS INC.
ONTARIO CORPORATION NO.
04 ADDRESS 5895 AMBLER DRIVE MISSISSAUGA ON L4W5B7

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT SILICON VALLEY BANK
09 ADDRESS 3003 TASMAN DRIVE, HG-150 SANTA CLARA CA 95054

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

11 MOTOR VEHICLE — YEAR | MAKE | MODEL | V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.
14 NOTWITHSTANDING THE FOREGOING, THE COLLATERAL DOES NOT INCLUDE ANY
15 INTELLECTUAL PROPERTY OF THE DEBTOR PROVIDED, HOWEVER, THE

16 REGISTERING AGENT AIRD & BERLIS LLP (148949)
17 ADDRESS 181 BAY STREET, SUITE 1800 TORONTO ON M5J2T9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 61

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
750103641

01 CAUTION FILING | PAGE NO. 002 OF TOTAL PAGES 3 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20190412 1312 1793 2459 | REGISTERED UNDER | REGISTRATION PERIOD

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME | ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME | ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY OR | NO FIXED MATURITY DATE

11 MOTOR
12 VEHICLE — YEAR | MAKE | MODEL | V.I.N.

13 GENERAL COLLATERAL SHALL INCLUDE ALL ACCOUNTS AND ALL PROCEEDS OF
14 COLLATERAL INTELLECTUAL PROPERTY. PURSUANT TO THE TERMS OF A CERTAIN NEGATIVE
15 DESCRIPTION PLEDGE ARRANGEMENT WITH SECURED PARTY, DEBTOR HAS AGREED NOT TO

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 62

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
750103641

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		003	3		20190412 1312 1793 2459		

02 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 BUSINESS NAME — ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

11 MOTOR VEHICLE — YEAR — MAKE — MODEL — V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION ENCUMBER ANY OF ITS INTELLECTUAL PROPERTY WITHOUT THE PRIOR WRITTEN
14 CONSENT OF THE SECURED PARTY.
15

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 63

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 750023478

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	3		20190410 1545 6005 9877	P PPSA	05

02 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
03 BUSINESS NAME: IS5 COMMUNICATIONS INC. — ONTARIO CORPORATION NO.
04 ADDRESS: 5895 AMBLER DRIVE MISSISSAUGA ON L4W 5B7

05 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT: CWB NATIONAL LEASING INC.
09 ADDRESS: 1525 BUFFALO PLACE (2916165) WINNIPEG MB R3T 1L9

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR NO FIXED MATURITY DATE
10			X						

11 MOTOR VEHICLE — YEAR MAKE MODEL V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION: ALL OFFICE FURNITURE, RECTANGULAR TABLE, NESTING CHAIRS, DESKS,
14 STORAGE WITH PLANTER TOP, PLANTER SURROUNDS, 3 HIGH LATERAL FILES,
15 PANELS, PANELS WITH GLASS, AND VILLA CORDED SERIOUS WITH RELATED

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 64

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
750023478

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		002		3		20190410 1545 6005 9877		

02 DEBTOR — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 NAME — BUSINESS NAME — ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 NAME — BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL COMPONENTS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER
14 COLLATERAL 2916165, BETWEEN QUESTOR FINANCIAL CORP., AS ORIGINAL SECURED PARTY
15 DESCRIPTION AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 65

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
750023478

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		003		3		20190410 1545 6005 9877		

02 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 BUSINESS NAME — ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR				
12 VEHICLE				

13 GENERAL PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER
14 COLLATERAL WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.
15 DESCRIPTION

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 66

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
749490201

01 CAUTION FILING | PAGE NO. 01 | OF TOTAL PAGES 003 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20190327 1434 8077 8500 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 5

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME IS5 COMMUNICATIONS INC — ONTARIO CORPORATION NO.
04 ADDRESS 7490 PACIFIC CIR UNIT 3 MISSISSAUGA ON L5T 2A3

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT RCAP LEASING INC.
09 ADDRESS 5575 NORTH SERVICE RD, STE 300 BURLINGTON ON L7L 6M1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10			X	X	X					X

11 MOTOR — YEAR MAKE | MODEL | V.I.N.
12 VEHICLE

13 GENERAL ALL COMPUTER EQUIPMENT AND COMPUTER PERIPHERALS FROM TIME TO
14 COLLATERAL TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON
15 DESCRIPTION LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING

16 REGISTERING AGENT REGISTRY = RECOVERY INC.
17 ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 67

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(cr|1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
749490201

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		02		003		20190327 1434 8077 8500		

02 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 BUSINESS NAME — ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS — INVENTORY — EQUIPMENT — ACCOUNTS — OTHER — MOTOR VEHICLE INCLUDED — AMOUNT — DATE OF MATURITY — OR — NO FIXED MATURITY DATE

11 MOTOR — YEAR — MAKE — MODEL — V.I.N.
12 VEHICLE

13 GENERAL AGREEMENTS ENTERED INTO BETWEEN THE SECURED PARTY AND THE DEBTOR FROM
14 COLLATERAL TIME TO TIME AND ANY PROCEEDS THEREOF, TOGETHER WITH ALL REPLACEMENT
15 DESCRIPTION PARTS, ACCESSORIES AND ATTACHMENTS.

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 68

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
749490201

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		03		003		20190327 1434 8077 8500		

02 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 BUSINESS NAME — ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
CONSUMER GOODS — INVENTORY — EQUIPMENT — ACCOUNTS — OTHER — MOTOR VEHICLE INCLUDED — AMOUNT — DATE OF MATURITY — OR — NO FIXED MATURITY DATE
10

11 MOTOR
12 VEHICLE — YEAR — MAKE — MODEL — V.I.N.

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
17 AGENT — ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 69

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 69
(5388)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		01		002		20190405 1033 8077 9061 P	PPSA

21 RECORD REFERENCED FILE NUMBER 749490201

22 PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED A AMENDMENT RENEWAL YEARS CORRECT PERIOD

FIRST GIVEN NAME INITIAL SURNAME
23 REFERENCE
24 DEBTOR/ TRANSFEROR BUSINESS NAME IS5 COMMUNICATIONS INC

25 OTHER CHANGE
26 REASON/ AMEND DEBTOR'S ADDRESS
27 DESCRIPTION AND AMEND THE GENERAL COLLATERAL DESCRIPTION
28
02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME IS5 COMMUNICATIONS INC
06 ONTARIO CORPORATION NO.
04/07 ADDRESS 5895 AMBLER DRIVE MISSISSAUGA ON L4W 5B7

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS
COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE
13 GENERAL ALL COMPUTER EQUIPMENT AND SIGNAGE EQUIPMENT AND COMPUTER PERIPHERALS
14 COLLATERAL FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS
15 DESCRIPTION DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER
16 REGISTERING AGENT OR REGISTRY = RECOVERY INC.
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 70

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING | PAGE NO. OF | TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER

01 | 02 | 002 | | 20190405 1033 8077 9061 | P PPSA

21 RECORD REFERENCED — FILE NUMBER 749490201

PAGE AMENDED — NO SPECIFIC PAGE AMENDED — CHANGE REQUIRED: A AMENDMENT — RENEWAL YEARS — CORRECT PERIOD

22

FIRST GIVEN NAME — INITIAL — SURNAME

23 REFERENCE
24 DEBTOR/ TRANSFEROR — BUSINESS NAME: IS5 COMMUNICATIONS INC

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28

02/ DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
05 DEBTOR/
03/ TRANSFEREE — BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

10

YEAR — MAKE — MODEL — V.I.N.

11 MOTOR
12 VEHICLE
13 GENERAL — FINANCING AGREEMENTS ENTERED INTO BETWEEN THE SECURED PARTY AND
14 COLLATERAL — THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS THEREOF,
15 DESCRIPTION — TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS.
16 REGISTERING AGENT OR — REGISTRY = RECOVERY INC.
17 SECURED PARTY/ LIEN CLAIMANT — ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 71

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN ** THIS REGISTRATION HAS BEEN DISCHARGED **

00 FILE NUMBER 748841463

01 CAUTION FILING: | PAGE NO.: 01 | OF TOTAL PAGES: 003 | MOTOR VEHICLE SCHEDULE: | REGISTRATION NUMBER: 20190306 1040 1529 4595 | REGISTERED UNDER: P PPSA | REGISTRATION PERIOD: 5

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME: IS5 COMMUNICATIONS INC. — ONTARIO CORPORATION NO.
04 ADDRESS: 5895 AMBLER DR MISSISSAUGA ON L4W 5B7

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME: — ONTARIO CORPORATION NO.
07 ADDRESS:

08 SECURED PARTY / LIEN CLAIMANT: ROYAL BANK OF CANADA
09 ADDRESS: 36 YORK MILLS ROAD, 4TH FLOOR TORONTO ON M2P 0A4

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10				X	X					

11 MOTOR
12 VEHICLE — YEAR | MAKE | MODEL | V.I.N.

13 GENERAL ALL MONEY OR AMOUNTS ON DEPOSIT FROM TIME TO TIME WITH ANY OF ROYAL
14 COLLATERAL BANK OF CANADA, ROYAL BANK MORTGAGE CORPORATION, ROYAL TRUST
15 DESCRIPTION CORPORATION OF CANADA OR THE ROYAL TRUST COMPANY. PROCEEDS - A

16 REGISTERING AGENT: CANADIAN SECURITIES REGISTRATION SYSTEMS
17 ADDRESS: 4126 NORLAND AVENUE BURNABY BC V5G 3S8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 72

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN ** THIS REGISTRATION HAS BEEN DISCHARGED **

00 FILE NUMBER
748841463

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		02		003		20190306 1040 1529 4595		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY /
LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL SECURITY INTEREST IS CLAIMED IN ALL PRESENT AND AFTER-ACQUIRED GOODS
14 COLLATERAL (INCLUDING TRADE-INS), CHATTEL PAPER, SECURITIES, DOCUMENTS OF
15 DESCRIPTION TITLE, INSTRUMENTS, MONEY AND INTANGIBLES OF EVERY ITEM OR KIND THAT

16 REGISTERING
AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 73

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN ** THIS REGISTRATION HAS BEEN DISCHARGED **

00 FILE NUMBER
748841463

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		03		003		20190306 1040 1529 4595		

02 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 BUSINESS NAME
04 ADDRESS — ONTARIO CORPORATION NO.

05 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 BUSINESS NAME
07 ADDRESS — ONTARIO CORPORATION NO.

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

11 MOTOR VEHICLE — YEAR — MAKE — MODEL — V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION — MAY BE DERIVED FROM THE SALE OR OTHER DISPOSITION OF THE COLLATERAL
14 DESCRIBED ABOVE, ALL INSURANCE PROCEEDS AND ANY PROCEEDS OF ANY OF
15 THE FOREGOING.

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 74

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(cr)1fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001		1		20220803 1609 1532 5935	

21 RECORD REFERENCED FILE NUMBER 748841463
22 PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED C DISCHARGE RENEWAL YEARS CORRECT PERIOD
23 REFERENCE FIRST GIVEN NAME INITIAL SURNAME
24 DEBTOR/ TRANSFEROR BUSINESS NAME IS5 COMMUNICATIONS INC.

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28
02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS
COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
10

YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR D + H LIMITED PARTNERSHIP
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 2 ROBERT SPECK PARKWAY, 15TH FLOOR MISSISSAUGA ON L4Z 1H8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 75

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 75
(5394)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
748756494

01 CAUTION FILING | PAGE NO. 001 | OF TOTAL PAGES 2 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20190304 1128 6005 9051 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 05

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME: IS5 COMMUNICATIONS INC.
04 ADDRESS: 1-1815 MEYERSIDE DRIVE MISSISSAUGA ON L5T 1G3 — ONTARIO CORPORATION NO.

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME
07 ADDRESS — ONTARIO CORPORATION NO.

08 SECURED PARTY / LIEN CLAIMANT: CWB NATIONAL LEASING INC.
09 ADDRESS: 1525 BUFFALO PL (2914527) WPG MB R3T 1L9

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10			X							

11 MOTOR
12 VEHICLE — YEAR | MAKE | MODEL | V.I.N.

13 GENERAL ALL COMPUTER EQUIPMENT, COMPUTER SOFTWARE OF EVERY NATURE OR KIND
14 COLLATERAL DESCRIBED IN AGREEMENT NUMBER 2914527, BETWEEN THE SECURED PARTY AND
15 DESCRIPTION THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL

16 REGISTERING AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 76

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

RUN NUMBER : 215
RUN DATE : 2022/08/03
ID : 20220803110804.78

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 76
(5395)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 748756494

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		002		2		20190304 1128 6005 9051		

02 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 BUSINESS NAME
04 ADDRESS — ONTARIO CORPORATION NO.

05 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 BUSINESS NAME
07 ADDRESS — ONTARIO CORPORATION NO.

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS — INVENTORY — EQUIPMENT — ACCOUNTS — OTHER — MOTOR VEHICLE INCLUDED — AMOUNT — DATE OF MATURITY — OR — NO FIXED MATURITY DATE

11 MOTOR — YEAR — MAKE — MODEL — V.I.N.
12 VEHICLE

13 GENERAL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 77

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : IS5 COMMUNICATIONS INC.
FILE CURRENCY : 02AUG 2022

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
779706666	20220117 1204 6005 7407			
779491134	20220106 0945 1793 9343			
779150808	20211220 1009 1462 0406			
775434879	20210816 1017 1590 0693			
774831753	20210727 1719 1901 1930			
768498147	20201211 1239 1793 3248			
767308428	20201102 1344 1862 4148			
766044945	20200923 1450 2203 0358			
763408296	20200707 1030 6005 4093			
758100006	20191129 1602 2203 0086			
758100969	20191129 1625 1901 6977	20191203 1606 1902 8127		
757449954	20191108 1713 1462 7719			
754590942	20190820 1433 8077 6213			
753395328	20190716 1136 2203 9957			
752424687	20190618 1125 6005 1917			
751721958	20190529 1526 1901 8999	20190529 1704 1902 1348		
750936663	20190507 1042 1902 5508			
750103641	20190412 1312 1793 2459			
750023478	20190410 1545 6005 9877			
749490201	20190327 1434 8077 8500	20190405 1033 8077 9061		
748841463	20190306 1040 1529 4595	20220803 1609 1532 5935		
748756494	20190304 1128 6005 9051			

26 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crfj6 05/2022)

Ontario

This is Exhibit “D” referred to in the Affidavit of Clive Dias sworn by Clive Dias at the City of Brampton, in the Province of Ontario, before me on August 5, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

8A6E4EF09DF34D5...

Commissioner for Taking Affidavits (or as may be)

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "**Agreement**") dated as of May 15, 2019 (the "**Effective Date**") between **SILICON VALLEY BANK**, a California corporation with a loan production office located at 275 Grove Street, Suite 2-200, Newton, Massachusetts 02466 ("**Bank**"), and **IS5 COMMUNICATIONS INC.**, a corporation organized under the laws of the Province of Ontario ("**Borrower**"), provides the terms on which Bank shall lend to Borrower and Borrower shall repay Bank. The parties agree as follows:

1. ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2. LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay Bank the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon as and when due in accordance with this Agreement.

2.2 Term Loan Advances.

(a) Availability. Subject to the terms and conditions of this Agreement, upon Borrower's request, during the Draw Period, Bank shall make term loan advances available to Borrower up to an aggregate original principal amount not to exceed Two Million Dollars ($2,000,000) (each a "**Tranche 1 Advance**"). Upon Borrower's request, during the Draw Period, Bank shall make additional term loan advances available to Borrower up to an aggregate amount not to exceed One Million Dollars (each a "**Tranche 2 Advance**" and collectively, the "**Tranche 2 Advances**"), but only after the occurrence of the Tranche 2 Event. The Tranche 1 Advances and Tranche 2 Advances are hereinafter referred to singly as a "**Term Loan Advance**" and collectively as the "**Term Loan Advances**". The aggregate amount of Term Loan Advances available hereunder is Three Million Dollars ($3,000,000). After repayment, no Term Loan Advance (or any portion thereof) may be reborrowed. On the Effective Date and in accordance with the terms of this agreement, Borrower shall request a Term Loan Advance in an amount not less than Seven Hundred Fifty Thousand Dollars ($750,000).

(b) Interest Payments. With respect to each Term Loan Advance, commencing on the first Payment Date following the Funding Date of such Term Loan Advance and continuing on the Payment Date of each month thereafter, Borrower shall make monthly payments of interest, in arrears, on the principal amount of such Term Loan Advance at the rate set forth in Section 2.3(a).

(c) Repayment. Term Loan Advances shall be "interest only" for the duration of the Draw Period with interest payable in accordance with Section 2.3(d) hereof. Thereafter, Term Loan Advances shall be payable (i) in thirty six (36) equal monthly installments of principal plus (ii) monthly payments of accrued interest at the rate set forth in Section 2.3(a). All outstanding principal and accrued interest with respect to the Term Loan Advances, as well as all other outstanding Obligations with respect to the Term Loan Advances, shall be immediately due and payable in full on the Term Loan Maturity Date.

(d) Mandatory Prepayment Upon an Acceleration. If a Term Loan Advance is accelerated following the occurrence and during the continuation of an Event of Default, Borrower shall immediately pay to Bank an amount equal to the sum of: (i) all outstanding principal plus accrued and unpaid interest, (ii) the Prepayment Premium, plus (iii) all other sums, if any, that shall have become due and payable, including interest at the Default Rate with respect to any past due amounts.

(e) Permitted Prepayment. Borrower shall have the option to prepay all, but not less than all, of the Term Loan Advances, provided Borrower (i) delivers written notice to Bank of its election to prepay the

Term Loan Advances at least ten (10) days prior to such prepayment, and (ii) pays, on the date of such prepayment (A) the outstanding principal plus accrued and unpaid interest with respect to the Term Loan Advances, (B) the Prepayment Premium and (C) all other sums, if any, that shall have become due and payable with respect to the Term Loan Advances, including interest at the Default Rate with respect to any past due amounts.

2.3 Payment of Interest on the Credit Extensions.

(a) Interest Rate. Subject to Section 2.3(b), the principal amount outstanding for each Term Loan Advance shall accrue interest at a floating per annum rate equal to the greater of (i) three-quarter percentage points (0.75%) above the Prime Rate, and (ii) six and one-quarter percentage points (6.25%), which interest shall be payable monthly in accordance with Section 2.3(d) below.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is five percentage points (5.0%) above the rate that is otherwise applicable thereto (the "**Default Rate**"). Fees and expenses which are required to be paid by Borrower pursuant to the Loan Documents (including, without limitation, Bank Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations. Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Bank.

(c) Adjustment to Interest Rate. Changes to the interest rate of any Credit Extension based on changes to the Prime Rate shall be effective on the effective date of any change to the Prime Rate and to the extent of any such change.

(d) Payment; Interest Computation. Interest is payable monthly on the Payment Date of each month and shall be computed on the basis of a 360-day year for the actual number of days elapsed. In computing interest, (i) all payments received after 12:00 p.m. Eastern time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Credit Extension shall be included and the date of payment shall be excluded; provided, however, that if any Credit Extension is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension. For purposes of the *Interest Act* (Canada): (x) whenever any interest or fee under this Agreement is calculated on the basis of a period of time other than a calendar year, such rate used in such calculation, when expressed as an annual rate, is equivalent to (A) such rate, multiplied by (B) the actual number of days in the calendar year in which the period for which such interest or fee is calculated ends, and divided by (C) the number of days in such period of time; (y) the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement; and (z) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

(e) Criminal Interest. If any provision of this Agreement would oblige Borrower to make any payment of interest or other amount payable to Bank in an amount or calculated at a rate which would be prohibited by applicable law or would result in a receipt by Bank of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by Bank of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), first, by reducing the amount or rate of interest and thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to Bank which would constitute "interest" for purposes of section 347 of the Criminal Code (Canada).

2.4 Fees. Borrower shall pay to Bank:

(a) Commitment Fee. A fully earned, non-refundable commitment fee of Seven Thousand Five Hundred Dollars ($7,500.00), on or before the Effective Date;

(b) Prepayment Premium. The Prepayment Premium, when due hereunder; and

(c) Bank Expenses. All Bank Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due (or, if no stated due date, upon demand by Bank).

(d) Fees Fully Earned. Unless otherwise provided in this Agreement or in a separate writing by Bank, Borrower shall not be entitled to any credit, rebate, or repayment of any fees earned by Bank pursuant to this Agreement notwithstanding any termination of this Agreement or the suspension or termination of Bank's obligation to make loans and advances hereunder. Bank may deduct amounts owing by Borrower under the clauses of this Section 2.4 pursuant to the terms of Section 2.5(c). Bank shall provide Borrower written notice of deductions made from the Designated Deposit Account pursuant to the terms of the clauses of this Section 2.4.

2.5 Payments; Application of Payments; Debit of Accounts.

(a) All payments to be made by Borrower under any Loan Document shall be made in immediately available funds in Dollars, without setoff or counterclaim, before 12:00 p.m. Eastern time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Eastern time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) Bank has the exclusive right to determine the order and manner in which all payments with respect to the Obligations may be applied. Borrower shall have no right to specify the order or the accounts to which Bank shall allocate or apply any payments required to be made by Borrower to Bank or otherwise received by Bank under this Agreement when any such allocation or application is not specified elsewhere in this Agreement.

(c) Bank may debit any of Borrower's deposit accounts, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes Bank when due. These debits shall not constitute a set-off.

2.6 Withholding. Payments received by Bank from Borrower under this Agreement will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority (including any interest, additions to tax or penalties applicable thereto). Specifically, however, if at any time any Governmental Authority, applicable law, regulation or international agreement requires Borrower to make any withholding or deduction from any such payment or other sum payable hereunder to Bank, Borrower hereby covenants and agrees that the amount due from Borrower with respect to such payment or other sum payable hereunder will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction, Bank receives a net sum equal to the sum which it would have received had no withholding or deduction been required, and Borrower shall pay the full amount withheld or deducted to the relevant Governmental Authority. Borrower will, upon request, furnish Bank with proof reasonably satisfactory to Bank indicating that Borrower has made such withholding payment; provided, however, that Borrower need not make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate and timely proceedings and as to which payment in full is bonded or reserved against by Borrower. The agreements and obligations of Borrower contained in this Section 2.6 shall survive the termination of this Agreement.

3. CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Bank's obligation to make the initial Credit Extension is subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, such documents, and completion of such other matters, as Bank may reasonably deem necessary or appropriate, including, without limitation:

(a) duly executed signatures to the Loan Documents;

(b) duly executed original signatures to the Warrant, together with a capitalization table and copies of Borrower's equity documents;

(c) duly executed signatures to the Control Agreement(s), if any;

(d) the Operating Documents and certificate of compliance of Borrower certified by the Ontario Ministry of Government and Consumer Services and each jurisdiction in which Borrower is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date;

(e) an officer's certificate of Borrower with respect to Borrower's articles, by-laws, shareholders' agreement, incumbency and resolutions authorizing the execution and delivery of this Agreement and the other Loan Documents;

(f) duly executed signatures to the completed Borrowing Resolutions for Borrower;

(g) certified copies, dated as of a recent date, of financing statement searches, as Bank may request, accompanied by written evidence (including, without limitation, any UCC termination statements, PPSA termination statements or PPSA confirmations/estoppels, as applicable) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;

(h) duly executed signatures to a payoff and discharge letter evidencing that Indebtedness owed by Borrower to Export Development Canada in respect of PPSA registration bearing registration no. 20160621 1200 1862 9343 and reference file no. 717859953, and the documents and/or filings evidencing the perfection of such Liens, including without limitation any financing statement(s) and/or control agreement(s), will be terminated and discharged and all amounts owing thereunder or in connection therewith shall be repaid in full upon receipt of such payment;

(i) PPSA termination statements, evidencing that the PPSA registrations in favor of Royal Bank of Canada identified by file numbers 689589234 and 718578576 have been fully discharged;

(j) the Perfection Certificate of Borrower, together with the duly executed signature thereto;

(k) bailee waivers in favor of Bank for each third party warehouse location, together with the duly executed signatures thereto;

(l) a legal opinion of Borrower's counsel dated as of the Effective Date together with the duly executed signature thereto in form and substance acceptable to Bank;

(m) evidence satisfactory to Bank that the insurance policies and endorsements required by Section 6.5 hereof are in full force and effect, together with appropriate evidence showing loss payee and/or additional insured clauses or endorsements in favor of Bank; and

(n) payment of the balance of the fees and Bank Expenses then due as specified in Section 2.4 hereof.

3.2 Conditions Precedent to all Credit Extensions. Bank's obligations to make each Credit Extension, including the initial Credit Extension, is subject to the following conditions precedent:

(a) timely receipt of an executed Payment/Advance Form;

(b) in respect of any Tranche 2 Advance, evidence satisfactory to Bank, in its sole discretion that the Tranche 2 Event has occurred, as well as any materials and documents required by Section 3.4;

(c) the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date of the Payment/Advance Form and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in this Agreement remain true, accurate, and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; and

(d) Bank determines to its satisfaction that there has not been any material impairment in the general affairs, management, results of operation, financial condition or the prospect of repayment of the Obligations, or any material adverse deviation by Borrower from the most recent business plan of Borrower presented to and accepted by Bank.

3.3 Covenant to Deliver. Borrower agrees to deliver to Bank each item required to be delivered to Bank under this Agreement as a condition precedent to any Credit Extension. Borrower expressly agrees that a Credit Extension made prior to the receipt by Bank of any such item shall not constitute a waiver by Bank of Borrower's obligation to deliver such item, and the making of any Credit Extension in the absence of a required item shall be in Bank's sole discretion.

3.4 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of a Term Loan Advance set forth in this Agreement, to obtain a Term Loan Advance, Borrower shall notify Bank (which notice shall be irrevocable) by electronic mail, facsimile or telephone by 12:00 noon Eastern time on the Funding Date of the Term Loan Advance. Bank shall have received satisfactory evidence that the provision of such notices and the requests for Term Loan Advances have been approved by the Board. In connection with such notification, Borrower must promptly deliver to Bank by electronic mail or facsimile a completed Payment/Advance Form executed by an Authorized Signer together with such other reports and information, as Bank may request in its sole discretion. Bank shall credit proceeds of any Term Loan Advance to the Designated Deposit Account. Bank may make Term Loan Advances under this Agreement based on instructions from an Authorized Signer or without instructions if the Term Loan Advances are necessary to meet Obligations which have become due.

4. CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Bank, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof.

Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with Bank. Regardless of the terms of any Bank Services Agreement, Borrower agrees that any amounts Borrower owes Bank thereunder shall be deemed to be Obligations hereunder and that it is the intent of Borrower and Bank to have all such Obligations secured by the first priority perfected security interest in the Collateral granted herein (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien in this Agreement).

If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower. In the event (x) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (y) this Agreement is terminated, Bank shall terminate the security interest granted herein upon Borrower providing cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any. In the event such Bank Services consist of outstanding Letters of Credit, Borrower shall provide to Bank cash collateral in an amount equal to (x) if such Letters of Credit are denominated in Dollars, then at least one hundred five percent (105.0%); and (y) if such Letters of Credit are denominated in a Foreign Currency, then at least one hundred ten percent (110.0%), of the Dollar Equivalent of the face amount of all such Letters of Credit plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its business judgment), to secure all of the Obligations relating to such Letters of Credit.

4.2 Priority of Security Interest. Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral (subject only to Permitted Liens that are permitted pursuant to the terms of this Agreement to have superior priority to Bank's Lien under this Agreement). If Borrower shall acquire a commercial tort claim, Borrower shall promptly notify Bank in a writing signed by Borrower of the general details thereof and grant to Bank in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Bank.

4.3 Authorization to File Financing Statements. Borrower hereby authorizes Bank to file financing statements, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Bank's interest or rights hereunder, including a notice that any disposition of the Collateral, by either Borrower or any other Person, shall be deemed to violate the rights of Bank under the Code. Such financing statements may indicate the Collateral as "all assets of the Debtor" or words of similar effect, or as being of an equal or lesser scope, or with greater detail, all in Bank's discretion.

5. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

5.1 Due Organization, Authorization; Power and Authority. Borrower is duly existing and in good standing in its jurisdiction of formation and is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower's business. In connection with this Agreement, Borrower has delivered to Bank a completed certificate signed by Borrower, entitled "Perfection Certificate" (the "**Perfection Certificate**"). Borrower represents and warrants to Bank that (a) Borrower's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (b) Borrower is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Borrower's business identification number or accurately states that Borrower has none; (d) the Perfection Certificate accurately sets forth Borrower's place of business, or, if more than one, its chief executive office as well as Borrower's mailing address (if different than its chief executive office); (e) Borrower (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any business identification number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to Borrower and each of its Subsidiaries is accurate and complete (it being understood and agreed that Borrower may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement).

The execution, delivery and performance by Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's Operating Documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect), or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business.

5.2 Collateral. Borrower has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens. Borrower has no Collateral Accounts at or with any bank or financial institution other than Bank or Bank's Affiliates except for the Collateral Accounts described in the Perfection Certificate delivered to Bank in connection herewith and which Borrower has taken such actions as are necessary to give Bank a perfected security interest therein, pursuant to the terms of Section 6.6(b) (excluding the Canadian Accounts). The Accounts are bona fide, existing obligations of the Account Debtors.

The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate. None of the components of the Collateral shall be maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2.

All Inventory is in all material respects of good and marketable quality, free from material defects.

Borrower is the sole owner of the Intellectual Property which it owns or purports to own except for (a) non-exclusive licenses granted to its customers in the ordinary course of business, (b) over-the-counter software that is commercially available to the public, and (c) material Intellectual Property licensed to Borrower and noted on the Perfection Certificate. Each Patent which it owns or purports to own and which is material to Borrower's business is valid and enforceable, and no part of the Intellectual Property which Borrower owns or purports to own and which is material to Borrower's business has been judged invalid or unenforceable, in whole or in part. To the best of Borrower's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on Borrower's business.

Except as noted on the Perfection Certificate, Borrower is not a party to, nor is it bound by, any Restricted License.

5.3 Litigation. Except as noted on the Perfection Certificate, there are no actions or proceedings pending or, to the knowledge of any Responsible Officer, threatened in writing by or against Borrower or any of its Subsidiaries involving more than, individually or in the aggregate, Fifty Thousand Dollars ($50,000.00).

5.4 Financial Statements; Financial Condition. All consolidated financial statements for Borrower and any of its Subsidiaries delivered to Bank by submission to the Financial Statement Repository or otherwise submitted to Bank fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations. There has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to the Financial Statement Repository or otherwise submitted to Bank.

5.5 Solvency. The fair salable value of Borrower's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of Borrower's liabilities; Borrower is not left with unreasonably small capital after the transactions in this Agreement; and Borrower is able to pay its debts (including trade debts) as they mature.

5.6 Regulatory Compliance. Borrower is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower (a) has complied in all material respects with all Requirements of Law, and (b) has not violated any Requirements of Law the violation of which could reasonably be expected to have a material adverse effect on its business. None of Borrower's or any of its Subsidiaries' properties or assets has been used by Borrower or any Subsidiary or, to the best of Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Borrower and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

5.7 Subsidiaries; Investments. Borrower does not own any stock, partnership, or other ownership interest or other equity securities except for Permitted Investments.

5.8 Tax Returns and Payments; Pension Contributions. Borrower has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, provincial, state and local taxes, assessments, deposits and contributions owed by Borrower except (a) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor, or (b) if such taxes, assessments, deposits and contributions do not, individually or in the aggregate, exceed Five Thousand Dollars ($5,000.00).

To the extent Borrower defers payment of any contested taxes, Borrower shall (i) notify Bank in writing of the commencement of, and any material development in, the proceedings, and (ii) post bonds or take any other steps required to prevent the Governmental Authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien." Borrower is unaware of any claims or adjustments proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower. Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

5.9 Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions as working capital, to fund its general business requirements and to repay existing Indebtedness of Borrower owing to Export Development Canada, and not for personal, family, household or agricultural purposes.

5.10 Full Disclosure. No written representation, warranty or other statement of Borrower in any report, certificate or written statement submitted to the Financial Statement Repository or otherwise submitted to Bank, as of the date such representation, warranty, or other statement was made, taken together with all such written reports, written certificates and written statements submitted to the Financial Statement Repository or otherwise submitted to Bank, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the written reports, written certificates or written statements not misleading (it being recognized by Bank that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.11 Definition of "Knowledge." For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower's knowledge or awareness, to the "best of" Borrower's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of any Responsible Officer.

6. AFFIRMATIVE COVENANTS

Borrower shall do all of the following:

6.1 Government Compliance.

(a) Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a material adverse effect on Borrower's business or operations. Borrower shall comply, and have each Subsidiary comply, in all material respects, with all laws, ordinances and regulations to which it is subject.

(b) Obtain all of the Governmental Approvals necessary for the performance by Borrower of its obligations under the Loan Documents to which it is a party and the grant of a security interest to Bank in all of its property. Borrower shall promptly provide copies of any such obtained Governmental Approvals to Bank.

6.2 Financial Statements, Reports, Certificates. Provide Bank with the following by submitting to the Financial Statement Repository or otherwise submitting to Bank:

(a) Monthly Financial Statements. As soon as available, but no later than thirty (30) days after the last day of each month, a company prepared balance sheet and income statement covering Borrower's operations for such month in a form acceptable to Bank (the "**Monthly Financial Statements**");

(b) Monthly Compliance Statement. Within thirty (30) days after the last day of each month and together with the Monthly Financial Statements, a completed Compliance Statement, confirming that, as of the end of such month, Borrower was in full compliance with all of the terms and conditions of this Agreement, and setting forth such other information as Bank may reasonably request;

(c) Board-Approved Operating Budget and Projections. As soon as available, but no later than thirty (30) days after the last day of Borrower's fiscal year and contemporaneously with any updates thereto, Board-approved operating budget and projections as to the then current fiscal year in a form acceptable to Bank;

(d) Annual Audited Financial Statements. As soon as available, but no later one hundred eighty (180) days after the last day of Borrower's fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm reasonably acceptable to Bank;

(e) Accounts. Within thirty (30) days after the end of each month, the balance of each account of Borrower held at any bank or financial institution other than Bank or Bank's Affiliates;

(f) Capitalization Table. As soon as available, but no later than thirty (30) days after a change in the fully diluted ownership interest in Borrower, an updated capitalization table for Borrower;

(g) Lease Statement. Within three (3) days of the day on which rent is due each month under that certain lease between Borrower, as tenant, and Marshall-Barwick Properties Inc., as landlord, for the premises municipally know as 5895 Ambler Drive, Mississauga, Ontario L4W 5B7, Borrower shall deliver to Bank a lease statement in the form attached hereto as Exhibit D (a "**Lease Statement**");

(h) Other Statements. Within five (5) days of delivery, copies of all statements, reports and notices made available to Borrower's security holders or to any holders of Subordinated Debt;

(i) SEC Filings. In the event that Borrower becomes subject to the reporting requirements under the Exchange Act within five (5) days of filing, copies of all periodic and other reports, proxy statements and other materials filed by Borrower with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower's website on the Internet at Borrower's website address; provided, however, Borrower shall promptly notify Bank in writing (which may be by electronic mail) of the posting of any such documents;

(j) Customer Due Diligence: Prompt written notice of any changes to the beneficial ownership information set out in items 14(A) and 14(B) of the Perfection Certificate. Borrower understands and acknowledges that Bank relies on true, accurate and up-to-date beneficial ownership information to meet Bank's regulatory obligations to obtain, verify and record information about the beneficial owners of its legal entity customers;

(k) Legal Action Notice. A prompt report of any legal actions pending or threatened in writing against Borrower or any of its Subsidiaries that could result in damages or costs to Borrower or any of its Subsidiaries of, individually or in the aggregate, Two Hundred Fifty Thousand Dollars ($250,000.00) or more; and

(l) Other Financial Information. Promptly, from time to time, such information regarding Borrower or compliance with the terms of any Loan Documents as reasonably requested by Bank.

Any submission by Borrower of a Compliance Statement, Lease Statement or any other financial statement submitted to the Financial Statement Repository pursuant to this Section 6.2 or otherwise submitted to Bank shall be deemed to be a representation by Borrower that (a) as of the date of such Compliance Statement, Lease Statement or other financial statement, the information and calculations set forth therein are true, accurate and correct, (b) as of the end of the compliance period set forth in such submission, Borrower is in complete compliance with all required covenants except as noted in such Compliance Statement, Lease Statement or other financial statement, as applicable; (c) as of the date of such submission, no Events of Default have occurred or are continuing; (d) all representations and warranties other than any representations or warranties that are made as of a specific date in Article 5 remain true and correct in all material respects as of the date of such submission except as noted in such Compliance Statement or other financial statement, as applicable; (e) as of the date of such submission, Borrower and each of its Subsidiaries has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.8; and (f) as of the date of such submission, no Liens have been levied or claims made against Borrower relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank.

6.3 Inventory; Returns. Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances between Borrower and its Account Debtors shall follow Borrower's customary practices as they exist at the Effective Date. Borrower must promptly notify Bank of all returns, recoveries, disputes and claims that involve more than Two Hundred Fifty Thousand Dollars ($250,000.00).

6.4 Taxes; Pensions. Timely file, and require each of its Subsidiaries to timely file, all required tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, provincial, state and local taxes, assessments, deposits and contributions owed by Borrower and each of its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.8 hereof, and shall deliver to Bank, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.5 Insurance.

(a) Keep its business and the Collateral insured for risks and in amounts standard for companies in Borrower's industry and location and as Bank may reasonably request. Insurance policies shall be in a form, with financially sound and reputable insurance companies that are not Affiliates of Borrower, and in amounts that are satisfactory to Bank. All property policies shall have a lender's loss payable endorsement showing Bank as lender loss payee. All liability policies shall show, or have endorsements showing, Bank as an additional insured. Bank shall be named as lender loss payee and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral.

(b) Ensure that proceeds payable under any property policy are, at Bank's option, payable to Bank on account of the Obligations.

(c) At Bank's request, Borrower shall deliver certified copies of insurance policies and evidence of all premium payments. Each provider of any such insurance required under this Section 6.5 shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to Bank, that it will give Bank thirty (30) days prior written notice before any such policy or policies shall be materially altered or canceled. If Borrower fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons and Bank, Bank may make all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Bank deems prudent.

6.6 Operating Accounts.

(a) Within sixty days of the Effective Date (the "**Transition Period**"), maintain all of Borrower's and its Subsidiaries' U.S. dollar depository and operating accounts, securities/investment accounts and excess funds with Bank and Bank's Affiliates; provided, however, that Borrower may maintain its Canadian dollar operating/depository accounts with Royal Bank of Canada, as described in the Perfection Certificate (the "**Canadian Accounts**"). Any Guarantor shall maintain all U.S. dollar depository, operating and securities/investment accounts with Bank and Bank's Affiliates.

(b) In addition to, and without limiting the restrictions in 6.6(a), Borrower shall provide Bank five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank's Affiliates. For each Collateral Account that Borrower at any time maintains, Borrower shall cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank. The provisions of the previous sentence shall not apply (i) during the Transition Period, (ii) to deposit accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower's employees and identified to Bank by Borrower as such and (iii) to the Canadian Accounts.

6.7 Protection of Intellectual Property Rights.

(a) (i) Protect, defend and maintain the validity and enforceability of its Intellectual Property; (ii) promptly advise Bank in writing of material infringements or any other event that could reasonably be expected to materially and adversely affect the value of its Intellectual Property; and (iii) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Bank's written consent.

(b) Provide written notice to Bank within ten (10) days of entering into or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall take such steps as Bank requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Bank to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Bank's rights and remedies under this Agreement and the other Loan Documents.

6.8 Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to Bank, without expense to Bank, Borrower and its officers, employees and agents and Borrower's books and records, to the extent that Bank may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Bank with respect to any Collateral or relating to Borrower.

6.9 Access to Collateral; Books and Records. At reasonable times, on one (1) Business Days' notice, (provided no notice is required if an Event of Default has occurred and is continuing), Bank, or its agents, the right to inspect the Collateral and the right to audit and copy Borrower's Books. The foregoing inspections and audits shall be conducted at Borrower's expense and no more often than once every twelve (12) months unless an Event of Default has occurred and is continuing in which case such inspections and audits shall occur as often as Bank shall determine is necessary. The charge therefor shall be One Thousand Dollars ($1,000) per person per day (or such higher amount as shall represent Bank's then-current standard charge for the same), plus reasonable out-of-pocket expenses. In the event Borrower and Bank schedule an audit more than ten (10) days in advance and Borrower cancels or seeks to reschedule the audit with less than ten (10) days written notice to Bank, then (without limiting any of Bank's rights or remedies) Borrower shall pay Bank a fee of One Thousand Dollars ($1,000) plus any out-of-pocket expenses incurred by Bank to compensate Bank for the anticipated costs and expenses of the cancellation or rescheduling.

6.10 Formation or Acquisition of Subsidiaries. Notwithstanding and without limiting the negative covenants contained in Sections 7.3 and 7.7 hereof, at the time that Borrower forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Effective Date, Borrower shall (a) cause such new Subsidiary to provide to Bank a joinder to this Agreement to cause such Subsidiary to become a co-borrower hereunder, together with such appropriate financing statements and/or Control Agreements, all in form and substance satisfactory to Bank (including being sufficient to grant Bank a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary), (b) provide to Bank appropriate certificates and powers and financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary, in form and substance satisfactory to Bank, and (c) provide to Bank all other documentation in form and substance satisfactory to Bank, including one or more opinions of counsel satisfactory to Bank, which in its opinion is appropriate with respect to the execution and delivery of the applicable documentation referred to above.

6.11 Further Assurances. Execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's Lien in the Collateral or to effect the purposes of this Agreement. Deliver to the Bank, within five (5) days after the same are sent or received, copies of all correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law or that could reasonably be expected to have a material effect on any of the Governmental Approvals or otherwise on the operations of Borrower or any of its Subsidiaries.

7. NEGATIVE COVENANTS

Borrower shall not do any of the following without Bank's prior written consent:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment that is, in the reasonable judgment of Borrower, no longer economically practicable to maintain or useful in the ordinary course of business of Borrower; (c) consisting of Permitted Liens and Permitted Investments; (d) consisting of the sale or issuance of any stock of Borrower permitted under Section 7.2 of this Agreement; (e) consisting of Borrower's use or transfer of money or Cash Equivalents in the ordinary course of its business for the payment of ordinary course business expenses in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents; and (f) of non-exclusive licenses for the use of the property of Borrower or its Subsidiaries in the ordinary course of business.

7.2 Changes in Business, Management, Ownership, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto; (b) liquidate or dissolve; or (c) (i) fail to provide notice to Bank of any Key Person departing from or ceasing to be employed by Borrower within five (5) days after such Key Person's departure from Borrower; or (ii) enter into any transaction or series of related transactions in which the shareholders of Borrower who were not shareholders immediately prior to the first such transaction own more than forty percent (40.0%) of the voting stock of Borrower immediately after giving effect to such transaction or related series of such transactions (other than by the sale of Borrower's equity securities in a public offering or to venture capital or private equity investors so long as Borrower identifies to Bank the venture capital or private equity investors at least seven (7) Business Days prior to the closing of the transaction and provides to Bank a description of the material terms of the transaction).

Borrower shall not, without providing at least thirty (30) days prior written notice to Bank: (1) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Two Hundred Fifty Thousand Dollars ($250,000.00) in Borrower's assets or property) or deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) to a bailee at a location other than to a bailee and at a location already disclosed in the Perfection Certificate, (2) change its jurisdiction of organization or change the location of its chief executive office or registered office, (3) change its organizational structure or type, (4) change its legal name, or (5) change any business identification number (if any) assigned by its jurisdiction of organization. If Borrower intends to deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) to a bailee, and Bank and such bailee are not already parties to a bailee agreement governing both the Collateral and the location to which Borrower intends to deliver the Collateral, then Borrower will first receive the written consent of Bank, and such bailee shall execute and deliver a bailee agreement in form and substance satisfactory to Bank.

7.3 Mergers, Amalgamations or Acquisitions. Merge, amalgamate, or consolidate, or permit any of its Subsidiaries to merge, amalgamate, or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person (including, without limitation, by the formation of any Subsidiary). A Subsidiary may merge, amalgamate, or consolidate into another Subsidiary or into Borrower. In addition, Borrower shall not continue, or permit any Subsidiary to continue, into another jurisdiction.

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, permit any Collateral not to be subject to the first priority security interest granted herein, or enter into any agreement, document, instrument or other arrangement (except with or in favor of Bank) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or any Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "Permitted Liens" herein.

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.6(b) hereof.

7.7 Distributions; Investments. (a) Pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock of Borrower, provided that Borrower may repurchase the stock of former employees or consultants pursuant to stock repurchase which individually or in the aggregate in any fiscal year are equal to or less or than Two Hundred Fifty Thousand Dollars ($250,000.00), or (b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary) other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower, except for transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person.

7.9 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to Obligations owed to Bank.

8. EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

8.1 Payment Default. Borrower fails to (a) make any payment of principal or interest on any Credit Extension when due, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day cure period shall not apply to payments due on the Term Loan Maturity Date). During the cure period, the failure to make or pay any payment specified under clause (b) hereunder is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) Borrower fails or neglects to perform any obligation in Sections 6.2, 6.3, 6.5, 6.6, 6.7 6.9 or 6.10, or violates any covenant in Section 7; or

(b) Borrower fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by Borrower be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Cure periods provided under this section shall not apply, among other things, to financial covenants or any other covenants set forth in clause (a) above;

8.3 Material Adverse Change. A Material Adverse Change occurs;

8.4 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or of any entity under the control of Borrower (including a Subsidiary), or (ii) a notice of lien or levy is filed against any of Borrower's assets by any Governmental Authority, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any ten (10) day cure period; or

(b) (i) any material portion of Borrower's assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower from conducting all or any material part of its business;

8.5 Insolvency. (a) Borrower or any of its Subsidiaries is unable to pay its debts (including trade debts) as they become due or otherwise becomes insolvent; (b) Borrower or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower or any of its Subsidiaries and is not dismissed or stayed within thirty (30) days (but no Credit Extensions shall be made while any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is, under any agreement to which Borrower is a party with a third party or parties, (a) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of One Hundred Thousand Dollars ($100,000.00); or (b) any breach or default by Borrower, the result of which could have a material adverse effect on Borrower's business;

8.7 Judgments; Penalties. One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least Two Hundred Fifty Thousand Dollars ($250,000.00) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower by any Governmental Authority, and the same are not, within ten (10) days after the entry, assessment or issuance thereof, discharged, satisfied, or paid, or after execution thereof, stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the satisfaction, payment, discharge, stay, or bonding of such fine, penalty, judgment, order or decree);

8.8 Misrepresentations. Borrower or any Person acting for Borrower makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Bank or to induce Bank to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 Subordinated Debt. Any document, instrument, or agreement evidencing any Subordinated Debt shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect, any Person shall be in breach thereof or contest in any manner the validity or enforceability thereof or deny that it has any further liability or obligation thereunder, or the Obligations shall for any reason be subordinated or shall not have the priority contemplated by this Agreement or any applicable subordination or intercreditor agreement; or

8.10 Governmental Approvals. Any Governmental Approval shall have been (a) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course for a full term or (b) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of such Governmental Approval or that could result in the Governmental Authority taking any of the actions described in clause (a) above, and such decision or such revocation, rescission, suspension, modification or non-renewal (i) causes, or could reasonably be expected to cause, a Material Adverse Change, or (ii) adversely affects the legal qualifications of Borrower or any of its Subsidiaries to hold such Governmental Approval in any applicable jurisdiction and such revocation, rescission, suspension, modification or non-renewal could reasonably be expected to affect the status of or legal qualifications of Borrower or any of its Subsidiaries to hold any Governmental Approval in any other jurisdiction.

9. BANK'S RIGHTS AND REMEDIES

9.1 Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Bank may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Bank);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Bank;

(c) demand that Borrower (i) deposit cash with Bank in an amount equal to at least (A) one hundred five percent (105.0%) of the Dollar Equivalent of the aggregate face amount of all Letters of Credit denominated in Dollars remaining undrawn, and (B) one hundred ten percent (110.0%) of the Dollar Equivalent of the aggregate face amount of all Letters of Credit denominated in a Foreign Currency remaining undrawn (plus, in each case, all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment)), to secure all of the Obligations relating to such Letters of Credit, as collateral security for the repayment of any future drawings under such Letters of Credit, and Borrower shall forthwith deposit and pay such amounts, and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any Letters of Credit;

(d) terminate any FX Contracts;

(e) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Bank considers advisable, and notify any Person owing Borrower money of Bank's security interest in such funds. Borrower shall collect all payments interest for Bank and if requested by Bank, immediately deliver the payments to Bank in the form received from the Account Debtor, with proper endorsements for deposit;

(f) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Bank requests and make it available as Bank designates. Bank may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Bank a license to enter and occupy any of its premises, without charge, to exercise any of Bank's rights or remedies;

(g) apply to the Obligations any (i) balances and deposits of Borrower it holds, or (ii) any amount held by Bank owing to or for the credit or the account of Borrower;

(h) seize, ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Bank is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section, Borrower's rights under all licenses and all franchise agreements inure to Bank's benefit;

(i) place a "hold" on any account maintained with Bank and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(j) demand and receive possession of Borrower's Books;

(k) obtain from any court of competent jurisdiction an order for the sale or foreclosure of any or all of the Collateral;

(l) appoint in writing a receiver or receiver and manager (a "**Receiver**") for all or any part of the Collateral who shall be vested with all of the Bank's rights and remedies under this Agreement, at law or in equity. Any such Receiver, with respect to responsibility for its acts, shall, to the extent permitted by applicable law, be deemed to the agent of the Borrower and not the Bank;

(m) obtain from any court of competent jurisdiction an order for the appointment of a Receiver of the Borrower or of any or all of the Collateral;

(n) realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, on such terms and conditions as the Bank may deem advisable and at such prices as it may deem best; and

(o) exercise all rights and remedies available to Bank under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.2 Power of Attorney. Borrower hereby irrevocably appoints Bank as its lawful attorney-in-fact, exercisable following and during the continuance of an Event of Default, to: (a) endorse Borrower's name on any checks, payment instruments, or other forms of payment or security; (b) sign Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) demand, collect, sue, and give releases to any Account Debtor for monies due, settle and adjust disputes and claims about the Accounts directly with Account Debtors, and compromise, prosecute, or defend any action, claim, case, or proceeding about any Collateral (including filing a claim or voting a claim in any bankruptcy case in Bank's or Borrower's name, as Bank chooses); (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, or other claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Bank or a third party as the Code permits. Borrower hereby appoints Bank as its lawful attorney-in-fact to sign Borrower's name on any documents necessary to perfect or continue the perfection of Bank's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations have been satisfied in full and the Loan Documents have been terminated. Bank's foregoing appointment as Borrower's attorney in fact, and all of Bank's rights and powers, coupled with an interest, are irrevocable until all Obligations have been fully repaid and performed and the Loan Documents have been terminated.

