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CHWP000

COMPANIES FORM No. 466(Scot)

Particulars of an instrument of alteration to a floating charge created by a company registered in Scotland

466

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

Please do not write in this margin

Please note that there is no fee associated with the registration of this form.

Pursuant to section 410 and 466 of the Companies Act 1985

Please complete legibly, preferably in black type, or bold block lettering

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

6

SC069706

Name of company

* Checker Leather Limited

** insert full name of company*

Date of creation of the charge (note 1)

14 July 2017

Description of the instrument creating or evidencing the charge or of any ancillary document which has been altered (note 1)

Floating Charge

Names of the persons entitled to the charge

The Bank of Nova Scotia

Short particulars of all the property charged

The whole of the property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the Company.

Presenter's name address and reference (if any):

Banking & Finance CHA/146/1
MacRoberts LLP
Excel House
30 Sempole Street
Edinburgh EH3 8BL

For official use (02/06)

Charge

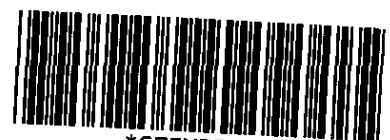
COMPANIES HOUSE
EDINBURGH

05 OCT 2018

FRONT DESK

FRIDAY

Post room



SCT *S7FXIERD*
05/10/2018
COMPANIES HOUSE

#64