9.3 Protective Payments. If Borrower fails to obtain the insurance called for by Section 6.5 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Bank may obtain such insurance or make such payment, and all amounts so paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Bank will make reasonable efforts to provide Borrower with notice of Bank obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default.

9.4 Application of Payments and Proceeds. Bank shall have the right to apply in any order any funds in its possession, whether from Borrower account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations. Bank shall pay any surplus to Borrower by credit to the Designated Deposit Account or to other Persons legally entitled thereto; Borrower shall remain liable to Bank for any deficiency. If Bank, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Bank shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Bank of cash therefor.

9.5 Bank's Liability for Collateral. So long as Bank complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Bank, Bank shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.6 No Waiver; Remedies Cumulative. Bank's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Bank thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Bank's rights and remedies under this Agreement and the other Loan Documents are cumulative. Bank has all rights and remedies provided under the Code, by law, or in equity. Bank's exercise of one right or remedy is not an election and shall not preclude Bank from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Bank's waiver of any Event of Default is not a continuing waiver. Bank's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Bank on which Borrower is liable.

10. NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and seven (7) Business Days after deposit in the U.S. mail or Canada Post, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Bank or Borrower may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower: iS5 Communications Inc.
5895 Ambler Drive
Mississauga, Ontario, L4W 5B7

Attn: Clive Dias
Email: CliveDias@is5com.com

If to Bank: Silicon Valley Bank
275 Grove Street, Suite 2-200
Newton, Massachusetts 02466
Attn: Tyler Kirk
Email: tkirk@SVB.com

with a copy to: Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9
Attn: Mr. Tony Gioia
Fax: (416) 863.1515
Email: tgioia@airdberlis.com

11. <u>CHOICE OF LAW, VENUE, AND JURY TRIAL WAIVER</u>

Except as otherwise expressly provided in any of the Loan Documents, Massachusetts law governs the Loan Documents without regard to principles of conflicts of law. Borrower and Bank each submit to the exclusive jurisdiction of the State and Federal courts in Boston, Massachusetts; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Bank from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Bank. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

This Section 11 shall survive the termination of this Agreement.

12. <u>GENERAL PROVISIONS</u>

12.1 Termination Prior to Term Loan Maturity Date; Survival. All covenants, representations and warranties made in this Agreement shall continue in full force until this Agreement has terminated pursuant to its terms and all Obligations have been satisfied. So long as Borrower has satisfied the Obligations (other than inchoate indemnity obligations, and any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement), this Agreement may be terminated prior to the Term Loan Maturity Date by Borrower, effective three (3) Business Days after written notice of termination is given to Bank. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination.

12.2 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents (other than the Warrant, as to which assignment, transfer and other such actions are governed by the terms thereof).

12.3 Indemnification. Borrower agrees to indemnify, defend and hold Bank and its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Bank (each, an "**Indemnified Person**") harmless against: (i) all obligations, demands, claims, and liabilities (collectively, "**Claims**") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (ii) all losses or expenses (including Bank Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, consequential to, or arising from transactions between Bank and Borrower (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct.

This Section 12.3 shall survive until all statutes of limitation with respect to the Claims, losses, and expenses for which indemnity is given shall have run.

12.4 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.5 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.6 Correction of Loan Documents. Bank may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties.

12.7 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents.

12.8 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.9 Confidentiality. In handling any confidential information, Bank shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to Bank's Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Bank, collectively, "**Bank Entities**"); (b) to prospective transferees or purchasers of any interest in the Credit Extensions (provided, however, Bank shall use its best efforts to obtain any prospective transferee's or purchaser's agreement to the terms of this provision); (c) as required by law, regulation, subpoena, or other order; (d) to Bank's regulators or as otherwise required in connection with Bank's examination or audit; (e) as Bank considers appropriate in exercising remedies under the Loan Documents; and (f) to third-party service providers of Bank so long as such service providers have executed a confidentiality agreement with Bank with terms no less restrictive than those contained herein. Confidential information does not include information that is either: (i) in the public domain or in Bank's possession when disclosed to Bank, or becomes part of the public domain (other than as a result of its disclosure by Bank in violation of this Agreement) after disclosure to Bank; or (ii) disclosed to Bank by a third party, if Bank does not know that the third party is prohibited from disclosing the information.

Bank Entities may use anonymous forms of confidential information for aggregate datasets, for analyses or reporting, and for any other uses not expressly prohibited in writing by Borrower. The provisions of the immediately preceding sentence shall survive termination of this Agreement.

12.10 Right of Set Off. Borrower hereby grants to Bank, a Lien, security interest and right of set off as security for all Obligations to Bank, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Bank or any entity under the control of Bank (including a Bank subsidiary) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, at any time following demand or notice, Bank may set off the same or any part thereof and apply the same to any liability or Obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

12.11 Electronic Execution of Documents. The words “execution,” “signed,” “signature” and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or equivalent legislation in another jurisdiction.

12.12 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.13 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.14 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm’s-length contract.

12.15 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

13. DEFINITIONS

13.1 Definitions. As used in the Loan Documents, the word “shall” is mandatory, the word “may” is permissive, the word “or” is not exclusive, the words “includes” and “including” are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. As used in this Agreement, the following capitalized terms have the following meanings:

“**Account**” is as to any Person any “account” of such Person as “account” is defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to such Person.

"**Account Debtor**" is any "account debtor" as defined in the Code with such additions to such term as may hereafter be made.

"**Affiliate**" is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members.

"**Agreement**" is defined in the preamble hereof.

"**Authorized Signer**" is any individual listed in Borrower's Borrowing Resolution who is authorized to execute the Loan Documents, including any Credit Extension request, on behalf of Borrower.

"**Bank**" is defined in the preamble hereof.

"**Bank Entities**" is defined in Section 12.9.

"**Bank Expenses**" are all audit fees and expenses, costs, and expenses (including reasonable attorneys' fees and expenses) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to Borrower.

"**Bank Services**" are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to Borrower or any of its Subsidiaries by Bank or any Bank Affiliate, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in Bank's various agreements related thereto (each, a "**Bank Services Agreement**").

"**Bank Services Agreement**" is defined in the definition of Bank Services.

"**Board**" is Borrower's board of directors.

"**Borrower**" is defined in the preamble hereof.

"**Borrower's Books**" are all Borrower's books and records including ledgers, federal, provincial and state tax returns, records regarding Borrower's assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"**Borrowing Resolutions**" are, with respect to any Person, those resolutions adopted by such Person's board of directors (and, if required under the terms of such Person's Operating Documents, shareholders) and delivered by such Person to Bank approving the Loan Documents to which such Person is a party and the transactions contemplated thereby, together with a certificate executed by its secretary or other senior officer on behalf of such Person certifying (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that set forth as a part of or attached as an exhibit to such certificate is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the name(s) of the Person(s) authorized to execute the Loan Documents, including any Credit Extension request, on behalf of such Person, together with a sample of the true signature(s) of such Person(s), and (d) that Bank may conclusively rely on such certificate unless and until such Person shall have delivered to Bank a further certificate canceling or amending such prior certificate.

"**Business Day**" is any day that is not a Saturday, Sunday or a day on which Bank is closed, and if any determination of a "Business Day" shall relate to an FX Contract, the term "Business Day" shall mean a day on which dealings are carried on in the country of settlement of the Foreign Currency.

"**Canadian Accounts**" is defined in Section 6.6(a).

"**Cash Equivalents**" means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or Canada or any agency or any State or Province thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor's Ratings Group, Moody's Investors Service, Inc. or DBRS; (c) Bank's certificates of deposit issued maturing no more than one (1) year after issue; and (d) money market funds at least ninety-five percent (95%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this definition.

"**Claims**" is defined in Section 12.3.

"**Code**" is (a) with respect to any assets located in the United States, the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the Commonwealth of Massachusetts; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the Commonwealth of Massachusetts, the term "**Code**" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions, and (b) with respect to any assets located in Canada, the PPSA as amended and as may be further amended and in effect from time to time; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank's Lien on any Collateral is governed by the Personal Property Security Act or equivalent legislation in effect in a provincial jurisdiction other than Ontario, the term "Code" shall mean the Personal Property Security Act or equivalent legislation as enacted and in effect in such other province solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

"**Collateral**" is any and all properties, rights and assets of Borrower described on Exhibit A.

"**Collateral Account**" is any Deposit Account, Securities Account, or Commodity Account.

"**Commodity Account**" is any "commodity account" as defined in the Code with such additions to such term as may hereafter be made.

"**Compliance Statement**" is that certain certificate in the form attached hereto as Exhibit B.

"**Contingent Obligation**" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"**Control Agreement**" is any control agreement entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Bank pursuant to which Bank obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

“**Copyrights**” are any and all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

“**Credit Extension**” is any Term Loan Advance, or any other extension of credit by Bank for Borrower’s benefit.

“**Default Rate**” is defined in Section 2.3(b).

“**Deposit Account**” is any “deposit account” as defined in the Code with such additions to such term as may hereafter be made.

“**Designated Deposit Account**” is the account denominated in Dollars, account number 3302643654, maintained by Borrower with Bank.

“**Dollars**,” “**dollars**” or use of the sign “**$**” means only lawful money of the United States and not any other currency, regardless of whether that currency uses the “$” sign to denote its currency or may be readily converted into lawful money of the United States.

“**Dollar Equivalent**” is, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in a Foreign Currency, the equivalent amount therefor in Dollars as determined by Bank at such time on the basis of the then-prevailing rate of exchange in San Francisco, California, for sales of the Foreign Currency for transfer to the country issuing such Foreign Currency.

“**Draw Period**” is the period of time commencing upon the occurrence of the Effective Date and continuing through the earlier to occur of (a) April 30, 2020 or (b) an Event of Default.

“**Effective Date**” is defined in the preamble hereof.

“**Equipment**” is all “equipment” as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

“**Event of Default**” is defined in Section 8.

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

“**Financial Statement Repository**” is Bank’s e-mail address, GroupCanadaEastReporting@svb.com, or such other means of collecting information approved and designated by Bank after providing notice thereof to Borrower from time to time.

“**Foreign Currency**” means lawful money of a country other than the United States.

“**Funding Date**” is any date on which a Credit Extension is made to or for the account of Borrower which shall be a Business Day.

“**FX Contract**” is any foreign exchange contract by and between Borrower and Bank under which Borrower commits to purchase from or sell to Bank a specific amount of Foreign Currency on a specified date.

“**GAAP**” means, with respect to any Person, generally accepted accounting principles in the United States or Canada as in effect from time to time with respect to such Person, including IFRS.

“**General Intangibles**” is all “general intangibles” or “intangibles” as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

"**Governmental Approval**" is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

"Governmental Authority" is any nation or government, any federal, provincial, state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

"**IFRS**" are the International Financial Reporting Standards, a collection of guidelines and rules set by the International Accounting Standards Board (www.iasb.org) which are applicable to the circumstances as of the date of determination.

"**Indebtedness**" is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

"**Indemnified Person**" is defined in Section 12.3.

"**Insolvency Proceeding**" is any proceeding by or against any Person under the United States Bankruptcy Code, the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"**Intellectual Property**" means, with respect to any Person, all of such Person's right, title, and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;

(c) any and all source code;

(d) any and all design rights which may be available to such Person;

(e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

"**Inventory**" is all "inventory" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower's custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

"**Investment**" is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

"**Key Person**" is each of Clive Dias, who is the Chief Executive Officer of Borrower as of the Effective Date.

"**Letter of Credit**" is a standby or commercial letter of credit issued by Bank upon request of Borrower based upon an application, guarantee, indemnity, or similar agreement.

"**Lien**" is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

"**Loan Documents**" are, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the Warrant, the Perfection Certificate, any Bank Services Agreement, any Subordination Agreement, any note, or notes or guaranties executed by Borrower, and any other present or future agreement by Borrower with or for the benefit of Bank in connection with this Agreement or Bank Services, all as amended, restated, or otherwise modified.

"**Material Adverse Change**" is (a) a material impairment in the perfection or priority of Bank's Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations, or condition (financial or otherwise) of Borrower; or (c) a material impairment of the prospect of repayment of any portion of the Obligations.

"**Monthly Financial Statements**" is defined in Section 6.2(a).

"**Obligations**" are Borrower's obligations to pay when due any debts, principal, interest, fees, Bank Expenses, the Prepayment Premium, and other amounts Borrower owes Bank now or later, whether under this Agreement, the other Loan Documents, or otherwise, including, without limitation, all obligations relating to Bank Services and any interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Bank, and to perform Borrower's duties under the Loan Documents.

"**Operating Documents**" are, for any Person, such Person's formation documents, as certified by the Secretary of State (or equivalent agency) of such Person's jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"**Patents**" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

"**Payment/Advance Form**" is that certain form attached hereto as Exhibit C.

"**Payment Date**" is the first (1^{st}) calendar day of each calendar month.

"**Perfection Certificate**" is defined in Section 5.1.

"**Permitted Indebtedness**" is:

(a) Borrower's Indebtedness to Bank under this Agreement and the other Loan Documents;

(b) Indebtedness existing on the Effective Date and shown on the Perfection Certificate;

(c) Subordinated Debt;

(d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(e) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;

(f) Indebtedness secured by Liens permitted under clauses (a) and (c) of the definition of "Permitted Liens" hereunder;

(g) Indebtedness of any Subsidiary to Borrower to the extent that such Indebtedness is permitted as an Investment by the Borrower in such Subsidiary pursuant to the definition of "Permitted Investments";

(h) Indebtedness consented to by Bank in writing after the date hereof; and

(i) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (f) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon Borrower or its Subsidiary, as the case may be.

"**Permitted Investments**" are:

(a) Investments (including, without limitation, Subsidiaries) existing on the Effective Date and shown on the Perfection Certificate;

(b) Investments consisting of Cash Equivalents;

(c) Investments consisting of deposit accounts over which Bank holds a first priority perfected security interest;

(d) Investments by Borrower in a Subsidiary not to exceed Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate in any fiscal year; and

(e) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by Borrower' Board of Directors, in each case up to a maximum of One Hundred Thousand ($100,000) per year;

"**Permitted Liens**" are:

(a) Liens existing on the Effective Date and shown on the Perfection Certificate or arising under this Agreement and the other Loan Documents;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which Borrower maintains adequate reserves on its Books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder;

(c) purchase money Liens or capital leases (i) on Equipment acquired or held by Borrower incurred for financing the acquisition of the Equipment securing no more than Two Hundred Fifty Thousand Dollars ($250,000.00) annually, in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(d) (i) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory securing liabilities in the aggregate amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000.00) and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings to prevent forfeiture or sale of the property subject thereto, and (ii) Liens in favour of a bailee that has entered into a bailee agreement with the Bank in accordance with Section 7.2; and

(e) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) through (c), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase.

"**Person**" is any individual, sole proprietorship, partnership, limited liability company, unlimited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"**PPSA**" means the *Personal Property Security Act* (Ontario), as amended and as may be further amended and in effect from time to time.

"**Prepayment Premium**" means (i) 3.0% of the prepaid amount if prepayment occurs within eighteen (18) months of the Effective Date; or (ii) 0% of the prepaid amount if prepayment occurs any time after eighteen (18) months of the Effective Date; or (iii) 0% of the prepaid amount if prepayment is refinanced by another credit facility established by Bank.

"**Prime Rate**" is the rate of interest per annum from time to time published in the money rates section of The Wall Street Journal or any successor publication thereto as the "prime rate" then in effect; provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement; and provided further that if such rate of interest, as set forth from time to time in the money rates section of The Wall Street Journal, becomes unavailable for any reason as determined by Bank, the "Prime Rate" shall mean the rate of interest per annum announced by Bank as its prime rate in effect at its principal office in the State of California (such Bank announced Prime Rate not being intended to be the lowest rate of interest charged by Bank in connection with extensions of credit to debtors); provided that, in the event such rate of interest is less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"**Receiver**" is defined in Section 9.1(l).

"**Requirement of Law**" is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**Responsible Officer**" is any director of Borrower.

"**Restricted License**" is any material license or other agreement with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such license or agreement or any other property, or (b) for which a default under or termination of could interfere with the Bank's right to sell any Collateral.

"**SEC**" shall mean the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

"**Securities Account**" is any "securities account" as defined in the Code with such additions to such term as may hereafter be made.

"**Subordinated Debt**" is indebtedness incurred by Borrower subordinated to all of Borrower's now or hereafter indebtedness to Bank (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Bank entered into between Bank and the other creditor), on terms acceptable to Bank.

"Subordination Agreement" is each agreement, in form and substance satisfactory to Bank in its sole discretion, evidencing the Subordinated Debt.

"**Subsidiary**" is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower.

"**Term Loan Advance**" and "**Term Loan Advances**" are each defined in Section 2.2(a) hereof.

"**Term Loan Maturity Date**" means April 1, 2023.

"**Trademarks**" means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

"**Tranche 1 Advance**" is defined in Section 2.2(a).

"**Tranche 2 Advance**" is defined in Section 2.2(a).

"**Tranche 2 Event**" means delivery by Borrower to Bank, after the Effective Date of evidence satisfactory to Bank in its sole and absolute discretion, that Borrower has, on or before end of the Draw Period, achieved revenue of at least Two Million Canadian Dollars ($2,000,000 CDN) for the trailing six (6) month period ending on or before September 30, 2019.

"**Transfer**" is defined in Section 7.1.

"**Warrant**" is that certain Warrant to purchase Class B2 Preferred shares dated as of the Effective Date executed by Borrower in favor of Bank, as amended, modified, supplemented and/or restated from time to time.

[Signature page follows.**]**

IN WITNESS WHEREOF, this Agreement and all documents executed in connection therewith, or relating thereto, have been negotiated, prepared and deemed to be executed by Borrower in the United States of America. In addition, this Agreement is being executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the Effective Date.

BORROWER:

IS5 COMMUNICATIONS INC.

By_________________________________
Name: CLIVE DIAS
Title: PRESIDENT & CEO

BANK:

SILICON VALLEY BANK

By_________________________________
Name:_______________________________
Title:________________________________

IN WITNESS WHEREOF, this Agreement and all documents executed in connection therewith, or relating thereto, have been negotiated, prepared and deemed to be executed by Borrower in the United States of America. In addition, this Agreement is being executed as a sealed instrument under the laws of the Commonwealth of Massachusetts as of the Effective Date.

BORROWER:

IS5 COMMUNICATIONS INC.

By__________________________________
Name:_______________________________
Title:_______________________________

BANK:

SILICON VALLEY BANK

By__________________________________
Name: Tyler Kirk
Title: Vice President

EXHIBIT A – COLLATERAL DESCRIPTION

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as provided below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, certificates of deposit, guaranteed investment certificates, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

all Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include any Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property. If a judicial authority (including a U.S. Bankruptcy Court) would hold that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts and such property that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Bank's security interest in such Accounts and such other property of Borrower that are proceeds of the Intellectual Property.

Pursuant to the terms of a certain negative pledge arrangement with Bank, Borrower has agreed not to encumber any of its Intellectual Property without Bank's prior written consent.

Notwithstanding the foregoing, the following shall be excluded from the Collateral: (a) the last day of the term of any lease or agreement to lease, but Borrower shall stand possessed of such last day in trust for and assign it to such person as Bank shall direct, (b) Borrower's consumer goods, if any, and (c) any contract or agreement, including any restrictive license, to the extent it is not assignable or requires the consent of a third party to its assignment and such consent has not been obtained, provided that until such consent is obtained, Borrower shall hold any such contracts or agreements in trust for and on behalf of Bank.

EXHIBIT B

COMPLIANCE STATEMENT

TO: SILICON VALLEY BANK Date: ________________________
FROM: iS5 Communications Inc.

Under the terms and conditions of the Loan and Security Agreement between iS5 Communications Inc. ("Borrower") and Bank (the "Agreement"):

Borrower is in complete compliance for the period ending _______________ with all required covenants except as noted below. Attached are the required documents evidencing such compliance, setting forth calculations prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenants	Required	Complies
Monthly financial statements with Compliance Statement	Monthly within 30 days	Yes No
Annual financial statement (CPA Audited)	FYE within 180 days	Yes No
10-Q, 10-K and 8-K (if applicable)	Within 5 days after filing with SEC	Yes No N/A
Board-approved operating budget and projections	FYE within 30 days	Yes No
Account Balances	Monthly within 30 days	Yes No

Other Matters

1)	Have there been any amendments of or other changes to the capitalization table of Borrower and to the Operating Documents of Borrower or any of its Subsidiaries? If yes, provide copies of any such amendments or changes with this Compliance Statement.	Yes	No
2)	Has the Tranche 2 Event occurred? If yes, please provide evidence of same to Bank (unless otherwise previously provided).	Yes	No

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

EXHIBIT C – LOAN PAYMENT/ADVANCE REQUEST FORM

DEADLINE FOR SAME DAY PROCESSING IS NOON EASTERN TIME

Fax To: Date: ____________________

LOAN PAYMENT: IS5 COMMUNICATIONS INC.

From Account #_____________________________ To Account #____
(Deposit Account #) (Loan Account #)

Principal $________________________________ and/or Interest $____

Authorized Signature:____________________________ Phone Number: _____________________________________

Print Name/Title: _______________________________

LOAN ADVANCE:

Complete *Outgoing Wire Request* section below if all or a portion of the funds from this loan advance are for an outgoing wire.

From Account #_____________________________ To Account #____
(Loan Account #) (Deposit Account #)

Amount of Advance $________________________

All Borrower's representations and warranties in the Loan and Security Agreement are true, correct and complete in all material respects on the date of the request for an advance; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date:

Authorized Signature:____________________________ Phone Number: ___________________________________

Print Name/Title: _______________________________

OUTGOING WIRE REQUEST:

Complete only if all or a portion of funds from the loan advance above is to be wired.

Deadline for same day processing is noon, Easter Time

Beneficiary Name: ________________________________ Amount of Wire: $____

Beneficiary Bank: ________________________________ Account Number: ____

City and State: ___________________________________

Beneficiary Bank Transit (ABA) #: ____________________ Beneficiary Bank Code (Swift, Sort, Chip, etc.): ____________________

(For International Wire Only)

Intermediary Bank: ________________________________ Transit (ABA) #: ____

For Further Credit to: ____

Special Instruction: ____

By signing below, I (we) acknowledge and agree that my (our) funds transfer request shall be processed in accordance with and subject to the terms and conditions set forth in the agreements(s) covering funds transfer service(s), which agreements(s) were previously received and executed by me (us).

Authorized Signature: __________________________ 2nd Signature (if required): _____________________________________

Print Name/Title: ____________________________ Print Name/Title: ____

Telephone #: ________________________________ Telephone #: ____

EXHIBIT D

LEASE STATEMENT

TO: SILICON VALLEY BANK Date: ________________________
FROM: iS5 Communications Inc.

This Lease Statement is being delivered in accordance with the terms of the Loan and Security Agreement (as amended, the "**Agreement**") between the iS5 Communications Inc. ("**Borrower**") and Silicon Valley Bank ("**Bank**").

Borrower hereby represents and warrants to Bank in connection with the lease between Marshall-Barwick Properties Inc. ("**Landlord**") and Borrower for property located at 5895 Ambler Drive, Mississauga, Ontario L4W 5B7 (hereinafter referred to as the "**Lease**"), that:

1. the Lease has not been altered or amended and is in full force and effect and is valid and subsisting and in good standing as of the date hereof; and

2. no default or event of default or breach has occurred under the Lease and, as of the date hereof, Borrower has not received any verbal or written notice of a default or event of default or breach under the Lease from the Landlord.

35149464.9

This is Exhibit "E" referred to in the Affidavit of Clive Dias sworn by Clive Dias at the City of Brampton, in the Province of Ontario, before me on August 5, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

8A6E4EE09DE34D5

Commissioner for Taking Affidavits (or as may be)

FIRST AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

THIS FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT (this "**Amendment**") is entered into this 1st day of February, 2022, by and between **SILICON VALLEY BANK**, an authorized foreign bank under the Bank Act (Canada) ("**Bank**") and **IS5 COMMUNICATIONS INC.**, a corporation organized under the laws of the Province of Ontario ("**Borrower**").

RECITALS

A. Bank and Borrower have entered into that certain Loan and Security Agreement dated as of May 15, 2019 (as the same may from time to time be further amended, modified, supplemented or restated, the "**Loan Agreement**").

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement to (i) extend the 2022 Term Loan (as hereinafter defined) to Borrower; (ii) extend the Revolving Line (as hereinafter defined) to Borrower; and (ii) make certain other revisions to the Loan Agreement, as more fully set forth herein.

D. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Section 2.2 (Term Loan Advances). The Loan Agreement shall be amended by (i) renumbering the provisions of Section 2.2 (Term Loan Advances) thereof to Section 2.2.1 (Term Loan Advances) and (ii) renumbering all existing refences to Section 2.2 to Section 2.2.1.

2.2 Section 2.2.2 (**2022 Term Loan Advances**). The Loan Agreement shall be amended by inserting the following new provisions to appear as Section 2.2.2 (2022 Term Loan Advances) thereof:

" **2.2.2 2022 Term Loan Advances.**

(a) Availability. Subject to the terms and conditions of this Agreement, upon Borrower's request, during the 2022 Term Loan Draw Period, Bank shall make term loan advances available to Borrower up to an aggregate original principal amount not to exceed Four Hundred Thousand Dollars ($400,000) (each a "**2022 Term Loan Advance**" and collectively the "**2022 Term Loan Advances**"), but only after the occurrence of the 2022

Term Loan Event. After repayment, no 2022 Term Loan Advance (or any portion thereof) may be reborrowed.

(b) Interest Payments. With respect to each 2022 Term Loan Advance, commencing on the first Payment Date following the Funding Date of such 2022 Term Loan Advance and continuing on the Payment Date of each month thereafter, Borrower shall make monthly payments of interest, in arrears, on the principal amount of such 2022 Term Loan Advance at the rate set forth in Section 2.3(a)(ii).

(c) Repayment. 2022 Term Loan Advances shall be "interest only" for the duration of the 2022 Term Loan Draw Period with interest payable in accordance with Section 2.3(d) hereof. Thereafter, 2022 Term Loan Advances shall be payable (i) in eighteen (18) equal monthly installments of principal plus (ii) monthly payments of accrued interest at the rate set forth in Section 0. All outstanding principal and accrued interest with respect to the 2022 Term Loan Advances, as well as all other outstanding Obligations with respect to the 2022 Term Loan Advances, shall be immediately due and payable in full on the 2022 Term Loan Maturity Date

(d) Mandatory Prepayment Upon Acceleration. If a Term Loan Advance is accelerated following the occurrence and during the continuation of an Event of Default, Borrower shall immediately pay to Bank an amount equal to the sum of: (i) all outstanding principal plus accrued and unpaid interest, (ii) the 2022 Term Loan Final Payment, plus (iii) all other sums, if any, that shall have become due and payable, including interest at the Default Rate with respect to any past due amounts.

(e) Permitted Prepayment. Borrower shall have the option to prepay all, but not less than all, of the 2022 Term Loan Advances, provided Borrower (i) delivers written notice to Bank of its election to prepay the 2022 Term Loan Advances at least ten (10) days prior to such prepayment, and (ii) pays, on the date of such prepayment (A) the outstanding principal plus accrued and unpaid interest with respect to the 2022 Term Loan Advances, (B) the 2022 Term Loan Final Payment and (C) all other sums, if any, that shall have become due and payable with respect to the 2022 Term Loan Advances, including interest at the Default Rate with respect to any past due amounts.

2.3 Section 2.2.3 (**Revolving Line Advances**). The Loan Agreement shall be amended by inserting the following new provisions to appear as Section 2.2.3 (Revolving Line Advances) thereof:

" **2.2.3 Revolving Line Advances.**

(a) Availability. Subject to the terms and conditions of this Agreement, upon Borrower's request, Bank shall make Advances available to Borrower, in an amount not exceeding the Availability Amount. Amounts borrowed under the Revolving Line may be repaid and, prior to the Revolving Line Maturity Date, reborrowed, subject to the applicable terms and conditions contained herein.

(b) Interest Payments. With respect to each Advance, commencing on the first Payment Date following the Funding Date of such Revolving Line Advance and continuing on each Payment Date of each month thereafter, Borrower shall make monthly payments of interest, in arrears, on the principal of such Advance at the rate set forth in Section 2.3(a)(iii).

(c) Termination; Repayment. The Revolving Line terminates on the Revolving Line Maturity Date, when the principal amount of all Advances, the unpaid interest thereon, and all other Obligations relating to the Revolving Line shall be immediately due and payable.

(d) Mandatory Repayment. When amounts are outstanding under the Revolving Line, Borrower shall on the earlier of (i) 180 days from the filing date of each Filed Tax Credit and (ii) the date on which Borrower receives the Filed Tax Credit Receivable, repay in full all outstanding amounts owing under the Revolving Line.

(e) Overadvance. If, at any time, the outstanding principal amount of any Advances exceeds the lesser of either the Revolving Line or the Borrowing Base, Borrower shall immediately pay to Bank in cash the amount of such excess (such excess, the "**Overadvance**"). Without limiting Borrower's obligation to repay Bank any Overadvance, Borrower agrees to pay Bank interest on the outstanding amount of any Overadvance, on demand, at a per annum rate equal to the rate that is otherwise applicable to Advances plus five percent (5.0%)."

2.4 Section 2.3 (**Payment of Interest on the Credit Extensions**). Section 2.3(a) of the Loan Agreement (Payment of Interest on the Credit Extensions) is amended by deleting Section 2.3(a) of the Loan Agreement and replacing it with the following:

" (a) Interest Rate.

(i) Term Loan Advance. Subject to Section 2.3(b), the principal amount outstanding for each Term Loan Advance shall accrue interest at a floating per annum rate equal to the greater of (i) three-quarter percentage points (0.75%) above the Prime Rate, and (ii) six and one-quarter percentage points (6.25%), which interest shall be payable monthly in accordance with Section 2.3(d) below.

(ii) 2022 Term Loan Advance. Subject to Section 2.3(b), the principal amount outstanding for each 2022 Term Loan Advance shall accrue interest at a floating per annum rate equal to the greater of (i) two and one-half percentage points (2.50%) above the Prime Rate, and (ii) five and three-quarter percentage points (5.75%), which interest shall be payable monthly in accordance with Section 2.3(d) below.

(ii) Revolving Line Advances. Subject to Section 2.2(b), the principal amount outstanding for each Advance shall accrue interest at a floating per annum rate equal to the greater of (a) one and three-quarter percentage points (1.75%) above the Prime Rate, or (b) five percentage points (5.00%), which interest shall be payable monthly in accordance with Section 2.3(d) below."

2.5 Section 2.4 (Fees). Section 2.4 of the Loan Agreement (Fees) is deleted in its entirety and replaced with the following:

"**2.4 Fees.** Borrower shall pay to Bank:

(a) Commitment Fees. A fully earned, non-refundable commitment fee of Seven Thousand Five Hundred Dollars ($7,500.00), on the Effective Date; and, a fully earned, non-refundable commitment fee of Ten Thousand Dollars ($10,000.00), on the First

Amendment Effective Date; and

(b) <u>2022 Term Loan Final Payment</u>. The 2022 Term Loan Final Payment, when due hereunder, which shall be fully earned and non-refundable as of such date;

(c) <u>Unused Revolving Line Facility Fee</u>. Payable monthly in arrears on the first Payment Date following the First Amendment Effective Date, on the last day of each calendar month occurring thereafter prior to the Revolving Line Maturity Date, and on the Revolving Line Maturity Date, a fee (the "**Unused Revolving Line Facility Fee**") in an amount equal to point one percent (0.10%) per annum of the average unused portion of the Revolving Line, as determined by Bank, computed on the basis of a year with the applicable number of days as set forth in Section 2.3(d). The unused portion of the Revolving Line, for purposes of this calculation, shall be calculated on a calendar year basis and shall equal the difference between (i) the Revolving Line, and (ii) the average for the month of the daily closing balance of the Revolving Line outstanding; and

(d) <u>Bank Expenses</u>. All Bank Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due (or, if no stated due date, upon demand by Bank).

(e) <u>Fees Fully Earned</u>. Unless otherwise provided in this Agreement or in a separate writing by Bank, Borrower shall not be entitled to any credit, rebate, or repayment of any fees earned by Bank pursuant to this Agreement notwithstanding any termination of this Agreement or the suspension or termination of Bank's obligation to make loans and advances hereunder. Bank shall provide Borrower written notice of deductions made from the Designated Deposit Account pursuant to the terms of the clauses of this Section 2.4."

2.6 Section 2.5 (Payments; Application of Payments). Section 2.5 of the Loan Agreement (Payments; Application of Payments) is here by amended by deleting Section 2.5(c) in its entirety.

2.7 Section 3.2 (Conditions Precedent to all Credit Extensions). Section 3.2(a) of the Loan Agreement is deleted in its entirety and replaced with the following:

"(a) timely receipt of (i) the Credit Extension request and any materials and documents required by Section 3.4; (ii) in respect of any 2022 Term Loan Advance, evidence satisfactory to Bank, in its sole discretion that the 2022 Term Loan Event has occurred, (iii) with respect to the request for Term Loan Advances and 2022 Term Loan Advances, an executed Payment/Advance Form and any materials and documents required by Section 3.4.; and (iv) with respect to the initial Advance, a completed Borrowing Base Statement (and any schedules related thereto);"

2.8 Section 3.4 (Procedures for Borrowing). Section 3.4 of the Loan Agreement (Procedures for Borrowing) is deleted in its entirety and replaced with the following:

"**3.4 Procedures for Borrowing**.

(a) <u>Revolving Line</u>. Subject to the prior satisfaction of all other applicable conditions to the making of an Advance set forth in this Agreement, to obtain an Advance, Borrower (via an individual duly authorized by an Administrator) shall notify Bank (which notice shall be irrevocable) by electronic mail by 12:00 p.m.

Eastern time on the Funding Date of the Advance. Such notice shall be made by Borrower through Bank's online banking program, provided, however, if Borrower is not utilizing Bank's online banking program, then such notice shall be in a written format acceptable to Bank that is executed by an Authorized Signer. Bank shall have received satisfactory evidence that the Board has approved that such Authorized Signer may provide such notices and request Advances. In connection with any such notification, Borrower must promptly deliver to Bank by electronic mail or through Bank's online banking program such reports and information, including without limitation, sales journals, cash receipts journals, accounts receivable aging reports, as Bank may request in its sole discretion. Bank shall credit proceeds of an Advance to the Designated Deposit Account. Bank may make Advances under this Agreement based on instructions from an Authorized Signer or without instructions if the Advances are necessary to meet Obligations which have become due.

(b) Term Loan Advances. Subject to the prior satisfaction of all other applicable conditions to the making of a Term Loan Advance set forth in this Agreement, to obtain a Term Loan Advance, Borrower shall notify Bank (which notice shall be irrevocable) by electronic mail, facsimile or telephone by 12:00 noon Eastern time on the Funding Date of the Term Loan Advance. Bank shall have received satisfactory evidence that the provision of such notices and the requests for Term Loan Advances have been approved by the Board. In connection with such notification, Borrower must promptly deliver to Bank by electronic mail or facsimile a completed Payment/Advance Form executed by an Authorized Signer together with such other reports and information, as Bank may request in its sole discretion. Bank shall credit proceeds of any Term Loan Advance to the Designated Deposit Account. Bank may make Term Loan Advances under this Agreement based on instructions from an Authorized Signer or without instructions if the Term Loan Advances are necessary to meet Obligations which have become due.

(c) 2022 Term Loan Advances. Subject to the prior satisfaction of all other applicable conditions to the making of a 2022 Term Loan Advance set forth in this Agreement, to obtain a 2022 Term Loan Advance, Borrower shall notify Bank (which notice shall be irrevocable) by electronic mail, facsimile or telephone by 12:00 noon Eastern time on the Funding Date of the 2022 Term Loan Advance. Bank shall have received satisfactory evidence that the provision of such notices and the requests for 2022 Term Loan Advances have been approved by the Board. In connection with such notification, Borrower must promptly deliver to Bank by electronic mail or facsimile a completed Payment/Advance Form executed by an Authorized Signer together with such other reports and information, as Bank may request in its sole discretion. Bank shall credit proceeds of any 2022 Term Loan Advance to the Designated Deposit Account. Bank may make 2022 Term Loan Advances under this Agreement based on instructions from an Authorized Signer or without instructions if the 2022 Term Loan Advances are necessary to meet Obligations which have become due."

2.9 Section 4 (Grant of Security Interest). Section 4.1 of the Loan Agreement (Due Organization, Authorization; Power and Authority) is deleted in its entirety and replaced with the following:

"**4.1 Grant of Security Interest.** Borrower hereby grants Bank, to secure the payment and performance in full of all of the Obligations of Borrower, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof.

If the grant of any Lien hereunder in any Contract, or Permit would result in the termination or breach of such Contract, or Permit or is otherwise prohibited or ineffective (whether by the terms thereof or under applicable law), then such Contract, or Permit will not be subject to any Lien hereunder but will be held in trust by Borrower for the benefit of Bank and, on the exercise by Bank of any of its rights or remedies under this Agreement following an Event of Default, will be assigned by Borrower as directed by Bank; provided that: (a) the Liens granted hereunder will attach to such Contract, or Permit, or applicable portion thereof, immediately at such time as the condition causing such termination or breach is remedied, and (b) if a term in a Contract that prohibits or restricts the grant of the Lien hereunder in the whole of an Account or Chattel Paper forming part of the Collateral is unenforceable against Bank under applicable law, then the exclusion from the Lien set out above shall not apply to such Account or Chattel Paper. Notwithstanding the foregoing, if a judicial authority determines that a Lien in Intellectual Property is necessary to have a security interest in Accounts and Proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the date hereof, include Intellectual Property to the extent necessary to permit perfection of Bank's Lien in such Accounts and Proceeds of Intellectual Property. For greater certainty, no ownership interest in Intellectual Property is presently assigned to Bank by sole virtue of the grant of the Liens contained herein. In addition, the Liens granted herein do not attach to Consumer Goods (as defined in the PPSA) or extend to the last day of the term of any lease or agreement for lease of real property. Such last day will be held by Borrower in trust for Bank and, on the exercise by Bank of any of its rights or remedies under this Agreement following an Event of Default, will be assigned by Borrower as directed by Bank.

If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall, at Borrower's sole cost and expense, release its Liens in the Collateral and all rights therein shall revert to Borrower."

2.10 Section 5 (Representations and Warranties). Section 5.1 of the Loan Agreement (Due Organization, Authorization; Power and Authority) is deleted in its entirety and replaced with the following:

"**5.1 Due Organization, Authorization; Power and Authority.** Borrower is duly existing and in good standing in its jurisdiction of formation and is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower's business. In connection with this Agreement, Borrower has delivered to Bank a completed certificate, entitled "Perfection Certificate" (the "**Perfection Certificate**"). Borrower represents and warrants to Bank that (a) Borrower's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (b) Borrower is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Borrower's organizational identification number or accurately states that Borrower has none; (d) the Perfection Certificate accurately sets forth Borrower's place of business, or, if more than one, its chief executive office as well as Borrower's registered office and mailing address (if different than its chief executive office); (e) the Perfection Certificate accurately sets forth each jurisdiction in which Borrower carries on business or keeps tangible personal property and all jurisdictions in which material account debtors of Borrower are located; (f) other than set out in the Perfection Certificate, Borrower (and each of its predecessors) has not changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to Borrower and each of its Subsidiaries is accurate and complete (it being understood and agreed that Borrower may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement).

The execution, delivery and performance by Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's Operating Documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect), or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business.

This Agreement and the other Loan Documents have been duly executed and delivered by each Credit Party (as applicable) and constitute legal, valid and binding obligations of each Credit Party (as applicable), enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. Specifically but without limitation, Borrower is able to calculate the yearly rate or percentage of interest payable under any Loan Document based upon the methodology set out in such Section 2.3(d), to the extent it applies to the expression or statement of any interest payable under any Loan Document."

2.11 Section 5 (Representations and Warranties). Section 5 of the Loan Agreement (Representations and Warranties) is amended by deleting Section 5.5 in its entirety and replacing it with the following:

"**5.5. Solvency.** Borrower is not an "insolvent person" within the meaning of the BIA; and Borrower is able to pay its debts (including trade debts) as they mature."

2.12 Section 5 (Representations and Warranties). Section 5.8 of the Loan Agreement (Tax Returns and Payments; Pension Contributions) is deleted in its entirety and replaced with the following:

"**5.8 Tax Returns and Payments; Pension Contributions.** Borrower has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, provincial, state and local taxes, assessments, deposits and contributions owed by Borrower except (a) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor, or (b) if such taxes, assessments, deposits and contributions do not, individually or in the aggregate, exceed Five Thousand Dollars ($5,000).

To the extent Borrower defers payment of any contested taxes, Borrower shall (i) notify Bank in writing of the commencement of, and any material development in, the proceedings, and (ii) post bonds or take any other steps required to prevent the Governmental Authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien." Borrower is unaware of any claims or adjustments proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower. Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower, including any liability to the pension benefit fund established under any other governmental agency. Borrower does not have, sponsor, administer, contribute to, participate in, or assume any liability (including any contingent liability) under any Defined Benefit Plan."

2.13 Section 5 (Representations and Warranties). Section 5 of the Loan Agreement (Representations and Warranties) is amended by (i) re-numbering Section 5.11 of the Loan Agreement (Definition of "Knowledge") as Section 5.12, and (ii) inserting the following new Section 5.11:

"**5.11 Tax Credits**. Bank has been granted or will be granted a first priority security interest under the laws of the Province of Ontario, on all claims, receivables and on all Accrued Tax Credits and Filed Tax Credits, present and future, of Borrower, which security interest shall have been registered under the PPSA."

2.14 Section 6.2 (Financial Statements, Reports, Certificates). Section 6.2(i) of the Loan Agreement (Financial Statements, Reports, Certificates) is deleted in its entirety and replaced with the following:

"(i) Securities Filings. In the event that Borrower becomes subject to the reporting requirements under the *Securities Act* (Ontario) within five (5) days of filing, copies of all periodic and other reports, proxy statements and other materials filed by Borrower with any securities commission, securities exchange, stock exchange or similar entity, or distributed to its shareholders, as the case may be. Documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with any securities commission, securities exchange, stock exchange or similar entity) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower's website on the Internet at Borrower's website address; provided, however, Borrower shall promptly notify Bank in writing (which may be by electronic mail) of the posting of any such documents."

2.15 Section 6.2 (Financial Statements, Reports, Certificates). Section 6.2 of the Loan Agreement (Financial Statements, Reports, Certificates) is amended by (i) deleting the "and" appearing at the end of subsection (k), (ii) re-lettering subsection (l) as subsection (n) and (iii) inserting the following new subsections (l) and (m):

> "(l) Borrowing Base Statement. Within thirty (30) days after the last day of each month, (i) a Borrowing Base Statement (and any schedules related thereto), including a detailed listings of all Accrued Tax Credits and Filed Tax Credits (including a column showing conversion of the same from Canadian Dollars to Dollars);
>
> (m) Reports. Within thirty (30) days after the end of each month, (ii) a detailed report setting out software as a service (SaaS) metrics reasonably requested by Bank and in a format to be mutually agreed upon by Borrower and Bank; and (ii) a detailed report setting out key performance indicators (KPI) metrics reasonably requested by Bank and in a format to be mutually agreed upon by Borrower and Bank; and"

2.16 Section 6.6 (Operating Accounts). Section 6.6(a) of the Loan Agreement (Operating Accounts) is deleted in its entirety and replaced with the following:

> "(a) Borrower may maintain its existing operating and other deposit accounts located in Canada with Royal Bank of Canada, as described in the Perfection Certificate (collectively, the "**Canadian Accounts**")."

2.17 Section 6 (Affirmative Covenants). Section 6 of the Loan Agreement (Affirmative Covenants) is amended by (i) re-numbering Section 6.11 of the Loan Agreement (Further Assurances") as Section 6.14 and (ii) inserting the following new Sections 6.11, 6.12, 6.13 and 6.14:

> "**6.11 Collections.** Whether or not an Event of Default has occurred and is continuing, at all times when amounts are outstanding under the Revolving Line, Borrower shall immediately apply all payments on and proceeds of each Filed Tax Credit Receivable to repay all outstanding amounts under the Revolving Line.
>
> **6.12 Remittance of Proceeds**. Except as otherwise provided in Section 6.11, deliver, in kind, all proceeds arising from the disposition of any Collateral to Bank in the original form in which received by Borrower not later than the following Business Day after receipt by Borrower, to be applied to the Obligations (a) prior to an Event of Default, pursuant to the terms of Section 6.11 hereof, and (b) after the occurrence and during the continuance of an Event of Default, pursuant to the terms of Section 9.4 hereof; provided that, if no Event of Default has occurred and is continuing, Borrower shall not be obligated to remit to Bank the proceeds of the sale (i) of Inventory in the ordinary course of business or (ii) of worn out or obsolete Equipment disposed of by Borrower in good faith in an arm's length transaction for an aggregate purchase price of Twenty Five Thousand Dollars ($25,000) or less (for all such transactions in any fiscal year). Borrower agrees that it will not commingle proceeds of Collateral with any of Borrower's other funds or property, but will hold such proceeds separate and apart from such other funds and property and in an express trust for Bank. Nothing in this Section 6.12 limits the restrictions on disposition of Collateral set forth elsewhere in this Agreement.
>
> **6.13 Online Banking.**

(a) Utilize Bank's online banking platform for all matters requested by Bank which shall include, without limitation (and without request by Bank for the following matters), uploading information pertaining to Accounts and Account Debtors, requesting approval for exceptions, requesting Credit Extensions, and uploading financial statements and other reports required to be delivered by this Agreement (including, without limitation, those described in Section 6.2 of this Agreement).

(b) Comply with the terms of Bank's Online Banking Agreement as in effect from time to time and ensure that all persons utilizing Bank's online banking platform are duly authorized to do so by an Administrator. Bank shall be entitled to assume the authenticity, accuracy and completeness on any information, instruction or request for a Credit Extension submitted via Bank's online banking platform and to further assume that any submissions or requests made via Bank's online banking platform have been duly authorized by an Administrator.

6.14 Account Debtors. Provide written notice to Bank of any new jurisdictions where an account debtor owing more than Two Hundred Fifty Thousand Dollars ($250,000.00) to Borrower, whose receivable is more than thirty (30) days overdue beyond the agreed term, is located."

2.18 Section 7.2 (Changes in Business, Management, Ownership/Control or Business Locations). Section 7.2 (of the Loan Agreement (Changes in Business, Management, Ownership/Control or Business Locations) is deleted in its entirety and replaced with the following:

"**7.2 Changes in Business, Management, Control, or Business Locations.** (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto; (b) liquidate or dissolve; (c) fail to provide notice to Bank of any Key Persons departing from or ceasing to be employed by Borrower within five (5) days after their departure from Borrower; or (d) enter into any transaction or series of related transactions in which the shareholders of Borrower who were not shareholders immediately prior to the first such transaction own more than forty percent (40.0%) of the voting stock of Borrower immediately after giving effect to such transaction or related series of such transactions (other than by the sale of Borrower's equity securities in a public offering or to venture capital or private equity investors so long as Borrower identifies to Bank the venture capital or private equity investors at least seven (7) Business Days prior to the closing of the transaction and provides to Bank a description of the material terms of the transaction).

Borrower shall not, without at least fifteen (15) days prior written notice to Bank: (1) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than Two Hundred Fifty Thousand Dollars ($250,000.00) in Borrower's assets or property) or deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) to a bailee at a location other than to a bailee and at a location already disclosed in the Perfection Certificate, (2) change its jurisdiction of organization, chief executive office, registered office, head office or domicile, (3) change its organizational structure or type, (4) change its legal name, (5) add any new jurisdiction(s) in which it carries on business and keeps tangible personal property, , or (6) change any organizational number (if any) assigned by its jurisdiction of organization. If Borrower intends to add any new offices or business locations, including warehouses, containing in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) of Borrower's assets or property, then

Borrower will first receive the written consent of Bank, and the landlord of any such new offices or business locations, including warehouses, shall execute and deliver a landlord consent in form and substance satisfactory to Bank. If Borrower intends to deliver any portion of the Collateral valued, individually or in the aggregate, in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) to a bailee, and Bank and such bailee are not already parties to a bailee agreement governing both the Collateral and the location to which Borrower intends to deliver the Collateral, then Borrower will first receive the written consent of Bank, and such bailee shall execute and deliver a bailee agreement in form and substance satisfactory to Bank. Borrower shall not effect or permit any of the above-mentioned changes unless all filings have been made and all other actions taken that are required in order for Bank to continue at all times following such change to have a valid and perfected first priority Lien with respect to all of the Collateral."

2.19 Section 7.10 (Compliance). The Loan Agreement shall be amended by inserting the following new provisions to appear as Section 7.10 (Compliance) thereof:

"**7.10 Compliance.** Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur; fail to comply with the Employment Standards Act (2000) (Ontario) or violate any other law or regulation, if the failure to comply or violation could reasonably be expected to have a material adverse effect on Borrower's business, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any material liability of Borrower, including any liability to any pension benefit fund established by any other governmental agency. Borrower shall not establish, sponsor, administer, contribute to, participate in, or assume any liability (including any contingent liability) under any Defined Benefit Plan."

2.20 Section 7.11 (Use of Proceeds). The Loan Agreement shall be amended by inserting the following new provisions to appear as Section 7.11 (Use of Proceeds) thereof:

"**7.11 Use of Proceeds.** Borrower will not request any Credit Extension, and Borrower shall not use, and shall procure that each other Credit Party and its and their respective directors, officers, employees and Relevant Agents shall not use, the proceeds of any Credit Extension:

(a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws;

(b) for the purpose of funding, financing or facilitating any prohibited activities, business or transaction of or with any Sanctioned Person; or

(c) in any other manner that would result in the violation of any Sanctions."

2.21 Section 8.1 (Payment Default). Section 8.1 of the Loan Agreement (Payment Default) is deleted in its entirety and replaced with the following:

> " **Payment Default**. Borrower fails to (a) make any payment of principal or interest on any Credit Extension when due, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day cure period shall not apply to payments due on the Term Loan Maturity Date, 2022 Term Loan Maturity Date or the Revolving Line Maturity Date). During the cure period, the failure to make or pay any payment specified under clause (b) hereunder is not an Event of Default but no Credit Extension will be made during the cure period."

2.22 Section 8.2 (Covenant Default). Section 8.2(a) of the Loan Agreement is deleted in its entirety and replaced with the following:

> "(a) Borrower fails or neglects to perform any obligation in Sections 6.2, 6.3, 6.5, 6.6, 6.7, 6.9, 6.10, 6.11 or 6.12 or violates any covenant in Section 7; or"

2.23 Section 8.5 (Insolvency). Section 8.5 of the Loan Agreement (Insolvency) is deleted in its entirety and replaced with the following:

"**8.5 Insolvency.**

(a) Borrower or any of its Subsidiaries:

(i) admits in writing that it is insolvent or unable to pay its debts as they generally become due;

(ii) commits an act of bankruptcy under the United States Bankruptcy Code or the BIA, files a voluntary assignment in bankruptcy under the United States Bankruptcy Code or the BIA, makes a proposal (or files a notice of its intention to do so) under the United States Bankruptcy Code or the BIA or seeks any other relief in respect of itself under the United States Bankruptcy Code or the BIA;

(iii) institutes any proceedings seeking relief in respect of itself under the CCAA;

(iv) institutes any proceeding seeking relief in respect of itself under the WURA;

(v) in addition to the forgoing, institutes any other proceeding seeking: (a) to adjudicate itself an insolvent person or a bankrupt; (b) to liquidate, dissolve or wind-up its business or assets; (c) to compromise, arrange, adjust or declare a moratorium in respect of the payment of, its debts; (d) to stay the rights of creditors generally (or any class of creditors); (e) any other relief in respect of itself under any federal, provincial or foreign applicable law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, receivership, restructuring of business, assets or debt, reorganization of business, assets or debt or protection of debtors from their creditors (such applicable law includes any applicable corporations legislation to the extent the relief sought under such corporations legislation relates to or involves the compromise, settlement, adjustment or arrangement of debt); or (f) any other relief which provides for plans or schemes of reorganization, plans or schemes of arrangement or plans or schemes of compromise, in respect of itself, to be submitted or presented to creditors (or any class of creditors);

(vi) applies for the appointment of, or has a Receiver (either court or privately appointed), sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official appointed in respect of it, or any substantial part of its property; or

(vii) threatens to do any of the foregoing, or takes any action, corporate or otherwise, to approve, effect, consent to or authorize any of the actions described in this Section 8.5;

(b) any petition is filed, application made or other proceeding instituted against or in respect of Borrower or any of its Subsidiaries:

(i) seeking to adjudicate it an insolvent person;

(ii) seeking a bankruptcy order against it under the United States Bankruptcy Code or the BIA;

(iii) seeking to institute proceedings against it under the CCAA;

(iv) seeking to institute proceedings against it under the WURA;

(v) seeking, in addition to the forgoing: (a) to adjudicate it an insolvent person or a bankrupt; (b) to liquidate, dissolve or wind-up its business or assets; (c) to compromise, arrange, adjust or declare a moratorium in respect of the payment of, its debts; (d) to stay the rights of creditors generally (or any class of creditors); (e) any other relief in respect of it under any federal, provincial or foreign applicable law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, receivership, restructuring of business, assets or debt, reorganization of business, assets or debt, or protection of debtors from their creditors (such applicable law includes any applicable corporations legislation to the extent the relief sought under such corporations legislation relates to or involves the compromise, settlement, adjustment or arrangement of debt); or (f) any other relief which provides plans or schemes of reorganization, plans or schemes of arrangement or plans or schemes of compromise in respect of it, to be submitted or presented to creditors (or any class of creditors); or

(vi) seeking the issuance of an order for the appointment of a Receiver, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official in respect of it or any substantial part of its property,

and such petition, application or proceeding continues undismissed, or unstayed and in effect, for a period of 30 days after the institution thereof, provided that: (a) if Borrower or any of its Subsidiaries fails to contest such petition, application or proceeding the 30 day grace period shall cease to apply; (b) if an order, decree or judgment is issued (whether or not entered or subject to appeal) against Borrower or any of its Subsidiaries thereunder within the 30 day period, such grace period will cease to apply, (c) Borrower or any of its Subsidiaries files an answer or other responding materials admitting the material allegations of a petition, application or other proceeding filed against it, such grace period will cease to apply; and (d) no Credit Extensions will be made during such 30-day period.

2.24 Section 10 (Notices). Section 10 of the Loan Agreement (Notices) is deleted in its entirety and replaced with the following:

"**10 <u>NOTICES</u>**

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in Canada Post, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Bank or Borrower may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower:	iS5 Communications Inc. 5895 Ambler Drive Mississauga, Ontario, L4W 5B7 Attn: Clive Dias Email: CliveDias@is5com.com
with a copy to:	Attn: Maurizio Milani Email: mauriziomilani@is5com.com
with a copy to:	Fasken Martineau DuMoulin LLP 55 Metcalfe Street, Suite 1300 Ottawa, Ontario K1P 6L5 Attn: Julia Kennedy Email: jkennedy@fasken.com
If to Bank:	Silicon Valley Bank 161 Bay Street, Suite 4410 Toronto, Ontario Canada M5J 2S1 Attn: Karim Mashnuk Email: kmashnuk@svb.com
with a copy to:	Aird & Berlis LLP 181 Bay Street, Suite 1800 Toronto, Ontario M5J 2T9 Attn: Tony Gioia Email: tgioia@airdberlis.com "

2.25 Section 11 (Choice of Law, Venue, Jury Trail Waiver and Judicial reference). Section 11 of the Loan Agreement (Choice of Law, Venue, Jury Trail Waiver and Judicial reference) is deleted in its entirety and replaced with the following:

"**11 <u>CHOICE OF LAW, VENUE</u>**

This Agreement and the other Loan Documents shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in that Province and shall be treated, in all respects, as an Ontario contract. Each party hereto agrees (a) that any action or proceeding relating to this Agreement shall be brought in any court of competent jurisdiction in the Province of Ontario, and for that purpose now irrevocably and unconditionally attorns and submits to the exclusive jurisdiction of such Ontario court, (b) that it irrevocably waives any right to, and shall not, oppose any such Ontario action or proceeding on any jurisdictional basis, including forum non conveniens, and (c) not to oppose the enforcement against it in any other jurisdiction of any judgment or order duly obtained from an Ontario court as contemplated by this Section 11. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) Business Days after deposit in Canada Post, proper postage prepaid."

2.26 Section 12.1 (Termination Prior to Term Loan Maturity Date). Section 12.1 of the Loan Agreement (Termination Prior to Term Loan Maturity Date) is deleted in its entirety and replaced with the following:

"**Termination Prior to Term Loan Maturity Date, 2022 Term Loan Maturity Date or the Revolving Line Maturity Date; Survival.** All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations have been satisfied. So long as Borrower has satisfied the Obligations (other than inchoate indemnity obligations, and any other obligations which, by their terms, are to survive the termination of this Agreement, and any Obligations under Bank Services Agreements that are cash collateralized in accordance with Section 4.1 of this Agreement), this Agreement may be terminated prior to the Term Loan Maturity Date, 2022 Term Loan Maturity Date or Revolving Line Maturity Date by Borrower, effective three (3) Business Days after written notice of termination is given to Bank. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination."

2.27 Section 12.2 (Successors and Assigns). Section 12.2 of the Loan Agreement (Successors and Assigns) is deleted in its entirety and replaced with the following:

"**12.2 Successors and Assigns**. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents (other than the Warrant and the 2022 Warrant, as to which assignment, transfer and other such actions are governed by the terms thereof)."

2.28 Section 12.16 (Anti-Money Laundering Legislation). The Loan Agreement shall be amended by inserting the following new provisions to appear as Section 12.16 (Anti-Money Laundering Legislation) thereof:

"**12.16 Anti-Money Laundering Legislation.** Borrower acknowledges that, pursuant to AML Legislation, Bank may be required to obtain, verify and record information regarding Borrower, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of Borrower, and the transactions contemplated hereby. Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by Bank, or any prospective assignee or participant in order to comply with any applicable AML Legislation, whether now or hereafter in existence."

2.29 Section 12.17 (Quebec Matters). The Loan Agreement shall be amended by inserting the following new provisions to appear as Section 12.17 (Quebec Matters) thereof;

"**12.17 Québec Matters.** For purposes of any assets, liabilities or entities located in the Province of Québec and for all other purposes pursuant to which the interpretation or construction of this Agreement may be subject to the laws of the Province of Québec or a court or tribunal exercising jurisdiction in the Province of Québec, (a) "personal property" shall include "movable property", (b) "real property" or "real estate" shall include "immovable property", (c) "tangible property" shall include "corporeal property", (d) "intangible property" shall include "incorporeal property", (e) "security interest", "mortgage" and "lien" shall include a "hypothec", "right of retention", "prior claim" , "reservation of ownership" and a resolutory clause, (f) all references to filing, perfection, priority, remedies, registering or recording under the Uniform Commercial Code or a Personal Property Security Act shall include publication under the *Civil Code of Québec,* (g) all references to "perfection" of or "perfected" liens or security interest shall include a reference to an "opposable" or "set up" hypothec as against third parties, (h) any "right of offset", "right of setoff" or similar expression shall include a "right of compensation", (i) "goods" shall include "corporeal movable property" other than chattel paper, documents of title, instruments, money and securities, (j) an "agent" shall include a "mandatary", (k) "construction liens" or "mechanics, materialmen, repairmen, construction contractors or other like Liens" shall include "legal hypothecs" and "legal hypothecs in favour of persons having taken part in the construction or renovation of an immovable", (l) "joint and several" shall include "solidary", (m) "gross negligence or wilful misconduct" shall be deemed to be "intentional or gross fault", (n) "beneficial ownership" shall include "ownership on behalf of another as mandatary", (o) "easement" shall include "servitude", (p) "priority" shall include "rank" or "prior claim", as applicable (q) "survey" shall include "certificate of location and plan", (r) "state" shall include "province", (s) "fee simple title" shall include "absolute ownership" and "ownership" (including ownership under a right of superficies), (t) "accounts" shall include "claims", (u) "legal title" shall be including "holding title on behalf of an owner as mandatory or prete-nom", (v) "ground lease" shall include "emphyteusis" or a "lease with a right of superficies, as applicable, (w) "leasehold interest" shall include a "valid lease", (x) "lease" shall include a "leasing contract" and (y) "guarantee" and "guarantor" shall include "suretyship" and "surety", respectively. The parties hereto confirm that it is their wish that this Agreement and any other document executed in connection with the transactions contemplated herein be drawn up in the English language only and that all other documents contemplated thereunder or relating thereto, including notices, may also be drawn up in the English language only. *Les parties aux présentes confirment que c'est leur volonté que cette convention et les autres documents de crédit soient rédigés en langue anglaise seulement et que tous les documents, y compris tous avis, envisagés par cette convention et les autres documents peuvent être rédigés en langue anglaise seulement*. »

2.30 **Section 13** (**Definitions**). The following terms and their respective definitions set forth in Section 13.1 of the Loan Agreement (Definitions) are deleted in their entirety and replaced with the followings:

"**Business Day**" means any day that is not (a) a Saturday, Sunday or holiday (as defined in the *Interpretation Act* (Canada)) in Toronto, Ontario, or (b) in the case of any Advance, any other statutory holiday in New York, New York.

"**Credit Extension**" is any Term Loan Advance, 2022 Term Loan Advance, Advance, Overadvance or any other extension of credit by Bank for Borrower's benefit.

"**Designated Deposit Account**" is the deposit account maintained by Borrower with Bank in the United States of America as designated by Borrower and agreed to by Bank from time to time and may include an account maintained by Borrower with Bank, currently account no. 3302 643654.

"**Obligations**" are Borrower's obligations to pay when due any debts, principal, interest, fees, Bank Expenses, the 2022 Term Loan Final Payment, the Unused Revolving Line Facility Fee and other amounts Borrower owes Bank now or later, whether under this Agreement, the other Loan Documents (other than the Warrant and 2022 Warrant), or otherwise, including, without limitation, all obligations relating to Bank Services and any interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Bank, and to perform Borrower's duties under the Loan Documents (other than the Warrant and 2022 Warrant).

"**Payment Date**" is (a) with respect to Term Loan Advances and 2022 Term Loan Advances, the first (1st) calendar day of each month and (b) with respect to Advances, the last calendar day of each month.

"**PPSA**" is the *Personal Property Security Act* (Ontario), as such legislation may be amended, renamed or replaced from time to time, and includes all regulations from time to time made under such legislation; provided, that, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank's Lien on any Collateral is governed by the Personal Property Security Act in effect in a jurisdiction other than the Province of Ontario, the term "**PPSA**" shall mean the *Personal Property Security Act* or equivalent personal property security legislation as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions."

2.31 **Section 13** (**Definitions**). The Loan Agreement is amended by inserting the following new definitions to appear alphabetically in Section 13.1 thereof:

“**2022 Warrant**” is that certain Warrant to purchase Common Shares in the capital of Borrower dated as of the First Amendment Effective Date executed by Borrower in favor of Bank, as amended, modified, supplemented and/or restated from time to time.

“**2022 Term Loan Advance**” and “**2022 Term Loan Advances**” are each defined in Section 2.2.2(a).

“**2022 Term Loan Draw Period**” is the period of time commencing upon the occurrence of the First Amendment Effective Date and continuing through the earlier to occur of (a) April 30, 2022 or (b) an Event of Default

“**2022 Term Loan Event**” means at any time during the 2022 Term Loan Draw Period, delivery by Borrower to Bank of evidence satisfactory to Bank in its sole and absolute discretion of Borrower entering into an Equity Term Sheet.

“**2022 Term Loan Final Payment**” is a payment (in addition to and not a substitution for the regular monthly payments of principal plus accrued interest) due on the earliest to occur of (a) the Term Loan Maturity Date, (b) the repayment of the Term Loan Advances in full, (c) as required pursuant to Section 2.2.2(d) or 2.2.2(e), or (d) the termination of this Agreement, in an amount equal to the sum of (i) Eight Thousand Dollars ($8,000), plus (ii) three percent (3%) of the original aggregate principal amount of all 2022 Term Loan Advances advanced to Borrower.

“**2022 Term Loan Maturity Date**” is October 1, 2023.

“**Accrued Tax Credits**” means Borrower’s accrued (but not yet filed) Federal Tax Credits and Provincial Tax Credits.

“**Advance**” or “**Advances**” means a revolving credit loan (or revolving credit loans) under the Revolving Line.

“**AML Legislation**” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” applicable laws, whether within Canada or elsewhere, including any regulations, guidelines or orders thereunder.

“**Availability Amount**” is (a) the lesser of (i) the Revolving Line or (ii) the amount available under the Borrowing Base, *minus* (b) the outstanding principal balance of all Advances.

“**BIA**” means the *Bankruptcy and Insolvency Act* (Canada).

“**Borrowing Base**” is an amount equal to, without duplication, (a) eighty percent (80%) of Filed Tax Credits, *plus* (b) fifty percent (50%) of Accrued Tax Credits, all as determined by Bank from Borrower’s most recent Borrowing Base Statement; provided, that Bank has the right to decrease the foregoing percentages in its good faith business judgment to mitigate the impact of events, conditions, contingencies, or risks which may adversely affect or otherwise impair the Collateral or Bank’s ability to realize the value thereof, all as determined by Bank based upon information received by Bank.

"**Borrowing Base Statement**" is that certain report of the value of certain Collateral in the form specified by Bank to Borrower from time to time.

"**CCAA**" means the *Companies' Creditors Arrangement Act* (Canada).

"**Credit Party**" means Borrower and each of its Subsidiaries, if any.

"**Defined Benefit Plan**" means a pension plan registered under the *Income Tax Act* (Canada), the *Pension Benefits Act* (Ontario) or any other applicable pension standards legislation which contains a "defined benefit provision", as such term is defined in subsection 147.1(1) of the *Income Tax Act* (Canada).

"**Equity Term Sheet**" means a term sheet with respect to an equity financing of Borrower for not less than Ten Million Dollars ($10,000,000) of net cash proceeds to be received by Borrower from the sale or issuance of Borrower's equity securities on terms and with a lead investor or lead investors, acceptable to Bank in its sole discretion, that is entered into on or before February 28, 2022; provided that such Ten Million Dollars ($10,000,000) of net cash proceeds from the sale or issuance of Borrower's equity securities, shall exclude any and all proceeds received by Borrower with respect to the sale and issuance by Borrower of equity securities of Borrower prior to the execution of the Equity Term Sheet, including without limitation proceeds received by Borrower with respect to any convertible securities of Borrower, including without limitation proceeds from any convertible promissory notes issued by Borrower and proceeds from any simple agreements for future equity (SAFEs) issued by Borrower.

"**Federal Tax Credits**" means investment tax credits earned or arising under the Scientific Research and Experimental Development Tax Incentive Program, in effect from time to time, as administered by the Canada Revenue Agency and any applicable provincial taxing authority, which are earned by and owing to Borrower by Her Majesty the Queen in right of Canada properly claimed or to be claimed by Borrower in its annual federal corporate tax return (such return to be filed within one hundred eighty (180) days of Borrower's fiscal year end) and certified as such by Borrower's auditor or consultant and that are acceptable to Bank in all respects.

"**Filed Tax Credits**" are Borrower's filed Federal Tax Credits and Provincial Tax Credits supported by a copy of the filed application (together with all supporting documentation) for such tax credit.

"**Filed Tax Credit Receivable**" means the proceeds received by Borrower from the applicable Governmental Authority in respect of the Filed Tax Credits.

"**First Amendment Effective Date**" is February 1, 2022.

"**Overadvance**" is defined in 2.2.2(e).

"**Provincial Tax Credits**" means investment tax credits earned or arising under the Scientific Research and Experimental Development Tax Incentive Program, in effect from time to time, as administered by the Canada Revenue Agency and any applicable provincial taxing authority, which are earned by and owing to Borrower by the Province of British Columbia properly claimed or to be claimed by Borrower in its annual provincial corporate tax return (such return to be filed within one hundred eighty (180) days of Borrower's fiscal year end) and certified as such by Borrower's auditor or consultant and that are acceptable to Bank in all respects.

"**Relevant Agent**" means, with respect to a Credit Party, any agent of such Credit Party that will act in any capacity in connection with, or benefit from, the Credit Extensions.

"**Revolving Line**" is an aggregate principal amount equal to Six Hundred Thousand Dollars ($600,000).

"**Revolving Line Maturity Date**" is October 31, 2022.

"**Unused Revolving Line Facility Fee**" is defined in Section 2.4(c).

"**WURA**" means *Winding Up and Restructuring Act* (Canada).

2.32 Section 13 (**Definitions**). The Loan Agreement is amended by deleting the following term and its definition from Section 13.1 thereof:

"**Code**" is (a) with respect to any assets located in the United States, the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the Commonwealth of Massachusetts; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the Commonwealth of Massachusetts, the term "**Code**" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions, and (b) with respect to any assets located in Canada, the PPSA as amended and as may be further amended and in effect from time to time; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank's Lien on any Collateral is governed by the Personal Property Security Act or equivalent legislation in effect in a provincial jurisdiction other than Ontario, the term "Code" shall mean the Personal Property Security Act or equivalent legislation as enacted and in effect in such other province solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

2.33 Exhibit A (Collateral). The Collateral Description appearing as Exhibit A to the Loan Agreement is deleted in its entirety and replaced with the Collateral Description appearing as Schedule 1 hereto.

2.34 Exhibit B (Compliance Certificate). The Compliance Statement appearing as Exhibit B to the Loan Agreement is deleted in its entirety and replaced with the form of Compliance Statement attached as Schedule 2 hereto:

2.35 General Amendment. Each reference to "Code" in the Loan Agreement is deleted and replaced with "PPSA".

3. Limitation of Amendments.

3.1 The amendments set forth in Section 2 above are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect. For greater certainty, this Amendment shall not be deemed to constitute novation of the obligation arising under the Loan Agreement and the other Loan Documents.

4. Acknowledgement. Borrower hereby acknowledges and confirms that from and after the Fifth Amendment Effective Date, Bank under the Loan Agreement and the other Loan Documents is Silicon Valley Bank operating through its Canadian branch, which is an authorized foreign bank branch under the *Bank Act* (Canada), with offices located at 161 Bay Street, Suite 4410, Toronto, Ontario M5J 2S1

5. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

5.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

5.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

5.3 The organizational documents of Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

5.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized, and do not (i) conflict with any of Borrower's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect) or (v) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business; and

5.5 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

6. **Perfection Certificate**. Borrower has delivered an updated Perfection Certificate in connection with this Amendment dated as of the date hereof (the "**Updated Perfection Certificate**"), which Updated Perfection Certificate shall supersede in all respects that certain Perfection Certificate by Borrower dated as of May 14, 2019.

7. **Integration**. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

8. **Counterparts**. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

9. **Electronic Execution of Documents.** The words "execution," "signed," "signature" and words of like import in any Loan Document, including this Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, the *Electronic Commerce Act, 2000* (Ontario).

10. **Governing Law**. The provisions of Section 11 of the Loan Agreement (as amended by this Agreement) apply to this Agreement.

11. **Effectiveness**. This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by Borrower; (b) the due execution and delivery to Bank of the 2022 Warrant by Borrower, (c) Borrower's payment to Bank of a $10,000 commitment fee payable on the First Amendment Effective Date and Bank's documented legal fees and expenses incurred in connection with this Agreement; (d) delivery to Bank of a certificate of an officer including authorizing resolutions and consents of the directors and shareholders; (e) the Updated Perfection Certificate, duly executed by Borrower; (f) evidence that Borrower maintains insurance coverage pursuant to the Loan Agreement; (g) delivery to Bank of a legal opinion of Borrower's Ontario counsel dated as of the First Amendment Effective Date; and (h) such other documents as Bank may reasonably request.

[Signature page follows.]

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

BORROWER:

IS5 COMMUNICATIONS INC.

By Maurizio Milani
Name: Maurizio Milani
Title: Chief Financial Officer

BANK:

SILICON VALLEY BANK

By Karim Mashnuk
Name: Karim Mashnuk
Title: Vice President

<u>Schedule 1</u>
<u>EXHIBIT A – Collateral Description</u>

1. "**Collateral**" means all of the present and future:

   (a) undertakings;

   (b) interests; and

   (c) Personal Property;

of Borrower, including Books and Records, Contracts and Permits, and including all such property in which Borrower now or in the future has any right, title or interest whatsoever, whether owned, leased, licensed, possessed or otherwise held by Borrower, and all Proceeds of any of the foregoing, wherever located.

2. Capitalized terms used but not otherwise defined in this Exhibit A shall have the meanings given to them in the Loan Agreement, and the following terms have the following meanings:

"**Accessions**", "**Chattel Paper**", "**Document of Title**", "**Equipment**", "**Goods**", "**Instrument**", "**Intangible**", "**Inventory**", "**Investment Property**", and "**Money**" have the meanings given to them in the PPSA.

"**Books and Records**" means all books, records, files, papers, disks, documents and other repositories of data recording in any form or medium, evidencing or relating to the undertakings, interests and Personal Property of Borrower which are at any time owned by Borrower or to which Borrower (or any Person on Borrower's behalf) has access.

"**Personal Property**" means personal property and includes Accounts (including all present and future tax credits, tax refunds and other sums of a similar nature due to Borrower by any fiscal authority), Chattel Paper, Documents of Title, Equipment, Goods, Instruments, Intangibles, Inventory, Investment Property and Money and includes all Accessions to any of the foregoing; notwithstanding the foregoing, Personal Property shall not include any Intellectual Property provided, however, Personal Property shall include all Accounts and Proceeds of Intellectual Property).

Schedule 2
EXHIBIT B

COMPLIANCE STATEMENT

TO: SILICON VALLEY BANK Date: ________________________
FROM: iS5 Communications Inc.

Under the terms and conditions of the Loan and Security Agreement between iS5 Communications Inc. ("**Borrower**") and Bank (the "Agreement"):

Borrower is in complete compliance for the period ending _______________ with all required covenants except as noted below. Attached are the required documents evidencing such compliance, setting forth calculations prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenants	**Required**	**Complies**
Monthly financial statements with Compliance Statement	Monthly within 30 days	Yes No
Annual financial statement (CPA Audited)	FYE within 180 days	Yes No
Board-approved operating budget and projections	FYE within 30 days	Yes No
Saas/KPI Report,	Within 30 days after the end of each montl	Yes No
Borrowing Base Statement	Within 30 days after the end of each montl	Yes No

Account Balances				
Financial Institution	**Country**	**Denomination**	**Amount**	**mm/dd/yyyy**

Other Matters

1)	Have there been any amendments of or other changes to the capitalization table of Borrower and to the Operating Documents of Borrower or any of its Subsidiaries? If yes, provide copies of any such amendments or changes with this Compliance Statement.	Yes	No
2)	Has the 2022 Term Loan Event occurred, If yes, please provide evidence of same to Bank (unless otherwise previously provided).	Yes	No

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

43298126.2

This is Exhibit "F" referred to in the Affidavit of Clive Dias sworn by Clive Dias at the City of Brampton, in the Province of Ontario, before me on August 5, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

8A6E4EF09DF34D5...

Commissioner for Taking Affidavits (or as may be)

TERM SHEET
FOR A SECURED CONVERTIBLE NOTE FINANCING OF
IS5 COMMUNICATIONS INC.
SEPTEMBER 24, 2020

BDC Capital Inc. ("**BDC**"), as part of its Venture Capital Bridge Financing Program, and the co-investors listed below (hereinafter collectively referred to as the "**Investors**" and each a "**Holder**") are pleased to provide the following summary of the principal terms of the secured convertible note financing of iS5 Communications Inc. (the "**Corporation**"). In consideration of the time and expense devoted and to be devoted by the Investors with respect to the financing, the Counsel and Expenses provisions of this Term Sheet shall be binding obligations of the Corporation whether or not the financing is consummated. No other legally binding obligations will be created until definitive agreements are executed and delivered by all parties. This Term Sheet is not a commitment to close the financing and is conditioned on the completion of due diligence, legal review and documentation that is satisfactory to the Investors. This Term Sheet shall be governed in all respects by the laws of the province of Ontario.

Offering Terms

Closing Date:

As soon as practicable following the Corporation's acceptance of this Term Sheet and satisfaction of the Conditions to Closing (the "**Closing"**).

Securities to be Issued:

Secured Convertible Notes (the "**Convertible Notes**").

Currency:

Canadian dollars, except as otherwise noted.

Total Amount Raised:

$6,000,000

Principal Amount Per Holder:

Investors	**Principal Amounts**
BDC	$3,000,000
ClearSky Power & Tech II	$1,500,000
ClearSky Security I	$500,000
Phoenix Contact	$1,000,000
Total	$6,000,000

as well as any other investors mutually agreed upon by a Required Majority (as defined below) and the Corporation.

"**ClearSky**" means ClearSky Security Fund I LLC ("**ClearSky Security I**") and ClearSky Power & Technology Fund II LLC ("**ClearSky Power & Tech II**").

"**Phoenix Contact**" means Phoenix Contact Venture Funds I GmbH.

"**Major Investors**" means BDC, ClearSky, and Phoenix Contact.

"**Required Majority**" means the holders of at least 66% in Principal Amount of the Notes, including the affirmative vote of BDC.

	For each Holder, the amount listed above opposite its name will be the "**Principal Amount**" and the sum of all Principal Amounts will be the "**Aggregate Principal Amount**".
Interest:	Interest will accrue on the Principal Amount outstanding at the rate of 8.55% per year, compounded yearly, from the date of issuance of the Convertible Note until conversion or payment in full. Interest shall be payable upon the earlier of the Maturity Date, conversion, acceleration, or a Liquidity Event. The total amount payable under each Convertible Note (the "**Indebtedness**") will consist of the sum of the unpaid Principal Amount plus all accrued and unpaid interest thereon.
Maturity Date:	Unless otherwise converted or accelerated, the Convertible Notes will automatically mature and all Indebtedness will immediately be due and payable on the date that is 36 months from the date of issuance of the Convertible Note (the "**Maturity Date**"). For greater certainty, the obligation to repay the Indebtedness at the Maturity Date is subject to the exercise, at or prior to the Maturity Date, of the Holder's conversion rights.
Security Interest and Ranking:	The Convertible Notes shall be secured by a security interest on all of the Corporation's assets (other than the Corporation's intellectual property), which will rank (i) senior to any shareholder or other related party loans but (ii) junior to any other pre-existing third party secured indebtedness and bank debt. The Convertible Notes will rank *pari passu* amongst themselves. Pursuant to a subordination agreement to be executed at Closing, the Convertible Notes shall be expressly subordinated to the Corporation's indebtedness to Silicon Valley Bank. The Corporation's intellectual property shall be excluded from the security interest, but shall be subject to a negative pledge.
Use of Aggregate Principal Amount:	The Aggregate Principal Amount will be used for working capital, product development and marketing and sales. In no instances, without a Required Majority's prior written approval, will the Aggregate Principal Amount be used for any withdrawals by or distributions to shareholders of the Corporation, be it in the form of dividends, share redemptions, reductions in paid-in capital or any other forms of distributions to shareholders or related parties, for repayment of any shareholder or other related party loans or advances, for any pre-payment before such amounts are due under any term loans, lines of credit or any other indebtedness to third party lenders, or for any increased executive salaries and/or new or additional bonuses or other forms of compensation (other than salary increases, bonuses and incentive

compensation that have been previously approved or are paid pursuant to existing employment agreements and Board approved compensation plans, all as disclosed to the Major Investors prior to Closing). For the avoidance of doubt, the foregoing shall not restrict the ability of the Corporation to reimburse bona fide expenses of officers, employees, directors and Board observers in the ordinary course of business.

Optional Conversion Upon Maturity:

Upon the Maturity Date, the Holder may elect, at its option, to either (A) receive a cash repayment of the outstanding Indebtedness, or (B) if no Qualified Financing has been completed, convert the Indebtedness into such number of shares of the most senior rank then outstanding that is equal to the Indebtedness divided by the lowest per share issue price of such shares in the most recent financing round in which an aggregate amount of at least US$11,000,000 of such shares were issued, subject to any applicable share splits, combinations (and similar events) or anti-dilution adjustments.

Premium Upon Liquidity Event:

A "**Liquidity Event**" shall mean an Exit Event as defined in the Corporation's Unanimous Shareholders Agreement. Upon a Liquidity Event occurring prior to the earliest of (I) conversion or repayment of the Indebtedness or (II) the closing of a Qualified Financing (as defined below), the Holder will elect, at its option, to either (A) receive a cash payment in an amount equal to (i) two times (2x) the then outstanding Principal Amount, plus (ii) all accrued and unpaid interest thereon (together, the "**Premium Repayment Amount**"), or (B) convert the Indebtedness into such number of shares of the most senior rank then outstanding that is equal to the Indebtedness divided by 75% of the lowest per share issue price of such shares in the most recent financing round in which an aggregate amount of at least US$11,000,000 of such shares were issued, subject to any applicable share splits, combinations (and similar events) or anti-dilution adjustments. The Corporation will give the Holder written notice of any proposed liquidity event at least 10 days prior to the anticipated closing of such transaction or occurrence of such event, which notice will set forth the anticipated date and principal terms and conditions of such transaction or occurrence of such event.

Upon a Liquidity Event consummated after the closing of a Qualified Financing (as defined below), the Corporation will pay to the Holder an amount equal to the sum of the then outstanding Indebtedness plus an amount equal to 20% of the then outstanding Principal Amount.

Option Upon Future Financing

Upon the issuance of any shares by the Corporation for purposes of a financing of the Corporation (a "**Future Financing**") prior to the Maturity Date, the Holder will be entitled to convert its Convertible Note (and at the option of the Required Majority, all of the Indebtedness of all of the Convertible Notes will be converted) into such number of shares of the same class as that being issued by the Corporation that is equal to the Indebtedness divided by 75% of the per share issue price of such shares, subject to any applicable share splits, combinations (and similar events) or anti-dilution adjustments. The Corporation will give each Holder written notice of any proposed issuance at least 10 days prior to the anticipated closing, which notice will set forth the anticipated date and principal terms and conditions of such issuance.

Notwithstanding the foregoing, if the Corporation consummates a Qualified Financing and the Holder elects not to convert its Convertible Note pursuant to such Qualified Financing, then the Holder will lose its right to convert its Convertible Note upon any other Future Financing.

Prepayment:

The Corporation may not prepay the Convertible Notes at any time without having obtained the Required Majority's prior written consent to that effect.

If a Qualified Financing (as defined below) is completed prior to the Maturity Date, and a Holder elects not to convert its Convertible Note, then the Corporation may, at its option, prepay such Holder's Convertible Note on the closing of the Qualified Financing in an amount equal to the sum of the outstanding Principal Amount and any accrued interest on such Principal Amount plus an amount that would otherwise accrue as interest on the Principal Amount during either a 12-month period or the period between the date of the closing of the Qualified Financing and the Maturity Date, whichever is shorter.

"**Qualified Financing**" means a Future Financing for aggregate consideration of at least $9,000,000 (excluding the aggregate principal and interest due under the Convertible Notes and all other convertible securities then outstanding and issued by the Corporation), in which at least 20% of such consideration is invested in the Corporation by arm's length external investors who are not currently invested in the Corporation.

Financial Reporting and Budgeting:

The Corporation will provide the following to each Holder:

i. an annual capital and operating budget for the approval of the Board at least 30 days prior to the start of each fiscal year;

ii. consolidated monthly unaudited financial statements, including a discussion of variances from the annual budget, within 20 days of the end of each month;

iii. annual audited financial statements within 90 days of the end of each fiscal year;

iv. quarterly unaudited financial statements and a quarterly update on key metrics as identified by BDC;

v. as soon as reasonably possible, a notice of any material litigation, claim, default under or termination of any material contract, any material adverse effect affecting the Corporation or its business or any investigation or finding relating to any applicable law or regulation;

vi. if the Holder is a Major Investor, such other financial and business information or document as the Holder may reasonably request from time to time.

The Corporation is encouraged to consider adopting a commercially available cap table management software system. BDC is happy to assist the Corporation in this regard, including by providing, when appropriate, referrals to service providers offering advantageous pricing and other benefits. The cost of any cap table management software system adopted by the Corporation would be borne by the Corporation.

Event of Default; Acceleration:

The Corporation will be in default, unless waived in writing by a Required Majority, in any of the events (each an "**Event of Default**") set out in Exhibit A if such default remains unremedied within the cure period set forth in Exhibit A, as applicable; provided that in cases where the default is not susceptible of being remedied, no cure period applies and the Corporation will immediately be in default upon occurrence of the event.

Upon demand by the Required Majority at any time following an Event of Default, all of the Indebtedness and obligations of the Corporation will be immediately due and payable.

Upon demand by a Holder that is a Major Investor, at any time following an Event of Default, the Indebtedness under such Holder's Convertible Note will be immediately due and payable.

Most Favored Nation:

If, within 120 days of the date of issuance of the Convertible Notes, the Corporation issues any options, convertible debt or other similar instruments ("**Subsequent Convertible Securities**") on terms that are more favorable than the terms of the Convertible Notes, then each Holder shall have the right to elect to receive the benefit of such more favorable terms. The Corporation undertakes to provide to the Investors, as soon as practicable but in any event at the latest 10 days after the closing of such financing, with a copy of all relevant documents relating to any such financing, which shall include all material terms and conditions of such financing.

For certainty, Subsequent Convertible Securities excludes, (i) options issued pursuant to any stock option plan of the Corporation, and (ii) convertible securities issued or issuable to banks, equipment lessors, financial institutions or other persons engaged in the business of making loans pursuant to a debt financing or commercial leasing.

Noteholder Protective Provisions:	For so long as any of the Convertible Notes shall remain outstanding, the Corporation will not, without the written consent of the Required Majority (in addition to any other consents required by the Corporation's Unanimous Shareholders Agreement, Articles of Incorporation, or applicable law): (i) commit any act of insolvency or bankruptcy, liquidate, dissolve or wind up the affairs of the Corporation; (ii) purchase or redeem or pay any dividend on any capital stock or make any other distributions to shareholders, other than stock repurchased from former employees or consultants in connection with the cessation of their employment/services at the lower of fair market value or cost; (iii) create or permit to exist any debt, security interest, charge, encumbrance or lien, individually or in an aggregate cumulative amount, that would exceed \$1,000,000, other than (a) existing bank debt, equipment leases, credit facilities and other debt in place at the time of issuance of the Convertible Notes, (b) any future unsecured indebtedness that is junior to the Convertible Notes, and (c) a future increase in the Corporation's credit line with Silicon Valley Bank by up to \$3,000,000 within 90 days after the Closing; (iv) repay or reduce any shareholder loans or other debts due to its shareholders or other related parties, vendor take-back notes or balance of sales, prepay any bank debt other than when due, pay any additional bonuses or increase executive salaries or other compensation; (v) create or hold capital stock in any subsidiary that is not a wholly-owned subsidiary or dispose of any subsidiary stock or all or substantially all of any subsidiary assets; or (vi) engage in any material transaction outside the normal course of business (including acquiring or establishing any new business, joint venture or equity investment in another business or terminating any part of its current business) or effecting a material change of orientation or substantially changing the nature of its business.
Shareholders Agreement:	The Corporation and key shareholders will undertake to vote in favour and to commit their best efforts to implement any required changes to the Corporation's shareholder agreements (including any investor rights agreement, voting agreement and rights of first refusal and co-sale agreement) and articles prior to or concurrently with the conversion of Convertible Notes in such a manner that the following provisions are in effect, to the reasonable satisfaction of a Required Majority: *Pre-Emptive Rights*: Each Holder will have a pre-emptive right to purchase up to its pro rata share of any equity securities, or securities convertible into or exercisable for equity securities, offered by the Corporation at the same price and on the same terms as the Corporation offers such securities to other potential investors (with a right of over-subscription if any shareholder elects not to purchase its full pro-rata share).

Tag-Along: Each Holder will have the right to tag-along pro-rata with any sale by a shareholder to a third party on the same terms as the sale by the selling shareholder.

Right of First Refusal: In the event of a third party offer for existing shares of the Corporation, each Holder shall have a right of first refusal on the shares.

Drag-Along: If the Corporation or a shareholder receives an offer for all of the shares of the Corporation, which offer is approved by the required shareholders, then those shareholders have the right to require all remaining shareholders to sell their shares on the terms set forth in the offer, subject to customary carve-outs providing notably for limited shareholder representations and warranties, shareholder liability be several and not joint and several and in all cases capped to the lower of such shareholder's pro-rata of the purchase consideration or purchase consideration effectively received by such shareholder and that no institutional shareholder shall be subject to any non-competition, restraint of trade, non-solicitation or similar undertakings.

Protective Provisions: Standard protective provisions for venture backed companies, covering, at a minimum, those same decisions as those provided for in the Convertible Notes.

Transfers to Affiliates: Investors will be free to transfer their shares (a) if required by law or regulation, (b) to affiliated entities (which, in the case of BDC, shall include the Federal Government of Canada and any person controlled by the Federal Government of Canada) or (c) on a portfolio sale of assets if (i) the transferee becomes a party to the shareholder agreement and (ii) neither the transferee nor any of its associates or affiliates is engaged in a business that competes directly with the business of the Corporation. Such transfers shall be exempted from the tag-along and the right of first refusal set forth further above.

Amendment and Waiver: The Convertible Notes may be amended, or any term thereof waived, upon the written consent of the Corporation and the Required Majority.

Closing Documentation: At Closing, the parties will enter into definitive documents, including the Convertible Notes, which shall notably reflect the terms herein and standard and mutually acceptable representations and warranties from the Corporation and the Investors and matters relating to security interest and intercreditor arrangements as may be required. Such documents must be acceptable to each of the parties thereto.

Conditions to Closing: Standard conditions to Closing, which shall include, among other things, satisfactory completion of financial and legal due diligence, satisfactory completion of all definitive documents and receipt by the Investors of an acceptable opinion of counsel to the

Corporation, obtaining of all required consents to contemplate the transactions and approval by the investment committees or relevant authorities of each of the Investors.

Counsel and Expenses: BDC's counsel to draft the closing documents. If BDC consummates its investment at Closing, the Corporation shall pay at Closing all legal and administrative costs of BDC for the transaction, including reasonable fees and expenses of BDC's counsel. With regard to all Holders other than BDC, such Holder is responsible for any expenses incurred by the Holder in connection with the transactions contemplated by the Convertible Notes.

Confidentiality: The Corporation and each Holder agrees to keep the existence of and the terms and conditions of this term sheet confidential, except as may be disclosed to its financial, legal and tax advisors or to its directors, managers and employees.

Expiration: This Term Sheet expires on September [__], 2020 if not mutually accepted by BDC and the Corporation by that date.

EXECUTED as of the date last set forth below.

IS5 COMMUNICATIONS INC.

By:________________________
Name: Clive Dias
Title: President and CEO
Date: September 30, 2020

BDC CAPITAL INC.

By: DocuSigned by: Charles Lesperance D2512500E75B49F...
Name: Charles Lesperance
Title: Director of Strategy, BDC Capital
Date: 30/9/2020

DocuSigned by: Thomas Park 4737245AEA754E9...
Thomas Park

Vice President, Operations & Strategy, BDC
30/9/2020

EXHIBIT A

Events of Default

(a) the Corporation fails to make any payment under a Convertible Note to a Holder when due;

(b) the Corporation fails to make any payment when due of any indebtedness or liability of the Corporation to any other party in excess of $25,000 (cumulative) or is otherwise in breach of any term, condition, obligation or covenant made by it to or towards a third party which breach may affect, in a material adverse manner, the property of the Corporation, its activities or its financial situation, provided however, that notwithstanding the preceding, failure by the Corporation to pay any account payables (i) that are subject to a good faith dispute with the vendor or (ii) that have been due for less than 120 days, shall not be an Event of Default;

(c) the Corporation is in breach of, in a material manner, any term, condition, obligation or covenant made by it to or with a Holder and such breach continues for 10 business days after the Corporation's receipt of written notice to the Corporation of such breach;

(d) the Corporation becomes insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment;

(e) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Corporation's assets is appointed or an order is made or a resolution is passed for the winding up of the Corporation;

(f) the Corporation ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets or distress or execution is levied or issued against all or a part of the Corporation's assets; or

(g) the holder of any security interest, charge, encumbrance, lien or claim against any of the Corporation's assets does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim.

This is Exhibit "G" referred to in the Affidavit of Clive Dias sworn by Clive Dias at the City of Brampton, in the Province of Ontario, before me on August 5, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

8A6E4EE09DE34D5

Commissioner for Taking Affidavits (or as may be)

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE ISSUANCE DATE, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

THE SECURITIES REPRESENTED BY THIS CONVERTIBLE PROMISSORY NOTE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**1933 ACT**"), HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM THE PROSPECTUS REQUIREMENTS OF THE *SECURITIES ACT* (ONTARIO) OR OTHER CANADIAN SECURITIES LAWS, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE 1933 ACT.

IS5 COMMUNICATIONS INC.

CONVERTIBLE PROMISSORY NOTE

Issue Date:	●, 2020 (the "**Issue Date**")
Investor:	● (the "**Investor**")
Principal:	$● (the "**Principal**")
Interest Rate:	8.55% per year (the "**Interest Rate**")
Applicable Currency:	Canadian dollars (the "**Applicable Currency**")
Purpose:	Working capital, product development and marketing and sales (the "**Purpose**")
Required Majority:	Investors holding at least 66% of the aggregate outstanding principal amount of the Notes, which must include BDC Capital Inc. (the "**Required Majority**")
Major Investors:	BDC Capital Inc. ("**BDC**"), ClearSky Security Fund I LLC, ClearSky Power & Technology Fund II LLC and Phoenix Contact Venture Funds I GmbH (each a "**Major Investor**", and collectively, the "**Major Investors**")
Applicable Province:	Ontario (the "**Applicable Province**")

All capitalized terms used but not otherwise defined herein have the meanings given to them in Schedule B.

1. Promise to Pay

IS5 Communications Inc. (the "**Company**"), promises to pay to the Investor, or its registered assigns, in lawful money of Canada, the Principal, together with interest (the "**Interest**") on the Principal at a rate equal to the Interest Rate, compounded yearly, in accordance with the terms of this convertible promissory note (this "**Note**").

2. Interest

Interest on the Principal is calculated from the Issue Date and is calculated on the portion of the Principal that remains unpaid, both before and after maturity, default or judgment, until fully paid, on the basis of the actual number of days for which the Principal is outstanding. Interest shall be payable upon the earlier of (i) the Maturity Date, (ii) the conversion of this Note, by the conversion of the Interest along with the outstanding Principal, (iii) the acceleration of the repayment of this Note pursuant to Section 7 below, and (iv) a Liquidation Event.

3. Repayment

(a) Unless prepaid earlier or converted in accordance with this Note, the Company will repay the outstanding Principal and the accrued but unpaid Interest on the earlier of:

(i) the date that is 36 months after the Issue Date (the "**Maturity Date**");

(ii) the closing of a Liquidation Event;

(iii) the date on which a Required Majority demands payment pursuant to Section 7 below following an Event of Default; or

(iv) if the Investor is a Major Investor, the date on which the Investor demands payment pursuant to Section 7 below following an Event of Default which has not been waived by a Required Majority.

(b) On the closing of a Liquidation Event, if the Liquidation Event is consummated after a Qualified Financing, then the Company will, in addition to the then outstanding Principal and Interest payable under Section **Error! Reference source not found.**, pay to the Investor an amount equal to 20% of the then outstanding Principal.

(c) All payments made under this Note are to be made in the Applicable Currency.

(d) The Notes (as defined below) will rank *pari passu* with each other in the right to repayment.

(e) All amounts paid by the Company to the Investor under this Note will be allocated in the following order:

(i) first, to any amounts relating to costs of collection under the Notes;

(ii) second, to any outstanding Interest; and

(iii) third, to the outstanding Principal.

4. Prepayment

(a) Subject to the prepayment rights set forth in Section 4(b), the Company may not prepay this Note in whole or in part at any time without the consent of a Required Majority.

(b) If a Qualified Financing is completed prior to the Maturity Date, and the Investor elects not to convert this Note in accordance with Section 9(c), then the Company may, at its option, prepay this Note on the closing of the Qualified Financing in an amount equal to the sum of the outstanding Principal and any accrued Interest plus an amount that would otherwise accrue as Interest on the Principal during either a 12-month period or the period between the date of the closing of the Qualified Financing and the Maturity Date, whichever is shorter.

(c) The Notes will rank *pari passu* with each other in the right to prepayment. Any prepayments of the Notes will be made *pro rata* based on the outstanding principal amounts of the Notes.

5. Series of Notes

This Note is one of a series of convertible promissory notes (collectively with this Note, the "**Notes**", and each, a "**Note**") issued by the Company to the investors listed in Schedule A and any additional investors who have been mutually agreed upon in writing by the Required Majority (collectively with the Investor, the "**Investors**"), with substantially similar terms as this Note.

6. Use of Proceeds

(a) The Principal will be used for the Purpose or any other purpose approved by a Required Majority.

(b) For greater certainty, except with the approval of a Required Majority, the Principal and the principal amounts of the other Notes may not be used for any:

(i) withdrawals by or distributions to shareholders of the Company, be it in the form of dividends, share redemptions, reductions in paid-in capital or any other forms of distributions to shareholders or related parties;

(ii) repayment of any shareholder or other related party loans or advances;

(iii) pre-payment of any term loans, lines of credit or any other indebtedness to third party lenders before such amounts are due thereunder; or

(iv) increased executive salaries and/or new or additional bonuses or other forms of compensation (other than salary increases, bonuses and incentive compensation that have been previously approved or are paid pursuant to existing employment agreements and board approved compensation plans, all as disclosed to the Major Investors prior to the date of the issuance of theirs respective Notes). For the avoidance of doubt, the foregoing shall not restrict the ability of the Company to reimburse *bona fide* expenses incurred by the Company's officers, employees, directors or board observers in the ordinary course of business.

7. Event of Default; Acceleration

(a) Upon the occurrence or existence of any Event of Default, and at any time thereafter during the continuance of such Event of Default,

(i) the Required Majority may, by written notice to the Company ("**Notice of Default**"), declare the aggregate outstanding principal amount of the Notes and any accrued interest to be immediately due and payable; or

(ii) if the Investor is a Major Investor, the Investor may, by Notice of Default to the Company, declare the outstanding Principal and the accrued but unpaid Interest to be immediately due and payable.

(b) Following the transmission of a Notice of Default, the Investor may exercise any other right, power or remedy granted to the Investor under this Note or otherwise permitted to the Investor by applicable law.

8. Transaction Notice

(a) The Company will provide the Investor with written notice of a proposed Liquidation Event as soon as reasonably practicable in advance of such Liquidation Event (but in any event no less than 10 days prior to the closing of or occurrence of such Liquidation Event), which notice will set forth the anticipated date and principal terms and conditions of such transaction or occurrence of such event.

(b) The Company will provide the Investor with a written notice of a proposed Future Financing as soon as reasonably practicable in advance of such Future Financing (but in any event no less than 10 days prior to the anticipated closing of such Future Financing), which notice will set forth the anticipated date and principal terms and conditions of the issuance of Future Equity Securities.

9. Conversion.

(a) *Optional Conversion upon Maturity Date*

If this Note has not converted prior to the Maturity Date pursuant to Section 9(b) or 9(c) and no Qualified Financing has been completed, then, the outstanding Principal and any accrued Interest may, at the election of the Investor, be converted, effective on the Maturity Date or such other date agreed to by the Company and the Investor into that number of shares of the most senior rank in the capital of the Company then outstanding ("**Senior Shares**") obtained by dividing:

(i) the outstanding Principal and accrued Interest; by

(ii) the lowest price per share issued in the most recent financing of the Company in which an aggregate amount of at least US$9,900,000 of such shares were issued (the "**Senior Share Financing**"), subject to any applicable share splits, combinations (and similar events) or anti-dilution adjustments.

(b) *Optional Conversion upon Liquidation Event*

If the Company consummates a Liquidation Event prior to the earlier of (x) the conversion or the repayment of this Note, and (y) the closing of a Qualified Financing, then, upon the closing or occurrence of such Liquidation Event, the Investor may elect, at its option, either (A) to receive cash payment in an amount equal to (i) two (2) times (2x) the outstanding Principal, plus (ii) all accrued and unpaid Interest hereunder, or (B) that the outstanding Principal and any accrued Interest be converted into such number of Senior Shares obtained by dividing:

(i) the outstanding Principal and accrued Interest; by

(ii) 75% of the lowest price per share issued in the Senior Share Financing, subject to any applicable share splits, combinations (and similar events) or anti-dilution adjustments.

(c) *Optional Conversion upon Future Financing*

If, prior to the Maturity Date, the Company consummates an equity financing (a "**Future Financing**"), in one or more closings, pursuant to which it sells equity securities in the capital of the Company (the "**Future Equity Securities**"), then, upon the closing (or any closing in a series of closings) of such Future Financing, the outstanding Principal and any accrued Interest may, at the election of the Investor, or will, at the election of the Required Majority (and concurrently with the principal amounts and accrued interest of all Notes), be converted into Future Equity Securities. The number of such Future Equity Securities to be issued to the Investor upon such conversion is obtained by dividing:

(i) the outstanding Principal and accrued Interest; by

(ii) 75% of the price per Future Equity Security issued in such Future Financing, subject to any applicable share splits, combinations (and similar events) or anti-dilution adjustments.

Notwithstanding the foregoing, if the Company consummates a Qualified Financing and the Investor elects not to convert this Note pursuant to such Qualified Financing, then the Investor will lose its right to convert this Note upon any other Future Financing.

(d) *Mechanics of Conversion*

(i) Issuance of Securities upon Conversion. As soon as practicable after conversion of this Note, the Company, at its expense, will cause to be issued in the name of and delivered to the Investor, a certificate or certificates representing the number of fully paid and nonassessable equity securities to which the Investor is entitled on such conversion. No fractional equity securities will be issued on conversion of this Note. If the Investor would otherwise be entitled to a fractional equity security, upon the Investor's request, the Investor will receive a cash payment equal to the applicable conversion price, multiplied by the fractional equity security the Investor would otherwise be entitled to receive. As a condition to being issued any equity securities in the capital of the Company upon conversion of this Note, the Investor will become a party to the Shareholder Agreement(s) if the Investor is not already a party thereto.

(ii) Termination of Rights. Whether or not this Note has been surrendered for cancellation, all rights with respect to this Note terminate upon the issuance of equity securities upon conversion of this Note.

(iii) Different Series. At the option of the Company, the shares issued to the Investor upon conversion of this Note under Sections 9(b) or 9(c) may be a separate series of Senior Shares or Future Equity Securities having the identical rights, privileges, restrictions and conditions as the Senior Shares or Future Equity Securities issued in connection with Senior Share Financing or Future Financing, as applicable, other than with respect to:

(A) the per share liquidation preference and the conversion price for purposes of price-based anti-dilution protection, which will equal the price at which the Principal and accrued Interest is converted; and

(B) the basis for any dividend rights, which will be based on the price at which the Principal and accrued Interest is converted.

(iv) Terms and conditions of Conversion

(A) Upon conversion of this Note under Section 9(a), all of the representations and warranties of the Company set out in Schedule C will be true and correct as of the Maturity Date, subject to subparagraph (I) hereinafter, and with the same effect as if made on the Maturity Date, and the Company will deliver to the Investor (I) a certificate from a senior officer of the Company confirming that all of the representations and warranties of the Company set out in Schedule C are true and correct as of the Maturity Date, subject to updated disclosure schedule related thereof, if any, and with the same effect as if made on the Maturity Date, and (II) an opinion of counsel satisfactory to the Major Investors, acting reasonably, to the effect that such Senior Shares are duly and validly issued, fully paid and non-assessable, free from pre-emptive rights, and issued in compliance with applicable securities laws.

(B) The conversion of this Note under Section (c) will be made on the same terms and conditions as the issuance of the Future Equity Securities, including: (I) the provision by the Company of representations and warranties of the Company provided in the purchase agreement or subscription agreement, as applicable, to investors in connection with the Future Equity Financing and (II) the Company will provide the Investor with such other documents as purchasers under the Future Equity Financing are entitled to receive in connection therewith including, but not limited to, an opinion of counsel satisfactory to the Major Investors, acting reasonably, to the effect that such Future Equity Securities, as well as any underlying securities are duly and validly issued, fully paid and non-assessable, free from pre-emptive rights, and issued in compliance with applicable securities laws.

10. Representations and Warranties

(a) The Company hereby represents and warrants to the Investor that each of the statements set out in Schedule C are true and correct as of the Issue Date.

(b) The Investor hereby represents and warrants to the Company that each of the statements set out in Schedule D are true and correct as of the Issue Date.

11. Negative Pledge

For as long as any of the Notes is outstanding, the Company shall not create or permit to exist any hypothec, mortgage, pledge, lien, prior claim, charge, encumbrance, assignment, security interest, title retention arrangement intended as security, preferential right intended as security, trust arrangement or other arrangement having the same or equivalent commercial effect as a grant of security, or any agreement to create or give any arrangement regarding any of the foregoing, on any of the Company's Intellectual Property or any portion thereof.

12. Security

The Company hereby grants to the Investor the rights and security interests set out on Schedule E.

13. Intercreditor Matters

Each of the Company and the Investor agree to be subject to the terms set out on Schedule F and the Investor agrees that each of the other Investors are third party beneficiaries in respect of the Investor's obligations to such other Investors under Schedule F.

14. Investor Approval Matters

Each of the Company and the Investor agrees to comply with the terms set out on Schedule G.

15. Shareholder Agreement Matters

Each of the Company and the Investor (if the Investor is an existing shareholder of the Company) agrees to comply with the terms set out on Schedule H.

16. Reporting

The Company will provide to the Investor the documents and information set out on Schedule I.

17. Schedules

The schedules are attached to this Note are incorporated into and are deemed to be a part of this Note.

18. Most Favoured Nation

If, within 120 days of the Issue Date, the Company issues any Subsequent Convertible Securities (a "**Subsequent Financing**") prior to the conversion or repayment of this Note, the Company will promptly provide the Investor with written notice of the closing of the Subsequent Financing as soon as practicable but in any event no later than ten (10) days following such closing, together with a copy of all documentation relating to such Subsequent Financing, which must include material terms and conditions of such Subsequent Financing and, upon written request of the Investor, any additional information related to such Subsequent Financing as may be reasonably requested by the Investor. If the Investor determines that the terms of the Subsequent Convertible Securities are preferable to the terms of this Note, the Investor will notify the Company in writing. Promptly after receipt of such written notice from the Investor, the Company agrees to amend and restate this Note to be identical to the instrument(s) evidencing the Subsequent Convertible Securities.

19. Direction of Payment

The Company hereby directs the Investor to pay the Principal by wire transfer to the account of the Company in accordance with wire transfer instructions provided by the Company to the Investor prior to the Issue Date.

20. Legal Fees

At the date of the issuance of the Note to BDC, the Company will pay the reasonable legal fees and disbursements of BDC, plus applicable taxes, which BDC may deduct from the Principal payable pursuant to Section 19. All other Investor shall be responsible for any expenses incurred by such Investor in connection with the transactions contemplated by its Note.

21. Successors and Assigns

Subject to the restrictions on transfer described in Sections 24 and 25, the rights and obligations of the Company and the Investor are binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties.

22. Waiver of Notice

The Company hereby waives presentment for payment, notice of non-payment, notice of protest of this Note and the right to assert in any action or proceeding with regard to this Note any set-offs or counterclaims that the Investor may have.

23. Approval, Waiver and Amendment

Certain matters relating to this Note involve the approval or consent of a Required Majority. Any such matter, if approved or consented to by a Required Majority, applies to this Note and is binding on the Investor. Any provision of this Note may be amended or waived upon the written consent of the Company and the Required Majority and any such amendment or waiver is binding on the Investor. However, if any amendment of this Note or waiver of any of the Investor's rights under this Note affects the Investor differently and in a materially adverse manner relative to the other Investors, the consent of the Investor is required for such amendment or waiver.

24. Transfer of this Note or Securities Issuable on Conversion

This Note, including all rights and obligations associated hereunder, may not be transferred by the Investor (other than to an Affiliate) without the prior written consent of the Company and the Required Majority, and all transfers are subject to: (a) applicable securities laws; and (b) the transferee becoming a party to any intercreditor agreement (if such transferee is not already a party thereto), any subordination agreement (if such transferee is not already a party thereto) and any other agreement to which the Investor is a party in relation to this Note (if such transferee is not already a party thereto). Any securities issuable upon the conversion of this Note are subject to any transfer restrictions of any shareholder agreements to which the Investor is a party.

25. Assignment by the Company

Neither this Note nor any of the rights, interests or obligations hereunder may be assigned, by operation of law or otherwise, in whole or in part, by the Company without the prior written consent of the Required Majority.

26. No Shareholder Rights

This Note does not entitle the Investor to any voting rights or any other rights as a shareholder of the Company or to any other rights except the rights stated in this Note.

27. Severability

If one or more provisions of this Note are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith, in order to maintain the economic position enjoyed by each party as close as possible to that under the provision rendered unenforceable. If the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision will be excluded from this Note, (ii) the balance of this Note will be interpreted as if such provision were so excluded, and (iii) the balance of this Note is enforceable in accordance with its terms.

28. Notices

All notices, requests, approvals, consents, claims, demands, elections, waivers and other communications under this Note must be in writing and delivered by e-mail and are deemed to have been given on the date sent by e-mail if sent during normal business hours of the recipient, and on the next Business Day if sent by e-mail after normal business hours of the recipient.

29. Governing Law

This Note and all actions arising out of or in connection with this Note are governed by and are to be construed in accordance with the laws of the Applicable Province and the federal laws of Canada applicable in the Applicable Province.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company and the Investor have duly executed this Note.

Company:

IS5 COMMUNICATIONS INC.

By: ______________________________
Name:
Title:

Address: ______________________________
____

Email: ______________________________

Investor:

●

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

Address: ______________________________
____

Email: ______________________________

The Investor is an accredited investor as described in paragraph __________ of Section 5 of Schedule D.

If the Investor is a US resident:
The Investor is an accredited investor as described in paragraph __________ of Section 6 of Schedule D.

Schedule A
INVESTORS

Name	Investment Total	Issue Date
BDC Capital Inc.	$3,000,000	●
ClearSky Power & Technology Fund II LLC	$1,500,000	●
ClearSky Security Fund I LLC	$500,000	●
Phoenix Contact Venture Funds I GmbH	$1,000,000	●
Cao Yang	$20,000	●
Coutinho Family Trust	$35,000	●
TOTAL	$6,055,000	

Schedule B
DEFINITIONS

"**Affiliate**" means:

(a) with respect to any specified Person:

(i) any other Person who, directly or indirectly, controls, is controlled by or is under common control with such Person; or

(ii) any general partner, managing member, manager, officer or director of such Person or any venture capital, private equity or similar fund now or hereafter existing that is controlled by one or more general partners, managing members, managers, officers, or directors of, or shares the same management company with, such Person; or

(iii) in the case of any venture capital, private equity or similar fund now or hereafter existing, all partners, members, shareholders or other equity holders of any kind of such venture capital, private equity or similar fund, regardless of whether such partners, members, shareholders or other equity holders control such venture capital, private equity or similar fund; and

(b) in the case of BDC Capital Inc.:

(i) the Federal Government of Canada, and any Person, agency, organization or other entity controlled, directly or indirectly, by BDC Capital Inc. or the Federal Government of Canada; or

(ii) any Person, agency, organization or other entity designated and/or authorized by the Federal Government of Canada in the case of a sale of all or a substantial portion of BDC Capital Inc.'s assets or all or a substantial portion of BDC Capital Inc.'s investment portfolio.

"**Articles**" means the articles of incorporation of the Company, as amended.

"**Board**" means the board of directors of the Company.

"**Business Day**" means a day other than a Saturday, Sunday or other days that are statutory holidays in the Applicable Province.

"**COVID-19**" means the novel coronavirus (2019-nCoV/COVID-19), including any mutations of such virus.

"**Event of Default**" means the occurrence of any of the following:

(a) the Company fails to make any payment under this Note to the Investor when due;

(b) the Company fails to make any payment when due of any indebtedness or liability of the Company to any other party in excess of $25,000 (cumulative) or is otherwise in breach of any term, condition, obligation or covenant made by it to or towards a third party which breach may affect, in a material adverse manner, the property of the Company, its activities or its financial situation, provided however, that notwithstanding the preceding, failure by the Company to pay any account payables (i) that are subject to a good faith dispute with the vendor or (ii) that have been due for less than 120 days, shall not be an Event of Default;

(c) the Company is in breach of, in a material manner, any term, condition, obligation or covenant made by it to or with the Investor and such breach continues for 10 Business Days after the Company's receipt of written notice to the Company of such breach;

(d) the Company becomes insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment;

(e) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Company's assets is appointed or an order is made or a resolution is passed for the winding up of the Company;

(f) the Company ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets or distress or execution is levied or issued against all or a part of the Company's assets; or

(g) the holder of any security interest, charge, encumbrance, lien or claim against any of the Company's assets does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim.

"**including**" means "including without limitation".

"**Key Shareholders**" means Clive Dias, the Dias (2008) Family Trust, Phoenix Contact Venture Funds I GmbH, Trellis Capital Corporation, Mendocino Capital LLC, ClearSky Security Fund I LLC, ClearSky Power & Technology Fund II LLC, Yve Bureau, Linda Bureau, Riyaz Khan, Colapancheri Balaji, Hu Jun, and Fuat Acar.

"**Liquidation Event**" means an Exit Event, as such term is defined in the Company's second amended and restated unanimous shareholders agreement entered into between the shareholders of the Company as of July 31, 2018, as amended by that amending agreement dated April 17, 2019, as in force and in effect on the date of the issuance of the Note in favour of BDC.

"**Material Adverse Effect**" means any event, change, circumstance, or situation which, individually or a combination of events, changes, circumstances or similar situations that has or could reasonably be expected to have a material adverse effect on the assets (including intangible assets), liabilities, financial condition, property, prospects or results of operations of the Company and/or the business of the Company or which could reasonably be expected to have a material adverse effect on the opportunity of the Investor to realize a return on all or part of its investment, other than any event, change, circumstance, or situation resulting from COVID-19.

"**NI 45-106**" means National Instrument 45-106 – Prospectus Exemptions of the Canadian Securities Administrators.

"**Note Documents**" means this Note and any security, intercreditor or other agreement entered into pursuant to the terms of this Note and to which the Company is a party.

"**Obligations**" means the obligations and liabilities, present or future, direct or indirect, absolute or contingent, at any time and from time to time owing by the Company to the Investor arising under or pursuant to this Note.

"**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

"**Qualified Financing**" means a Future Financing for aggregate consideration of at least $9,000,000 (excluding the aggregate principal and interest due under the Notes and all other convertible securities then outstanding and issued by the Company), in which at least 20% of such consideration is invested in the Company by arm's length external investors who are not currently invested in the Company.

"**Secured Property**" means all of the Company's present and after-acquired property, assets, rights, benefits, privileges and undertakings of every nature and kind, real or personal, moveable or immoveable, tangible and intangible, wherever situate, together with all increases, additions and accessions, all substitutions and replacements and all proceeds received under insurance, except for the Company's Intellectual Property.

"**Securities**" means, collectively, this Note and the equity securities issuable upon conversion thereof.

"**Security**":

(a) in reference to the Investor and this Note, has the meaning given to it in Section 1(a)(i) of Schedule E; and

(b) in reference to the Investors and the Notes, the security interests granted to each of the Investors under the Notes.

"**Shareholder Agreement(s)**" means the Company's shareholder agreement(s) (including any unanimous shareholder agreement, investor rights agreement, voting agreement and rights of first refusal and co-sale agreement) in effect as of the Issue Date or at the date of conversion of this Note.

"**Subsequent Convertible Securities**" means convertible securities that the Company may issue after the Issue Date for the principal purpose of raising capital, including SAFEs, convertible debt instruments and other convertible securities; however, "Subsequent Convertible Securities" excludes:

(a) options issued pursuant to any equity incentive or similar plan of the Company; and

(b) convertible securities issued or issuable to banks, equipment lessors, financial institutions or other persons engaged in the business of making loans pursuant to a debt financing or commercial leasing.

"U.S. Person" has the meaning ascribed to it in Regulation S under the 1933 Act, as amended, the definition of which includes: (i) an individual resident in the United States; (ii) an estate or trust of which any executor, administrator or trustee is a U.S. Person; or (iii) any partnership or corporation organized or incorporated under the laws of the United States.

Schedule C
REPRESENTATIONS AND WARRANTIES – COMPANY

1. Organization, Good Standing and Qualification

The Company is a corporation duly organized, validly existing, and in good standing under the laws of its governing jurisdiction and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect.

2. Authorization

All corporate action on the part of the Company necessary for the authorization, execution and delivery of the Note Documents and the authorization, sale, issuance and delivery of this Note, and the performance of all obligations of the Company under the Note Documents has been taken.

3. Enforceability

The Note Documents constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other laws of general application affecting enforcement of creditors' rights generally, and except as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

4. Capitalization

The Company has provided to the Investor a capitalization table (the "**Cap Table**") that sets out all of the issued and outstanding securities of the Company as of the Issue Date and names their holders, the number and class of shares held by each such holder and the percentage of voting and participating rights held by each such holder. All issued and outstanding shares were validly issued and are allocated amongst the holders specified in the Cap Table and have been duly authorized, are fully paid and nonassessable and were issued in compliance with all applicable securities laws. Other than as disclosed in the Cap Table, no warrant, option or any other right to purchase or redeem any shares of the Company, or any other equity securities, has been authorized or is outstanding and there is no agreement providing for any issuance thereof.

5. Valid Issuance of Conversion Shares

Any equity securities issued upon the conversion of this Note (the "**Conversion Shares**") will be duly authorized and issued as fully paid and non-assessable securities in the capital of the Company and will be free of restrictions on transfer other than restrictions on transfer under this Note, restrictions on transfer contained in the Shareholder Agreements or the Articles, applicable securities laws and liens or encumbrances created by or imposed by the Investor. Assuming the accuracy of the representations of the Investor in Schedule D of this Note, the Conversion Shares will be issued in compliance with all applicable securities laws.

6. No Violations or Defaults

The Company is not in violation or in default with respect to:

(a) its Articles or by-laws or any material judgment, order, writ, decree, statute, rule or regulation applicable to the Company;

(b) any indebtedness, mortgage, hypothec, indenture, or security agreement;

(c) any other material contract the violation of which would have a Material Adverse Effect on the Company; or

(d) any provision of any federal, provincial or state statute, rule or regulation applicable to the Company, the violation or default of which would have a Material Adverse Effect on the Company.

7. Non-Contravention

The execution and delivery by the Company of the Note Documents and the sale, issuance and delivery of this Note and the performance of all obligations of the Company under the Note Documents will not:

(a) violate the Articles or by-laws or any material judgment, order, writ, decree, statute, rule, or regulation applicable to the Company;

(b) violate or create an event of default under any provision of, or result in the breach or the acceleration of, or entitle any third party to accelerate (whether after the giving of notice or lapse of time or both), any indebtedness, mortgage, hypothec, indenture or security agreement;

(c) violate or create an event of default under any provision of, or result in the breach or the termination of, or entitle any third party to terminate (whether after the giving of notice or lapse of time or both), any material contract to which the Company is a party or by which it is bound;

(d) violate any provision of any federal, provincial or state statute, rule or regulation applicable to the Company, the violation of which would have a Material Adverse Effect on the Company; or

(e) result in the creation or imposition of any lien or charge upon any property, asset or revenue of the Company or the suspension, revocation, impairment, forfeiture or nonrenewal of any material permit, license, authorization or approval applicable to the Company, its business or operations, or any of its assets or properties.

8. Governmental Consents and Filings

Assuming the accuracy of the representations made by the Investor in Schedule D of this Note, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, provincial/territorial or local governmental authority on the part of the Company is required in connection with the issuance of this Note or the consummation of the transactions contemplated under the Note Documents, except any filings required pursuant to applicable securities legislation, which will be made in a timely manner following the Issue Date, as applicable.

9. No Litigation

Except as disclosed in Appendix I of this Schedule, there is no action, suit, proceeding, claim, arbitration or investigation pending or, to the Company's knowledge, threatened against the Company or its business, properties or assets or that questions the validity, seeks to restrict or seeks to prevent the execution and delivery of the Note Documents and the sale, issuance and delivery of this Note and the performance of its obligations under the Note Documents.

10. Property

The property and assets that the Company owns are free and clear of all mortgages, hypothecs, deeds of trust, liens, loans and encumbrances, except for (a) statutory liens for the payment of current taxes that are not yet delinquent and encumbrances and liens that arise in the ordinary course of business and do not materially impair the Company's ownership or use of such property or assets, and (b) the encumbrances disclosed in Appendix I of this Schedule. With respect to the property and assets it leases, the Company is in compliance with such leases and to its knowledge, holds a valid leasehold interest free of any liens, claims or encumbrances other than those of the lessors of such property or assets. The Company does not own any real or immovable property.

11. Financial Statements

The unaudited annual financial statements for the year ended on March 31, 2020 (the "**Financial Statements**"), copies of which have been provided to the Investor, present and disclose accurately, in all material respects, the financial position of the Company as of that date.

12. Indebtedness and Liabilities

Since March 31, 2020, the Company:

(a) has no outstanding indebtedness, liabilities or obligations, contingent or otherwise, that are of the nature required to be reflected in, disclosed on, reserved against or otherwise described on a balance sheet prepared in accordance with applicable generally accepted accounting principles, and is not a party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities (contingent or otherwise) or indebtedness of any Person, other than those reflected in the Financial Statements or current liabilities incurred in the ordinary course of business following the date of the Financial Statements; and

(b) did not make any decision or enter into any contract outside the ordinary course of business and/or contrary to its past practices.

13. Intellectual Property

(a) The Company owns or has a valid right to use all patents, patent applications, trademarks, trademark applications, service marks, service mark applications, tradenames, copyrights, trade secrets, domain names, know-how, mask works, information and proprietary rights and processes, similar or other intellectual property rights (collectively, the "**Intellectual Property**"), subject matter of any of the foregoing, tangible embodiments of any of the foregoing, licenses in, to and under any of the foregoing, and any and all such cases as are necessary to the Company in the conduct of the Company's business as now conducted without any conflict with or infringement of the rights of others. No claim has been made to the Company, or to the knowledge of the Company, to any other person by any person that the use of the Intellectual Property by the Company violates the rights of that person or any third party.

(b) Each founder, employee, consultant and independent contractor of the Company who is or has been responsible for or participates or has participated in the development of any Intellectual Property of the Company, past or present, has executed an agreement relating to confidential information, assignment of inventions and waiver of moral rights. All employees of the Company have entered into appropriate employment contracts containing appropriate confidentiality covenants. Except as disclosed in Appendix I of this Schedule, to the knowledge of the Company, no employee nor any consultant is in violation of the confidential information or assignment of inventions provisions in their employment contract or agreement with the Company.

14. Disclosure

The Company has made available to the Investor all the information reasonably available to the Company that the Investor has requested for deciding whether to acquire this Note. No representation or warranty of the Company contained in this Note contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

15. Material Adverse Effect

The Company is not aware of any fact, event or circumstance that, alone or with any other fact, event or circumstances, would be reasonably likely to have a Material Adverse Effect or that, if known to the Investor, would be reasonably likely to have adversely affected its decision to subscribe for this Note.

16. Private Issuer

The Company is a "private issuer" within the meaning of NI 45-106. Subject in part to the truth and accuracy of the Investor's representations set forth in Schedule D of this Note, the offer, sale and issuance of this Note has been made in compliance with Canadian and United States securities laws and is exempt from the prospectus and registration requirements of Canadian and United States securities laws.

APPENDIX I - SCHEDULE C

9. *Litigation*

IS5 and the Company's CEO are named defendants in a claim by a former employee and current shareholder. The claim involves John MacCharles (the former CFO of the Company claiming 1) oppression and 2) breach of contract / good faith / fiduciary duty.

10. *Property*

The following security interests in the Company's assets are registered in Ontario with the Ministry of Government Services, Companies and Personal Property Security Branch.

1. Reference File Number: 748756494

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190304 1128 6005 9051 **Registration Period** 5 year(s) **Registration Date** Mar 04, 2019 **Expiration Date** Mar 04, 2024	IS5 COMMUNICATIONS INC.	CWB NATIONAL LEASING INC.	Equipment
GENERAL COLLATERAL DESCRIPTION ALL COMPUTER EQUIPMENT, COMPUTER SOFTWARE OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 2914527, BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.			

2. Reference File Number: 748841463

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190306 1040 1529 4595 **Registration Period** 5 year(s) **Registration Date** Mar 06, 2019 **Expiration Date** Mar 06, 2024	IS5 COMMUNICATIONS INC.	ROYAL BANK OF CANADA	Accounts Other
GENERAL COLLATERAL DESCRIPTION ALL MONEY OR AMOUNTS ON DEPOSIT FROM TIME TO TIME WITH ANY OF ROYAL BANK OF CANADA, ROYAL BANK MORTGAGE CORPORATION, ROYAL TRUST CORPORATION OF CANADA OR THE ROYAL TRUST COMPANY. PROCEEDS - A SECURITY INTEREST IS			

Registration Information	Debtor(s)	Secured Party	Collateral Class.
CLAIMED IN ALL PRESENT AND AFTER-ACQUIRED GOODS (INCLUDING TRADE-INS), CHATTEL PAPER, SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY AND INTANGIBLES OF EVERY ITEM OR KIND THAT MAY BE DERIVED FROM THE SALE OR OTHER DISPOSITION OF THE COLLATERAL DESCRIBED ABOVE, ALL INSURANCE PROCEEDS AND ANY PROCEEDS OF ANY OF THE FOREGOING.			

3. Reference File Number: 749490201

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190327 1434 8077 8500 **Registration Period** 5 year(s) **Registration Date** Mar 27, 2019 **Expiration Date** Mar 27, 2024	IS5 COMMUNICATIONS INC	RCAP LEASING INC.	Equipment Accounts Other
GENERAL COLLATERAL DESCRIPTION ALL COMPUTER EQUIPMENT AND COMPUTER PERIPHERALS FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS ENTERED INTO BETWEEN THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS.			

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190405 1033 8077 9061 **Registration Date** Apr 05, 2019 **Change** A AMNDMNT	IS5 COMMUNICATIONS INC IS5 COMMUNICATIONS INC IS5 COMMUNICATIONS INC		
REASON FOR CHANGE AMEND DEBTOR'S ADDRESS AND AMEND THE GENERAL COLLATERAL DESCRIPTION **GENERAL COLLATERAL DESCRIPTION** ALL COMPUTER EQUIPMENT AND SIGNAGE EQUIPMENT AND COMPUTER PERIPHERALS FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS ENTERED INTO BETWEEN THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS.			

4. Reference File Number: 750023478

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190410 1545 6005 9877 **Registration Period**	IS5 COMMUNICATIONS INC.	CWB NATIONAL LEASING INC.	Equipment

Registration Information	Debtor(s)	Secured Party	Collateral Class.
5 year(s) **Registration Date** Apr 10, 2019 **Expiration Date** Apr 10, 2024			

GENERAL COLLATERAL DESCRIPTION
ALL OFFICE FURNITURE, RECTANGULAR TABLE, NESTING CHAIRS, DESKS, STORAGE WITH PLANTER TOP, PLANTER SURROUNDS, 3 HIGH LATERAL FILES, PANELS, PANELS WITH GLASS, AND VILLA CORDED SERIOUS WITH RELATED COMPONENTS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 2916165, BETWEEN QUESTOR FINANCIAL CORP., AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.

5. Reference File Number: 750103641

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190412 1312 1793 2459 **Registration Period** 6 year(s) **Registration Date** Apr 12, 2019 **Expiration Date** Apr 12, 2025	IS5 COMMUNICATIONS INC.	SILICON VALLEY BANK	Inventory Equipment Accounts Other Motor Vehicle

GENERAL COLLATERAL DESCRIPTION
ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR. NOTWITHSTANDING THE FOREGOING, THE COLLATERAL DOES NOT INCLUDE ANY INTELLECTUAL PROPERTY OF THE DEBTOR PROVIDED, HOWEVER, THE COLLATERAL SHALL INCLUDE ALL ACCOUNTS AND ALL PROCEEDS OF INTELLECTUAL PROPERTY. PURSUANT TO THE TERMS OF A CERTAIN NEGATIVE PLEDGE ARRANGEMENT WITH SECURED PARTY, DEBTOR HAS AGREED NOT TO ENCUMBER ANY OF ITS INTELLECTUAL PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF THE SECURED PARTY.

6. Reference File Number: 750936663

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190507 1042 1902 5508 **Registration Period** 5 year(s) **Registration Date** May 07, 2019 **Expiration Date** May 07, 2024	IS5 COMMUNICATIONS INC	LBEL INC.	Equipment Other

Registration Information	Debtor(s)	Secured Party	Collateral Class.
GENERAL COLLATERAL DESCRIPTION COMPUTER EQUIPMENT WITH ALL ACCESSORIES			

7. Reference File Number: 751721958

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190529 1526 1901 8999 **Registration Period** 4 year(s) **Registration Date** May 29, 2019 **Expiration Date** May 29, 2023	IS5 COMMUNICTIONS INC.	GOULD LEASING LTD.	Equipment
Registration Information	**Debtor(s)**	**Secured Party**	**Collateral Class.**
Registration Number 20190529 1704 1902 1348 **Registration Date** May 29, 2019 **Change** A AMNDMNT	IS5 COMMUNICTIONS INC. IS5 COMMUNICATIONS INC.		
REASON FOR CHANGE AMEND DEBTOR FROM IS5 COMMUNICTIONS INC. 5895 AMBLER DRIVE MISSISSAUGA, ON, L4W5B7 TO IS5 COMMUNICATIONS INC. 5895 AMBLER DRIVE MISSISSAUGA, ON, L4W5B7			

8. Reference File Number: 752424687

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190618 1125 6005 1917 **Registration Period** 5 year(s) **Registration Date** Jun 18, 2019 **Expiration Date** Jun 18, 2024	IS5 COMMUNICATIONS INC.	CWB NATIONAL LEASING INC.	Equipment
GENERAL COLLATERAL DESCRIPTION ALL COMPUTER EQUIPMENT,ADAPTOR CARDS, ADAPTERS, THINKPADS, DVD BURNERS, CASSETTES, PRINTERS, SCANNERS, LASER PRINTERS, THINKSTATIONS, DDR2, DDR4, EXTENDERS, TONERS, THINKCENTRES, AND LICENSING SUBSCRIPTIONS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 2916700, BETWEEN SOFTCHOICE LP, AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH			

Registration Information	Debtor(s)	Secured Party	Collateral Class.
AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.			

9. Reference File Number: 753395328

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190716 1136 2203 9957 **Registration Period** 4 year(s) **Registration Date** Jul 16, 2019 **Expiration Date** Jul 16, 2023	IS5 COMMUNICATIONS INC. IS5 COMMUNICATIONS INC	INDCOM LEASING INC	Consumer Goods Equipment Other
GENERAL COLLATERAL DESCRIPTION COMPUTER EQUIPMENT AND OFFICE FURNITURE TOGETHER WITH ALL ACCESSORIES, OPTIONAL EQUIPMENT, COMPONENTS, PARTS, INSTRUMENTS, APPURTENANCES, FURNISHINGS AND OTHER EQUIPMENT OF WHATEVER NATURE OR KIND IN CONNECTION WITH THEREFOR SAID EQUIPMENT.			

10. Reference File Number: 754590942

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190820 1433 8077 6213 **Registration Period** 4 year(s) **Registration Date** Aug 20, 2019 **Expiration Date** Aug 20, 2023	IS5 COMMUNICATIONS INC.	RCAP LEASING INC. RCAP LEASING INC.	Equipment Accounts Other
GENERAL COLLATERAL DESCRIPTION ALL COMPUTER EQUIPMENT FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS ENTERED INTO BETWEEN THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS.			

11. Reference File Number: 756964026

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20191028 1307 1901 8251	IS5 COMMUNICATIONS INC.	GOULD LEASING LTD.	Equipment

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Period 2 year(s) **Registration Date** Oct 28, 2019 **Expiration Date** Oct 28, 2021			

12. Reference File Number: 757449954

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20191108 1713 1462 7719 **Registration Period** 4 year(s) **Registration Date** Nov 08, 2019 **Expiration Date** Nov 08, 2023	IS5 COMMUNICATIONS INC. IS5 COMMUNICATIONS INC.	VAULT CREDIT CORPORATION	Equipment Other

13. Reference File Number: 758100006

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20191129 1602 2203 0086 **Registration Period** 4 year(s) **Registration Date** Nov 29, 2019 **Expiration Date** Nov 29, 2023	IS5 COMMUNICATIONS INC. IS5 COMMUNICATIONS INC	INDCOM LEASING INC.	Consumer Goods Other
GENERAL COLLATERAL DESCRIPTION EMC TESTING EQUIPMENT WITH ALL ATTACHMENTS AND ACCESSORIES			

14. Reference File Number: 758100969

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20191129 1625 1901 6977	IS5 COMMUNICATIONS INC. IS5 COMMUNICATIONS INC.	BLUE CHIP LEASING CORPORATION	Equipment Other

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Period 4 year(s) **Registration Date** Nov 29, 2019 **Expiration Date** Nov 29, 2023			

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20191203 1606 1902 8127 **Registration Date** Dec 03, 2019 **Change** A AMNDMNT	IS5 COMMUNICATIONS INC. IS5 COMMUNICATIONS INC.		

REASON FOR CHANGE
AMEND DEBTOR FROM IS5 COMMUNICATIONS INC. 5895 AMBER DR MISSISSAUGA, ON, L4W5B7 TO IS5 COMMUNICATIONS INC. 5895 AMBLER DR MISSISSAUGA, ON, L4W5B7

15. Reference File Number: 763408296

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20200707 1030 6005 4093 **Registration Period** 5 year(s) **Registration Date** Jul 07, 2020 **Expiration Date** Jul 07, 2025	IS5 COMMUNICATIONS INC.	CWB NATIONAL LEASING INC.	Equipment

GENERAL COLLATERAL DESCRIPTION
ALL COMPUTER EQUIPMENT-FIXED, OFFICE FURNITURE, GAMING CHAIRS WITH RELATED COMPONENTS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 3005283, BETWEEN CATALYST FINANCE PARTNERS INC., AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.

16. Reference File Number: 766044945

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20200923 1450 2203 0358	IS5 COMMUNICATIONS INC.	INDCOM LEASING INC.	Equipment Other

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Period 2 year(s) **Registration Date** Sep 23, 2020 **Expiration Date** Sep 23, 2022	IS5 COMMUNICATIONS INC		
GENERAL COLLATERAL DESCRIPTION SOFTWARE, TESTING, EVALUATION EQUIPMENT, IECEE CERTIFICATION TOGETHER WITH ALL ACCESSORIES, OPTIONAL EQUIPMENT, COMPONENTS, PARTS, INSTRUMENTS, APPURTENANCES, FURNISHINGS AND OTHER EQUIPMENT OF WHATEVER NATURE OR KIND IN CONNECTION WITH THEREFOR SAID EQUIPMENT.			

13(b)

The Company, as plaintiff, has made a claim against a former employee, Yuri Luskind, Ipcore Inc (Yuri's company), Alex Gourari, and Almax Solutions Inc (Alex's Company) (the Defendants). The claim states that the Defendants used confidential information for their own benefit, breached a non-compete with iS5, solicited iS5's employees and vendors, and caused damages to iS5's business.

Schedule D
REPRESENTATIONS AND WARRANTIES - INVESTOR

1. Purchase Entirely for Own Account

The Securities to be acquired by the Investor will be acquired for investment for the Investor's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same. The Investor has not been formed for the specific purpose of acquiring any of the Securities.

2. Knowledge

The Investor has the requisite knowledge and experience in financial and business matters to be capable of evaluating, and has independently evaluated, the merits and risks of its investment in the Company and has the capacity to protect its own interests. The Investor has been given the opportunity to ask questions and receive answers concerning the Company and the terms and conditions of this Note.

3. Restricted Securities

(a) The Investor understands that the Securities have not been, and will not be, registered under the 1933 Act or qualified by a prospectus filed with Canadian securities regulatory authorities, by reason of a specific exemption from the registration provisions of the 1933 Act and prospectus provisions of Canadian securities legislation that depend upon, among other things, the bona fide nature of the investment intent and the accuracy of the Investor's representations as expressed in this Note.

(b) The Investor understands that the Securities are "restricted securities" under applicable securities laws and that, pursuant to these laws, the Investor must hold the Securities indefinitely unless they are registered with the Securities and Exchange Commission and qualified by state authorities, or qualified by a prospectus filed with Canadian securities regulatory authorities, or an exemption from such registration and qualification requirements is available. The Investor acknowledges that the Company has no obligation to register or qualify the Securities for resale.

(c) The Investor further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements, including the time and manner of sale, the holding period for the Securities, and on requirements relating to the Company which are outside of the Investor's control, and which the Company is under no obligation and may not be able to satisfy.

4. No Public Market

The Investor understands that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Securities.

5. Accredited Investor - Canada

The Investor is an "accredited investor" within the meaning of NI 45-106 or applicable provincial legislation, and falls within one of the following categories (and the Investor will indicate the paragraph of the applicable category on the signature page of this Note):

(a) a Canadian financial institution, or a Schedule III bank

(b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada)

(c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary

(d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer

(e) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada

(f) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds $1,000,000

(g) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds $5,000,000

(h) an individual whose net income before taxes exceeded $200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year

(i) an individual who, either alone or with a spouse, has net assets of at least $5,000,000

(j) a person, other than an individual or investment fund, that has net assets of at least $5,000,000 as shown on its most recently prepared financial statements

(k) a person in respect of which all of the owners of interests, direct, indirect or beneficial, are persons that are accredited investors

(l) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded

(m) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse

(n) Other (to be specified on the Investor's signature page)

6. Accredited Investor - U.S.

If the Investor is a U.S. Person, the Investor is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the 1933 Act and falls within one of the following categories (and the Investor will indicate the paragraph of the applicable category on the signature page of this Note):

(a) The Investor has total assets in excess of US$5,000,000, was not formed for the purpose of investing in the Company, and is one of the following entities:

(i) a corporation

(ii) a partnership or limited partnership

(iii) a limited liability company

(iv) a business trust

(v) a tax-exempt organization described in section 501(c)(3) of the US Internal Revenue Code of 1986, as amended (the "**Code**").

(b) The Investor is a trust, with total assets in excess of US$5,000,000, not formed for the purpose of investing in the Company, whose decision to invest in the Company is directed by a person who has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company.

(c) The Investor is licensed, or subject to supervision, by US Federal or state examining authorities as a "bank," "savings and loan association," "insurance company," or "small business investment company" (as such terms are used and defined in 17 CFR §230.501(a)) or is an account for which a bank or savings and loan association is subscribing in a fiduciary capacity.

(d) The Investor is registered with the US Securities and Exchange Commission as a broker or dealer or an investment company; or has elected to be treated or qualifies as a "business development company" (within the meaning of section 2(a)(48) of the Investment Company Act or section 202(a)(22) of the U.S. Investment Advisers Act of 1940).

(e) The Investor is an entity (other than an irrevocable trust) in which each of the equity owners is an accredited investor.

(f) Other (to be specified on the Investor's signature page).

7. Residency

The Investor is resident in the jurisdiction indicated in its address as set out on the signature page of this Note.

8. Legal Counsel

The Investor has had the opportunity to review this Note, the exhibits and schedules attached to this Note and the transactions contemplated in this Note with its own legal counsel. Such Investor is not relying on any statements or representations of the Company or its agents for legal advice with respect to this investment or the transactions contemplated in this Note.

Schedule E
SECURITY

1. Security

(a) *Grant of Security*

(i) As continuing security for the due payment and performance of the Obligations, the Company hereby grants to BDC Capital Inc. (in such capacity and including its successors and assigns, the "**Representative**"), acting on its own behalf and for and on behalf of the Investor, a continuing, specific and fixed security interest in the Secured Property (the "**Security**").

(ii) The Company confirms that:

(A) value has been given;

(B) the Company is the owner of, or has rights in, the Secured Property (other than after-acquired property); and

(C) it has not agreed to postpone the time of attachment of the Security.

(iii) The Security does not extend or apply to the last day of the term of any lease of real property or any agreement for the lease of real property, but upon the enforcement of the Security, the Company will stand possessed of such last day in trust to assign it at the direction of the Investor to any person acquiring such term.

(iv) The Security does not and will not extend to, and the Secured Property will not include, any agreement, right, franchise, lease, licence or permit (the "**Contractual Rights**") to which the Company is a party or of which the Company has the benefit, to the extent that the creation of the Security would constitute a breach of the terms of or permit any person to terminate the Contractual Rights, but the Company will hold its interest therein in trust for the Investor and will assign such Contractual Rights to the Representative forthwith upon obtaining the consent of the other party or parties to the Contractual Rights.

(b) *Ordinary Course Transactions*

Until the occurrence of an Event of Default that is continuing, the Company is entitled to deal with the Secured Property in the ordinary course of business, and to the extent necessary, replace assets that have become obsolete or worn, but no action may be taken that would adversely affect the ranking, validity or perfection of the Security.

(c) *Financing Statements*

The Company acknowledges receiving a copy of this Note and hereby waives any right it has to receive a copy of any financing statement or financing change statement with respect to any registrations made at any personal property or similar registry in any jurisdiction pursuant hereto. The Company confirms its consent to the filing by the Representative or on its behalf of any financing statement, financing change statement and other filing or recording documents or instruments filed or issued at any time in respect of this Note. The Company authorizes the Representative to use the collateral description "all personal property" in any such financing statements.

(d) *No Liability of Representative*

The Representative is not liable for any act or failure to act in its capacity as Representative acting reasonably, and the Investor hereby releases and forever discharges the Representative and its officers, directors agents, shareholders and representatives from any and all claims, demands, causes of actions and damages based on actions or omissions of the Representative acting reasonably in its capacity as representative hereunder.

2. Remedies on Default

(a) *Enforcement*

(i) Upon the occurrence of an Event of Default that is continuing and is not cured within the time specified therefor (if applicable), the Investor may, at its option but subject to the intercreditor provisions set out in Schedule F, proceed to enforce payment and performance of the Obligations and to exercise any or all of the rights and remedies contained in this Note, or otherwise afforded by law, in equity or otherwise. The Investor expressly retains all rights and remedies not inconsistent with the provisions in this Note. Without limiting the generality of the foregoing but subject to the intercreditor provisions set out in Schedule F, the Investor may, upon the occurrence and continuance of any Event of Default and to the extent permitted by applicable law:

(A) *Appointment of Receivers*: appoint by instrument in writing one or more receivers of the Company for any or all of the Secured Property with such rights, powers and authority (including any or all of the rights, powers and authority of the Investor under this Note) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such receiver from time to time. To the extent permitted by applicable law, any receiver appointed by the Investor will (for purposes relating to responsibility for the receiver's acts or omissions) be considered to be the agent of the Company and not of the Investor;

(B) *Enter and Repossess:* immediately and without notice enter the Company's premises and repossess, disable or remove the Secured Property;

(C) *Dispose of the Secured Property*: dispose of any Secured Property by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are hereby waived by the Company to the extent permitted by law. The Investor may, to the extent permitted by law, at their discretion, establish the terms of such disposition, including terms and conditions as to credit, upset, reserve bid or price. All payments made pursuant to such dispositions will be credited against the Obligations only as they are actually received. Any such disposition may take place whether or not the Investor has taken possession of the Secured Property;

(D) *Foreclosure*: foreclose upon the Secured Property; and

(E) *Dealing with Secured Property*: subject to applicable law, seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Secured Property in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Investor advisable and without notice to the Company. The Investor may charge on its own behalf and pay to others sums for expenses incurred and for services rendered (expressly including legal, consulting, broker, management, receivership and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Secured Property and may add all such sums to the Obligations.

(ii) None of the above rights or remedies is exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time.

(b) *Powers of Receiver*

Any receiver appointed pursuant to Section 2(a) of this Schedule has the power prescribed by law or equity:

(i) to carry on the business of the Company or any part of such business in the name of the Company or of the receiver; and

(ii) to exercise on behalf of the Investor all of the rights and remedies granted in this Note to the Investor,

and without in any way limiting the foregoing the receiver has all the powers of a receiver appointed by a court of competent jurisdiction.

(c) *Appointment of a Monitor*

In addition to any other rights of the Investor, upon the occurrence of an Event of Default that is continuing, the Investor may, at its option, appoint a monitor to the Company. The monitor will have such rights and duties as are designated by the Investor, including reporting to the Investor as to matters related to the operations of the Company. The Company will cooperate with the monitor, and will provide the monitor will all information reasonably requested by the monitor regarding the Company and its operations, to permit the monitor to carry out its duties. The reasonable fees and expenses of such monitor will be paid by the Company.

(d) *Waivers and Extensions*

(i) The Investor may waive default of any breach by the Company of any of the provisions contained in this Note or in connection with the Obligations. No waiver extends to a subsequent breach or default, whether or not the same as or similar to the breach or default waived, and no act or omission of the Investor extends to or is to be taken in any manner to affect any subsequent breach or default of the Company or the rights of the Investor resulting therefrom. Any such waiver must be in writing and signed by the Investor to be effective.

(ii) The Investor may also grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release the Secured Property to third parties and otherwise deal with the Company's guarantors or sureties and others and with the Secured Property and other securities as the Investor may see fit without prejudice to the liability of the Company to the Investor or the Investor's rights, remedies and powers under this Note. No extension of time, forbearance, indulgence or other accommodation previously, now or subsequently given by the Investor to the Company operates as a waiver, alteration or amendment of the rights of the Investor or otherwise precludes the Investor from enforcing such rights.

(iii) Any waiver, extension of time or other indulgence given in writing by the Required Majority is binding on the Investor with respect to the Note so long as a substantially similar waiver, extension of time or other indulgence is also given in respect of the other Notes.

(e) *Costs of Collection*

The Company will pay all costs and expenses approved by the Required Majority, including legal fees and disbursements and court costs, of collecting the outstanding Principal and all accrued but unpaid Interest due under this Note, and of exercising the Investor's rights and remedies with respect to any hypothecs, pledges, liens and security interests in favour of the Investor relating to this Note and any other reasonable costs and expenses incurred by the Investor in enforcing and preserving its rights under this Note.

(f) *Statutory Waivers*

To the fullest extent permitted by law, the Company waives all of the rights, benefits and protections given by the provisions of any existing or future statute that impose limitations upon the powers, rights or remedies of a creditor or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute.

Schedule F
INTERCREDITOR MATTERS

1. Priorities

(a) *Priorities*. As between the Investors, the Security (and the respective rights and remedies thereunder) ranks and will continue to rank *pari passu* (based upon principal and interest then outstanding) to each other in all respects in the event of foreclosure or other realization of the Security.

(b) *Subordination and Postponement*. Each of the Investors hereby postpones and subordinates their respective indebtedness secured by the Security to and in favour of the other Investors' indebtedness to the extent necessary to give effect to the *pari passu* agreement and priorities set forth in Section 1(a) of this Schedule.

(c) *Payments by the Corporation*. The Investor acknowledges and agrees that all payments of Principal or Interest made by the Company in respect of this Note and the other Notes will be made pro rata based on the outstanding principal amount of the Notes.

2. Application

The *pari passu* status of the Notes and the Security as provided for in this Schedule apply notwithstanding:

(a) the priorities otherwise accorded to the Security under applicable law;

(b) the time of creation, granting, execution, delivery, attachment, registration, perfection or enforcement of the Security;

(c) that any of the Security is defective, unperfected, void or unenforceable for any reason;

(d) any failure or delay in giving any notice under this Schedule;

(e) any defence, compensation, set-off or counterclaim that the Company may have or assert;

(f) any dissolution, bankruptcy, receivership, winding-up, liquidation or other similar proceedings in respect of the Company (whether voluntary or involuntary), any proposal or similar proceeding made or commenced by the Company under any bankruptcy laws or any distribution of assets of the Company among its lenders and any sale of all or substantially all of the assets of the Company;

(g) any priority granted by any principle of law or any statute; or

(h) any other matter.

3. Enforcement and Realization

(a) *Notice of Default*. So long as the Notes remain outstanding, but subject to Section 3(d) of this Schedule, the Investors will give to the other Investors prompt notice in writing of any demand pursuant to the indebtedness, concurrently with the making of such demand, and enclosing with such notice a copy of the demand.

(b) *Appointment of Receiver*. If the Investor determines to make a demand in accordance with its rights under the Security or the Notes (but subject to Section 3(d) of this Schedule), it will co-operate with the other Investors and, notwithstanding anything to the contrary contained in this Schedule, if the Investor wishes to appoint a receiver it will first give 24 hours prior written notice to the other Investors. If the Investor to whom such notice is given wishes to join in the appointment of such receiver, each such Investor, together with the Investor providing notice, will use its best efforts to agree on the appointee.

(c) *Amounts Held in Trust*. All payments or amounts received by the Investor from or in connection with the Company (including from any third party on account of or otherwise for the benefit of a Company) will be dealt with in such a way as to give effect to the provisions of this Schedule and the priorities created and established by this Schedule. Any payments or amounts received by the Investor from the Company (including any amount received in respect of any claim, proof of claim or other instrument of similar character filed in respect of the Company) that are not in accordance with the provisions of this Schedule are deemed to be received in trust for the appropriate party or parties and will be paid over to such other party or parties.

(d) *Enforcement of Security*. So long as any obligations under this Note are outstanding, the Investor may not, except if the Investor is a Major Investor or with the consent of a Required Majority:

(i) make any demand for payment of amounts owing under this Note;

(ii) institute any action or proceeding, judicial or otherwise, for the purpose of enforcing or realizing upon the Security or enforcing any obligations under this Note; or

(iii) institute any action or proceeding, judicial or otherwise, to exercise any other remedy authorized by law or by equity for the purpose of enforcing payment of any amount in respect of this Note.

(e) *Collective Action*. The Investor hereby acknowledges that to the extent permitted by applicable law, any collateral security and the remedies provided under this Note to the Investor are for the benefit of the Investors collectively and acting together and not severally (except to the extent a Major Investor is explicitly permitted under this Note to exercise remedies on its own), and further acknowledges that its rights hereunder and under any collateral security are to be exercised upon the decision of the Required Majority (except, with respect to a Major Investor, as otherwise permitted under this Note). Accordingly, except to the extent a Major Investor is explicitly permitted under this Note to take actions on its own, the Investor agrees that it is not entitled to take any action hereunder or thereunder, including any declaration of default hereunder or thereunder, but that any such action is to be taken by a decision of the Required Majority.

4. Waiver

If Investors constituting a Required Majority grant to the Company any waiver of any default or breach by the Company of any provisions of the Notes, or any extension of time or other indulgence in respect of the obligations of the Company under the Notes, then the Investor is deemed to have provided to the Company the same waiver, extension or indulgence. The Investor, having been deemed to have provided to the Company a waiver, extension or indulgence pursuant to this Section, will execute and deliver all documents reasonably required to evidence such waiver, extension or indulgence.

Schedule G
INVESTOR APPROVAL MATTERS

For as long as any of the Notes remain outstanding, the Company will not, without the written consent of the Required Majority (in addition to any other consents required by the Shareholders Agreement(s), the Company's Articles or the applicable law):

(a) commit any act of insolvency or bankruptcy, liquidate, dissolve or wind up the affairs of the Company;

(b) purchase or redeem or pay any dividend on any capital stock or make any other distributions to shareholders, other than stock repurchased from former employees or consultants in connection with the cessation of their employment/services at the lower of fair market value or cost;

(c) create or permit to exist any debt, security interest, charge, encumbrance or lien, individually or in an aggregate cumulative amount that would exceed $1,000,000, other than (a) existing bank debt, equipment leases and credit facilities or other debt in place at the time of issuance of the Notes, (b) any future unsecured indebtedness that is junior to the Notes, and (c) a future increase in the Company's credit line with Silicon Valley Bank by up to $3,000,000 within 90 days after the date of the issuance of the Note to BDC;

(d) repay or reduce any shareholder loans or other debts due to its shareholders or other related parties, vendor take-back notes or balance of sales, prepay bank debt other than when due, pay any additional bonuses or increase executive salaries or other compensation;

(e) create or hold capital stock in any subsidiary that is not a wholly-owned subsidiary or dispose of any subsidiary stock or all or substantially all of any subsidiary assets; or

(f) engage in any material transaction outside the normal course of business (including acquiring or establishing any new business, joint venture or equity investment in another business or terminating any part of its current business) or effecting a material change of orientation or substantially changing the nature of its business.

Schedule H
SHAREHOLDER AGREEMENT MATTERS

Prior to or concurrently with the conversion of this Note, the Company will use its best efforts to implement, and will use reasonable commercial efforts to cause its Key Shareholders to effect the implementation of, and the Investor (if an existing shareholder of the Company) will take reasonable steps within its control, including providing necessary consents or approvals, to implement, any required changes to the Shareholder Agreements and Articles, as applicable, to the reasonable satisfaction of the Required Majority, in such a manner that the following provisions are in effect at the time of conversion of this Note:

(a) **Pre-Emptive Right**. The Investor will have a pre-emptive right to purchase up to its pro rata share of any equity securities, or securities convertible into or exercisable for equity securities, offered by the Company at the same price and on the same terms as the Company offers such securities to other potential investors (with a right of over-subscription if any shareholder elects not to purchase its full pro-rata share).

(b) **Right of First Refusal.** In the event of a third party offer for existing shares of the Company, the Investor will have a right of first refusal on the shares.

(c) **Tag-Along Right.** Subject to the prior exercise of the rights of first refusal, the Investor will have the right to tag-along pro-rata with any sale by a shareholder to a third party on the same terms as the sale by the selling shareholder.

(d) **Drag-Along Right.** If the Company or a shareholder receives an offer for all of the shares of the Company, which offer is approved by the required shareholders, then those shareholders have the right to require all remaining shareholders to sell their shares on the terms set forth in the offer, subject to customary carve-outs providing notably for limited shareholder representations and warranties, shareholder liability be several and not joint and several and in all cases capped to the lower of such shareholder’s pro-rata of the purchase consideration or purchase consideration effectively received by such shareholder and that no institutional shareholder is subject to any non-competition, restraint of trade, non-solicitation or similar undertakings.

(e) **Protective Provision**. Standard protective provisions for venture backed companies, covering, at a minimum, those same decisions as those provided for in Schedule G of this Note.

(f) **Transfers to Affiliates.** Investors will be free to transfer their shares (a) if required by law or regulation, (b) to Affiliates thereof (which, in the case of BDC Capital Inc., includes the Federal Government of Canada and any person controlled by the Federal Government of Canada) or (c) on a portfolio sale of assets if (i) the transferee becomes a party to the applicable Shareholder Agreements and (ii) neither the transferee nor any of its associates or Affiliates is engaged in a business that competes directly with the business of the Company. Such transfers shall be exempted from the rights set forth in paragraphs (b) and (c) above.

Schedule I

REPORTING

The Company will provide to the Investor the following documents and information:

(a) an annual capital and operating budget for the approval of the Board at least 30 days prior to the start of each fiscal year;

(b) consolidated monthly unaudited financial statements, including a discussion of variances from the annual budget, within 20 days of the end of each month;

(c) annual audited financial statements within 90 days of the end of each fiscal year;

(d) quarterly unaudited financial statements and a quarterly update on key metrics as identified by BDC Capital Inc.;

(e) as soon as reasonably possible, a notice of any material litigation, claim, default under or termination of any material contract, any Material Adverse Effect affecting the Company or its business or any investigation or finding relating to any applicable law or regulation; and

(f) if the Investor is a Major Investor, such other financial and business information or document as the Investor may reasonably request from time to time.

The Company is encouraged to consider adopting a commercially available cap table management software system. BDC is happy to assist the Company in this regard, including by providing, when appropriate, referrals to service providers offering advantageous pricing and other benefits. The cost of any cap table management software system adopted by the Company would be borne by the Company.

This is Exhibit "H" referred to in the Affidavit of Clive Dias sworn by Clive Dias at the City of Brampton, in the Province of Ontario, before me on August 5, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

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Commissioner for Taking Affidavits (or as may be)

TERM SHEET
FOR A SECURED CONVERTIBLE NOTE FINANCING OF
IS5 COMMUNICATIONS INC.

July 1, 2021

This term sheet (the "**Term Sheet**") is provided as a summary of the principal terms of a proposed secured convertible note financing of iS5 Communications Inc. (the "**Company**") by various lenders (hereinafter collectively referred to as the "**Investors**" and each an "**Investor**"). This Term Sheet is intended for discussion purposes only and shall be non-binding. No legally binding obligations will be created until definitive agreements are executed and delivered by all parties, and then only in accordance with the definitive terms and conditions thereof. This Term Sheet is not a commitment to close the financing. This Term Sheet is conditioned on the completion of satisfactory due diligence, legal review and documentation that is satisfactory to the Investors, obtaining all required consents to the financing, and approval by the respective investment committee of each of the Investors.

Closing Date: As soon as practicable following the Company's acceptance of this Term Sheet and satisfaction of the Conditions to Closing (the "**Closing**").

Securities to be Issued: Secured Convertible Notes (the "**Convertible Notes**")

Ranking: The Convertible Notes shall rank pari passu with the Company's outstanding notes issued November 19, 2020 (the "**Existing Notes**").

Pursuant to a subordination agreement to be executed at Closing, the Convertible Notes shall be expressly subordinated to the Company's indebtedness to Silicon Valley Bank.

Financing Size: Up to \$5.0 mm USD (~\$6.25 mm CAD)

Note Financing Amounts:

Investor	**Amount**
ClearSky Power & Tech II	At least \$1.5 mm USD (~\$1.87 mm CAD)
ClearSky Security I	At least \$0.5 mm USD (~\$0.62 mm CAD)
Phoenix Contact	At least \$1.0 mm USD (~\$1.25 mm CAD)
Other Investors	Up to \$2.0mm USD (~\$2.51 mm CAD)
Total	Up to \$5.0 mm USD (~\$6.25 mm CAD)

Rights Offering: All existing shareholders of the Company, and all holders of Existing Notes, will be offered an opportunity to participate in the Convertible Notes. The total round size may be increased to accommodate interest from any such existing shareholders, and from any such holders of Existing Notes, that desire to participate.

Signing and Closing: July 30, 2021, or as soon as reasonably practicable.

Warrant Coverage: Each Investor purchasing Convertible Notes shall receive, for each \$1.00 USD of Convertible Notes purchased by such Investor, a warrant for the purchase of 0.4231 Class A common shares of the Company having a strike price of \$0.001 USD per share.

Terms and Conditions:	The terms and conditions of the Convertible Notes (including, but not limited to, with respect to interest, maturity, security interest, use of proceeds, optional conversion, premium upon liquidity event, prepayment, financial reporting and budgeting, event of default, acceleration, most favored nation, protective provisions, shareholder agreement provisions upon conversion, amendment and waiver, etc.) shall be based insofar as possible on the provisions of the Existing Notes, with the maturity date of the Convertible Notes to be three (3) months following the maturity date of the Existing Notes..
Closing Documentation:	The parties will enter into mutually acceptable definitive documents which shall reflect the terms hereof, and which shall include standard customary representations and warranties from the Company and the Investors, together with definitive document relating to security interest and intercreditor arrangements.
Conditions to Closing:	Closing shall be subject to standard conditions, which shall include, among other things, delivery to the Investors of a legal opinion of Company counsel, satisfactory completion of satisfactory due diligence, legal review and documentation that is satisfactory to the Investors, obtaining all required consents to the financing, and approval by the respective investment committee of each of the Investors.
Counsel and Expenses:	Each Investor shall bear its own expenses in connection with the financing. Company's counsel shall prepare all draft closing documents.

This Term Sheet will expire if not executed by 5:00 pm ET on July 6, 2021. Please sign below to indicate your acknowledgment, acceptance and agreement to the terms hereof.

IS5 COMMUNICATIONS INC.

By: ____________________
Name: Clive Dias
Title: President & CEO
Date: July 8, 2021

CLEARSKY POWER & TECHNOLOGY FUND II LLC

DocuSigned by:
James Huff
BAC285766F37484...

By: ____________________
Name: James Huff
Title: Managing Director
Date: July 1, 2021

PHOENIX CONTACT VENTURE FUNDS I GMBH

By: M. Böker
Name: Marcus Böker
Title: Managing Director
Date: July 2, 2021

CLEARSKY SECURITY FUND I LLC

DocuSigned by:
James Huff
BAC285766F37484...

By: ____________________
Name: James Huff
Title: Managing Director
Date: July 1, 2021

This is Exhibit "I" referred to in the Affidavit of Clive Dias sworn by Clive Dias at the City of Brampton, in the Province of Ontario, before me on August 5, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

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Commissioner for Taking Affidavits (or as may be)

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) THE ISSUE DATE, AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

THE SECURITIES REPRESENTED BY THIS CONVERTIBLE PROMISSORY NOTE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**1933 ACT**"), HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM THE PROSPECTUS REQUIREMENTS OF THE *SECURITIES ACT* (ONTARIO) OR OTHER CANADIAN SECURITIES LAWS, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE 1933 ACT.

IS5 COMMUNICATIONS INC.

CONVERTIBLE PROMISSORY NOTE

Issue Date:	July ● , 2021 (the "**Issue Date**")
Investor:	● (the "**Investor**")
Principal:	Cdn $ ● (the "**Principal**")
Interest Rate:	8.55% per year (the "**Interest Rate**")
Applicable Currency:	Canadian dollars (the "**Applicable Currency**")
Purpose:	Working capital, product development and marketing and sales (the "**Purpose**")
Required Majority:	Investors holding at least 66% of the aggregate outstanding principal amount of the Notes (the "**Required Majority**")
Major Investors:	ClearSky Security Fund I LLC, ClearSky Power& Technology Fund II LLC and Phoenix Contact Venture Funds I GmbH (each a "**Major Investor**", and collectively, the "**Major Investors**")
Applicable Province:	Ontario (the "**Applicable Province**")

All capitalized terms used but not otherwise defined herein have the meanings given to them in Schedule B.

1. Promise to Pay

IS5 Communications Inc. (the "**Company**"), promises to pay to the Investor, or its registered assigns, in lawful money of Canada, the Principal, together with interest (the "**Interest**") on the Principal at a rate equal to the Interest Rate, compounded yearly, in accordance with the terms of this convertible promissory note (this "**Note**").

2. Interest

Interest on the Principal is calculated from the Issue Date and is calculated on the portion of the Principal that remains unpaid, both before and after maturity, default or judgment, until fully paid, on the basis of the actual number of days for which the Principal is outstanding. Interest shall be payable upon the earlier of (i) the Maturity Date, (ii) the conversion of this Note, by the conversion of the Interest along with the outstanding Principal, (iii) the acceleration of the repayment of this Note pursuant to Section 7 below, and (iv) a Liquidation Event.

3. Repayment

(a) Unless prepaid earlier or converted in accordance with this Note, the Company will repay the outstanding Principal and the accrued but unpaid Interest on the earlier of:

(i) February 19, 2024 (the "**Maturity Date**");

(ii) the closing of a Liquidation Event;

(iii) the date on which a Required Majority demands payment pursuant to Section 7 below following an Event of Default; or

(iv) if the Investor is a Major Investor, the date on which the Investor demands payment pursuant to Section 7 below following an Event of Default which has not been waived by a Required Majority.

(b) On the closing of a Liquidation Event, if the Liquidation Event is consummated after a Qualified Financing, then the Company will, in addition to the then outstanding Principal and Interest payable under Section 3(a)(ii), pay to the Investor an amount equal to 20% of the then outstanding Principal.

(c) All payments made under this Note are to be made in the Applicable Currency.

(d) The Notes (as defined below) will rank *pari passu* with each other in the right to repayment.

(e) All amounts paid by the Company to the Investor under this Note will be allocated in the following order:

(i) first, to any amounts relating to costs of collection under the Notes;

(ii) second, to any outstanding Interest; and

(iii) third, to the outstanding Principal.

4. Prepayment

(a) Subject to the prepayment rights set forth in Section 4(b), the Company may not prepay this Note in whole or in part at any time without the consent of a Required Majority.

(b) If a Qualified Financing is completed prior to the Maturity Date, and the Investor elects not to convert this Note in accordance with Section 9(c), then the Company may, at its option, prepay this Note on the closing of the Qualified Financing in an amount equal to the sum of the outstanding Principal and any accrued Interest plus an amount that would otherwise accrue as Interest on the Principal during either a 12-month period or the period between the date of the closing of the Qualified Financing and the Maturity Date, whichever is shorter.

(c) The Notes will rank *pari passu* with each other in the right to prepayment. Any prepayments of the Notes will be made *pro rata* based on the outstanding principal amounts of the Notes.

5. Series of Notes

This Note is one of a series of convertible promissory notes (collectively with this Note, the "**Notes**", and each, a "**Note**") issued by the Company to the investors listed in Schedule A and any additional investors who have been mutually agreed upon in writing by the Required Majority (collectively with the Investor, the "**Investors**"), with substantially similar terms as this Note.

6. Use of Proceeds

(a) The Principal will be used for the Purpose or any other purpose approved by a Required Majority.

(b) For greater certainty, except with the approval of a Required Majority, the Principal and the principal amounts of the other Notes may not be used for any:

(i) withdrawals by or distributions to shareholders of the Company, be it in the form of dividends, share redemptions, reductions in paid-in capital or any other forms of distributions to shareholders or related parties;

(ii) repayment of any shareholder or other related party loans or advances;

(iii) pre-payment of any term loans, lines of credit or any other indebtedness to third party lenders before such amounts are due thereunder; or

(iv) increased executive salaries and/or new or additional bonuses or other forms of compensation (other than salary increases, bonuses and incentive compensation that have been previously approved or are paid pursuant to existing employment agreements and board approved compensation plans, all as disclosed to the Major Investors prior to the date of the issuance of theirs respective Notes). For the avoidance of doubt, the foregoing shall not restrict the ability of the Company to reimburse *bona fide* expenses incurred by the Company's officers, employees, directors or board observers in the ordinary course of business.

7. Event of Default; Acceleration

(a) Upon the occurrence or existence of any Event of Default, and at any time thereafter during the continuance of such Event of Default,

(i) the Required Majority may, by written notice to the Company ("**Notice of Default**"), declare the aggregate outstanding principal amount of the Notes and any accrued interest to be immediately due and payable; or

(ii) if the Investor is a Major Investor, the Investor may, by Notice of Default to the Company, declare the outstanding Principal and the accrued but unpaid Interest to be immediately due and payable.

(b) Following the transmission of a Notice of Default, the Investor may exercise any other right, power or remedy granted to the Investor under this Note or otherwise permitted to the Investor by applicable law.

8. Transaction Notice

(a) The Company will provide the Investor with written notice of a proposed Liquidation Event as soon as reasonably practicable in advance of such Liquidation Event (but in any event no less than 10 days prior to the closing of or occurrence of such Liquidation

Event), which notice will set forth the anticipated date and principal terms and conditions of such transaction or occurrence of such event.

(b) The Company will provide the Investor with a written notice of a proposed Future Financing as soon as reasonably practicable in advance of such Future Financing (but in any event no less than 10 days prior to the anticipated closing of such Future Financing), which notice will set forth the anticipated date and principal terms and conditions of the issuance of Future Equity Securities.

9. Conversion.

(a) *Optional Conversion upon Maturity Date*

If this Note has not converted prior to the Maturity Date pursuant to Section 9(b) or 9(c) and no Qualified Financing has been completed, then, the outstanding Principal and any accrued Interest may, at the election of the Investor, be converted, effective on the Maturity Date or such other date agreed to by the Company and the Investor into that number of shares of the most senior rank in the capital of the Company then outstanding ("**Senior Shares**") obtained by dividing:

(i) the outstanding Principal and accrued Interest; by

(ii) the lowest price per share issued in the most recent financing of the Company in which an aggregate amount of at least US$9,900,000 of such shares were issued (the "**Senior Share Financing**"), subject to any applicable share splits, combinations (and similar events) or anti-dilution adjustments.

(b) *Optional Conversion upon Liquidation Event*

If the Company consummates a Liquidation Event prior to the earlier of (x) the conversion or the repayment of this Note, and (y) the closing of a Qualified Financing, then, upon the closing or occurrence of such Liquidation Event, the Investor may elect, at its option, either (A) to receive cash payment in an amount equal to (i) two (2) times (2x) the outstanding Principal, plus (ii) all accrued and unpaid Interest hereunder, or (B) that the outstanding Principal and any accrued Interest be converted into such number of Senior Shares obtained by dividing:

(i) the outstanding Principal and accrued Interest; by

(ii) 75% of the lowest price per share issued in the Senior Share Financing, subject to any applicable share splits, combinations (and similar events) or anti-dilution adjustments.

(c) *Optional Conversion upon Future Financing*

If, prior to the Maturity Date, the Company consummates an equity financing (a "**Future Financing**"), in one or more closings, pursuant to which it sells equity securities in the capital of the Company (the "**Future Equity Securities**"), then, upon the closing (or any closing in a series of closings) of such Future Financing, the outstanding Principal and any accrued Interest may, at the election of the Investor, or will, at the election of the Required Majority (and concurrently with the principal amounts and accrued interest of all Notes), be converted into Future Equity Securities. The number of such Future Equity Securities to be issued to the Investor upon such conversion is obtained by dividing:

(i) the outstanding Principal and accrued Interest; by

(ii) 75% of the price per Future Equity Security issued in such Future Financing, subject to any applicable share splits, combinations (and similar events) or anti-dilution adjustments.

Notwithstanding the foregoing, if the Company consummates a Qualified Financing and the Investor elects not to convert this Note pursuant to such Qualified Financing, then the Investor will lose its right to convert this Note upon any other Future Financing.

(d) *Mechanics of Conversion*

(i) Issuance of Securities upon Conversion. As soon as practicable after conversion of this Note, the Company, at its expense, will cause to be issued in the name of and delivered to the Investor, a certificate or certificates representing the number of fully paid and nonassessable equity securities to which the Investor is entitled on such conversion. No fractional equity securities will be issued on conversion of this Note. If the Investor would otherwise be entitled to a fractional equity security, upon the Investor's request, the Investor will receive a cash payment equal to the applicable conversion price, multiplied by the fractional equity security the Investor would otherwise be entitled to receive. As a condition to being issued any equity securities in the capital of the Company upon conversion of this Note, the Investor will become a party to the Shareholder Agreement(s) if the Investor is not already a party thereto.

(ii) Termination of Rights. Whether or not this Note has been surrendered for cancellation, all rights with respect to this Note terminate upon the issuance of equity securities upon conversion of this Note.

(iii) Different Series. At the option of the Company, the shares issued to the Investor upon conversion of this Note under Sections 9(b) or 9(c) may be a separate series of Senior Shares or Future Equity Securities having the identical rights, privileges, restrictions and conditions as the Senior Shares or Future Equity Securities issued in connection with Senior Share Financing or Future Financing, as applicable, other than with respect to:

(A) the per share liquidation preference and the conversion price for purposes of price-based anti-dilution protection, which will equal the price at which the Principal and accrued Interest is converted; and

(B) the basis for any dividend rights, which will be based on the price at which the Principal and accrued Interest is converted.

(iv) Terms and conditions of Conversion

(A) Upon conversion of this Note under Section 9(a), all of the representations and warranties of the Company set out in Schedule C will be true and correct as of the Maturity Date, subject to subparagraph (I) hereinafter, and with the same effect as if made on the Maturity Date, and the Company will deliver to the Investor (I) a certificate from a senior officer of the Company confirming that all of the representations and warranties of the Company set out in Schedule C are true and correct as of the Maturity Date, subject to updated disclosure schedule related thereof, if any, and with the same effect as if made on the Maturity Date, and (II) an opinion of counsel satisfactory to the Major Investors, acting reasonably, to the effect that such Senior Shares are duly and validly issued, fully paid and non-assessable, free from pre-emptive rights, and issued in compliance with applicable securities laws.

(B) The conversion of this Note under Section 9(c) will be made on the same terms and conditions as the issuance of the Future Equity Securities, including: (I) the provision by the Company of representations and warranties of the Company provided in the purchase agreement or subscription agreement, as applicable, to investors in connection with the Future Equity Financing and (II) the Company will provide the Investor with such other documents as purchasers under the Future Equity Financing are entitled to receive in connection therewith including, but not limited to, an opinion of counsel satisfactory to the Major Investors, acting reasonably, to the effect that such Future Equity Securities, as well as any underlying securities are duly and validly issued, fully paid and non-assessable, free from pre-emptive rights, and issued in compliance with applicable securities laws.

10. Warrants

Each Investor purchasing the Notes shall receive, for each US$1.00 of Principal under a Note purchased by such Investor as set out in Schedule A, a warrant for the purchase of 0.4231 Class A common shares of the Company ("**Warrant**"). Each Warrant shall have an exercise price of US$0.001 per share and a term of eight (8) years. The Company and the Investor will sign on the Issue Date a Warrant Certificate in the form set out in Schedule J.

11. Representations and Warranties

(a) The Company hereby represents and warrants to the Investor that each of the statements set out in Schedule C are true and correct as of the Issue Date.

(b) The Investor hereby represents and warrants to the Company that each of the statements set out in Schedule D are true and correct as of the Issue Date.

12. Negative Pledge

For as long as any of the Notes is outstanding, the Company shall not create or permit to exist any hypothec, mortgage, pledge, lien, prior claim, charge, encumbrance, assignment, security interest, title retention arrangement intended as security, preferential right intended as security, trust arrangement or other arrangement having the same or equivalent commercial effect as a grant of security, or any agreement to create or give any arrangement regarding any of the foregoing, on any of the Company's Intellectual Property or any portion thereof.

13. Security

The Company hereby grants to the Investor the rights and security interests set out on Schedule E.

14. Intercreditor Matters

(a) Each of the Company and the Investor agree to be subject to the terms set out on Schedule F and the Investor agrees that each of the other Investors are third party beneficiaries in respect of the Investor's obligations to such other Investors under Schedule F.

(b) The Investor agrees to be subject to the terms set out in an intercreditor agreement to be entered into between the Required Majority acting on behalf of all Investors and the holders of the Existing Notes on such terms as the Required Majority accept to allow the Notes to rank *pari passu* with the Existing Notes. The Investor authorizes the Required

Majority to negotiate and execute such intercreditor agreement on its behalf, and to take such other actions as are necessary and desirable to enter into the intercreditor agreement with the Existing Note holders and to secure the consent of the holders of the Existing Notes for the security interest of the Notes to rank *pari passu* with that of the Existing Notes.

15. Investor Approval Matters

Each of the Company and the Investor agrees to comply with the terms set out on Schedule G.

16. Shareholder Agreement Matters

Each of the Company and the Investor (if the Investor is an existing shareholder of the Company) agrees to comply with the terms set out on Schedule H.

17. Reporting

The Company will provide to the Investor the documents and information set out on Schedule I.

18. Schedules

The schedules are attached to this Note are incorporated into and are deemed to be a part of this Note.

19. Most Favoured Nation

If, within 120 days of the Issue Date, the Company issues any Subsequent Convertible Securities (a "**Subsequent Financing**") prior to the conversion or repayment of this Note, the Company will promptly provide the Investor with written notice of the closing of the Subsequent Financing as soon as practicable but in any event no later than ten (10) days following such closing, together with a copy of all documentation relating to such Subsequent Financing, which must include material terms and conditions of such Subsequent Financing and, upon written request of the Investor, any additional information related to such Subsequent Financing as may be reasonably requested by the Investor. If the Investor determines that the terms of the Subsequent Convertible Securities are preferable to the terms of this Note, the Investor will notify the Company in writing. Promptly after receipt of such written notice from the Investor, the Company agrees to amend and restate this Note to be identical to the instrument(s) evidencing the Subsequent Convertible Securities.

20. Direction of Payment

The Company hereby directs the Investor to pay the Principal by wire transfer to the account of the Company in accordance with wire transfer instructions provided by the Company to the Investor prior to the Issue Date.

21. Legal Fees

Each Investor shall be responsible for any expenses incurred by such Investor in connection with the transactions contemplated by its Note.

22. Successors and Assigns

Subject to the restrictions on transfer described in Sections 24 and 25, the rights and obligations of the Company and the Investor are binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties.

23. Waiver of Notice

The Company hereby waives presentment for payment, notice of non-payment, notice of protest of this Note and the right to assert in any action or proceeding with regard to this Note any set-offs or counterclaims that the Investor may have.

24. Approval, Waiver and Amendment

Certain matters relating to this Note involve the approval or consent of a Required Majority. Any such matter, if approved or consented to by a Required Majority, applies to this Note and is binding on the Investor. Any provision of this Note may be amended or waived upon the written consent of the Company and the Required Majority and any such amendment or waiver is binding on the Investor. However, if any amendment of this Note or waiver of any of the Investor's rights under this Note affects the Investor differently and in a materially adverse manner relative to the other Investors, the consent of the Investor is required for such amendment or waiver.

25. Transfer of this Note or Securities Issuable on Conversion

This Note, including all rights and obligations associated hereunder, may not be transferred by the Investor (other than to an Affiliate) without the prior written consent of the Company and the Required Majority, and all transfers are subject to: (a) applicable securities laws; and (b) the transferee becoming a party to any intercreditor agreement (if such transferee is not already a party thereto), any subordination agreement (if such transferee is not already a party thereto) and any other agreement to which the Investor is a party in relation to this Note (if such transferee is not already a party thereto). Any securities issuable upon the conversion of this Note are subject to any transfer restrictions of any shareholder agreements to which the Investor is a party.

26. Assignment by the Company

Neither this Note nor any of the rights, interests or obligations hereunder may be assigned, by operation of law or otherwise, in whole or in part, by the Company without the prior written consent of the Required Majority.

27. No Shareholder Rights

This Note does not entitle the Investor to any voting rights or any other rights as a shareholder of the Company or to any other rights except the rights stated in this Note.

28. Severability

If one or more provisions of this Note are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith, in order to maintain the economic position enjoyed by each party as close as possible to that under the provision rendered unenforceable. If the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision will be excluded from this Note, (ii) the balance of this Note will be interpreted as if such provision were so excluded, and (iii) the balance of this Note is enforceable in accordance with its terms.

29. Notices

All notices, requests, approvals, consents, claims, demands, elections, waivers and other communications under this Note must be in writing and delivered by e-mail and are deemed to have been given on the date sent by e-mail if sent during normal business hours of the recipient, and on the next Business Day if sent by e-mail after normal business hours of the recipient.

30. Governing Law

This Note and all actions arising out of or in connection with this Note are governed by and are to be construed in accordance with the laws of the Applicable Province and the federal laws of Canada applicable in the Applicable Province.

(Signature Pages Follow)

IN WITNESS WHEREOF, the Company and the Investor have duly executed this Note.

Company:
IS5 COMMUNICATIONS INC.

By: ________________________________
Name: Clive Dias
Title: President

Address: 5895 Ambler Drive
Mississauga, Ontario L4W 5B7

Email: clivedias@is5com.com

Investor:

[●]

By: ______________________________________

Name:

Title:

Address:

____

Email: ______________________________________

Check and complete as applicable:

_____ The Investor qualifies in the private issuer certification under the category specified in paragraph _____ of Section 5 of Schedule D.

_____ The Investor is an accredited investor as described in paragraph ____ of Section 6 of Schedule D.

_____ The Investor is an accredited investor as described in paragraph ____ of Section 7 of Schedule D.

SCHEDULE A
INVESTORS

Name	Investment Total CDN	USD equivalent for Warrants (@1.25)	Issue Date
ClearSky Power and Technology Fund II LLC	$		August ___, 2021
ClearSky Security Fund I LLC	$		August ___, 2021
Phoenix Contact Venture Funds I GmbH	$		August ___, 2021
Cao Yang	$		August ___, 2021
Clive Dias	$		August ___, 2021
Maurizio Milani	$		August ___, 2021
TOTAL			

SCHEDULE B
DEFINITIONS

"**Affiliate**" means:

(a) with respect to any specified Person:

(i) any other Person who, directly or indirectly, controls, is controlled by or is under common control with such Person; or

(ii) any general partner, managing member, manager, officer or director of such Person or any venture capital, private equity or similar fund now or hereafter existing that is controlled by one or more general partners, managing members, managers, officers, or directors of, or shares the same management company with, such Person; or

(iii) in the case of any venture capital, private equity or similar fund now or hereafter existing, all partners, members, shareholders or other equity holders of any kind of such venture capital, private equity or similar fund, regardless of whether such partners, members, shareholders or other equity holders control such venture capital, private equity or similar fund; and

"**Articles**" means the articles of incorporation of the Company, as amended.

"**Board**" means the board of directors of the Company.

"**Business Day**" means a day other than a Saturday, Sunday or other days that are statutory holidays in the Applicable Province.

"**COVID-19**" means the novel coronavirus (2019-nCoV/COVID-19), including any mutations of such virus.

"**Event of Default**" means the occurrence of any of the following:

(a) the Company fails to make any payment under this Note to the Investor when due;

(b) the Company fails to make any payment when due of any indebtedness or liability of the Company to any other party in excess of $25,000 (cumulative) or is otherwise in breach of any term, condition, obligation or covenant made by it to or towards a third party which breach may affect, in a material adverse manner, the property of the Company, its activities or its financial situation, provided however, that notwithstanding the preceding, failure by the Company to pay any account payables (i) that are subject to a good faith dispute with the vendor or (ii) that have been due for less than 120 days, shall not be an Event of Default;

(c) the Company is in breach of, in a material manner, any term, condition, obligation or covenant made by it to or with the Investor and such breach continues for 10 Business Days after the Company's receipt of written notice to the Company of such breach;

(d) the Company becomes insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of any provisions for relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment;

(e) a receiver, manager, receiver and manager or receiver-manager of all or a part of the Company's assets is appointed or an order is made or a resolution is passed for the winding up of the Company;

(f) the Company ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets or distress or execution is levied or issued against all or a part of the Company's assets; or

(g) the holder of any security interest, charge, encumbrance, lien or claim against any of the Company's assets does anything to enforce or realize on such security interest, charge, encumbrance, lien or claim.

"Existing Notes" means the secured convertible notes issued by the Company on November 19, 2020 and maturing on November 19, 2023.

"FedDev Loan" means a new unsecured loan in a principal amount of up to $1.9 million pursuant to a contribution agreement with Federal Economic Development Agency for Southern Ontario currently under negotiation.

"HASCAP Loan" means a new term loan for $250,000 offered by RBC and guaranteed by BDC under negotiation by the Company.

"**including**" means "including without limitation".

"**Key Shareholders**" means (i) the holders of record of at least a majority of the outstanding Class A Common shares and Class A Preferred shares of the Corporation, and (ii) the holders of at least 70% of the outstanding Class B2 Preferred shares.

"**Liquidation Event**" means an Exit Event, as such term is defined in the Company's second amended and restated unanimous shareholders agreement entered into between the shareholders of the Company as of July 31, 2018, as amended by that amending agreement dated April 17, 2019, as in force and in effect on the date of the issuance of the Note in favour of ClearSky Power & Technology Fund II LLC.

"**Material Adverse Effect**" means any event, change, circumstance, or situation which, individually or a combination of events, changes, circumstances or similar situations that has or could reasonably be expected to have a material adverse effect on the assets (including intangible assets), liabilities, financial condition, property, prospects or results of operations of the Company and/or the business of the Company or which could reasonably be expected to have a material adverse effect on the opportunity of the Investor to realize a return on all or part of its investment, other than any event, change, circumstance, or situation resulting from COVID-19.

"**NI 45-106**" means National Instrument 45-106 – Prospectus Exemptions of the Canadian Securities Administrators.

"**Note Documents**" means this Note and any security, intercreditor or other agreement entered into pursuant to the terms of this Note and to which the Company is a party.

"**Obligations**" means the obligations and liabilities, present or future, direct or indirect, absolute or contingent, at any time and from time to time owing by the Company to the Investor arising under or pursuant to this Note.

"**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

"**Qualified Financing**" means a Future Financing for aggregate consideration of at least $9,000,000 (excluding the aggregate principal and interest due under the Notes and all other convertible securities then outstanding and issued by the Company), in which at least 20% of such consideration is invested in the Company by arm's length external investors who are not currently invested in the Company.

"**Secured Property**" means all of the Company's present and after-acquired property, assets, rights, benefits, privileges and undertakings of every nature and kind, real or personal, moveable or immoveable, tangible and intangible, wherever situate, together with all increases, additions and accessions, all substitutions and replacements and all proceeds received under insurance, except for the Company's Intellectual Property.

"**Securities**" means, collectively, this Note and the equity securities issuable upon conversion thereof.

"**Security**":

(a) in reference to the Investor and this Note, has the meaning given to it in Section 1(a)(i) of Schedule E; and

(b) in reference to the Investors and the Notes, the security interests granted to each of the Investors under the Notes.

"**Shareholder Agreement(s)**" means the Company's shareholder agreement(s) (including any unanimous shareholder agreement, investor rights agreement, voting agreement and rights of first refusal and co-sale agreement) in effect as of the Issue Date or at the date of conversion of this Note.

"**Subsequent Convertible Securities**" means convertible securities that the Company may issue after the Issue Date for the principal purpose of raising capital, including SAFEs, convertible debt instruments and other convertible securities; however, "Subsequent Convertible Securities" excludes:

(a) options issued pursuant to any equity incentive or similar plan of the Company; and

(b) convertible securities issued or issuable to banks, equipment lessors, financial institutions or other persons engaged in the business of making loans pursuant to a debt financing or commercial leasing.

"SVB" means Silicon Valley Bank.

"SVB Credit Facilities" mean two new credit facilities offered by Silicon Valley Bank under negotiation with the Corporation.

"U.S. Person" has the meaning ascribed to it in Regulation S under the 1933 Act, as amended, the definition of which includes: (i) an individual resident in the United States; (ii) an estate or trust of which any executor, administrator or trustee is a U.S. Person; or (iii) any partnership or corporation organized or incorporated under the laws of the United States.

"Warrant" has the meaning ascribed to it in Section 10 of the Note.

"Warrant Certificate" means the certificate representing the Warrants issued to the Investor in connection with the Note, in the form set out at Schedule J.

SCHEDULE C
REPRESENTATIONS AND WARRANTIES – COMPANY

1. Organization, Good Standing and Qualification

The Company is a corporation duly organized, validly existing, and in good standing under the laws of its governing jurisdiction and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect.

2. Authorization

All corporate action on the part of the Company necessary for the authorization, execution and delivery of the Note Documents and the authorization, sale, issuance and delivery of this Note, and the performance of all obligations of the Company under the Note Documents has been taken.

3. Enforceability

The Note Documents constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other laws of general application affecting enforcement of creditors' rights generally, and except as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

4. Capitalization

The Company has provided to the Investor a capitalization table (the "**Cap Table**") that sets out all of the issued and outstanding securities of the Company as of the Issue Date and names their holders, the number and class of shares held by each such holder and the percentage of voting and participating rights held by each such holder. All issued and outstanding shares were validly issued and are allocated amongst the holders specified in the Cap Table and have been duly authorized, are fully paid and nonassessable and were issued in compliance with all applicable securities laws. Other than as disclosed in the Cap Table and warrants issuable in conjunction with the Notes, no warrant, option or any other right to purchase or redeem any shares of the Company, or any other equity securities, has been authorized or is outstanding and there is no agreement providing for any issuance thereof.

5. Valid Issuance of Conversion Shares

Any equity securities issued upon the conversion of this Note (the "**Conversion Shares**") will be duly authorized and issued as fully paid and non-assessable securities in the capital of the Company and will be free of restrictions on transfer other than restrictions on transfer under this Note, restrictions on transfer contained in the Shareholder Agreements or the Articles, applicable securities laws and liens or encumbrances created by or imposed by the Investor. Assuming the accuracy of the representations of the Investor in Schedule D of this Note, the Conversion Shares will be issued in compliance with all applicable securities laws.

6. No Violations or Defaults

The Company is not in violation or in default with respect to:

(a) its Articles or by-laws or any material judgment, order, writ, decree, statute, rule or regulation applicable to the Company;

(b) any indebtedness, mortgage, hypothec, indenture, or security agreement;

(c) any other material contract the violation of which would have a Material Adverse Effect on the Company; or

(d) any provision of any federal, provincial or state statute, rule or regulation applicable to the Company, the violation or default of which would have a Material Adverse Effect on the Company.

7. Non-Contravention

The execution and delivery by the Company of the Note Documents and the sale, issuance and delivery of this Note and the performance of all obligations of the Company under the Note Documents will not:

(a) violate the Articles or by-laws or any material judgment, order, writ, decree, statute, rule, or regulation applicable to the Company;

(b) violate or create an event of default under any provision of, or result in the breach or the acceleration of, or entitle any third party to accelerate (whether after the giving of notice or lapse of time or both), any indebtedness, mortgage, hypothec, indenture or security agreement;

(c) violate or create an event of default under any provision of, or result in the breach or the termination of, or entitle any third party to terminate (whether after the giving of notice or lapse of time or both), any material contract to which the Company is a party or by which it is bound;

(d) violate any provision of any federal, provincial or state statute, rule or regulation applicable to the Company, the violation of which would have a Material Adverse Effect on the Company; or

(e) result in the creation or imposition of any lien or charge upon any property, asset or revenue of the Company or the suspension, revocation, impairment, forfeiture or nonrenewal of any material permit, license, authorization or approval applicable to the Company, its business or operations, or any of its assets or properties.

8. Governmental Consents and Filings

Assuming the accuracy of the representations made by the Investor in Schedule D of this Note, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, provincial/territorial or local governmental authority on the part of the Company is required in connection with the issuance of this Note or the consummation of the transactions contemplated under the Note Documents, except any filings required pursuant to applicable securities legislation, which will be made in a timely manner following the Issue Date, as applicable.

9. No Litigation

There is no action, suit, proceeding, claim, arbitration or investigation pending or, to the Company's knowledge, threatened against the Companyor its business, properties or assets or that questions the validity, seeks to restrict or seeks to prevent the execution and delivery of the Note Documents and the sale, issuance and delivery of this Note and the performance of its obligations under the Note Documents.

10. **Property**

The property and assets that the Company owns are free and clear of all mortgages, hypothecs, deeds of trust, liens, loans and encumbrances, except for (a) statutory liens for the payment of current taxes that are not yet delinquent and encumbrances and liens that arise in the ordinary course of business and do not materially impair the Company's ownership or use of such property or assets, and (b) the encumbrances disclosed in Appendix I of this Schedule. With respect to the property and assets it leases, the Company is in compliance with such leases and to its knowledge, holds a valid leasehold interest free of any liens, claims or encumbrances other than those of the lessors of such property or assets. The Company does not own any real or immovable property.

11. **Financial Statements**

The audited annual financial statements for the year ended on March 31, 2021 (the "**Financial Statements**"), copies of which have been provided to the Investor, present and disclose accurately, in all material respects, the financial position of the Company as of that date.

12. **Indebtedness and Liabilities**

Since March 31, 2021, with exception of the HASCAP Loan, the FedDev Loan and the SVB Credit Facilities (in each case if entered into prior to the issuance of the Notes), the Company:

(a) has no new outstanding indebtedness, liabilities or obligations, contingent or otherwise, that are of the nature required to be reflected in, disclosed on, reserved against or otherwise described on a balance sheet prepared in accordance with applicable generally accepted accounting principles, and is not a party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities (contingent or otherwise) or indebtedness of any Person, other than those reflected in the Financial Statements or current liabilities incurred in the ordinary course of business following the date of the Financial Statements; and

(b) did not make any decision or enter into any contract outside the ordinary course of business and/or contrary to its past practices.

13. **Intellectual Property**

(a) The Company owns or has a valid right to use all patents, patent applications, trademarks, trademark applications, service marks, service mark applications, tradenames, copyrights, trade secrets, domain names, know-how, mask works, information and proprietary rights and processes, similar or other intellectual property rights (collectively, the "**Intellectual Property**"), subject matter of any of the foregoing, tangible embodiments of any of the foregoing, licenses in, to and under any of the foregoing, and any and all such cases as are necessary to the Company in the conduct of the Company's business as now conducted without any conflict with or infringement of the rights of others. No claim has been made to the Company, or to the knowledge of the Company, to any other person by any person that the use of the Intellectual Property by the Company violates the rights of that person or any third party.

(b) Each founder, employee, consultant and independent contractor of the Company who is or has been responsible for or participates or has participated in the development of any Intellectual Property of the Company, past or present, has executed an agreement relating to confidential information, assignment of inventions and waiver of moral rights. All employees of the Company have entered into appropriate employment contracts containing appropriate confidentiality covenants. Except as disclosed in Appendix I to this Schedule, no employee nor any consultant is in violation of the confidential information or assignment of inventions provisions in their employment contract or agreement with the Company.

14. Disclosure

The Company has made available to the Investor all the information reasonably available to the Company that the Investor has requested for deciding whether to acquire this Note. No representation or warranty of the Company contained in this Note contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

15. Material Adverse Effect

The Company is not aware of any fact, event or circumstance that, alone or with any other fact, event or circumstances, would be reasonably likely to have a Material Adverse Effect or that, if known to the Investor, would be reasonably likely to have adversely affected its decision to subscribe for this Note.

16. Private Issuer

The Company is a "private issuer" within the meaning of NI 45-106. Subject in part to the truth and accuracy of the Investor's representations set forth in Schedule D of this Note, the offer, sale and issuance of this Note has been made in compliance with Canadian and United States securities laws and is exempt from the prospectus and registration requirements of Canadian and United States securities laws.

APPENDIX I - SCHEDULE C

10. The Company has the following mortgages, hypothecs, deeds of trust, liens, loans and encumbrances on its assets:

1. Reference File Number: 773279865

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20210608 1446 1530 7556 **Registration Period** 5 year(s) **Registration Date** Jun 08, 2021	IS5 COMMUNICATIONS INC.	ROYAL BANK OF CANADA	Inventory Equipment Accounts Other Motor Vehicle

2. Reference File Number: 768498147

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20201211 1239 1793 3248 **Registration Period** 4 year(s) **Registration Date** Dec 11, 2020	IS5 COMMUNICATIONS INC.	NFS LEASING CANADA LTD. PEOPLES UNITED BANK	Equipment
GENERAL COLLATERAL DESCRIPTION ALL EQUIPMENT, PERIPHERALS AND ANY AND ALL INVENTORY (COLLECTIVELY "EQUIPMENT") WHEREVER LOCATED, FINANCED UNDER AND DESCRIBED IN THE SCHEDULE 01 TO MASTER LEASE AGREEMENT 2020-0284 (THE "LEASE") ENTERED INTO BETWEEN LESSEE AND LESSOR AND ALL OF LESSOR'S RIGHTS, TITLE AND INTEREST IN AND TO USE ANY SOFTWARE AND SERVICES (COLLECTIVELY" SOFTWARE") FINANCED UNDER AND DESCRIBED IN THE LEASE, ALONG WITH ANY MODIFICATIONS OR SUPPLEMENTS TO THE LEASE WHICH ARE INCORPORATED OR EVIDENCED IN WRITING AND ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS TO THE EQUIPMENT OR SOFTWARE NOW OR HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN CONJUNCTION WITH THE EQUIPMENT OR SOFTWARE AND THE PROCEEDS THEREOF TOGETHER WITH ALL PAYMENTS, INSURANCE PROCEEDS, CREDITS OR REFUNDS OBTAINED BY LESSEE FROM A MANUFACTURER, LICENSOR OR SERVICE PROVIDER, OR OTHER PROCEEDS AND PAYMENTS DUE AND TO BECOME DUE AND ARISING FROM OR RELATING TO SUCH EQUIPMENT, SOFTWARE OR THE LEASE. IN THE EVENT LESSEE PURCHASES ANY SUCH EQUIPMENT OR SOFTWARE, THEN LESSEE, IN ACCORDANCE WITH THE PROVISIONS OF THE LEASE, HEREBY GRANTS TO LESSOR A FIRST PRIORITY SECURITY INTEREST IN ANY SUCH EQUIPMENT OR SOFTWARE PURCHASED UNTIL SUCH TIME AS LESSOR RECEIVES PAYMENT OF THE FULL PURCHASE PRICE FROM LESSEE.			

3. Reference File Number: 767308428

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20201102 1344 1862 4148 **Registration Period** 5 year(s) **Registration Date** Nov 02, 2020	IS5 COMMUNICATIONS INC.	BDC CAPITAL INC., ACTING ON ITS OWN BEHALF AND FOR AND ON BEHALF OF ALL OF THE SECURED CREDITORS	Inventory Equipment Accounts Other Motor Vehicle

4. Reference File Number: 766044945

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20200923 1450 2203 0358 **Registration Period** 2 year(s) **Registration Date** Sep 23, 2020	IS5 COMMUNICATIONS INC. IS5 COMMUNICATIONS INC	INDCOM LEASING INC.	Equipment Other

GENERAL COLLATERAL DESCRIPTION
SOFTWARE, TESTING, EVALUATION EQUIPMENT, IECEE CERTIFICATION TOGETHER WITH ALL ACCESSORIES, OPTIONAL EQUIPMENT, COMPONENTS, PARTS, INSTRUMENTS, APPURTENANCES, FURNISHINGS AND OTHER EQUIPMENT OF WHATEVER NATURE OR KIND IN CONNECTION WITH THEREFOR SAID EQUIPMENT.

5. Reference File Number: 763408296

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20200707 1030 6005 4093 **Registration Period** 5 year(s) **Registration Date** Jul 07, 2020	IS5 COMMUNICATIONS INC.	CWB NATIONAL LEASING INC.	Equipment

GENERAL COLLATERAL DESCRIPTION
ALL COMPUTER EQUIPMENT-FIXED, OFFICE FURNITURE, GAMING CHAIRS WITH RELATED COMPONENTS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 3005283, BETWEEN CATALYST FINANCE PARTNERS INC., AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.

6. Reference File Number: 758100006

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20191129 1602 2203 0086 **Registration Period** 4 year(s) **Registration Date** Nov 29, 2019	IS5 COMMUNICATIONS INC. IS5 COMMUNICATIONS INC	INDCOM LEASING INC.	Consumer Goods Other
GENERAL COLLATERAL DESCRIPTION EMC TESTING EQUIPMENT WITH ALL ATTACHMENTS AND ACCESSORIES			

7. Reference File Number: 758100969

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20191129 1625 1901 6977 **Registration Period** 4 year(s) **Registration Date** Nov 29, 2019	IS5 COMMUNICATIONS INC. IS5 COMMUNICATIONS INC.	BLUE CHIP LEASING CORPORATION	Equipment Other

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20191203 1606 1902 8127 **Registration Date** Dec 03, 2019 **Change** A AMENDMENT	IS5 COMMUNICATIONS INC. IS5 COMMUNICATIONS INC.		
REASON FOR CHANGE AMEND DEBTOR FROM IS5 COMMUNICATIONS INC. 5895 AMBER DR MISSISSAUGA, ON, L4W5B7 TO IS5 COMMUNICATIONS INC. 5895 AMBLER DR MISSISSAUGA, ON, L4W5B7			

8. Reference File Number: 757449954

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20191108 1713 1462 7719 **Registration Period** 4 year(s) **Registration Date** Nov 08, 2019	IS5 COMMUNICATIONS INC. IS5 COMMUNICATIONS INC.	VAULT CREDIT CORPORATION	Equipment Other

9. Reference File Number: 756964026

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20191028 1307 1901 8251 **Registration Period** 2 year(s) **Registration Date** Oct 28, 2019	IS5 COMMUNICATIONS INC.	GOULD LEASING LTD.	Equipment

10. Reference File Number: 754590942

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190820 1433 8077 6213 **Registration Period** 4 year(s) **Registration Date** Aug 20, 2019	IS5 COMMUNICATIONS INC.	RCAP LEASING INC. RCAP LEASING INC.	Equipment Accounts Other

GENERAL COLLATERAL DESCRIPTION
ALL COMPUTER EQUIPMENT FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS ENTERED INTO BETWEEN THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS.

11. Reference File Number: 753395328

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190716 1136 2203 9957 **Registration Period** 4 year(s) **Registration Date** Jul 16, 2019	IS5 COMMUNICATIONS INC. IS5 COMMUNICATIONS INC	INDCOM LEASING INC	Consumer Goods Equipment Other

GENERAL COLLATERAL DESCRIPTION
COMPUTER EQUIPMENT AND OFFICE FURNITURE TOGETHER WITH ALL ACCESSORIES, OPTIONAL EQUIPMENT, COMPONENTS, PARTS, INSTRUMENTS, APPURTENANCES, FURNISHINGS AND OTHER EQUIPMENT OF WHATEVER NATURE OR KIND IN CONNECTION WITH THEREFOR SAID EQUIPMENT.

12. Reference File Number: 752424687

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190618 1125 6005 1917 **Registration Period** 5 year(s) **Registration Date** Jun 18, 2019	IS5 COMMUNICATIONS INC.	CWB NATIONAL LEASING INC.	Equipment

GENERAL COLLATERAL DESCRIPTION
ALL COMPUTER EQUIPMENT,ADAPTOR CARDS, ADAPTERS, THINKPADS, DVD BURNERS, CASSETTES, PRINTERS, SCANNERS, LASER PRINTERS, THINKSTATIONS, DDR2, DDR4, EXTENDERS, TONERS, THINKCENTRES, AND LICENSING SUBSCRIPTIONS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 2916700, BETWEEN SOFTCHOICE LP, AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR INDIRECTLY THEREFROM.

13. Reference File Number: 751721958

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190529 1526 1901 8999 **Registration Period** 4 year(s) **Registration Date** May 29, 2019	IS5 COMMUNICTIONS INC.	GOULD LEASING LTD.	Equipment

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190529 1704 1902 1348 **Registration Date** May 29, 2019 **Change** A AMENDMENT	IS5 COMMUNICTIONS INC. IS5 COMMUNICATIONS INC.		

REASON FOR CHANGE
AMEND DEBTOR FROM IS5 COMMUNICTIONS INC. 5895 AMBLER DRIVE MISSISSAUGA, ON, L4W5B7 TO IS5 COMMUNICATIONS INC. 5895 AMBLER DRIVE MISSISSAUGA, ON, L4W5B7

14. Reference File Number: 750936663

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190507 1042 1902 5508 **Registration Period** 5 year(s) **Registration Date** May 07, 2019	IS5 COMMUNICATIONS INC	LBEL INC.	Equipment Other

GENERAL COLLATERAL DESCRIPTION
COMPUTER EQUIPMENT WITH ALL ACCESSORIES

15. Reference File Number: 750103641

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190412 1312 1793 2459 **Registration Period** 6 year(s) **Registration Date** Apr 12, 2019	IS5 COMMUNICATIONS INC.	SILICON VALLEY BANK	Inventory Equipment Accounts Other Motor Vehicle

GENERAL COLLATERAL DESCRIPTION
ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR. NOTWITHSTANDING THE FOREGOING, THE COLLATERAL DOES NOT INCLUDE ANY INTELLECTUAL PROPERTY OF THE DEBTOR PROVIDED, HOWEVER, THE COLLATERAL SHALL INCLUDE ALL ACCOUNTS AND ALL PROCEEDS OF INTELLECTUAL PROPERTY. PURSUANT TO THE TERMS OF A CERTAIN NEGATIVE PLEDGE ARRANGEMENT WITH SECURED PARTY, DEBTOR HAS AGREED NOT TO ENCUMBER ANY OF ITS INTELLECTUAL PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF THE SECURED PARTY.

16. Reference File Number: 750023478

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190410 1545 6005 9877 **Registration Period** 5 year(s) **Registration Date** Apr 10, 2019	IS5 COMMUNICATIONS INC.	CWB NATIONAL LEASING INC.	Equipment

GENERAL COLLATERAL DESCRIPTION
ALL OFFICE FURNITURE, RECTANGULAR TABLE, NESTING CHAIRS, DESKS, STORAGE WITH PLANTER TOP, PLANTER SURROUNDS, 3 HIGH LATERAL FILES, PANELS, PANELS WITH GLASS, AND VILLA CORDED SERIOUS WITH RELATED COMPONENTS OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 2916165, BETWEEN QUESTOR FINANCIAL CORP., AS ORIGINAL SECURED PARTY AND THE DEBTOR, WHICH AGREEMENT WAS ASSIGNED BY THE ORIGINAL SECURED PARTY TO THE SECURED PARTY, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.

17. Reference File Number: 749490201

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190327 1434 8077 8500 **Registration Period** 5 year(s) **Registration Date** Mar 27, 2019	IS5 COMMUNICATIONS INC	RCAP LEASING INC.	Equipment Accounts Other

GENERAL COLLATERAL DESCRIPTION
ALL COMPUTER EQUIPMENT AND COMPUTER PERIPHERALS FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS ENTERED INTO BETWEEN THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS.

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190405 1033 8077 9061 **Registration Date** Apr 05, 2019 **Change** A AMENDMENT	IS5 COMMUNICATIONS INC IS5 COMMUNICATIONS INC IS5 COMMUNICATIONS INC		

REASON FOR CHANGE
AMEND DEBTOR'S ADDRESS AND AMEND THE GENERAL COLLATERAL DESCRIPTION

GENERAL COLLATERAL DESCRIPTION
ALL COMPUTER EQUIPMENT AND SIGNAGE EQUIPMENT AND COMPUTER PERIPHERALS FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS ENTERED INTO BETWEEN THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS.

18. Reference File Number: 748841463

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190306 1040 1529 4595 **Registration Period** 5 year(s) **Registration Date** Mar 06, 2019	IS5 COMMUNICATIONS INC.	ROYAL BANK OF CANADA	Accounts Other

GENERAL COLLATERAL DESCRIPTION
ALL MONEY OR AMOUNTS ON DEPOSIT FROM TIME TO TIME WITH ANY OF ROYAL BANK OF CANADA, ROYAL BANK MORTGAGE CORPORATION, ROYAL TRUST CORPORATION OF CANADA OR THE ROYAL TRUST COMPANY. PROCEEDS - A SECURITY INTEREST IS CLAIMED IN ALL PRESENT AND AFTER-ACQUIRED GOODS (INCLUDING TRADE-INS), CHATTEL PAPER, SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY AND INTANGIBLES OF EVERY ITEM OR KIND THAT MAY BE DERIVED FROM THE SALE OR OTHER DISPOSITION OF THE COLLATERAL DESCRIBED ABOVE, ALL INSURANCE PROCEEDS AND ANY PROCEEDS OF ANY OF THE FOREGOING.

19. Reference File Number: 748756494

Registration Information	Debtor(s)	Secured Party	Collateral Class.
Registration Number 20190304 1128 6005 9051 **Registration Period** 5 year(s) **Registration Date** Mar 04, 2019	IS5 COMMUNICATIONS INC.	CWB NATIONAL LEASING INC.	Equipment

GENERAL COLLATERAL DESCRIPTION
ALL COMPUTER EQUIPMENT, COMPUTER SOFTWARE OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 2914527, BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.

13 (b) The Company, as plaintiff, has made a claim against a former employee, Yuri Liskind, Ipcore Inc. (Yuri's company), Alex Gourari, and Almax Solutions Inc. (Alex's Company) (the Defendants). The claim states that the Defendants used confidential information for their own benefit, breached a non-compete with iS5, solicited iS5's employees and vendors, and caused damages to iS5's business.

SCHEDULE D
REPRESENTATIONS AND WARRANTIES - INVESTOR

1. Purchase Entirely for Own Account

The Securities to be acquired by the Investor will be acquired for investment for the Investor's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same. The Investor has not been formed for the specific purpose of acquiring any of the Securities.

2. Knowledge

The Investor has the requisite knowledge and experience in financial and business matters to be capable of evaluating, and has independently evaluated, the merits and risks of its investment in the Company and has the capacity to protect its own interests. The Investor has been given the opportunity to ask questions and receive answers concerning the Company and the terms and conditions of this Note.

3. Restricted Securities

(a) The Investor understands that the Securities have not been, and will not be, registered under the 1933 Act or qualified by a prospectus filed with Canadian securities regulatory authorities, by reason of a specific exemption from the registration provisions of the 1933 Act and prospectus provisions of Canadian securities legislation that depend upon, among other things, the bona fide nature of the investment intent and the accuracy of the Investor's representations as expressed in this Note.

(b) The Investor understands that the Securities are "restricted securities" under applicable securities laws and that, pursuant to these laws, the Investor must hold the Securities indefinitely unless they are registered with the Securities and Exchange Commission and qualified by state authorities, or qualified by a prospectus filed with Canadian securities regulatory authorities, or an exemption from such registration and qualification requirements is available. The Investor acknowledges that the Company has no obligation to register or qualify the Securities for resale.

(c) The Investor further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements, including the time and manner of sale, the holding period for the Securities, and on requirements relating to the Company which are outside of the Investor's control, and which the Company is under no obligation and may not be able to satisfy.

4. No Public Market

The Investor understands that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Securities.

5. Private Issuer Certification

The Investor hereby represents and warrants that he, she or it is purchasing the Note and the Warrants as principal and that he, she or it qualifies and falls within one of the following categories, and the Investor will indicate theparagraph of the applicable category on the signature page of this Note:

(a) a director, officer, employee, founder or control person of the Corporation;

(b) a director, officer or employee of an affiliate of the Corporation;

(c) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer, founder or control person of the Corporation;

(d) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer, founder or control person of the Corporation;

(e) a close personal friend of a director, executive officer, founder or control person of the Corporation;

If (e) is selected, please specify the following information:

The Purchaser is a close personal friend of __________________

The Purchaser has known this person for____________________

How does the Purchaser know this person? __________________

How often does the Purchaser communicate or meet with this person?_________________

(f) a close business associate of a director, executive officer, founder or control person of the Corporation;

(g) a spouse, parent, grandparent, brother, sister, child or grandchild of the selling security holder or of the selling security holder's spouse;

(h) a security holder of the Corporation;

(i) an accredited investor – please complete Section 6 or 7 below.

(j) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs (a) to (i);

(k) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons described in paragraphs (a) to (i); or

(l) a person that is not the public.

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

"close business associate" means an individual who has sufficient prior business dealings, with a director, executive officer, founder or control person of the issuer, to be in a position to assess the capabilities and trustworthiness of such person and to obtain information from them with respect to the investment.

"close personal friend" means an individual who knows the director, executive officer, founder or control person well enough and has known them for a sufficient period of time to be in a position to assess the capabilities and trustworthiness of such person and to obtain information from them with respect to the investment.

"control person" has the same meaning as in the applicable provincial securities legislation;

"director" means a member of the board of directors of the issuer or an individual who performs similar functions for the issuer.

"employee" means a current employee of the issuer.

"executive officer" means, for an issuer, an individual who is:

a chair, vice-chair or president;

a vice-president in charge of a principal business unit, division or function including sales, finance or production; or

performing a policy-making function in respect of the issuer;

"founder" means, in respect of an issuer, a person who:

acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer; and

at the time of the distribution or trade is actively involved in the business of the issuer.

"spouse" means an individual who:

is married to another individual and is not living separate and apart within the meaning of the Divorce Act (Canada), from the other individual;

is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or

in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the Adult Interdependent Relationships Act (Alberta).

6. Accredited Investor - Canada

If the Investor is an "accredited investor" within the meaning of NI 45-106 or applicable provincial legislation, and falls within one of the following categories, the Investor will indicate theparagraph of the applicable category on the signature page of this Note:

(a) a Canadian financial institution, or a Schedule III bank

(b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada)

(c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary

(d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer

(e) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada

(f) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds $1,000,000

(g) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds $5,000,000

(h) an individual whose net income before taxes exceeded $200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year

(i) an individual who, either alone or with a spouse, has net assets of at least $5,000,000

(j) a person, other than an individual or investment fund, that has net assets of at least $5,000,000 as shown on its most recently prepared financial statements

(k) a person in respect of which all of the owners of interests, direct, indirect or beneficial, are persons that are accredited investors

(l) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded

(m) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse

(n) Other (to be specified on the Investor's signature page)

7. Accredited Investor - U.S.

If the Investor is a U.S. Person, the Investor is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the 1933 Act and falls within one of the following categories (and the Investor will indicate the paragraph of the applicable category on the signature page of this Note):

(a) The Investor has total assets in excess of US$5,000,000, was not formed for the purpose of investing in the Company, and is one of the following entities:

(i) a corporation

(ii) a partnership or limited partnership

(iii) a limited liability company

(iv) a business trust

(v) a tax-exempt organization described in section 501(c)(3) of the US Internal Revenue Code of 1986, as amended (the "**Code**").

(b) The Investor is a trust, with total assets in excess of US$5,000,000, not formed for the purpose of investing in the Company, whose decision to invest in the Company is directed by a person who has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company.

(c) The Investor is licensed, or subject to supervision, by US Federal or state examining authorities as a "bank," "savings and loan association," "insurance company," or "small business investment company" (as such terms are used and defined in 17 CFR §230.501(a)) or is an account for which a bank or savings and loan association is subscribing in a fiduciary capacity.

(d) The Investor is registered with the US Securities and Exchange Commission as a broker or dealer or an investment company; or has elected to be treated or qualifies as a "business development company" (within the meaning of section 2(a)(48) of the Investment Company Act or section 202(a)(22) of the U.S. Investment Advisers Act of 1940).

(e) The Investor is an entity (other than an irrevocable trust) in which each of the equity owners is an accredited investor.

(f) Other (to be specified on the Investor's signature page).

8. Residency

The Investor is resident in the jurisdiction indicated in its address as set out on the signature page of this Note.

9. Legal Counsel

The Investor has had the opportunity to review this Note, the exhibits and schedules attached to this Note and the transactions contemplated in this Note with its own legal counsel. Such Investor is not relying on any statements or representations of the Company or its agents for legal advice with respect to this investment or the transactions contemplated in this Note.

SCHEDULE E
SECURITY

1. Security

(a) *Grant of Security*

(i) As continuing security for the due payment and performance of the Obligations, the Company hereby grants to ClearSky Power & Technology Fund II LLC (in such capacity and including its successors and assigns, the "**Representative**"), acting on its own behalf and for and on behalf of the Investor, a continuing, specific and fixed security interest in the Secured Property (the "**Security**").

(ii) The Company confirms that:

(A) value has been given;

(B) the Company is the owner of, or has rights in, the Secured Property (other than after-acquired property); and

(C) it has not agreed to postpone the time of attachment of the Security.

(iii) The Security does not extend or apply to the last day of the term of any lease of real property or any agreement for the lease of real property, but upon the enforcement of the Security, the Company will stand possessed of such last day in trust to assign it at the direction of the Investor to any person acquiring such term.

(iv) The Security does not and will not extend to, and the Secured Property will not include, any agreement, right, franchise, lease, licence or permit (the "**Contractual Rights**") to which the Company is a party or of which the Company has the benefit, to the extent that the creation of the Security would constitute a breach of the terms of or permit any person to terminate the Contractual Rights, but the Company will hold its interest therein in trust for the Investor and will assign such Contractual Rights to the Representative forthwith upon obtaining the consent of the other party or parties to the Contractual Rights.

(b) *Ordinary Course Transactions*

Until the occurrence of an Event of Default that is continuing, the Company is entitled to deal with the Secured Property in the ordinary course of business, and to the extent necessary, replace assets that have become obsolete or worn, but no action may be taken that would adversely affect the ranking, validity or perfection of the Security.

(c) *Financing Statements*

The Company acknowledges receiving a copy of this Note and hereby waives any right it has to receive a copy of any financing statement or financing change statement with respect to any registrations made at any personal property or similar registry in any jurisdiction pursuant hereto. The Company confirms its consent to the filing by the Representative or on its behalf of any financing statement, financing change statement and other filing or recording documents or instruments filed or issued at any time in respect of this Note. The Company authorizes the Representative to use the collateral description "all personal property" in any such financing statements.

(d) *No Liability of Representative*

The Representative is not liable for any act or failure to act in its capacity as Representative acting reasonably, and the Investor hereby releases and forever discharges the Representative and its officers, directors agents, shareholders and representatives from any and all claims, demands, causes of actions and damages based on actions or omissions of the Representative acting reasonably in its capacity as representative hereunder.

2. Remedies on Default

(a) *Enforcement*

(i) Upon the occurrence of an Event of Default that is continuing and is not cured within the time specified therefor (if applicable), the Investor may, at its option but subject to the intercreditor provisions set out in Schedule F, proceed to enforce payment and performance of the Obligations and to exercise any or all of the rights and remedies contained in this Note, or otherwise afforded by law, in equity or otherwise. The Investor expressly retains all rights and remedies not inconsistent with the provisions in this Note. Without limiting the generality of the foregoing but subject to the intercreditor provisions set out in Schedule F, the Investor may, upon the occurrence and continuance of any Event of Default and to the extent permitted by applicable law:

(A) *Appointment of Receivers*: appoint by instrument in writing one or more receivers of the Company for any or all of the Secured Property with such rights, powers and authority (including any or all of the rights, powers and authority of the Investor under this Note) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such receiver from time to time. To the extent permitted by applicable law, any receiver appointed by the Investor will (for purposes relating to responsibility for the receiver's acts or omissions) be considered to be the agent of the Company and not of the Investor;

(B) *Enter and Repossess:* immediately and without notice enter the Company's premises and repossess, disable or remove the Secured Property;

(C) *Dispose of the Secured Property*: dispose of any Secured Property by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are hereby waived by the Company to the extent permitted by law. The Investor may, to the extent permitted by law, at their discretion, establish the terms of such disposition, including terms and conditions as to credit, upset, reserve bid or price. All payments made pursuant to such dispositions will be credited against the Obligations only as they are actually received. Any such disposition may take place whether or not the Investor has taken possession of the Secured Property;

(D) *Foreclosure*: foreclose upon the Secured Property; and

(E) *Dealing with Secured Property*: subject to applicable law, seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Secured Property in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Investor advisable and without notice to the Company. The Investor may charge on its own behalf and pay to others sums for expenses incurred and for services rendered (expressly including legal, consulting, broker, management, receivership and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Secured Property and may add all such sums to the Obligations.

(ii) None of the above rights or remedies is exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time.

(b) *Powers of Receiver*

Any receiver appointed pursuant to Section 2(a) of this Schedule has the power prescribed by law or equity:

(i) to carry on the business of the Company or any part of such business in the name of the Company or of the receiver; and

(ii) to exercise on behalf of the Investor all of the rights and remedies granted in this Note to the Investor,

and without in any way limiting the foregoing the receiver has all the powers of a receiver appointed by a court of competent jurisdiction.

(c) *Appointment of a Monitor*

In addition to any other rights of the Investor, upon the occurrence of an Event of Default that is continuing, the Investor may, at its option, appoint a monitor to the Company. The monitor will have such rights and duties as are designated by the Investor, including reporting to the Investor as to matters related to the operations of the Company. The Company will cooperate with the monitor, and will provide the monitor will all information reasonably requested by the monitor regarding the Company and its operations, to permit the monitor to carry out its duties. The reasonable fees and expenses of such monitor will be paid by the Company.

(d) *Waivers and Extensions*

(i) The Investor may waive default of any breach by the Company of any of the provisions contained in this Note or in connection with the Obligations. No waiver extends to a subsequent breach or default, whether or not the same as or similar to the breach or default waived, and no act or omission of the Investor extends to or is to be taken in any manner to affect any subsequent breach or default of the Company or the rights of the Investor resulting therefrom. Any such waiver must be in writing and signed by the Investor to be effective.

(ii) The Investor may also grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release the Secured Property to third parties and otherwise deal with the Company's guarantors or sureties and others and with the Secured Property and other securities as the Investor may see fit without prejudice to the liability of the Company to the Investor or the Investor's rights, remedies and powers under this Note. No extension of time, forbearance, indulgence or other accommodation previously, now or subsequently given by the Investor to the Company operates as a waiver, alteration or amendment of the rights of the Investor or otherwise precludes the Investor from enforcing such rights.

(iii) Any waiver, extension of time or other indulgence given in writing by the Required Majority is binding on the Investor with respect to the Note so long as a substantially similar waiver, extension of time or other indulgence is also given in respect of the other Notes.

(e) *Costs of Collection*

The Company will pay all costs and expenses approved by the Required Majority, including legal fees and disbursements and court costs, of collecting the outstanding Principal and all accrued but unpaid Interest due under this Note, and of exercising the Investor's rights and remedies with respect to any hypothecs, pledges, liens and security interests in favour of the Investor relating to this Note and any other reasonable costs and expenses incurred by the Investor in enforcing and preserving its rights under this Note.

(f) *Statutory Waivers*

To the fullest extent permitted by law, the Company waives all of the rights, benefits and protections given by the provisions of any existing or future statute that impose limitations upon the powers, rights or remedies of a creditor or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute.

SCHEDULE F
INTERCREDITOR MATTERS

1. Priorities

(a) *Priorities*. As between the Investors, the Security (and the respective rights and remedies thereunder) ranks and will continue to rank *pari passu* (based upon principal and interest then outstanding) to each other in all respects in the event of foreclosure or other realization of the Security.

(b) *Subordination and Postponement*. Each of the Investors hereby postpones and subordinates their respective indebtedness secured by the Security to and in favour of the other Investors' indebtedness to the extent necessary to give effect to the *pari passu* agreement and priorities set forth in Section 1(a) of this Schedule.

(c) *Payments by the Corporation*. The Investor acknowledges and agrees that all payments of Principal or Interest made by the Company in respect of this Note and the other Notes will be made pro rata based on the outstanding principal amount of the Notes.

2. Priorities with Existing Notes

Subject to the Required Majority entering into an intercreditor agreement with the holders of the Existing Notes, the Investors agree as follows:

(a) *Priorities*. As between the Investors and the holders of the Existing Notes, the Security (and the respective rights and remedies thereunder) ranks and will continue to rank *pari passu* (based upon principal and interest thenoutstanding) to each other in all respects in the event of foreclosure or other realization of the Security.

(b) *Subordination and Postponement*. Each of the Investors hereby postpones and subordinates their respective indebtedness secured by the Security to and in favour of the holders of the Existing Notes' indebtedness to the extent necessary to give effect to the *pari passu* agreement and priorities set forth in Section 2(a) of this Schedule.

(c) *Payments by the Corporation*. The Investor acknowledges and agrees that all payments of Principal or Interest made by the Company in respect of this Note, the other Notes, and the Existing Notes will be made pro rata based on the outstanding principal amount of the Notes; provided that the Investor acknowledges that on maturity of the Existing Notes, the holders thereof shall be entitled to repayment of all obligations under the Existing Notes in full without any right of the Investor to participate in such payments.

(d) *Binding Contract*. The Investor shall be bound by and perform its obligations under the intercreditor agreement entered into by the Required Majority on behalf of all Investors with the holders of the Existing Notes.

3. Subordination

The Investor acknowledges and agrees that the Notes are subordinate to and rank after any indebtedness owed to SVB, and the Investor shall if required by the Company enter into a subordination agreement with SVB providing for, among other things, a stand still on the Investor's rights of enforcement of its Security and other remedies, in a form satisfactory to SVB.

4. Application

The *pari passu* status of the Notes and the Security as provided for in this Schedule apply notwithstanding:

(a) the priorities otherwise accorded to the Security under applicable law;

(b) the time of creation, granting, execution, delivery, attachment, registration, perfection or enforcement of the Security;

(c) that any of the Security is defective, unperfected, void or unenforceable for any reason;

(d) any failure or delay in giving any notice under this Schedule;

(e) any defence, compensation, set-off or counterclaim that the Company may have or assert;

(f) any dissolution, bankruptcy, receivership, winding-up, liquidation or other similar proceedings in respect of the Company (whether voluntary or involuntary), any proposal or similar proceeding made or commenced by the Company under any bankruptcy laws or any distribution of assets of the Company among its lenders and any sale of all or substantially all of the assets of the Company;

(g) any priority granted by any principle of law or any statute; or

(h) any other matter.

5. Enforcement and Realization

(a) *Notice of Default*. So long as the Notes remain outstanding, but subject to Section 4(d) of this Schedule, the Investors will give to the other Investors prompt notice in writing of any demand pursuant to the indebtedness, concurrently with the making of such demand, and enclosing with such notice a copy of the demand.

(b) *Appointment of Receiver*. If the Investor determines to make a demand in accordance with its rights under the Security or the Notes (but subject to Section 3(d) of this Schedule), it will co-operate with the other Investors and, notwithstanding anything to the contrary contained in this Schedule, if the Investor wishes to appoint a receiver it will first give 24 hours prior written notice to the other Investors. If the Investor to whom such notice is given wishes to join in the appointment of such receiver, each such Investor, together with the Investor providing notice, will use its best efforts to agree on the appointee.

(c) *Amounts Held in Trust*. All payments or amounts received by the Investor from or in connection with the Company (including from any third party on account of or otherwise for the benefit of a Company) will be dealt with in such a way as to give effect to the provisions of this Schedule and the priorities created and established by this Schedule. Any payments or amounts received by the Investor from the Company (including any amount received in respect of any claim, proof of claim or other instrument of similar character filed in respect of the Company) that are not in accordance with the provisions of this Schedule are deemed to be received in trust for the appropriate party or parties and will be paid over to such other party or parties.

(d) *Enforcement of Security*. So long as any obligations under this Note are outstanding, the

Investor may not, except if the Investor is a Major Investor or with the consent of a Required Majority:

(i) make any demand for payment of amounts owing under this Note;

(ii) institute any action or proceeding, judicial or otherwise, for the purpose of enforcing or realizing upon the Security or enforcing any obligations under this Note; or

(iii) institute any action or proceeding, judicial or otherwise, to exercise any other remedy authorized by law or by equity for the purpose of enforcing payment of any amount in respect of this Note.

(e) *Collective Action*. The Investor hereby acknowledges that to the extent permitted by applicable law, any collateral security and the remedies provided under this Note to the Investor are for the benefit of the Investors collectively and acting together and not severally (except to the extent a Major Investor is explicitly permitted under this Note to exercise remedies on its own), and further acknowledges that its rights hereunder and under any collateral security are to be exercised upon the decision of the Required Majority (except, with respect to a Major Investor, as otherwise permitted under this Note). Accordingly, except to the extent a Major Investor is explicitly permitted under this Note to take actions on its own, the Investor agrees that it is not entitled to take any action hereunder or thereunder, including any declaration of default hereunder or thereunder, but that any such action is to be taken by a decision of the Required Majority.

6. Waiver

If Investors constituting a Required Majority grant to the Company any waiver of any default or breach by the Company of any provisions of the Notes, or any extension of time or other indulgence in respect of the obligations of the Company under the Notes, then the Investor is deemed to have provided to the Company the same waiver, extension or indulgence. The Investor, having been deemed to have provided to the Company a waiver, extension or indulgence pursuant to this Section, will execute and deliver all documents reasonably required to evidence such waiver, extension or indulgence.

SCHEDULE G
INVESTOR APPROVAL MATTERS

For as long as any of the Notes remain outstanding, the Company will not, without the written consent of the Required Majority (in addition to any other consents required by the Shareholders Agreement(s), the Company's Articles or the applicable law):

(a) commit any act of insolvency or bankruptcy, liquidate, dissolve or wind up the affairs of the Company;

(b) purchase or redeem or pay any dividend on any capital stock or make any other distributions to shareholders, other than stock repurchased from former employees or consultants in connection with the cessation of their employment/services at the lower of fair market value or cost;

(c) create or permit to exist any debt, security interest, charge, encumbrance or lien, individually or in an aggregate cumulative amount that would exceed $1,000,000, other than (a) existing bank debt, the Existing Notes, equipment leases and credit facilities or other debt in place at the time of issuance of the Notes, (b) the HASCAP Loan being negotiated (c) any future unsecured indebtedness that is junior to the Notes, (d) the SVB Credit Facility being negotiated, and (e) the FedDev Loan being negotiated;

(d) repay or reduce any shareholder loans or other debts due to its shareholders or other related parties, vendor take-back notes or balance of sales, prepay bank debt other than when due, pay any additional bonuses or increase executive salaries or other compensation;

(e) create or hold capital stock in any subsidiary that is not a wholly-owned subsidiary or dispose of any subsidiary stock or all or substantially all of any subsidiary assets; or

(f) engage in any material transaction outside the normal course of business (including acquiring or establishing any new business, joint venture or equity investment in another business or terminating any part of its current business) or effecting a material change of orientation or substantially changing the nature of its business.

SCHEDULE H
SHAREHOLDER AGREEMENT MATTERS

Prior to or concurrently with the conversion of this Note, the Company will use its best efforts to implement, and will use reasonable commercial efforts to cause its Key Shareholders to effect the implementation of, and the Investor (if an existing shareholder of the Company) will take reasonable steps within its control, including providing necessary consents or approvals, to implement, any required changes to the Shareholder Agreements and Articles, as applicable, to the reasonable satisfaction of the Required Majority, in such a manner that the following provisions are in effect at the time of conversion of this Note:

(a) **Pre-Emptive Right**. The Investor will have a pre-emptive right to purchase up to its pro rata share of any equity securities, or securities convertible into or exercisable for equity securities, offered by the Company at the same price and on the same terms as the Company offers such securities to other potential investors (with a right of over-subscription if any shareholder elects not to purchase its full pro-rata share).

(b) **Right of First Refusal.** In the event of a third party offer for existing shares of the Company, the Investor will have a right of first refusal on the shares.

(c) **Tag-Along Right.** Subject to the prior exercise of the rights of first refusal, the Investor will have the right to tag-along pro-rata with any sale by a shareholder to a third party on the same terms as the sale by the selling shareholder.

(d) **Drag-Along Right.** If the Company or a shareholder receives an offer for all of the shares of the Company, which offer is approved by the required shareholders, then those shareholders have the right to require all remaining shareholders to sell their shares on the terms set forth in the offer, subject to customary carve-outs providing notably for limited shareholder representations and warranties, shareholder liability be several and not joint and several and in all cases capped to the lower of such shareholder's pro-rata of the purchase consideration or purchase consideration effectively received by such shareholder and that no institutional shareholder is subject to any non-competition, restraint of trade, non-solicitation or similar undertakings.

(e) **Protective Provision**. Standard protective provisions for venture backed companies, covering, at a minimum, those same decisions as those provided for in Schedule G of this Note.

(f) **Transfers to Affiliates.** Investors will be free to transfer their shares (a) if required by law or regulation, (b) to Affiliates thereof or (c) on a portfolio sale of assets if (i) the transferee becomes a party to theapplicable Shareholder Agreements and (ii) neither the transferee nor any of its associates or Affiliates is engaged in a business that competes directly with the business of the Company. Such transfers shall be exempted from the rights set forth in paragraphs (b) and (c) above.

SCHEDULE I
REPORTING

The Company will provide to the Investor the following documents and information:

(a) an annual capital and operating budget for the approval of the Board at least 30 days prior to the start of each fiscal year;

(b) consolidated monthly unaudited financial statements, including a discussion of variances from the annual budget, within 20 days of the end of each month;

(c) annual audited financial statements within 90 days of the end of each fiscal year;

(d) as soon as reasonably possible, a notice of any material litigation, claim, default under or termination of any material contract, any Material Adverse Effect affecting the Company or its business or any investigation or finding relating to any applicable law or regulation; and

(e) if the Investor is a Major Investor, such other financial and business information or document as the Investor may reasonably request from time to time.

SCHEDULE J
FORM OF WARRANT CERTIFICATE

See attached.

This is Exhibit “J” referred to in the Affidavit of Clive Dias sworn by Clive Dias at the City of Brampton, in the Province of Ontario, before me on August 5, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

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Commissioner for Taking Affidavits (or as may be)

INTERCREDITOR AGREEMENT

AMONG:	BDC Capital Inc., ClearSky Power & Technology Fund II LLC, ClearSky Security Fund I LLC, Phoenix Contact Venture Funds I GmbH, Cao Yang, and Coutinho Family Trust (the "**Existing Noteholders**")
AND:	ClearSky Power & Technology Fund II LLC, ClearSky Security Fund I LLC, Phoenix Contact Venture Funds I GmbH, Cao Yang, Clive Dias and Artemis Capital Limited (the "**New Noteholders**")
	(collectively, the "**Investors**")
	dated as of August 17, 2021.

WHEREAS IS5 Communications Inc. (the "**Company**") has issued to certain investors secured convertible promissory notes in the aggregate amount of CAD on November 19, 2020 ("**Existing Notes**");

WHEREAS in order to secure the performance of the obligations under the Existing Notes, THE COMPANY granted to the Existing Noteholders a security interest in the Company's present and after-acquired property, assets, rights, benefits, privileges and undertakings of every nature and kind, real or personal, moveable or immoveable, tangible and intangible, wherever situate, together with all increases, additions and accessions, all substitutions and replacements and all proceeds received under insurance, except for the Company's Intellectual Property (as defined in the Existing Notes) (together, the "**Secured Property**");

WHEREAS the Company intends to issue to the New Noteholders secured convertible promissory notes on substantially the same terms and conditions as the Existing Notes to the New Noteholders, including the grant of a security interest in the Secured Property (the "**New Notes**", and together with the Existing Notes, the "**Notes**");

WHEREAS the Existing Noteholders have consented to allow the issuance of the New Notes and grant of a security interest to the New Noteholders in the Secured Property;

WHEREAS, the Investors wish to set forth herein, *inter alia*, the respective priorities of the security created and to be created from time to time pursuant to the Notes and their respective rights, remedies and recourses and the manner in which such rights, remedies and recourses may be exercised as well as the manner in which the proceeds of realization with respect to the Secured Property are to be allocated to the obligations under the Notes.

IN CONSIDERATION of the mutual agreements contained herein, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 **Preamble**. The preamble of this Agreement and the Schedules shall form an integral part hereof, as if at length recited herein.

1.2 **General Interpretation**. Unless there be something in the subject or the context inconsistent therewith, words importing the singular only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine gender, and vice versa, and all references to dollars shall mean Canadian Dollars. Capitalized terms not otherwise defined are defined in Schedule A to this Agreement.

1.3 **Division into Articles**. The division of this Agreement into Articles, Sections, subsections, paragraphs and subparagraphs and the insertion of titles are for convenience of reference only and do not affect the meaning or the interpretation of the present Agreement.

1.4 **Governing Law**. This Agreement and the interpretation and enforcement thereof shall be governed by and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

ARTICLE 2
RANK

2.1 **Pari Passu Ranking of Security**. Each of the Investors acknowledges, declares and agrees that the Security (and the respective rights and remedies thereunder) granted to it or for its benefit at any time shall rank *pari passu* (based upon principal and interest then outstanding) with the Security granted to the other Investors in respect of the whole or any part of the Secured Property. Each Investor hereby cedes, postpones and subordinates its respective indebtedness secured by the Security to and in favour of the other Investors to give effect to such *pari passu* ranking.

2.2 **Pari Passu Rank to apply in all circumstances**. Except as set out in Section 2.3.2 below, the *pari passu* rank contained herein shall be of full force and effect under all circumstances until the date they are terminated by mutual agreement of the Investors and notwithstanding the following:

2.2.1 the priorities otherwise accorded to the Security under applicable law;

2.2.2 the time of creation, granting, execution, delivery, attachment, registration, perfection or enforcement of the Security;

2.2.3 that any of the Security is defective, unperfected, void or unenforceable for any reason;

2.2.4 any failure or delay in giving any notice under this Schedule;

2.2.5 any defence, compensation, set-off or counterclaim that the Company may have or assert;

2.2.6 any dissolution, bankruptcy, receivership, winding-up, liquidation or other similar proceedings in respect of the Company (whether voluntary or involuntary), any proposal or similar proceeding made or commenced by the Company under any bankruptcy laws or any distribution of assets of the Company among its lenders and any sale of all or substantially all of the assets of the Company;

2.2.7 any priority granted by any principle of law or any statute; or

2.2.8 any other matter.

2.3 **Payments.** Each Investor acknowledges and agrees that all payments of principal or interest made by the Company in respect of the Notes will be made pro rata based on the outstanding principal amount of the Notes; provided that each New Investor acknowledges and agrees that on maturity of the Existing Notes, the holders thereof shall be entitled to repayment of all obligations under the Existing Notes in full without any right of the New Investors to participate in such payments.

2.4 **Amounts held in Trust.** All payments or amounts received by the Investors from the Company in respect of the Notes (including from any third party on account of or otherwise for the benefit of the Company) will be dealt with in such a way as to give effect to the provisions of this Agreement and the priorities created and established by this Agreement. Any payments or amounts received by the Investor from the Company (including any amount received in respect of any claim, proof of claim or other instrument of similar character filed in respect of the Company) that are not in accordance with the provisions of this Agreement are deemed to be received in trust for the appropriate party or parties and will be paid over to such other party or parties.

ARTICLE 3
EXERCISE OF RIGHTS, REMEDIES AND/OR RECOURSES.

3.1 **Notice of Default.** Each of the Investors agrees with each other that:

3.1.1 upon any Investor determining that an Event of Default has occurred, such Investor shall forthwith notify the other Investors of same, so as to allow the Investors to combine their efforts to develop a joint course of action, subject to the terms of this Agreement and the Notes, in respect of the exercise of any recourse, proceeding or other measure with respect to the whole or any part of the Secured Property;

3.1.2 the Investors will give to the other Investors prompt notice in writing of any demand pursuant to the Notes, concurrently with the making of such demand of the Company, and enclosing with such notice a copy of the demand.

3.2 **Exercise of Rights**. Each of the Investors agrees with each other that, so long as any obligations under the Notes are outstanding, the rights of the Investor to enforce its rights and realize on the Secured Assets shall be limited as set out in this Agreement, in addition to any limitations set out in the Notes.

3.2.1 An Existing Investor may not do any of the following without the consent of the Required Majority under the Existing Notes, and a New Investor may not do any of the following without the consent of the Required Majority under the New Notes:

(a) make any demand for payment of amounts owing under this Note;

(b) institute any action or proceeding, judicial or otherwise, for the purpose of enforcing or realizing upon the Security or enforcing any obligations under the Note;

(c) appoint a receiver for the Secured Property; or

(d) institute any action or proceeding, judicial or otherwise, to exercise any other remedy authorized by law or by equity for the purpose of enforcing payment of any amount in respect of the Note.

3.2.2 Consent of the Required Majority under the Notes, shall in all cases mean the written consent of the Required Majority under the Existing Notes or the Required Majority under the New Notes, as applicable, signed in each case by the authorized signatories of such Investors.

3.2.3 For clarity, the Required Majority under the Existing Notes and the Required Majority under the New Notes, hereby consents to each Major Investor under the Notes taking the actions listed in Section 3.2.1 above, to the extent permitted by the terms of such Investor's Note.

3.2.4 Subject to the consent rights in this Agreement and the Notes, if the Investor makes a demand or takes other action to realize on the Secured Property or to enforce the Security, shall give notice of any actions taken by it in furtherance of such rights to the Required Majority under both Notes.

3.3 **Appointment of Receiver.** Notwithstanding anything to the contrary contained in this Agreement, if the Investor wishes to appoint a receiver it will first give 24 hours prior written notice to the other Investors. If an Investor to whom such notice is given wishes to join in the appointment of such receiver, each such Investor, together with the Investor providing notice, will use its best efforts to agree on the appointee.

3.4 **Co-operation.** Each of the Investors covenants to work cooperatively in the exercise of enforcement rights under its respective Notes in order to maximize any realization of any Security. Each Investor shall, at all times, act reasonably and promptly in the performance of their respective obligations under this Agreement and will exercise their respective rights and remedies, perform their obligations in good faith and in a commercially reasonable manner with a view to maximizing realization value. Each Investor undertakes not to unreasonably withhold or delay any approval, consent, agreement, information or response requested by the other Investors to the extent that the same is relevant to the discharge of the requesting Investor's obligations under this Agreement or its respective Notes.

ARTICLE 4
DISTRIBUTION OF PROCEEDS OF REALIZATION

4.1 **Waterfall**. Any proceeds of realization received by any of the Investors with respect to the Secured Property shall be applied as follows:

4.1.1 firstly, to pay all realization costs incurred by such Investor;

4.1.2 secondly, to pay in full the Existing Notes and the New Notes, the whole rateably on a *pari passu* basis (based upon principal and interest then outstanding);

4.1.3 thirdly, to pay any surplus to the Company or any person which under applicable law may be entitled to receive same.

4.2 **Proceeds.** For certainty, the proceeds referred to in Section 4.1 above shall include any proceeds by way of any distribution, division or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the Secured Property, or the proceeds thereof, to creditors, or any proposal by the Company to creditors for a readjustment, re-amortization or restructuring of all or any part of its indebtedness or liabilities, whether any of the foregoing is in connection with an insolvency or otherwise, or the application of any Secured Property to the payment or liquidation thereof, or upon the dissolution or other winding-up of the business of the Company, or upon the sale of all or substantially all of the Secured Property.

4.3 **Turnover of Proceeds**. If a Investor receives a payment in excess of what such Investor is entitled to pursuant to the terms hereof, such Investor shall be deemed to have received such excess amount as depository for the other Investors, and shall promptly return such excess to the other Investors.

ARTICLE 5
MISCELLANEOUS

5.1 **Termination**. This Agreement shall terminate and be of no further effect upon the earlier to occur of (a) the conversion to shares or the indefeasible repayment in full of all obligations outstanding under the Existing Notes or the New Notes, or (b) the written consent of the Required Majority under both the Existing Notes and the New Notes.

5.2 **Acknowledgement by the Company**. The Company acknowledges and agrees that nothing in this Agreement: (i) will relieve the Company of any of its obligations under the Notes, and (ii) expressed or implied, is intended or shall be construed to give to any person other than the Investors any right, remedy or claim under or by reason of this Agreement. Without limiting the generality of the foregoing, the Company may not invoke or otherwise take any advantage of benefit for the various delays or notices contemplated in Article 3, which are all for the sole benefit of the Investors.

5.3 **Notice**. Any notice which may or must be given under this Agreement shall be made in writing and addressed and delivered to the parties at the address set forth below their signatures.

5.4 **Counterparts**. This Agreement may be signed in any number of counterparts, and signed and delivered by electronic transmission in .PDF or functional equivalent format, each one of which when signed shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same document and shall produce their effects as of and from the date specified hereof.

5.5 **Successors and Assigns**. The cessions of rank and agreement contained herein are made for the benefit of the Investors and bind them together with their respective successors and assigns. Prior to any Investor assigning the benefit of all or any part its Security to any other person, such Investor shall cause such person to agree in writing to be bound by the terms hereof as fully as if it were an initial party hereto.

5.6 **Interpretation**. This Agreement shall constitute all of the terms and conditions with respect to the ranking of the Security between the Existing Investors and the New Investors, but is supplemental to and shall be read together with the Notes in respect of the ranking of Security among the Investors comprising the Existing Investors as concerns the Existing Notes, and in respect of the ranking of Security among the Investors comprising the New Investors as concerns the New Notes.

5.7 **Amendments and Waivers**. No amendment, modification, termination or waiver of any provision of this Agreement shall in any event be effective without the written concurrence of the Required Majority of the Existing Investors and the Required Majority of the New Investors.

(Signature Pages Follow)

IN WITNESS WHEREOF, the Required Majority of the Existing Notes and the Required Majority of the New Notes, on behalf of all Investors, have duly executed this Agreement as of the date first referenced above.

CLEARSKY POWER AND TECHNOLOGY FUND II LLC

Per: DocuSigned by: James Huff BAC285766F37484...

James Huff, Managing Director

Address: 11231 US Highway 1, #395, North Palm Beach, Florida 33408, USA

Attention: James Huff, Managing Director

E-mail: james.huff@clear-sky.com

CLEARSKY SECURITY FUND I LLC

Per: DocuSigned by: James Huff BAC285766F37484...

James Huff, Managing Director

Address: 11231 US Highway 1, #395, North Palm Beach, Florida 33408, USA

Attention: James Huff, Managing Director

E-mail: james.huff@clear-sky.com

PHOENIX CONTACT VENTURE FUNDS I GMBH

Per: ______________________

Marcus Boker

Address: Flachsmarktstr 8, D-32825 Blomberg, Germany

Attention: Marcus Boker

E-mail: mboeker@phoenixcontact.com

BDC CAPITAL INC.

Per: ______________________

Anne-Marie Christoffersen-Deb, Director, Bridge Financing Program

Address: 100- 5 Place Ville Marie, Montreal, Quebec, H3B 5E7

Attention: Anne-Marie Christoffersen-Deb

E-mail: vccovid@bdc.ca

And Per: ______________________

Ela Borenstein, VP, Venture Capital Incentivized Programs

Address: 100- 5 Place Ville Marie, Montreal, Quebec, H3B 5E7

Attention: Ela Borenstein

E-mail: vccovid@bdc.ca

IN WITNESS WHEREOF, the Required Majority of the Existing Notes and the Required Majority of the New Notes, on behalf of all Investors, have duly executed this Agreement as of the date first referenced above.

CLEARSKY POWER AND TECHNOLOGY FUND II LLC

Per: ______________________
James Huff, Managing Director

Address: 11231 US Highway 1, #395, North Palm Beach, Florida 33408, USA

Attention: James Huff, Managing Director

E-mail: james.huff@clear-sky.com

CLEARSKY SECURITY FUND I LLC

Per: ______________________
James Huff, Managing Director

Address: 11231 US Highway 1, #395, North Palm Beach, Florida 33408, USA

Attention: James Huff, Managing Director

E-mail: james.huff@clear-sky.com

PHOENIX CONTACT VENTURE FUNDS I GMBH

Per: ______________________
Marcus Boker

Address: Flachsmarktstr 8, D-32825 Blomberg, Germany

Attention: Marcus Boker

E-mail: mboeker@phoenixcontact.com

BDC CAPITAL INC.

Per: DocuSigned by: 342AFE128A8F464...
Anne-Marie Christoffersen-Deb, Director, Bridge Financing Program

And Per: DocuSigned by: C8C77EBAC41A40D...
Ela Borenstein, VP, Venture Capital Incentivized Programs

Address: 100- 5 Place Ville Marie, Montreal, Quebec, H3B 5E7

Attention: Anne-Marie Christoffersen-Deb

E-mail: vccovid@bdc.ca

Address: 100- 5 Place Ville Marie, Montreal, Quebec, H3B 5E7

Attention: Ela Borenstein

E-mail: vccovid@bdc.ca

IN WITNESS WHEREOF, the Required Majority of the Existing Notes and the Required Majority of the New Notes, on behalf of all Investors, have duly executed this Agreement as of the date first referenced above.

CLEARSKY POWER AND TECHNOLOGY FUND II LLC

Per: ____________________
James Huff, Managing Director

Address: 11231 US Highway 1, #395, North Palm Beach, Florida 33408, USA

Attention: James Huff, Managing Director

E-mail: james.huff@clear-sky.com

CLEARSKY SECURITY FUND I LLC

Per: ____________________
James Huff, Managing Director

Address: 11231 US Highway 1, #395, North Palm Beach, Florida 33408, USA

Attention: James Huff, Managing Director

E-mail: james.huff@clear-sky.com

PHOENIX CONTACT VENTURE FUNDS I GMBH

Per: ____________________
Marcus Boker

Address: Flachsmarktstr 8, D-32825 Blomberg, Germany

Attention: Marcus Boker

E-mail: mboeker@phoenixcontact.com

BDC CAPITAL INC.

Per: DocuSigned by: Anne-Marie Christoffersen-Deb
342AFE128A8F464...
Anne-Marie Christoffersen-Deb, Director, Bridge Financing Program

Address: 100- 5 Place Ville Marie, Montreal, Quebec, H3B 5E7

Attention: Anne-Marie Christoffersen-Deb

E-mail: vccovid@bdc.ca

And Per: DocuSigned by: E. B.
C8C77EBAC41A40D...
Ela Borenstein, VP, Venture Capital Incentivized Programs

Address: 100- 5 Place Ville Marie, Montreal, Quebec, H3B 5E7

Attention: Ela Borenstein

E-mail: vccovid@bdc.ca

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CLEARSKY POWER AND TECHNOLOGY FUND II LLC

Per: ______________________
James Huff, Managing Director

Address: 11231 US Highway 1, #395, North Palm Beach, Florida 33408, USA

Attention: James Huff, Managing Director

E-mail: james.huff@clear-sky.com

CLEARSKY SECURITY FUND I LLC

Per: ______________________
James Huff, Managing Director

Address: 11231 US Highway 1, #395, North Palm Beach, Florida 33408, USA

Attention: James Huff, Managing Director

E-mail: james.huff@clear-sky.com

PHOENIX CONTACT VENTURE FUNDS I GMBH

DocuSigned by:

Per: Marcus Böker
E1148FB62BD147D...
Marcus Boker

Address: Flachsmarktstr 8, D-32825 Blomberg, Germany

Attention: Marcus Boker

E-mail: mboeker@phoenixcontact.com

BDC CAPITAL INC.

Per: ______________________
Anne-Marie Christoffersen-Deb, Director, Bridge Financing Program

Address: 100- 5 Place Ville Marie, Montreal, Quebec, H3B 5E7

Attention: Anne-Marie Christoffersen-Deb

E-mail: vccovid@bdc.ca

And Per: ______________________
Ela Borenstein, VP, Venture Capital Incentivized Programs

Address: 100- 5 Place Ville Marie, Montreal, Quebec, H3B 5E7

Attention: Ela Borenstein

E-mail: vccovid@bdc.ca

Cao Yang

Per: ______________________________
Cao Yang

Address: Flat 2804, Bldg. J, Lane 55J
Xizong Road, Shanghai, China

Attention: Cao Yang

E-mail: Suzycao23@hotmail.com

Clive Dias

Per: ______________________________
Clive Dias

Address: 48 Amarillo Road, Brampton,
Ontario, L6R 4A5

Attention: Clive Dias

E-mail: clivedias@is5com.com

Artemis Capital Limited

DocuSigned by:
Maurizio Milani
8A2513C223B14D9...

Per: ______________________________
Maurizio Milani, Director

Address: 3395 Buena Vista Crt
Oakville Ontario L6L 6W6

Attention: Maurizio Milani

E-mail: maurizio.milani@artemis-capital.com

:

Cao Yang

DocuSigned by:
Cao Yang
EC7FD764A53A4D4...

Per: ______________________________
Cao Yang

Address: Flat 2804, Bldg. J, Lane 55J
Xizong Road, Shanghai, China

Attention: Cao Yang

E-mail: Suzycao23@hotmail.com

Clive Dias

Per: ______________________________
Clive Dias

Address: 48 Amarillo Road, Brampton,
Ontario, L6R 4A5

Attention: Clive Dias

E-mail: clivedias@is5com.com

Artemis Capital Limited

Per: ______________________________
Maurizio Milani, Director

Address: 3395 Buena Vista Crt
Oakville Ontario L6L 6W6

Attention: Maurizio Milani

E-mail: maurizio.milani@artemis-capital.com

:

Cao Yang

Per: ______________________________
Cao Yang

Address: Flat 2804, Bldg. J, Lane 55J
Xizong Road, Shanghai, China

Attention: Cao Yang

E-mail: Suzycao23@hotmail.com

Clive Dias

Per: DocuSigned by:
Clive Dias
D61BC10000A34EC...
Clive Dias

Address: 48 Amarillo Road, Brampton,
Ontario, L6R 4A5

Attention: Clive Dias

E-mail: clivedias@is5com.com

Artemis Capital Limited

Per: ______________________________
Maurizio Milani, Director

Address: 3395 Buena Vista Crt
Oakville Ontario L6L 6W6

Attention: Maurizio Milani

E-mail: maurizio.milani@artemis-capital.com

:

Acknowledged and agreed as to Section 5.2 hereof by the Company as of the date first referenced above.

IS5 COMMUNICATIONS INC.

DocuSigned by:

By: Clive Dias

D61BC10000A34EC...

Name: Clive Dias
Title: President

Address: 5895 Ambler Drive
Mississauga, Ontario L4W 5B7

Email: clivedias@is5com.com

SCHEDULE "A"
DEFINITIONS

"Event of Default" has the meaning ascribed thereto in the Notes, being:

"Major Investors" means BDC Capital Inc., ClearSky Security Fund I LLC, ClearSky Power & Technology Fund II LLC and Phoenix Contact Venture Funds I GmbH.

"Require Majority" means in respect of each of the Existing Notes and the New Notes, Investors holding at least 66% of the aggregate outstanding principal amount of such Notes.

"Security" is the collective reference to the security created pursuant to the Notes whereby the Company granted a representative, acting on its own behalf and for and on behalf of the other Investors under that series of notes, a continuing, specific and fixed security interest in the Secured Property to secure the due payment and performance of the obligations under such series of Notes;

This is Exhibit "K" referred to in the Affidavit of Clive Dias sworn by Clive Dias at the City of Brampton, in the Province of Ontario, before me on August 5, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

8A6E4EF09DF34D5...

Commissioner for Taking Affidavits (or as may be)

SUBORDINATION AGREEMENT

This Subordination Agreement (the "**Agreement**") is made as of November 19 , 2020, by and between the creditors set forth on the signature page(s) of this Agreement (individually and collectively, solely in their capacities as creditors and not as equityholders, "**Creditor**"), and **SILICON VALLEY BANK**, a California corporation, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 ("**Bank**").

Recitals

A. **IS5 COMMUNICATIONS INC.**, a corporation organized under the laws of the Province of Ontario ("**Borrower**"), has requested and/or obtained certain loans or other credit accommodations from Bank which are or may be from time to time secured by assets and property of Borrower.

B. Borrower is and/or may hereafter become indebted and/or may hereafter become further indebted or liable to Creditor pursuant to certain convertible promissory note dated [TBD], 2020 issued by Borrower to Creditor (as may be amended, modified or restated from time to time, "**Notes**") and to secure the obligations of Borrower to Creditor under the Notes, Borrower has granted a security interest to Creditor over certain personal property of Borrower (the Notes and any security documented entered into in connection therewith, collectively, the "**Subordinated Loan Documents**").

C. To induce Bank to extend credit to Borrower and, at any time or from time to time, at Bank's option, to make such further loans, extensions of credit, or other accommodations to or for the account of Borrower, or to purchase or extend credit upon any instrument or writing in respect of which Borrower may be liable in any capacity, or to grant such renewals or extension of any such loan, extension of credit, purchase, or other accommodation as Bank may deem advisable, Creditor is willing to subordinate: (i) all of Borrower's indebtedness and obligations in respect of indebtedness to Creditor in respect of the Subordinated Loan Documents (including, without limitation, principal, premium (if any), interest, fees, charges, expenses, costs, professional fees and expenses, and reimbursement obligations), plus any dividends and/or distributions or other payments pursuant to call, put, or conversion features in connection with equity securities of Borrower issued to or held by Creditor from the conversion of all or any part thereof, whether presently existing or arising in the future in connection with the Subordinated Loan Documents (the "**Subordinated Debt**") to all of Borrower's indebtedness and obligations to Bank in respect of the Senior Debt; and (ii) all of Creditor's security interests, if any, to all of Bank's security interests in Borrower's property in connection with the Senior Debt.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Creditor subordinates to Bank any security interest or lien that Creditor may have in any property of Borrower in connection with the Subordinated Debt. Notwithstanding the respective dates of attachment or perfection of the security interests of Creditor and the security interests of Bank, all now existing and hereafter arising security interests of Bank in any property of Borrower and all proceeds thereof (the "**Collateral**"), including, without limitation, the "Collateral", as defined in a certain Loan and Security Agreement between Borrower and Bank dated as of May 19, 2019 (as may be amended, modified, restated, replaced or supplemented from time to time, the "**Loan Agreement**"), shall at all times be senior to the security interests of Creditor. Creditor hereby (a) acknowledges and consents to (i) Borrower granting to Bank a security interest in the Collateral, (ii) Bank having filed and filing any and all financing statements and other documents as deemed necessary by Bank in order to perfect Bank's security interest in the Collateral, and (iii) the entering into of the Loan Agreement and all documents in connection therewith by Borrower, (b) acknowledges and agrees that the Senior Debt (as defined below), the Loan Agreement and all documents entered into in connection therewith by Borrower, and the security interest granted by Borrower to Bank in the Collateral shall be permitted under the provisions of the Subordinated Debt documents (notwithstanding any provision of the Subordinated Debt documents to the contrary), (c) acknowledges, agrees and covenants that Creditor shall not contest, challenge or dispute the validity, attachment, perfection, priority or enforceability of Bank's security interest in the Collateral, or the validity, priority or enforceability of the Senior Debt (as defined below), and (d) acknowledges and agrees that the provisions of this Agreement will apply

fully and unconditionally even in the event that Bank's security interest in the Collateral (or any portion thereof) shall be unperfected.

2. All Subordinated Debt is subordinated in right of payment to all obligations of Borrower to Bank now existing or hereafter arising under or otherwise in respect of the Loan Agrement and the other Loan Documents as defined therein, including, without limitation, in respect of the Obligations (as defined in the Loan Agreement), together with all costs of collecting such Obligations (including reasonable legal fees), including, without limitation, all interest accruing after the commencement by or against Borrower of any bankruptcy, reorganization or similar proceeding (such obligations, collectively, the "**Senior Debt**").

3. Subject to Section 4, Creditor will not demand or receive from Borrower (and Borrower will not pay to Creditor) all or any part of the Subordinated Debt, by way of payment, prepayment, setoff, lawsuit or otherwise, nor will Creditor exercise any remedy with respect to any property of Borrower, nor will Creditor accelerate the Subordinated Debt, or commence, or cause to commence, prosecute or participate in any administrative, legal or equitable action against Borrower (each, an "**Enforcement Action**"), until such time as (a) the Senior Debt has been fully paid in cash, (b) Bank has no commitment or obligation to lend any further funds to Borrower, and (c) all financing agreements between Bank and Borrower are terminated (collectively, the "**Discharge of Senior Debt**"). Nothing in the foregoing paragraph or this Agreement shall prohibit Creditor from converting all or any part of the Subordinated Debt into equity securities of Borrower, provided that, if such securities (or any equity securities issued upon conversion of such securities) have any call, put or other conversion features that would obligate Borrower to declare or pay dividends, make distributions, or otherwise pay any money or deliver any other securities or consideration to the holder (in each case, other than (i) the delivery of equity securities of Borrower and/or (ii) nominal cash in lieu of issuance of fractional shares upon conversion of any part of or all of the Subordinated Debt), Creditor hereby agrees that Borrower may not declare, pay or make such dividends, distributions or other payments to Creditor, and Creditor shall not accept any such dividends, distributions or other payments.

4. Notwithstanding anything to the contrary contained in this Agreement, if (i) Bank delivers to Creditor a written notice which states that there has been a default under the Loan Agreement that has not been cured or (ii) Creditor delivers to Bank a written notice which states that there has been a default under the Subordinated Loan Documents that has not been cured or another event giving rise to such Enforcement Action (each of (i) and (ii) in this Section 4, a "**Default Notice**"), Creditor shall, upon expiry of the Standstill Period (as defined delow), be permitted to take Enforcement Actions and demand repayment of the Subordinated Debt in accordance with the terms of the Subordinated Loan Documents. For certainty, prior to to the expiration of the Standstill Period (as defined below), Creditor shall not (a) take any Enforcement Action and/or (b) accept or receive any payment of any kind of or on account of the Subordinated Debt.

As used herein, "**Standstill Period**" means a period of time beginning on the date a Default Notice is delivered to Creditor or Bank, as applicable, and terminating on the earlier to occur of:

(1) 120 days following such date; provided that if, prior to the expiration of such 120 day period, Bank has commenced a judicial proceeding or non-judicial actions to collect or enforce the Senior Debt or foreclose on any Collateral for the Senior Debt, or an Insolvency Proceeding (as hereinafter defined) has been commenced against Borrower, then such period shall be extended and tolled during the continuation of such proceedings and/or actions and/or involvency Proceeding until the payment in cash in full of the Senior Debt; or

(2) the written consent of Bank to such termination.

5. Creditor shall promptly deliver to Bank in the form received (except for endorsement or assignment by Creditor where required by Bank) for application to the Senior Debt any payment, distribution, security or proceeds received by Creditor with respect to the Subordinated Debt other than in accordance with this Agreement and other than (i) any equity securities of Borrower received by Creditor upon conversion of any part of

or all of the Subordinated Debt and/or (ii) cash to Creditor in lieu of issuance of fractional shares upon conversion of any part of or all of the Subordinated Debt.

6. In the event of Borrower's insolvency, reorganization or any case or proceeding under the Bankruptcy and Insolvency Act (Canada) (the "**BIA**"), the Companies' Creditors Arrangement Act (Canada) or any other any bankruptcy or insolvency law or laws relating to the relief of debtors, including, without limitation, any voluntary or involuntary bankruptcy, insolvency, receivership or other similar statutory or common law proceeding or arrangement involving Borrower, the readjustment of its liabilities, any assignment for the benefit of its creditors or any marshalling of its assets or liabilities (each, an "**Insolvency Proceeding**"), (a) this Agreement shall remain in full force and effect in accordance with Section 510(a) of the United States Bankruptcy Code and Section 135 and Part V of the BIA, (b) the Collateral shall include, without limitation, all Collateral arising during or after any such Insolvency Proceeding, and (c) Bank's claims against Borrower and the estate of Borrower shall be paid in full before any payment is made to Creditor.

7. Creditor shall give Bank prompt written notice of the occurrence of any default or event of default under any document, instrument or agreement evidencing or relating to the Subordinated Debt, and Creditor shall promptly provide Bank with a copy of any notice of default given to Borrower. Creditor acknowledges and agrees that any default or event of default under the Subordinated Debt documents may be deemed to be a default and an event of default under the Senior Debt documents if so provided therein.

8. Until the Senior Debt has been fully paid in cash and Bank's agreements to lend any funds to Borrower have been terminated, Creditor irrevocably appoints Bank as Creditor's attorney-in-fact, and grants to Bank a power of attorney with full power of substitution, in the name of Creditor or in the name of Bank, for the use and benefit of Bank, without notice to Creditor, to perform at Bank's option the following acts in any Insolvency Proceeding involving Borrower:

a) To file the appropriate claim or claims in respect of the Subordinated Debt on behalf of Creditor if Creditor does not do so prior to 30 days before the expiration of the time to file claims in such Insolvency Proceeding and if Bank elects, in its sole discretion, to file such claim or claims; and

b) To accept or reject any plan of reorganization or arrangement on behalf of Creditor and to otherwise vote Creditor's claims in respect of any Subordinated Debt in any manner that Bank deems appropriate for the enforcement of its rights hereunder.

In addition to and without limiting the foregoing: (x) until the Senior Debt has been fully paid in cash and Bank's agreements to lend any funds to Borrower have been terminated, Creditor shall not commence or join in any involuntary bankruptcy petition or similar judicial proceeding against Borrower, and (y) if an Insolvency Proceeding occurs: (i) Creditor shall not assert, without the prior written consent of Bank, any claim, motion, objection or argument in respect of the Collateral in connection with any Insolvency Proceeding which could otherwise be asserted or raised in connection with such Insolvency Proceeding, including, without limitation, any claim, motion, objection or argument seeking adequate protection or relief from the automatic stay in respect of the Collateral, (ii) Bank may consent to the use of cash collateral on such terms and conditions and in such amounts as it shall in good faith determine without seeking or obtaining the consent of Creditor as (if applicable) holder of an interest in the Collateral, (iii) if use of cash collateral by Borrower is consented to by Bank, Creditor shall not oppose such use of cash collateral on the basis that Creditor's interest in the Collateral (if any) is impaired by such use or inadequately protected by such use, or on any other ground, and (iv) Creditor shall not object to, or oppose, any sale or other disposition of any assets comprising all or part of the Collateral, free and clear of security interests, liens and claims of any party, including Creditor, under Section 363 of the United States Bankruptcy Code, Section 129 and Part V of the BIA, or otherwise, on the basis that the interest of Creditor in the Collateral (if any) is impaired by such sale or inadequately protected as a result of such sale, or on any other ground (and, if requested by Bank, Creditor shall affirmatively and promptly consent to such sale or disposition of such assets), if Bank has consented to, or supports, such sale or disposition of such assets.

9. Creditor represents and warrants that Creditor has provided Bank with true and correct copies of all of the documents evidencing or relating to the Subordinated Debt. Creditor shall immediately affix a legend to the instruments evidencing the Subordinated Debt stating that the instruments are subject to the terms of this Agreement. By the execution of this Agreement, Creditor hereby authorizes Bank to amend any financing statements filed by Creditor against Borrower as follows: "In accordance with a certain Subordination Agreement by and among the Secured Party, the Debtor and Silicon Valley Bank, the Secured Party has subordinated any security interest or lien that Secured Party may have in any property of the Debtor to the security interest of Silicon Valley Bank in all assets of the Debtor, notwithstanding the respective dates of attachment or perfection of the security interest of the Secured Party and Silicon Valley Bank."

10. No amendment of the documents evidencing or relating to the Subordinated Debt shall directly or indirectly modify the provisions of this Agreement in any manner which might terminate or impair the subordination of the Subordinated Debt or the subordination of the security interest or lien that Creditor may have in any property of Borrower. By way of example, such instruments shall not be amended to (a) increase the rate of interest with respect to the Subordinated Debt, or (b) accelerate the payment of the principal or interest or any other portion of the Subordinated Debt. Bank shall have the sole and exclusive right to restrict or permit, or approve or disapprove, the sale, transfer or other disposition of property of Borrower except in accordance with the terms of the Senior Debt. Upon written notice from Bank to Creditor of Bank's agreement to release its lien on all or any portion of the Collateral in connection with the sale, transfer or other disposition thereof by Bank (or by Borrower with consent of Bank), Creditor shall be deemed to have also, automatically and simultaneously, released its lien on the Collateral, and Creditor shall upon written request by Bank, immediately take such action as shall be necessary or appropriate to evidence and confirm such release. All proceeds resulting from any such sale, transfer or other disposition shall be applied first to the Senior Debt until payment in full thereof, with the balance, if any, to the Subordinated Debt, or to any other entitled party. If Creditor fails to release its lien as required hereunder, Creditor hereby appoints Bank as attorney in fact for Creditor with full power of substitution to release Creditor's liens as provided hereunder. Such power of attorney being coupled with an interest shall be irrevocable.

11. All necessary action on the part of Creditor, its officers, directors, partners, members and shareholders, as applicable, necessary for the authorization of this Agreement and the performance of all obligations of Creditor hereunder has been taken. This Agreement constitutes the legal, valid and binding obligation of Creditor, enforceable against Creditor in accordance with its terms. The execution, delivery and performance of and compliance with this Agreement by Creditor will not (a) result in any material violation or default of any term of any of Creditor's charter, formation or other organizational documents (such as Articles or Certificate of Incorporation, bylaws, partnership agreement, operating agreement, etc.) or (b) violate any material applicable law, rule or regulation.

12. If, at any time after payment in full of the Senior Debt any payments of the Senior Debt must be disgorged by Bank for any reason (including, without limitation, any Insolvency Proceeding), this Agreement and the relative rights and priorities set forth herein shall be reinstated as to all such disgorged payments as though such payments had not been made and Creditor shall immediately pay over to Bank all payments received with respect to the Subordinated Debt to the extent that such payments would have been prohibited hereunder. At any time and from time to time, without notice to Creditor, Bank may take such actions with respect to the Senior Debt as Bank, in its sole discretion, may deem appropriate, including, without limitation, terminating advances to Borrower, increasing the principal amount, extending the time of payment, increasing applicable interest rates, renewing, compromising or otherwise amending the terms of any documents affecting the Senior Debt and any collateral securing the Senior Debt, and enforcing or failing to enforce any rights against Borrower or any other person. No such action or inaction shall impair or otherwise affect Bank's rights hereunder. Creditor waives the benefits, if any, of any statutory or common law rule that may permit a subordinating creditor to assert any defenses of a surety or guarantor, or that may give the subordinating creditor the right to require a senior creditor to marshal assets, and Creditor agrees that it shall not assert any such defenses or rights.

13. This Agreement shall bind any successors or assignees of Creditor and shall benefit any successors or assigns of Bank, provided, however, Creditor agrees that, prior and as conditions precedent to Creditor assigning all or any portion of the Subordinated Debt: (a) Creditor shall give Bank prior written notice of such

assignment, and (b) such successor or assignee, as applicable, shall execute a written agreement whereby such successor or assignee expressly agrees to assume and be bound by all terms and conditions of this Agreement with respect to Creditor. Subject to the first sentence of Section 12 above, and subject to Section 3 above in the case of termination under clause (iii) below, this Agreement shall remain effective until the earlier of (i) termination in writing by Bank, (ii) the Discharge of the Senior Debt, or (iii) conversion in full of the Subordinated Debt into equity securities of Borrower. This Agreement is solely for the benefit of Creditor and Bank and not for the benefit of Borrower or any other party. Creditor further agrees that if Borrower is in the process of refinancing any portion of the Senior Debt with a new lender, and if Bank makes a request of Creditor, Creditor shall agree to enter into a new subordination agreement with the new lender on substantially the terms and conditions of this Agreement.

14. Creditor hereby agrees to execute such documents and/or take such further action as Bank may at any time or times reasonably request in order to carry out the provisions and intent of this Agreement, including, without limitation, ratifications and confirmations of this Agreement from time to time hereafter, as and when requested by Bank.

15. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

16. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein, and the parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario in respect of all matters pertaining to this Agreement.

17. This Agreement represents the entire agreement with respect to the subject matter hereof, and supersedes all prior negotiations, agreements and commitments. Creditor is not relying on any representations by Bank or Borrower in entering into this Agreement, and Creditor has kept and will continue to keep itself fully apprised of the financial and other condition of Borrower. This Agreement may be amended only by written instrument signed by Creditor and Bank.

[Signature page follows.]

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

"Bank"

SILICON VALLEY BANK

By: Chris Leary
Chris Leary
Director

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

"Creditor"

BDC CAPITAL INC.

By: Charles Lespérance
Name: Charles Lespérance
Title: AVP VC Ecosystem Development

By: Thomas Park
Name: Thomas Park
Title: Vice President, Operations and Strategy

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

"Creditor"

CLEARSKY SECURITY FUND I LLC

DocuSigned by:
Jay Leek
34FD0CEC768D4EC...

By: ______________________________
Name: Jay Leek
Title: Managing Director

Address: ClearSky Security Fund I LLC
Attn. Managing Directors
700 Universe Boulevard
Juno Beach, FL 33408

Facsimile: +1 (561) 691-2715

CLEARSKY POWER & TECHNOLOGY FUND II LLC

DocuSigned by:
Jay Leek
34FD0CEC768D4EC...

By: ______________________________
Name: Jay Leek
Title: Managing Director

Address: ClearSky Power & Technology Fund II LLC
Attn. Managing Directors
700 Universe Boulevard
Juno Beach, FL 33408

Facsimile: +1 (561) 691-2715

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

"Creditor"

PHOENIX CONTACT VENTURE FUNDS I GMBH

By: ______________________________

Name: Marcus Böker
Title: Managing Director

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

"Creditor"

Coutinho Family Trust, by its trustees

By: ______________________________
Name: David Coutinho
Title: Trustee

By: ______________________________
Name: Jessica Coutinho
Title: Trustee

Address: 6760 Kazoo Court
Mississauga, Ontario L5W 1T4

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

"Creditor"

Cao Yang

Address: Flat 2804, Bldg. J

Lane 55J Xizong Road, Shanghai, China

Email: suzycao23@hotmail.com

The undersigned approves of the terms of this Agreement.

"Borrower"

IS5 COMMUNICATIONS INC.

By: ______________________________

Name: Clive Dias
Title: President & CEO

This is Exhibit “L” referred to in the Affidavit of Clive Dias sworn by Clive Dias at the City of Brampton, in the Province of Ontario, before me on August 5, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

8A6E4EF09DF34D5...

Commissioner for Taking Affidavits (or as may be)

SUBORDINATION AGREEMENT

This Subordination Agreement (the "**Agreement**") is made as of July 31, 2021, by and between the creditors set forth on the signature page(s) of this Agreement (individually and collectively, solely in their capacities as creditors and not as equityholders, "**Creditor**"), and **SILICON VALLEY BANK**, a California corporation, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 ("**Bank**").

Recitals

A. **IS5 COMMUNICATIONS INC.**, a corporation organized under the laws of the Province of Ontario ("**Borrower**"), has requested and/or obtained certain loans or other credit accommodations from Bank which are or may be from time to time secured by assets and property of Borrower.

B. Borrower is and/or may hereafter become indebted and/or may hereafter become further indebted or liable to Creditor pursuant to certain convertible promissory note dated August 17, 2021 issued by Borrower to Creditor (as may be amended, modified or restated from time to time, "**Notes**") and to secure the obligations of Borrower to Creditor under the Notes, Borrower has granted a security interest to Creditor over certain personal property of Borrower (the Notes and any security documented entered into in connection therewith, collectively, the "**Subordinated Loan Documents**").

C. To induce Bank to extend credit to Borrower and, at any time or from time to time, at Bank's option, to make such further loans, extensions of credit, or other accommodations to or for the account of Borrower, or to purchase or extend credit upon any instrument or writing in respect of which Borrower may be liable in any capacity, or to grant such renewals or extension of any such loan, extension of credit, purchase, or other accommodation as Bank may deem advisable, Creditor is willing to subordinate: (i) all of Borrower's indebtedness and obligations in respect of indebtedness to Creditor in respect of the Subordinated Loan Documents (including, without limitation, principal, premium (if any), interest, fees, charges, expenses, costs, professional fees and expenses, and reimbursement obligations), plus any dividends and/or distributions or other payments pursuant to call, put, or conversion features in connection with equity securities of Borrower issued to or held by Creditor from the conversion of all or any part thereof, whether presently existing or arising in the future in connection with the Subordinated Loan Documents (the "**Subordinated Debt**") to all of Borrower's indebtedness and obligations to Bank in respect of the Senior Debt; and (ii) all of Creditor's security interests, if any, to all of Bank's security interests in Borrower's property in connection with the Senior Debt.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Creditor subordinates to Bank any security interest or lien that Creditor may have in any property of Borrower in connection with the Subordinated Debt. Notwithstanding the respective dates of attachment or perfection of the security interests of Creditor and the security interests of Bank, all now existing and hereafter arising security interests of Bank in any property of Borrower and all proceeds thereof (the "**Collateral**"), including, without limitation, the "Collateral", as defined in a certain Loan and Security Agreement between Borrower and Bank dated as of May 19, 2019 (as may be amended, modified, restated, replaced or supplemented from time to time, the "**Loan Agreement**"), shall at all times be senior to the security interests of Creditor. Creditor hereby (a) acknowledges and consents to (i) Borrower granting to Bank a security interest in the Collateral, (ii) Bank having filed and filing any and all financing statements and other documents as deemed necessary by Bank in order to perfect Bank's security interest in the Collateral, and (iii) the entering into of the Loan Agreement and all documents in connection therewith by Borrower, (b) acknowledges and agrees that the Senior Debt (as defined below), the Loan Agreement and all documents entered into in connection therewith by Borrower, and the security interest granted by Borrower to Bank in the Collateral shall be permitted under the provisions of the Subordinated Debt documents (notwithstanding any provision of the Subordinated Debt documents to the contrary), (c) acknowledges, agrees and covenants that Creditor shall not contest, challenge or dispute the validity, attachment, perfection, priority or enforceability of Bank's security interest in the Collateral, or the validity, priority or enforceability of the Senior Debt (as defined below), and (d) acknowledges and agrees that the provisions of this Agreement will apply fully and unconditionally even in the event that Bank's security interest in the Collateral (or any portion thereof) shall be unperfected.

2. All Subordinated Debt is subordinated in right of payment to all obligations of Borrower to Bank now existing or hereafter arising under or otherwise in respect of the Loan Agrement and the other Loan Documents as defined therein, including, without limitation, in respect of the Obligations (as defined in the Loan Agreement), together with all costs of collecting such Obligations (including reasonable legal fees), including, without limitation, all interest accruing after the commencement by or against Borrower of any bankruptcy, reorganization or similar proceeding (such obligations, collectively, the "**Senior Debt**").

3. Subject to Section 4, Creditor will not demand or receive from Borrower (and Borrower will not pay to Creditor) all or any part of the Subordinated Debt, by way of payment, prepayment, setoff, lawsuit or otherwise, nor will Creditor exercise any remedy with respect to any property of Borrower, nor will Creditor accelerate the Subordinated Debt, or commence, or cause to commence, prosecute or participate in any administrative, legal or equitable action against Borrower (each, an "**Enforcement Action**"), until such time as (a) the Senior Debt has been fully paid in cash, (b) Bank has no commitment or obligation to lend any further funds to Borrower, and (c) all financing agreements between Bank and Borrower are terminated (collectively, the "**Discharge of Senior Debt**"). Nothing in the foregoing paragraph or this Agreement shall prohibit Creditor from converting all or any part of the Subordinated Debt into equity securities of Borrower, provided that, if such securities (or any equity securities issued upon conversion of such securities) have any call, put or other conversion features that would obligate Borrower to declare or pay dividends, make distributions, or otherwise pay any money or deliver any other securities or consideration to the holder (in each case, other than (i) the delivery of equity securities of Borrower and/or (ii) nominal cash in lieu of issuance of fractional shares upon conversion of any part of or all of the Subordinated Debt), Creditor hereby agrees that Borrower may not declare, pay or make such dividends, distributions or other payments to Creditor, and Creditor shall not accept any such dividends, distributions or other payments.

4. Notwithstanding anything to the contrary contained in this Agreement, if (i) Bank delivers to Creditor a written notice which states that there has been a default under the Loan Agreement that has not been cured or (ii) Creditor delivers to Bank a written notice which states that there has been a default under the Subordinated Loan Documents that has not been cured or another event giving rise to such Enforcement Action (each of (i) and (ii) in this Section 4, a "**Default Notice**"), Creditor shall, upon expiry of the Standstill Period (as defined delow), be permitted to take Enforcement Actions and demand repayment of the Subordinated Debt in accordance with the terms of the Subordinated Loan Documents. For certainty, prior to to the expiration of the Standstill Period (as defined below), Creditor shall not (a) take any Enforcement Action and/or (b) accept or receive any payment of any kind of or on account of the Subordinated Debt.

As used herein, "**Standstill Period**" means a period of time beginning on the date a Default Notice is delivered to Creditor or Bank, as applicable, and terminating on the earlier to occur of:

(1) 120 days following such date; provided that if, prior to the expiration of such 120 day period, Bank has commenced a judicial proceeding or non-judicial actions to collect or enforce the Senior Debt or foreclose on any Collateral for the Senior Debt, or an Insolvency Proceeding (as hereinafter defined) has been commenced against Borrower, then such period shall be extended and tolled during the continuation of such proceedings and/or actions and/or involvency Proceeding until the payment in cash in full of the Senior Debt; or

(2) the written consent of Bank to such termination.

5. Creditor shall promptly deliver to Bank in the form received (except for endorsement or assignment by Creditor where required by Bank) for application to the Senior Debt any payment, distribution, security or proceeds received by Creditor with respect to the Subordinated Debt other than in accordance with this Agreement and other than (i) any equity securities of Borrower received by Creditor upon conversion of any part of or all of the Subordinated Debt and/or (ii) cash to Creditor in lieu of issuance of fractional shares upon conversion of any part of or all of the Subordinated Debt.

6. In the event of Borrower's insolvency, reorganization or any case or proceeding under the Bankruptcy and Insolvency Act (Canada) (the "**BIA**"), the Companies' Creditors Arrangement Act (Canada) or any

other any bankruptcy or insolvency law or laws relating to the relief of debtors, including, without limitation, any voluntary or involuntary bankruptcy, insolvency, receivership or other similar statutory or common law proceeding or arrangement involving Borrower, the readjustment of its liabilities, any assignment for the benefit of its creditors or any marshalling of its assets or liabilities (each, an "**Insolvency Proceeding**"), (a) this Agreement shall remain in full force and effect in accordance with Section 510(a) of the United States Bankruptcy Code and Section 135 and Part V of the BIA, (b) the Collateral shall include, without limitation, all Collateral arising during or after any such Insolvency Proceeding, and (c) Bank's claims against Borrower and the estate of Borrower shall be paid in full before any payment is made to Creditor.

7. Creditor shall give Bank prompt written notice of the occurrence of any default or event of default under any document, instrument or agreement evidencing or relating to the Subordinated Debt, and Creditor shall promptly provide Bank with a copy of any notice of default given to Borrower. Creditor acknowledges and agrees that any default or event of default under the Subordinated Debt documents may be deemed to be a default and an event of default under the Senior Debt documents if so provided therein.

8. Until the Senior Debt has been fully paid in cash and Bank's agreements to lend any funds to Borrower have been terminated, Creditor irrevocably appoints Bank as Creditor's attorney-in-fact, and grants to Bank a power of attorney with full power of substitution, in the name of Creditor or in the name of Bank, for the use and benefit of Bank, without notice to Creditor, to perform at Bank's option the following acts in any Insolvency Proceeding involving Borrower:

a) To file the appropriate claim or claims in respect of the Subordinated Debt on behalf of Creditor if Creditor does not do so prior to 30 days before the expiration of the time to file claims in such Insolvency Proceeding and if Bank elects, in its sole discretion, to file such claim or claims; and

b) To accept or reject any plan of reorganization or arrangement on behalf of Creditor and to otherwise vote Creditor's claims in respect of any Subordinated Debt in any manner that Bank deems appropriate for the enforcement of its rights hereunder.

In addition to and without limiting the foregoing: (x) until the Senior Debt has been fully paid in cash and Bank's agreements to lend any funds to Borrower have been terminated, Creditor shall not commence or join in any involuntary bankruptcy petition or similar judicial proceeding against Borrower, and (y) if an Insolvency Proceeding occurs: (i) Creditor shall not assert, without the prior written consent of Bank, any claim, motion, objection or argument in respect of the Collateral in connection with any Insolvency Proceeding which could otherwise be asserted or raised in connection with such Insolvency Proceeding, including, without limitation, any claim, motion, objection or argument seeking adequate protection or relief from the automatic stay in respect of the Collateral, (ii) Bank may consent to the use of cash collateral on such terms and conditions and in such amounts as it shall in good faith determine without seeking or obtaining the consent of Creditor as (if applicable) holder of an interest in the Collateral, (iii) if use of cash collateral by Borrower is consented to by Bank, Creditor shall not oppose such use of cash collateral on the basis that Creditor's interest in the Collateral (if any) is impaired by such use or inadequately protected by such use, or on any other ground, and (iv) Creditor shall not object to, or oppose, any sale or other disposition of any assets comprising all or part of the Collateral, free and clear of security interests, liens and claims of any party, including Creditor, under Section 363 of the United States Bankruptcy Code, Section 129 and Part V of the BIA, or otherwise, on the basis that the interest of Creditor in the Collateral (if any) is impaired by such sale or inadequately protected as a result of such sale, or on any other ground (and, if requested by Bank, Creditor shall affirmatively and promptly consent to such sale or disposition of such assets), if Bank has consented to, or supports, such sale or disposition of such assets.

9. Creditor represents and warrants that Creditor has provided Bank with true and correct copies of all of the documents evidencing or relating to the Subordinated Debt. Creditor shall immediately affix a legend to the instruments evidencing the Subordinated Debt stating that the instruments are subject to the terms of this Agreement. By the execution of this Agreement, Creditor hereby authorizes Bank to amend any financing statements filed by Creditor against Borrower as follows: "In accordance with a certain Subordination Agreement by and among the

Secured Party, the Debtor and Silicon Valley Bank, the Secured Party has subordinated any security interest or lien that Secured Party may have in any property of the Debtor to the security interest of Silicon Valley Bank in all assets of the Debtor, notwithstanding the respective dates of attachment or perfection of the security interest of the Secured Party and Silicon Valley Bank."

10. No amendment of the documents evidencing or relating to the Subordinated Debt shall directly or indirectly modify the provisions of this Agreement in any manner which might terminate or impair the subordination of the Subordinated Debt or the subordination of the security interest or lien that Creditor may have in any property of Borrower. By way of example, such instruments shall not be amended to (a) increase the rate of interest with respect to the Subordinated Debt, or (b) accelerate the payment of the principal or interest or any other portion of the Subordinated Debt. Bank shall have the sole and exclusive right to restrict or permit, or approve or disapprove, the sale, transfer or other disposition of property of Borrower except in accordance with the terms of the Senior Debt. Upon written notice from Bank to Creditor of Bank's agreement to release its lien on all or any portion of the Collateral in connection with the sale, transfer or other disposition thereof by Bank (or by Borrower with consent of Bank), Creditor shall be deemed to have also, automatically and simultaneously, released its lien on the Collateral, and Creditor shall upon written request by Bank, immediately take such action as shall be necessary or appropriate to evidence and confirm such release. All proceeds resulting from any such sale, transfer or other disposition shall be applied first to the Senior Debt until payment in full thereof, with the balance, if any, to the Subordinated Debt, or to any other entitled party. If Creditor fails to release its lien as required hereunder, Creditor hereby appoints Bank as attorney in fact for Creditor with full power of substitution to release Creditor's liens as provided hereunder. Such power of attorney being coupled with an interest shall be irrevocable.

11. All necessary action on the part of Creditor, its officers, directors, partners, members and shareholders, as applicable, necessary for the authorization of this Agreement and the performance of all obligations of Creditor hereunder has been taken. This Agreement constitutes the legal, valid and binding obligation of Creditor, enforceable against Creditor in accordance with its terms. The execution, delivery and performance of and compliance with this Agreement by Creditor will not (a) result in any material violation or default of any term of any of Creditor's charter, formation or other organizational documents (such as Articles or Certificate of Incorporation, bylaws, partnership agreement, operating agreement, etc.) or (b) violate any material applicable law, rule or regulation.

12. If, at any time after payment in full of the Senior Debt any payments of the Senior Debt must be disgorged by Bank for any reason (including, without limitation, any Insolvency Proceeding), this Agreement and the relative rights and priorities set forth herein shall be reinstated as to all such disgorged payments as though such payments had not been made and Creditor shall immediately pay over to Bank all payments received with respect to the Subordinated Debt to the extent that such payments would have been prohibited hereunder. At any time and from time to time, without notice to Creditor, Bank may take such actions with respect to the Senior Debt as Bank, in its sole discretion, may deem appropriate, including, without limitation, terminating advances to Borrower, increasing the principal amount, extending the time of payment, increasing applicable interest rates, renewing, compromising or otherwise amending the terms of any documents affecting the Senior Debt and any collateral securing the Senior Debt, and enforcing or failing to enforce any rights against Borrower or any other person. No such action or inaction shall impair or otherwise affect Bank's rights hereunder. Creditor waives the benefits, if any, of any statutory or common law rule that may permit a subordinating creditor to assert any defenses of a surety or guarantor, or that may give the subordinating creditor the right to require a senior creditor to marshal assets, and Creditor agrees that it shall not assert any such defenses or rights.

13. This Agreement shall bind any successors or assignees of Creditor and shall benefit any successors or assigns of Bank, provided, however, Creditor agrees that, prior and as conditions precedent to Creditor assigning all or any portion of the Subordinated Debt: (a) Creditor shall give Bank prior written notice of such assignment, and (b) such successor or assignee, as applicable, shall execute a written agreement whereby such successor or assignee expressly agrees to assume and be bound by all terms and conditions of this Agreement with respect to Creditor. Subject to the first sentence of Section 12 above, and subject to Section 3 above in the case of termination under clause (iii) below, this Agreement shall remain effective until the earlier of (i) termination in writing by Bank, (ii) the Discharge of the Senior Debt, or (iii) conversion in full of the Subordinated Debt into equity securities of Borrower. This Agreement is solely for the benefit of Creditor and Bank and not for the benefit of Borrower or any other party.

Creditor further agrees that if Borrower is in the process of refinancing any portion of the Senior Debt with a new lender, and if Bank makes a request of Creditor, Creditor shall agree to enter into a new subordination agreement with the new lender on substantially the terms and conditions of this Agreement.

14. Creditor hereby agrees to execute such documents and/or take such further action as Bank may at any time or times reasonably request in order to carry out the provisions and intent of this Agreement, including, without limitation, ratifications and confirmations of this Agreement from time to time hereafter, as and when requested by Bank.

15. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

16. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein, and the parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario in respect of all matters pertaining to this Agreement.

17. This Agreement represents the entire agreement with respect to the subject matter hereof, and supersedes all prior negotiations, agreements and commitments. Creditor is not relying on any representations by Bank or Borrower in entering into this Agreement, and Creditor has kept and will continue to keep itself fully apprised of the financial and other condition of Borrower. This Agreement may be amended only by written instrument signed by Creditor and Bank.

[Signature pages follow.]

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

"Bank"

SILICON VALLEY BANK

By: Chris Leary
Chris Leary
Director

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

"Creditor"

CLEARSKY SECURITY FUND I LLC

DocuSigned by:

By: James Huff

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Name: James Huff

Title: Managing Director

CLEARSKY POWER & TECHNOLOGY FUND II LLC

DocuSigned by:

By: James Huff

BAC285766F37484...

Name: James Huff

Title: Managing Director

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

"Creditor"

PHOENIX CONTACT VENTURE FUNDS I GMBH

DocuSigned by:

By: Marcus Böker

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Name: Marcus Böker
Title: Managing Director

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

“Creditor”

DocuSigned by:

Cao Yang

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CAO YANG

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

“Creditor”

DocuSigned by:

Clive Dias

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CLIVE DIAS

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

“Creditor”

ARTEMIS CAPITAL LIMITED

DocuSigned by:

By: Maurizio Milani

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Name: Maurizio Milani

Title: Director

The undersigned approves of the terms of this Agreement.

"Borrower"

IS5 COMMUNICATIONS INC.

DocuSigned by:

By: Clive Dias

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Name: Clive Dias
Title: President

This is Exhibit "M" referred to in the Affidavit of Clive Dias sworn by Clive Dias at the City of Brampton, in the Province of Ontario, before me on August 5, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

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Commissioner for Taking Affidavits (or as may be)

PHOENIX CONTACT GmbH & Co. KG
Flachsmarktstraße 8
32825 Blomberg, Germany
Telefon: +49 5235 300
Telefax: +49 5235 3-41200
Internet: http://www.phoenixcontact.com
USt-Id-Nr.: DE124613250
WEEE-Reg.-Nr.: DE50738265

August 3rd, 2022

VIA EMAIL

iS5 Communications Inc.
#5895 Ambler Drive
Mississauga, Ontario, L4W 5B7

Attention: **Clive Dias, CEO iS5**

Re: Proposal to Consider Purchase of iS5 Communications Inc.

This letter sets forth a non-binding proposal with respect to the potential acquisition (the "**Proposed Transaction**") by PHOENIX CONTACT GmbH & Co. KG or one of its affiliates (the "**Purchaser**") of iS5 Communications Inc. (the "**Corporation**") as part of a Division I Proposal proceeding under the *Bankruptcy and Insolvency Act* (Canada), to be commenced by the Corporation (the "**Proposal Proceeding**"). In order to initiate the process, the Purchaser wishes to conduct a due diligence inquiry of the Corporation prior to finalizing any definitive purchase agreement with respect to the Proposed Transaction (the "**Definitive Agreement**"). The Purchaser is providing this proposal to the Corporation on the basis that once executed by all parties, it will allow the Purchaser's due diligence investigation to proceed in a prompt and expeditious manner.

1. **Structure.** The Proposed Transaction shall be a stalking horse transaction and if it is the successful bid, it will be implemented pursuant to a Definitive Agreement that shall be approved pursuant to an Approval and Vesting Order (the "**Vesting Order**") granted by the Ontario Superior Court of Justice (Commercial List) in the Proposal Proceeding. During the course of its due diligence investigation, the Purchaser will determine how it wishes to structure the Proposed Transaction.

2. **Purchase Price.** The purchase price (the "**Purchase Price**") for the Corporation is expected to be in the range (the "**Price Range**") of between USD$5,000,000 and USD$7,000,000 (subject to adjustment as described below) and will be payable on the Closing Date (as defined below). The Purchase Price assumes that all bank indebtedness, lines of credit, shareholder loans and any other operating or term loans shall be zero on the Closing Date. The foregoing preliminary valuation of the Corporation is subject to the due diligence investigation and review described below.

The Purchase Price will be subject to a post-closing adjustment, if required, based on financial audit, evaluation of debt, conversion or repayment of the convertible notes, assessment of the key employees.

Subject to the exclusion below, all amounts including all principal and interest (not including, for the avoidance of doubt, any repayment premiums on the convertible notes) owing to PHOENIX CONTACT Venture Funds I GmbH by the Corporation as at the Closing Date (the "**Phoenix Debt**") (and only the Phoenix Debt) shall be credited against the Purchase Price payable for the Corporation, *provided, however*, that for the purpose of calculating the amount to be credited against the Purchase Price the Phoenix Debt shall not include any portion of the Phoenix Debt that ranks *pari passu* with other indebtedness of the Corporation and that would not be paid in full from the cash portion of the Purchase Price.

3. **Timing.** Immediately upon signing this letter, the Purchaser and the Corporation will work diligently and in good faith to settle the Definitive Agreement with a view to completing the transaction on or before September 15, 2022 (the "**Closing Date**"). The Purchaser and the Corporation agree that it is in the best interests of all stakeholders of the Corporation that the parties work expeditiously toward completing the transaction on or about the Closing Date in order to cap the amount of bridge financing required by the Corporation. The Purchaser or its Representatives (as defined below) will prepare the first draft of the Definitive Agreement.

4. **Definitive Agreement.** The Definitive Agreement will, except as set out in this letter, be of the type and contain covenants, representations and warranties, terms and conditions typical of a transaction of the nature and size of the Proposed Transaction. Among other things, the closing of the Proposed Transaction will be subject to the following conditions, among others: (i) the Vesting Order has been granted by the Court, in form and substance satisfactory to the Purchaser in its sole discretion, (ii) the Purchaser has completed a due diligence investigation and review of the Corporation and its properties and assets, satisfactory to the Purchaser in its sole and subjective discretion; (iii) any necessary approvals and third party consents to the Proposed Transaction have been obtained or otherwise addressed in the Vesting Order; and (iv) all intellectual property owned or used by the Corporation in the business can be transferred to the Purchaser in accordance with the terms of the Definitive Agreement. The Definitive Agreement will contain: (i) non-competition covenants by certain significant shareholders and certain employees, to be determined during the course of due diligence in favour of the Purchaser; and (ii) a non-solicitation covenant from the Corporation and from certain of its significant shareholders and certain employees in favour of the Purchaser.

5. **Employees.** The Purchaser understands that there are approximately 40 individuals employed by the Corporation. Subject to the outcome of its due diligence review, the Purchaser may offer to employ all employees of the Corporation. All severance and termination costs and expenses relating to any employees who do not accept any offer of employment received from the Purchaser and all other employees of the Corporation who are not offered employment by the Purchaser will be the sole responsibility of the Corporation.

Based on its initial due diligence, the Purchaser will retain all or almost all employees.

6. **Interim Period.** During the period from the signing of this letter through the execution of the Definitive Agreement (the "**Interim Period**"), the Corporation will: (a) conduct its business in the ordinary course in a manner consistent with past practice; (b) maintain its properties and other assets in good working condition (normal wear and tear excepted); (c) use its best efforts to maintain the business and employees, customers, assets and operations as an ongoing concern in accordance with past practice; (d) not enter into any transaction other than any bridge financing (including the proposed bridge debtor-in-possession financing (the "**DIP Facility**")), or in the ordinary course of its business and consistent with past practice on terms which are arms length; and (e) give the Purchaser prompt written notice of any material change in or affecting the business, affairs, operations, assets, liabilities or capital of the Corporation. The Purchaser acknowledges that the Corporation's ability to pay its debts as they come due during the Interim Period is contingent upon obtaining bridge financing (including the DIP Facility) for the Interim Period.

7. **Effect of this Letter.** Sections 1, 2, 3, 4, 5 and 6 of this letter are not intended to and do not constitute a legally binding obligation of the Purchaser to purchase the Corporation. The parties acknowledge and confirm that until the Definitive Agreement is signed, there are no legally binding obligations between the Purchaser and the Corporation relating to the Proposed Transaction, whether set out in this letter or otherwise, except for the obligations set out in Section 6 and Sections 8 through 16 below, which for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, are and shall remain legally binding on the Purchaser and the Corporation, subject to Section 14.

8. **Due Diligence.** Until the earlier of the Closing Date or the date either party provides written notice to the other party terminating negotiations, the Corporation shall give the Purchaser and the agents, directors, officers, employees, consultants, representatives and advisers (the "**Representatives**") of the Purchaser access to, and shall make available to them for inspection and review, the properties and assets of the Corporation and all books of account, audit work papers, business and financial records, leases, agreements and other documents of or relating to the Corporation and its property, assets and liabilities, its properties and assets that the Purchaser or its Representatives reasonably consider to be necessary or advisable. The Corporation shall make the auditor, legal counsel and other Representatives of the Corporation available for consultation and verification of any information so obtained.

9. **Confidentiality.** Except as and to the extent required by law, (a) no party shall disclose or permit its Representatives to disclose any Confidential Information (as defined below) of another party hereto, and (b) no party shall use, or permit its Representatives to use, any Confidential Information of another party hereto other than in connection with its evaluation of the Proposed Transaction. For purposes of this paragraph, "**Confidential Information**" means all information about a party or its subsidiaries or affiliates or their respective businesses, in

whatever form communicated or maintained, that such party (the "**Disclosing Party**") discloses to, or that is gathered by inspection by, another party or any of its Representatives (the "**Receiving Party**"); provided that "**Confidential Information**" does not include any information that (i) is or becomes generally available to the public other than as a result of a disclosure by the Receiving Party in breach of its obligations under this provision, (ii) is or was received by the Receiving Party, on a non confidential basis from a source other than the Disclosing Party if such source is not prohibited by the Disclosing Party from disclosing the information to the Receiving Party, or (iii) was known by the Receiving Party prior to disclosure under this provision and was not subject to any confidentiality obligation on the part of the Receiving Party.

10. **Exclusive Dealing.** The Corporation acknowledges that the due diligence investigation and review contemplated by this letter will involve the expenditure of substantial time and money by the Purchaser. The Corporation shall immediately suspend and cease any negotiations or other discussions or communications of any nature with any other party concerning any Alternative Transaction (as defined below). During the period from the date this letter is signed until the earlier of (i) 90 days from the date this letter is signed, (ii) the date the Definitive Agreement is signed by the parties; or (iii) the commencement of a court-approved sale process in the Proposal Proceeding (the "**Exclusivity Period**"), neither the Corporation nor any of its Representatives or controlling shareholders shall directly or indirectly in any manner (a) entertain, solicit or encourage, (b) furnish or cause to be furnished any information to any persons or entities (other than the Purchaser or its Representatives) in connection with, or (c) negotiate or otherwise pursue, any proposal or discussions for or in connection with any equity or debt investment in the Corporation other than the DIP Facility, or any possible sale of the Corporation, no matter how structured, including without limitation, by sale or license of all or any significant part of the properties and assets of the Corporation, or by any merger or other business combination involving the Corporation or otherwise (each of the foregoing proposals or discussions, whether written or oral, an "**Alternative Transaction**"). The Corporation shall immediately notify the Purchaser in writing of (i) the receipt during the Exclusivity Period of any proposal for an Alternative Transaction or any requests for any information relating to the Corporation or for access to the properties, books or records of the Corporation by any person or entity which has informed the Corporation or any of its Representatives or shareholders that such person or entity is considering making, or has made, a proposal for an Alternative Transaction, and (ii) the terms of any such Alternative Transaction. The Corporation shall be responsible for any breach by its Representatives or controlling shareholders of any of the provisions of this Section 10.

11. **Public Announcement.** Neither the Purchaser nor the Corporation shall make any public announcement concerning the Proposed Transaction or related negotiations without the other party's prior written approval, except as may be required by law or rule of any stock exchange. If such an announcement is required by law or rule of any stock exchange, the party required to make the announcement shall inform the other party of the contents of the announcement proposed to be made and shall use its reasonable efforts to obtain the other

party's approval for the announcement, which approval may not be unreasonably withheld.

12. **Expenses.** Each of the Purchaser and the Corporation shall be responsible for and bear all of its own costs and expenses incurred in connection with the Proposed Transaction, including any broker's or finder's fees and expenses of their respective Representatives, incurred at any time in connection with pursuing or consummating the Proposed Transaction.

13. **Assignment.** Neither party shall assign any of its rights and obligations provided for or referred to in this letter without the prior written consent of the other party.

14. **Termination.** Sections 8, 9, 10, 11, 13 and 15 shall survive termination of this letter. Other than Sections 8, 9, 10, 11, 13 and 15, this letter shall terminate without liability on the earlier of: (i) the date the Definitive Agreement is signed by the parties; (ii) the date following the Exclusivity Period that a party provides written notice to the other party terminating negotiations; and (iii) the date the parties agree in writing to terminate negotiations. For greater certainty, the Purchaser shall be entitled to terminate this letter if the Corporation is assigned into bankruptcy (either voluntarily or involuntarily) or if the proposal trustee appointed in the Proposal Proceeding refuses to proceed with the Proposed Transaction.

15. **Counterparts.** This letter may be signed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

16. **Governing Law.** This letter shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

To confirm the foregoing, please sign below and return to the undersigned.

Yours very truly,

PHOENIX CONTACT GMBH & CO. KG

By: U.M. Böker, 05/08/2022

Name: Marcus Böker
Title: Senior Director M&A

Digital signiert von Leidecker, Ulrich (pblu01)
DN: cn=Leidecker, Ulrich (pblu01)
Datum: 2022.08.05 13:32:43 +02'00'

By:

Name: Ulrich Leidecker
Title: President of the Business Area Industry Management & Automation and

Chief Operating Officer

Confirmed this __3rd ___ day of __August___, 2022.

IS5 COMMUNICATIONS INC.

By:______________________________

Name: Clive Dias
Title: President and CEO

This is Exhibit "N" referred to in the Affidavit of Clive Dias sworn by Clive Dias at the City of Brampton, in the Province of Ontario, before me on August 5, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

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Commissioner for Taking Affidavits (or as may be)

iS5 Communications Inc.
13 Week Cash Flow Projection
As at August 4, 2022

Week Ended		12-Aug-22 **Week 1**	19-Aug-22 **Week 2**	26-Aug-22 **Week 3**	2-Sep-22 **Week 4**	9-Sep-22 **Week 5**	16-Sep-22 **Week 6**	23-Sep-22 **Week 7**	30-Sep-22 **Week 8**	7-Oct-22 **Week 9**	14-Oct-22 **Week 10**	21-Oct-22 **Week 11**	28-Oct-22 **Week 12**	4-Nov-22 **Week 13**	**13 Week Total**
Cash Receipts (USD)															
Collections	*Note 2 & 8*	117,399	19,440	50,307	155,053	49,525	21,404	82,406	53,371	7,910	13,184	266,225	82,487	82,227	1,000,938
HST		-	-	-	-	15,000	-	-	-	-	15,000	-	-	-	30,000
Total Cash Receipts		117,399	19,440	50,307	155,053	64,525	21,404	82,406	53,371	7,910	28,184	266,225	82,487	82,227	1,030,938
Cash Disbursements (USD)															
Operational															
Trade Payables	*Note 3*	(200,000)	(100,000)	(35,000)	(79,000)	(42,000)	(18,000)	(22,000)	(18,000)	(43,000)	(20,000)	(48,000)	(18,000)	(48,000)	(691,000)
Credit Cards and Employee Expense	*Note 3*	-	(3,000)	-	(15,000)	-	-	(3,000)	-	(15,000)	-	(3,000)	-	(5,000)	(44,000)
Channel Partner Commissions		-	(6,000)	-	-	-	-	(6,000)	-	-	-	(6,000)	-	-	(18,000)
Consultants		(5,000)	-	(11,906)	-	(8,000)	-	-	(8,000)	-	-	-	-	(8,000)	(40,906)
Rent		-	-	-	(19,637)	-	-	-	(19,637)	-	-	-	-	(19,637)	(58,912)
Utilities		-	-	(1,912)	(3,498)	-	-	(966)	-	(4,991)	-	(419)	-	(4,991)	(16,777)
Bank Charges		-	-	(1,093)	-	-	-	-	(1,093)	-	-	-	-	-	(2,185)
Office/Communication		-	(1,686)	(121)	(1,953)	-	-	(1,686)	-	(2,074)	-	(1,686)	-	(2,074)	(11,281)
Independent Director		-	-	-	(13,672)	-	-	-	(13,672)	-	-	-	-	-	(27,344)
IT Systems/Software Subscriptions	*Note 4*	(102)	(6,563)	-	(9,889)	(1,102)	-	-	-	(10,889)	(102)	-	-	(10,889)	(39,535)
Payroll	*Note 5*														
Benefits		-	(50)	(15,438)	(4,530)	-	-	(50)	(15,438)	-	-	-	(15,438)	(4,530)	(55,474)
Payroll Canada		(94,938)	(109,375)	-	(109,375)	-	(109,375)	-	(109,375)	-	(109,375)	-	(109,375)	-	(751,188)
Payroll US		-	(15,000)	-	(10,000)	-	(15,000)	-	(10,000)	-	(15,000)	-	(10,000)	(10,000)	(85,000)
Payroll International		-	-	-	(10,000)	-	-	-	(10,000)	-	-	-	-	-	(20,000)
Restructuring Fees	*Note 6*														
Trustee Fees		-	(25,000)	-	-	-	(25,000)	-	-	-	-	(15,000)	-	-	(65,000)
Legal Counsel Fees		-	-	-	-	-	(50,000)	-	-	-	-	(15,000)	-	-	(65,000)
Total Cash Disbursements		(300,039)	(266,675)	(65,469)	(276,554)	(51,102)	(217,375)	(33,702)	(205,215)	(75,954)	(144,477)	(89,105)	(152,813)	(113,121)	(1,991,601)
Net Cash Flow		(182,640)	(247,234)	(15,162)	(121,501)	13,423	(195,971)	48,704	(151,843)	(68,044)	(116,293)	177,119	(70,326)	(30,894)	(960,663)
Opening Cash (USD)		109,718	527,078	279,843	264,681	143,180	156,603	460,632	509,335	357,492	289,448	173,156	350,275	279,949	109,718
Debtor in Possession Financing (USD)	*Note 7*	600,000	-	-		-	500,000	-	-	-	-	-	-	-	1,100,000
Closing Cash (USD)		**527,078**	**279,843**	**264,681**	**143,180**	**156,603**	**460,632**	**509,335**	**357,492**	**289,448**	**173,156**	**350,275**	**279,949**	**249,055**	**249,055**

Disclaimers:

1. This statement of projected cash flow of iS5 Communications Inc. (the "**Company**") is prepared by the debtor in accordance with s.50(6)(a) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on Cash Flow Statement and the assumptions below.
2. The Company has prepared the Cash Flow Statement based on probable and hypothetical assumptions that reflect the Company's planned course of action for the period of August 12, 2022 to November 4, 2022. Management is of the opinion that, as at the date of filing the Cash Flow Statement, the assumptions used to develop the projection represent the most probable set of economic conditions facing the Company and that the assumptions used proved a reasonable basis for and are consistent with the purpose of the Cash Flow Statement.
3. The Cash Flow Statement has been prepared by the Company and has been reviewed by the Proposal Trustee. The Proposal Trustee has not verified or confirmed certain expenses incurred by the Company which are reflected in this Cash Flow Statement.
4. The information contained in the Cash Flow Statement is subject to changing assumptions and/or receipt of new or additional information; actual results may vary. This Cash Flow Statement should not be used for any other purpose than its stated purpose, and creditors are cautioned that the information provided in the cash flow could vary based on changing future circumstances.

Notes:

1. Note that all amount referenced above are in USD.
2. The Collections are based on actual sales, sales projections, related payment terms, and the Company's best estimate on the receipt of such sales.
3. Trade Payables, Credit Cards and Employee Expenses relate to ongoing operations with an adjustment to consider that certain payment terms may change during the Cash Flow Statement period.
4. The IT Systems/Software Subscriptions payments reflect expected payments based on existing contracts for software that is critical to the operations of the Company.
5. Payroll and related payments are based on contractual arrangements in place with the respective employees.
6. Restructuring Fees relate to the fees to be incurred during these Proceedings. These expenses include the Company's counsel, Proposal Trustee fees, and the Trustee's Counsel's fees.
7. The Company plans to utilize Debtor in Possession financing to support operations during the Cash Flow Statement period.

8. The Company has made a SR&ED claim and is anticipating a payment from the Canada Revenue Agency, however the payment has not been included in the above cash flow statement as timing of receipt remains unknown.
9. The Company's cash flow statement does not contemplate the payment of pre-filing unsecured creditors, with the exception of potential Critical Suppliers (as defined). Furthermore, the cash flow statement does not contemplate any ongoing payments to the Company's secured creditors during the Cash Flow Statement period.

August-04-22 **iS5 Communications Inc.** **Grant Thornton Limited**

Per: ______________________
Clive Dias, President

Per: ______________________
Dan Wootton, CIRP, LIT

This is Exhibit "O" referred to in the Affidavit of Clive Dias sworn by Clive Dias at the City of Brampton, in the Province of Ontario, before me on August 5, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Mitch Stephenson

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Commissioner for Taking Affidavits (or as may be)

PHOENIX CONTACT VENTURE FUNDS I GmbH
DEBTOR IN POSSESSION FINANCING TERM SHEET
(the "**Term Sheet**")

August 5, 2022

iS5 Communications Inc.
5895 Ambler Drive
Mississauga, Ontario L4W 5B7

Attention: Clive Dias, President and Chief Executive Officer

Re: Debtor in Possession Financing for iS5 Communications Inc.

We wish to confirm that upon satisfaction of the Conditions Precedent (as defined herein), Phoenix Contact Venture Funds I GmbH (the "**DIP Lender**") is prepared to make available certain debtor-in-possession financing to iS5 Communications Inc. on the terms and conditions set out in this Term Sheet:

1. **BORROWER:** iS5 Communications Inc. (the "**Borrower**").

2. **LOAN AMOUNT:** USD $1,100,000

3. **DIP FACILITY** Non-revolving facility in the maximum aggregate principal amount of USD $1,100,000 (the "**DIP Facility**") approved pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**DIP Order**").

   The DIP Facility shall be available in the aggregate principal amount of USD $1,100,000**,** and shall be used for the purpose of funding working capital requirements in accordance with the cash flow projections (the "**Cash Flow Projections**") approved by the DIP Lender and the Proposal Trustee (defined below) while the Borrower completes a transaction (the "**Transaction**") within a Division I Proposal proceeding (the "**Proposal Proceeding**"), to be commenced by the Borrower under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**").

   The amount and purpose of the DIP Facility may be amended by the Borrower and the Lender in writing and subject to the consent of the Proposal Trustee or order of the Court, including to permit additional Advances (as defined below) by the DIP Lender to the Borrower. The Borrower may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Borrower, except in accordance with the Cash Flow Projections.

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4. **ADVANCES:**

Subject to the Conditions Precedent set out in Section 11 of this Term Sheet and the Borrower being in compliance with the provisions of this Term Sheet, the DIP Facility shall be advanced by the DIP Lender to the Borrower in two advances (each, an “**Advance**” and together, “**Advances**”) of USD $600,000 and USD $500,000.

Each Advance shall be requested by the Borrower in writing and in each case is subject to approval of the Court (each, an “**Advance Request**”).

The first Advance in the amount of USD $600,000 shall be made within two business days after the Conditions Precedent have been satisfied.

Nothing in this Term Sheet creates a legally binding obligation on the DIP Lender to advance any amount under the DIP Facility at any time unless the Borrower is in compliance with the provisions of this Term Sheet.

Any advance shall be funded by wire transfer into an account designated by the Borrower.

5. **INTEREST:**

Interest shall accrue on the DIP Facility at a rate equal to 14% per annum (the **“Interest**”). Interest shall be calculated on the daily outstanding balance owing under the DIP Facility, not in advance, and shall accrue and be paid on the Maturity Date (as defined herein).

6. **RECOVERABLE EXPENSES:**

The Borrower shall pay all reasonable fees and expenses (collectively, the “**Recoverable Expenses**”) incurred by the DIP Lender in connection with the preparation, registration and ongoing administration of this Term Sheet, the DIP Facility, the DIP Order, the DIP Charge (defined below) and with the enforcement of the DIP Lender’s rights and remedies hereunder and thereunder, at law or in equity, including, without limitation all reasonable legal fees and disbursements incurred by the DIP Lender.

For greater certainty, “Recoverable Expenses” shall include all reasonable fees and expenses incurred by the DIP Lender in connection with the Proposal Proceeding and all court attendances in respect thereof. If the DIP Lender has paid any expense for which the DIP Lender is entitled to reimbursement from the Borrower, such expenses shall be added to the DIP Facility and shall accrue interest at the rate set out above. All such fees and expenses and interest thereon shall be secured by the DIP Charge (defined below), whether or not any funds are advanced under the DIP Facility.

7. **COMMITMENT FEE** The Borrower shall pay a commitment fee in the amount of USD **$22,000** (the "**Fee**"), representing **2%** of the total maximum amount available under the DIP Facility, which shall be deemed to be fully earned by the DIP Lender and payable on the date that the Court issues the DIP Order approving the DIP Facility. In the event that the Fee becomes fully earned and payable and is not paid prior to the an Advance, the Borrower hereby irrevocably directs the DIP Lender's solicitor to pay the Fee from the Advance.

8. **SECURITY:** All debts, liabilities and obligations of the Borrower to the DIP Lender under or in connection with the DIP Facility, this Term Sheet and any other documents executed in connection therewith shall be secured by a Court-ordered super-priority charge (the "**DIP Charge**") granted to the DIP Lender in and to all present and future properties, assets, and undertakings of the Borrower, real and personal, tangible and intangible, including all intellectual property owned by the Borrower, whether now owned or hereafter acquired (collectively, the "**Property**"), subject only to:

(a) an administration charge in the maximum aggregate amount of $150,000 subject to the approval of the Proposal Trustee for the payment of the fees and expenses of the Proposal Trustee, counsel to the Borrower and counsel to the Proposal Trustee (the "**Administration Charge**");

(b) a directors' and officers' charge in the maximum aggregate amount of $200,000 subject to approval of the Proposal Trustee to indemnify against liabilities and obligations arising after the commencement of these proceedings, provided such liabilities and obligations did not arise as a result of gross negligence or willful misconduct and to the extent they are not already covered under an existing insurance policy (the "**D&O Charge**"); and

(c) any valid purchase money security interests registered under the *Personal Property Security Act* (Ontario).

9. **MATURITY DATE** Unless otherwise agreed by the DIP Lender, the term of the DIP Facility shall expire and the Borrower shall repay all obligations owing to the DIP Lender under this Term Sheet on the earliest of (the "**Maturity Date**"):

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(a) October 31, 2022;

(b) Closing of a Transaction;

(c) if any Order is made by the Court replacing Grant Thornton Limited as Proposal Trustee;

(d) the date on which the Proposal Proceeding is terminated for any reason, including if the Borrower becomes bankrupt, whether voluntarily or involuntarily; and

(e) the occurrence of an Event of Default (as defined herein).

10. **REPAYMENT:** The aggregate principal amount owing under the DIP Facility plus all accrued and unpaid Interest, Recoverable Expenses and the Fee, shall become immediately due and payable on the Maturity Date. The DIP Facility may be prepaid at any time, without penalty (provided all accrued and unpaid Interest, Recoverable Expenses and the Fee are paid in full). If the Borrower chooses to prepay any amount owing under the DIP Facility, any such payment shall be applied: (i) first, to all accrued and unpaid Interest; (ii) second, to the Fee and all Recoverable Expenses; and (iii) third, to any principal amount outstanding under the DIP Facility.

If the DIP Lender completes a Transaction with the Borrower, the Borrower agrees that all amounts outstanding under the DIP Facility, plus all accrued and unpaid Interest, Recoverable Expenses and the Fee, shall be credited against the amount of the consideration payable by the DIP Lender or its nominee under the Transaction.

11. **CONDITIONS PRECEDENT:** The availability of the Advances under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the DIP Lender in writing (the "**Conditions Precedent**"):

(a) written acceptance of this Term Sheet by the Borrower;

(b) the DIP Lender shall have received and approved the Cash Flow Projections in accordance with the terms of this Term Sheet;

(c) the Borrower shall not use any Scientific Research and Experimental Development (SRED) tax credits received on or after July 14, 2022, to repay any indebtedness or obligations of the Borrower without the prior written consent of the DIP Lender, acting reasonably;

(d) the Court shall have issued the DIP Order, in a form satisfactory to the DIP Lender, in its sole discretion, including:

i. approving this Term Sheet and the DIP Facility;

ii. granting the DIP Charge in favour of the DIP Lender;

iii. authorizing the DIP Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the DIP Charge;

iv. providing that the DIP Charge shall be valid and effective to secure all of the obligations of the Borrower to the DIP Lender hereunder, without the necessity of the making of any registrations or filings and whether or not any other documents have been executed by the Borrower;

v. declaring that the granting of the DIP Charge and all other documents executed and delivered to the DIP Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Charge, do not constitute conduct meriting an oppression remedy, settlement, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial legislation;

vi. provisions restricting the granting of any additional liens or encumbrances on the assets of the Borrower, other than as permitted herein and the DIP Charge; and

vii. provisions providing that the DIP Lender shall be an unaffected creditor in the Proposal Proceeding;

(e) the DIP Lender shall, acting reasonably, be satisfied that the Borrower has complied with and is

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continuing to comply in all material respects with all applicable laws, regulations and policies in relation to its business other than as may be permitted by an Order of the Court in the Proposal Proceeding, provided that the issuance of any such Order does not result in the occurrence of an Event of Default;

(f) the DIP Lender shall have received a written request for an Advance from the Borrower, which shall be executed by an officer on behalf of the Borrower and shall certify, *inter alia*, that the requested Advance is within the maximum amount available under the DIP Facility, is in accordance with the Cash Flow Projections, and that the Borrower is in compliance with the DIP Term Sheet and the DIP Order;

(g) the DIP Order shall not have been vacated, stayed, appealed or amended in a manner not acceptable to the DIP Lender, in its sole discretion;

(h) the Representations and Warranties shall have been restated and reaffirmed by the Borrower; and

(i) no Event of Default has occurred or will occur as a result of the requested Advance.

12. **REPRESENTATIONS AND WARRANTIES**

The Borrower represents and warrants to the DIP Lender, upon which representations and warranties the DIP Lender relies in entering into this Term Sheet and when making each Advance, as follows (the "**Representations and Warranties**"):

(a) The transactions contemplated by this Term Sheet:

i. upon the granting of the DIP Order, are within the powers of the Borrower;

ii. have been duly authorized by all necessary corporate and, if required, shareholder approval of the Borrower;

iii. have been duly executed and delivered by or on behalf of the Borrower;

iv. upon the granting of the DIP Order, constitute legal, valid and binding obligations of the Borrower; and

v. upon the granting of the DIP Order, do not require the consent or approval of,

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registration or filing with, or any other action by, any governmental authority, other than filings which may be made to register or otherwise record the DIP Charge or any security granted to the DIP Lender;

(b) The Borrower has paid, where due, its tax and other obligations, including for payroll, employee source deductions, *Harmonized Sales Tax*, and is not in arrears in respect of these obligations; and

(c) All factual information provided by or on behalf of the Borrower to the DIP Lender for the purposes of or in connection with this Term Sheet or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided.

13. **COVENANTS:**

The Borrower covenants and agrees with the DIP Lender, so long as any amounts are outstanding by the Borrower to the DIP Lender hereunder, to:

(a) use reasonable efforts to keep the DIP Lender apprised on a timely basis of all material developments with respect to the business and affairs of the Borrower;

(b) promptly upon receipt by the Borrower of same, give the DIP Lender a copy of any Notice of Motion or Application to vary, supplement, revoke, terminate or discharge the DIP Order, including (without limitation) any application to the Court for the granting of new or additional security that will or may have priority over the DIP Charge, or otherwise for the variation of the priority of the DIP Charge;

(c) prior to service, provide the DIP Lender with all materials it intends to file in the Proposal Proceeding and provide the DIP Lender and its counsel a reasonable amount of time to review same;

(d) provide the DIP Lender with any additional financial information reasonably requested by the DIP Lender, including any updated Cash Flow Projections;

(e) use the Advances under the DIP Facility for the purposes for which it is being provided, as set out in Section 3 of this Term Sheet, or such other purposes that may be agreed to by the DIP Lender and the Proposal Trustee in writing;

(f) comply with the provisions of the DIP Order and any other court order made in the Proposal Proceeding; provided that if any court order in the Proposal Proceeding contravenes this Term Sheet or any other DIP Facility documentation so as to adversely impact the rights or interests of the DIP Lender in a material manner, the same shall be an Event of Default hereunder;

(g) provide the DIP Lender with prompt written notice of any event that constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant, or other term or condition of this Term Sheet, or of any document executed in connection with this Term Sheet;

(h) conduct all activities in a manner consistent with the Cash Flow Projections;

(i) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;

(j) pay all property taxes and other claims which, under law, may rank prior to or *pari passu* with the DIP Charge due and payable from and after the commencement of the Proposal Proceeding, as and when such amounts are due;

(k) not declare any dividend, or make any other distributions with respect to any shares of the Borrower without the prior written consent of the DIP Lender and the consent of the Proposal Trustee or order of the Court;

(l) not make any payment to any director, officer, investor or related party (except salary and wages in the normal course) without the prior written consent of the DIP Lender and the Proposal Trustee or order of the Court;

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(m) keep the Borrower's assets fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets; and

(n) not, without the prior written consent of the DIP Lender and the consent of the Proposal Trustee or order of the Court, incur any borrowings or other secured indebtedness, obligations or liabilities, other than the DIP Facility, or create or grant any security (other than the Administration Charge, the D&O Charge and the DIP Charge) over any of its Property, whether ranking in priority to or subordinate to the DIP Charge;

(o) not sell, transfer, assign, convey or lease any Property unless agreed to by the DIP Lender and consented to by the Proposal Trustee or order of the Court, it being understood that a primary purpose of these proceedings is to conduct a process to solicit interest in a Transaction; and

(p) not enter into a Transaction unless all amounts outstanding under this Term Sheet will be permanently and indefeasibly repaid upon closing of the Transaction or if the terms of the Transaction have otherwise been approved by the DIP Lender.

14. **INDEMNITY:** The Borrower agrees to indemnify and hold harmless, the DIP Lender and its affiliates and officers, directors, employees, representatives, advisors, solicitors and agents (collectively, the "**Indemnified Persons**") from and against any and all actions, lawsuits, proceedings (including any investigations or inquires), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or asserted against or involve any of the Indemnified Persons as a result of, in connection with or in any way related to the DIP Facility, the proposed or actual use of proceeds of the DIP Facility, this Term Sheet, the Proposal Proceeding, the DIP Order or any other agreements entered into between the DIP Lender and the Borrower with respect to the foregoing. Notwithstanding the foregoing, the Borrower shall have no obligation to indemnify any Indemnified Person against any such loss, liability cost or expense (x) to the extent they are found by a final judgment of a court of competent jurisdiction to arise from the gross negligence, bad faith or willful misconduct of such Indemnified Person, or (y) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or omission on the part of

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the Borrower. The DIP Lender shall not be responsible or liable to the Borrower or any other person for consequential or punitive damages.

15. **EVENTS OF DEFAULT:**

The DIP Facility shall be subject to the following events of default ("**Events of Default**"):

(a) the Borrower's failure to pay any amount due hereunder when due and payable;

(b) any covenant, condition precedent, payment obligation, or other term or condition of the Term Sheet is not complied with or fulfilled to the satisfaction of the DIP Lender, in its sole discretion;

(c) any representation or warranty by the Borrower is incorrect or misleading in any material respect when made;

(d) the seeking or support by the Borrower of any Court order (in the Proposal Proceeding or otherwise) which is adverse or potentially adverse to the interests of the DIP Lender;

(e) the issuance of any court order staying, reversing, vacating or modifying the terms of the DIP Order, the DIP Facility or the DIP Charge without the DIP Lender's consent, which consent may be withheld in the DIP Lender's sole discretion;

(f) the service or filing of a notice of appeal, application for leave to appeal, or an appeal in respect of the DIP Order that is not being diligently contested by the Borrower, provided that if the Borrower is unsuccessful in contesting any such appeal, that shall automatically constitute an Event of Default;

(g) an event occurs that will, in the opinion of the DIP Lender, acting reasonably, materially impair the Borrower's financial condition, operations or ability to perform its obligations under this Term Sheet or any order of the Court;

(h) failure by the Borrower to comply with the DIP Order or any further Order of the Court;

(i) any material adverse change in: (i) the business, operations, or financial condition of the Borrower; (ii) the Property of the Borrower; (iii) the DIP Charge, including its priority; (iv) the ability of the Borrower to perform its obligations under this Term Sheet or to any person under any material contract; (v) the DIP Lender's ability to enforce any of its rights or remedies against the Borrower's property or for the obligations of the Borrower to be satisfied from the realization thereof;

(j) the Borrower becomes bankrupt, or a receiver, interim receiver, receiver and manager or trustee in bankruptcy is appointed in respect of the Borrower or any of its Property;

(k) the acceptance of any Transaction, or the filing of a motion seeking approval of the Court to accept any such Transaction, unless the total indebtedness owing by the Borrower under the DIP Lender is to be permanently and indefeasibly paid in full in cash or other immediately available funds upon completion of the Transaction;

(l) the filing of any proposal to which the DIP Lender does not consent, which consent cannot be unreasonably withheld; and

(m) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter (collectively, a "**Claim**") that is not being diligently contested by the Borrower the purpose of which is to seek or the result of which would be to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of the Borrower under the DIP Facility, the DIP Charge or its priority; (ii) for monetary, injunctive or other relief against the DIP Lender or the Property; or (iii) preventing, hindering or otherwise delaying the exercise by the DIP Lender of any of its rights and remedies hereunder, pursuant to the DIP Order or under applicable law, or the enforcement or realization by the DIP Lender against any of its collateral, provided that if the Borrower is unsuccessful in contesting any such Claim, that shall automatically constitute an Event of Default.

16. **REMEDIES AND ENFORCEMENT**

Upon the occurrence of an Event of Default, the DIP Lender may, in its sole discretion, by way of notice to the Borrower, elect to terminate the DIP Facility and accelerate all amounts outstanding under the DIP Facility. In addition, upon the occurrence of an Event of Default, the DIP Lender may, subject to the DIP Order:

DS

(a) apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manager over the Property, or for the appointment of a trustee in bankruptcy of the Borrower;

(b) exercise the rights and powers of a secured lender pursuant to the *Personal Property Security Act* (Ontario), or any legislation of similar effect; and

(c) exercise all such other rights and remedies available to the DIP Lender under this Term Sheet, the DIP Order, any other order of the Court or applicable law.

No failure or delay on the part of the DIP Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.

17. **DIP LENDER APPROVALS** Any consent, approval, instruction or other expression of the DIP Lender to be delivered in writing may be delivered by any written instrument, including by way of electronic mail, by the DIP Lender, or its counsel, pursuant to the terms hereof.

18. **PROPOSAL TRUSTEE:** The proposal trustee of the Borrower shall be Grant Thornton Limited (the "**Proposal Trustee**").

19. **LEGAL FEES:** The Borrower will be responsible for all of the DIP Lender's reasonable legal fees incurred in respect of the DIP Facility.

20. **FURTHER ASSURANCES:** The Borrower will, at its own expense and promptly on demand by the DIP Lender at any time, do such acts and things and execute and deliver such documents as the DIP Lender may reasonably request to give effect to any other provisions set out hereunder.

21. **ENTIRE AGREEMENT; CONFLICT:** This Term Sheet constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Term Sheet and any of the other documentation that the DIP Lender requires the Borrower to execute, this Term Sheet shall govern.

22. **WAIVERS:** No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing by the DIP Lender and delivered in accordance with the terms of this Term Sheet, and then such waiver shall be effective only in the specific instance and for the specific purpose given.

23. **SEVERABILITY:** Any provision in this Term Sheet which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

24. **ASSIGNMENT:** The Borrower shall not assign this Term Sheet or any of the provisions set out herein without the prior written consent of the DIP Lender, which consent may be unreasonably withheld. The DIP Lender may assign or sell its rights or obligations with respect to this Term Sheet to any person without the prior written consent of the Borrower.

25. **GOVERNING LAW:** The DIP Facility and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

26. **COUNTERPARTS:** This Term Sheet may be executed in any number of counterparts and by facsimile or other electronic transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

27. **ACCEPTANCE** The Borrower agrees that the DIP Lender's services are rendered at the time this Term Sheet is both accepted by the Borrower and approved by the Court. Notwithstanding the foregoing, the Fee shall be payable by the Borrower to the DIP Lender if this Term Sheet is not approved by the Court.

If the terms and conditions set out herein are satisfactory and the Borrower is prepared to seek Court approval of same, kindly acknowledge acceptance by initialling each page and signing below.

This Term Sheet will be open for acceptance by the Borrower until 5:00 p.m. (Eastern Time) on August 5, 2022.

PHOENIX CONTACT VENTURE FUNDS I GMBH

Per: ______________________ c/s
Name: Marcus Böker
Title: Managing Director

I have the authority to bind the Corporation.

BORROWER ACCEPTANCE:

The undersigned hereby acknowledges that it has been advised by the DIP Lender to seek legal advice with respect to this Term Sheet and has done so prior to signing this Term Sheet.

The undersigned hereby accepts and agreed to be bound by the terms and conditions of this Term Sheet, expressly subject to Court approval of same.

Dated this 5th day of August, 2022.

BORROWER:

iS5 COMMUNICATIONS INC.

Per: ________________________________ c/s
Name: Clive Dias
Title: President and CEO

I have the authority to bind the Corporation.

Estate / Court File No.

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF iS5 COMMUNICATIONS INC., OF THE CITY OF MISSISSAUGA IN THE PROVINCE OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
[COMMERCIAL LIST]

Proceedings commenced in Toronto

AFFIDAVIT OF CLIVE DIAS
(Sworn August 5, 2022)

FASKEN MARTINEAU DuMOULIN LLP
333 Bay Street – Suite 2400
Toronto, ON M5H 2T6

Dylan Chochla (LSO#: 62137I)

Tel: 416 868 3425
Email: dchochla@fasken.com

Lawyers for the Moving Party, iS5 Communications Inc.

DocuSign

Certificate Of Completion

Envelope Id: 49E39808D9174550963C4C1B505CF067 | Status: Completed

Subject: Please DocuSign: Affidavit of Clive Dias with Exhibits to be Sworn.PDF

Source Envelope:

Document Pages: 347	Signatures: 17	Envelope Originator:
Certificate Pages: 5	Initials: 0	Toronto 19
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EnvelopeId Stamping: Disabled		Suite 2400
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		IP Address: 199.212.246.104

Record Tracking

Status: Original 8/5/2022 9:46:56 AM	Holder: Toronto 19 TorontoLSS19@fasken.com	Location: DocuSign

Signer Events	Signature	Timestamp
Clive Dias CliveDias@is5com.com Security Level: Email, Account Authentication (None)	DocuSigned by: Clive Dias 9D05738E963341C... Signature Adoption: Pre-selected Style Using IP Address: 99.234.45.249	Sent: 8/5/2022 9:57:43 AM Viewed: 8/5/2022 10:11:29 AM Signed: 8/5/2022 10:13:29 AM
Electronic Record and Signature Disclosure: Accepted: 8/5/2022 10:11:29 AM ID: 002a8d79-413e-4fd7-8af0-def34ccc32fe		
Mitch Stephenson mstephenson@fasken.com Fasken - CA Security Level: Email, Account Authentication (None)	DocuSigned by: Mitch Stephenson BA6E4EF09DF34D5... Signature Adoption: Pre-selected Style Using IP Address: 199.212.238.50	Sent: 8/5/2022 10:13:38 AM Viewed: 8/5/2022 10:13:58 AM Signed: 8/5/2022 10:14:31 AM
Electronic Record and Signature Disclosure: Accepted: 8/5/2022 10:13:58 AM ID: 4dd2fd5e-bfc4-485d-876c-dd3af519c13e		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Carolyn Flanagan cflanagan@fasken.com Fasken - CA Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 8/5/2022 10:14:41 AM

Carbon Copy Events	Status	Timestamp
Mitch Stephenson mstephenson@fasken.com Fasken - CA Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 8/5/2022 10:13:58 AM ID: 4dd2fd5e-bfc4-485d-876c-dd3af519c13e	COPIED	Sent: 8/5/2022 10:14:42 AM

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	8/5/2022 9:57:43 AM
Certified Delivered	Security Checked	8/5/2022 10:13:58 AM
Signing Complete	Security Checked	8/5/2022 10:14:31 AM
Completed	Security Checked	8/5/2022 10:14:42 AM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Fasken (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Fasken:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: Tech@fasken.com

To advise Fasken of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at Tech@fasken.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Fasken

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to Tech@fasken.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Fasken

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to Tech@fasken.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Fasken as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Fasken during the course of your relationship with Fasken.

This is Exhibit "C" referred to in the Affidavit of Clive Dias of the City of Brampton, sworn before me at the City of Toronto, in the Province of Ontario, on November 22, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Daniel Richer

6A252F5966B84F8...

Commissioner for Taking Affidavits (or as may be)

DANIEL RICHER

Court File No. 32-2853708

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N :

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF i**S5 COMMUNICATIONS INC.**

Applicants

CONSENT

Grant Thornton Limited hereby consents to act as Court-Appointed Monitor of the Applicants in this proceeding should such an Initial Order be granted by the Court.

Dated at Toronto, Ontario, this 4th day of November, 2022.

GRANT THORNTON LIMITED

Per: Daniel Wootton

Name: Dan Wootton
Title: Sr. Vice President
I have authority to bind the corporation

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

Court File No. 32-2853708

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF **iS5 COMMUNICATIONS INC.** Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at TORONTO

CONSENT

FASKENS MARTINEAU DUMOULIN LLP
Barristers and Solicitors
333 Bay Street, Suite 2400
Bay Adelaide Centre Box 20
Toronto, ON M5H 2T6

Dylan Chochla (LSO#: 62137I)
dchochla@fasken.com
Tel: 416.868.3425

Lawyers for the Applicants

This is Exhibit “D” referred to in the Affidavit of Clive Dias of the City of Brampton, sworn before me at the City of Toronto, in the Province of Ontario, on November 22, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Daniel Richer

6A252F5966B84F8...

Commissioner for Taking Affidavits (or as may be)

DANIEL RICHER

RESIGNATION OF DIRECTOR

TO: **14544072 CANADA INC.** (the "Corporation")

The undersigned hereby resigns as a director of the Corporation effective as of the date hereof.

DATED the 21st day of November, 2022.

Clive Dias

This is Exhibit “E” referred to in the Affidavit of Clive Dias of the City of Brampton, sworn before me at the City of Toronto, in the Province of Ontario, on November 22, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:
Daniel Richer
6A252F5966B84F8...

Commissioner for Taking Affidavits (or as may be)

DANIEL RICHER

iS5 Communications Inc.
13 Week Cash Flow Projection
As at November 21, 2022

Week Ended		12-Aug-22 Actual	19-Aug-22 Actual	26-Aug-22 Actual	2-Sep-22 Actual	9-Sep-22 Actual	16-Sep-22 Actual	23-Sep-22 Actual	30-Sep-22 Actual	7-Oct-22 Actual
Cash Receipts (USD)										
Collections	*Note 2 & 8*	69,888	84,159	26,506	47,055	56,011	226,678	180,081	12,098	58,881
HST			-	-	-	-	-	-	-	-
SRED/Misc		-	977,581	-	-	-	-	101	-	-
Total Cash Receipts		69,888	1,061,740	26,506	47,055	56,011	226,678	180,182	12,098	58,881
Cash Disbursements (USD)										
Operational										
Trade Payables	*Note 3*	(2,156)	(71,502)	(46,037)	(94,318)	(66,783)	(123,908)	(35,513)	(2,579)	(57,137)
Leases Payable		-	-	(3,471)	(20,897)	(2,525)	-	(1,478)	(10,273)	(10,823)
SVB Principal/Interest		-	-	-	(7,491)	-	(202,175)	-	-	
Credit Cards and Employee Exper	*Note 3*	(1,699)	(4,384)	-	(11,719)	(9,481)	-	(2,344)	(4,406)	(609)
Channel Partner Commissions		-	-	(2,335)	-	-	-	-	(7,364)	
Consultants		-	-	-	(781)	-	-	-	-	
Rent		-	-	-	(6,295)	(19,637)	-	-	-	(19,637)
Utilities		-	-	(1,925)	-	-	-	(1,918)	-	(129)
Bank Charges		(2)	-	-	(525)	(257)	-	-	-	(369)
Office/Communication		-	-	-	-	-	(1,686)	(1,840)	-	
Independent Director		-	-	-	-	-	-	-	-	
IT Systems/Software Subscriptior	*Note 4*	-	-	-	(6,183)	-	-	(874)	-	(6,946)
Payroll	*Note 5*							0		
Benefits		-	-	(12,331)	-	-	-	(12,522)	-	-
Payroll Canada		-	(180,554)	-	(98,904)	-	(98,662)	-	(99,216)	-
Payroll US		-	(20,652)	-	(10,085)	-	(7,239)	-	(12,886)	-
Payroll International		-	-	-	(13,892)	-	-	-	(11,886)	-
Restructuring Fees	*Note 6*									
Trustee Fees		-	(22,379)	(14,649)	-	-	-	-	-	(15,440)
Legal Counsel Fees		-	-	(19,531)	-	-	-	-	-	(74,428)
Total Cash Disbursements		(3,857)	(299,471)	(100,280)	(271,089)	(98,683)	(433,671)	(56,489)	(148,610)	(185,520)
Net Cash Flow		66,031	762,269	(73,774)	(224,035)	(42,672)	(206,992)	123,693	(136,511)	(126,639)
Opening Cash (USD)		204,175	870,206	1,632,475	1,558,701	1,334,666	1,291,995	1,085,002	1,208,696	1,072,184
Debtor in Possession Financing (USD)	*Note 7*	600,000	-	-	-	-	-	-	-	-
Closing Cash (USD)		**870,206**	**1,632,475**	**1,558,701**	**1,334,666**	**1,291,995**	**1,085,002**	**1,208,696**	**1,072,184**	**945,545**

Week Ended	14-Oct-22			21-Oct-22			28-Oct-22			4-Nov-22		
	Week 10	Actual	Variance	Week 11	Actual	Variance	Week 12	Actual	Variance	Week 13	Actual	Variance
Cash Receipts (USD)												
Collections	132,909	229,785	96,876	3,358	88,665	85,307	7,017	9,104	2,087	37,425	54,444	17,019
HST	15,000	-	(15,000)	-	-	-	-	-	-	-	-	-
SRED/Misc	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts	147,909	229,785	81,876	3,358	88,665	85,307	7,017	9,104	2,087	37,425	54,444	17,019
Cash Disbursements (USD)												
Operational												
Trade Payables	(20,000)	(46,375)	(26,375)	(50,000)	(59,208)	(9,208)	(30,000)	(60,986)	(30,986)	(50,000)	(77,602)	(27,602)
Leases Payable	-	-	-	-	(1,478)	(1,478)	(2,000)	(10,176)		(21,000)	(12,098)	8,902
SVB Principal/Interest	-	-	-	-		-		-		-	-	-
Credit Cards and Employee Exper	-	(10,156)	(10,156)	(8,000)	-	8,000	(5,000)	-	5,000	(5,000)	(8,734)	(3,734)
Channel Partner Commissions	-	-	-	(6,000)	-	6,000	-	(38,715)	(38,715)	-		-
Consultants	(16,000)	-	16,000	-	-	-	-	-	-	(8,000)	-	8,000
Rent	-	-	-	-	-	-	-	-	-	(19,637)	(19,637)	-
Utilities	-	-	-	(419)	-	419	-	(2,038)	(2,038)	(4,991)	-	4,991
Bank Charges	(500)	-	500	-	(20)	(20)	(300)	-	300	-	(872)	(872)
Office/Communication	-	-	-	(1,686)	(1,686)	-	-	(1,545)	(1,545)	(2,074)	-	2,074
Independent Director	(13,672)	-	13,672	-	-	-	-	-	-	-	-	-
IT Systems/Software Subscriptior	(102)	-	102	-	-	-	-	(6,946)	(6,946)	(10,889)	-	10,889
Payroll												
Benefits	-	(104)	(104)	-	(12,522)	(12,522)	(15,438)	-	15,438	(4,530)	(2,234)	2,296
Payroll Canada	(99,000)	(100,292)	(1,292)	-	-	-	(99,000)	(100,290)	(1,290)	-	-	-
Payroll US	(8,000)	(7,239)	761	-	-	-	(12,000)	(7,239)	4,761	-	-	-
Payroll International	-	-	-	-	-	-	-	(11,364)	(11,364)	(12,000)	-	12,000
Restructuring Fees												
Trustee Fees	-	-	-	(20,000)	-	20,000	-	(19,646)	(19,646)	(20,000)	-	20,000
Legal Counsel Fees	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Disbursements	(157,274)	(164,167)	(6,893)	(86,105)	(74,914)	11,191	(163,738)	(258,946)	(87,032)	(158,121)	(121,177)	36,944
Net Cash Flow	(9,365)	65,618	74,982	(82,747)	13,751	96,498	(156,721)	(249,842)	(84,945)	(120,696)	(66,733)	53,963
Opening Cash (USD)	965,344	945,545	(19,799)	955,980	1,011,163	55,183	873,232	1,024,914	151,682	716,511	775,072	58,560
Debtor in Possession Financing (USD)	-	-	-	-	-	-	-	-	-	-	-	-
Closing Cash (USD)	**955,980**	**1,011,163**	**55,183**	**873,232**	**1,024,914**	**151,682**	**716,511**	**775,072**	**66,736**	**595,815**	**708,339**	**112,524**

Week Ended	11-Nov-22			18-Nov-22	25-Nov-22	2-Dec-22	9-Dec-22	16-Dec-22	23-Dec-22
	Week 14	Actual	Variance	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20
Cash Receipts (USD)									
Collections	80,604	48,250	(32,354)	57,680	79,000	89,000	58,000	10,000	90,000
HST	-	-	-	-	-	-	-	-	-
SRED/Misc	-	-	-	-	-	-	-	-	-
Total Cash Receipts	80,604	48,250	(32,354)	57,680	79,000	89,000	58,000	10,000	90,000
Cash Disbursements (USD)									
Operational									
Trade Payables	(50,000)	(52,692)	(2,692)	(100,000)	(100,000)	(40,000)	(50,000)	(40,000)	(120,000)
Leases Payable	-	-	-	-	(2,000)	(21,000)	-	-	-
SVB Principal/Interest	-	-	-	-	-	-	-	-	-
Credit Cards and Employee Exper	-	(4,688)	(4,688)	(10,000)	-	(10,000)	-	(10,000)	-
Channel Partner Commissions	-	-	-	-	(6,000)	-	-	-	(6,000)
Consultants	-	(4,805)	(4,805)	(2,000)	-	-	(8,000)	-	-
Rent	-	-	-	-	-	(19,637)	-	-	-
Utilities	-	(232)	(232)	-	-	(4,991)	-	-	-
Bank Charges	(500)	-	500	-	(800)	-	-	(800)	-
Office/Communication	-	-	-	-	(1,686)	-	-	(1,686)	-
Independent Director	-	-	-	-	-	-	-	-	(26,316)
IT Systems/Software Subscriptior	-	-	-	-	-	(7,000)	-	-	-
Payroll									
Benefits		(104)	(104)	-	(12,500)	(2,500)	-	-	
Payroll Canada	(99,000)	(99,677)	(677)	-	(99,000)	-	(99,000)	-	(100,000)
Payroll US	(8,000)	(10,279)	(2,279)	-	(12,000)	-	(8,000)	-	(12,000)
Payroll International	-	-	-	-	-	(12,000)	-	-	-
Restructuring Fees									
Trustee Fees	-	-	-	-	-	-	-	-	-
Legal Counsel Fees	-	-	-	-	-	-	-	-	-
Total Cash Disbursements	(157,500)	(172,477)	(14,977)	(112,000)	(233,986)	(117,128)	(165,000)	(52,486)	(264,316)
Net Cash Flow	(76,896)	(124,226)	(47,330)	(54,320)	(154,986)	(28,128)	(107,000)	(42,486)	(174,316)
Opening Cash (USD)	708,339	708,339	(0)	584,112	529,792	374,806	346,678	239,678	197,192
Debtor in Possession Financing (USD)	-	-	-	-	-	-	-	-	-
Closing Cash (USD)	**631,443**	**584,112**	**(47,331)**	**529,792**	**374,806**	**346,678**	**239,678**	**197,192**	**22,876**

Disclaimers:

1. This statement of projected cash flow of iS5 Communications Inc. (the "**Company**") is prepared by the debtor in accordance with s.50(6)(a) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on Cash Flow Statement and the assumptions below.
2. The Company has prepared the Cash Flow Statement based on probable and hypothetical assumptions that reflect the Company's planned course of action for the period of August 12, 2022 to December 23, 2022.
   Management is of the view that, as at the date of filing the Cash Flow Statement, the assumptions used to develop the projection represent the most probable set of economic conditions facing the Company and that the assumptions used proved a reasonable basis for and are consistent with the purpose of the Cash Flow Statement.
3. The Cash Flow Statement has been prepared by the Company and has been reviewed by the Proposal Trustee. The Proposal Trustee has not verified or confirmed certain expenses incurred by the Company which are reflected in this Cash Flow Statement.
4. The information contained in the Cash Flow Statement is subject to changing assumptions and/or receipt of new or additional information; actual results may vary. This Cash Flow Statement should not be used for any other purpose than its stated purpose, and creditors are cautioned that the information provided in the cash flow could vary based on changing future circumstances.

Notes:

1. Note that all amount referenced above are in USD.
2. The Collections are based on actual sales, sales projections, related payment terms, and the Company's best estimate on the receipt of such sales.
3. Trade Payables, Credit Cards and Employee Expenses relate to ongoing operations with an adjustment to consider that certain payment terms may change during the Cash Flow Statement period.
4. The IT Systems/Software Subscriptions payments reflect expected payments based on existing contracts for software that is critical to the operations of the Company.
5. Payroll and related payments are based on contractual arrangements in place with the respective employees.
6. Restructuring Fees relate to the fees to be incurred during these Proceedings. These expenses include the Company's counsel, Proposal Trustee fees, and the Trustee's Counsel's fees.
7. The Company plans to utilize Debtor in Possession financing to support operations during the Cash Flow Statement period.
8. The Company's cash flow statement does not contemplate the payment of pre-filing unsecured creditors, with the exception of potential Critical Suppliers (as defined).
9. SVB as the secured creditor received a distribution on September 16, 2022, and in turn, the company has decided to maintain payments on its leased assets.

Monday, November 21, 2022

iS5 Communications Inc.

Per:

Clive Dias, President

Grant Thornton Limited

Per: Daniel Wootton

Dan Wootton, CIRP, LIT

Estate No. 32-2853708
Court File No. 32-2853708

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED,
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF iS5 COMMUNICATIONS INC., OF THE CITY OF MISSISSAUGA IN THE PROVINCE OF ONTARIO

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
[COMMERCIAL LIST]

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Estate No. 32-2853708
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ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
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Estate No. 32-2853708
Court File No. 32-2853708

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF iS5 COMMUNICATIONS INC., OF THE CITY OF MISSISSAUGA IN THE PROVINCE OF ONTARIO

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ONTARIO
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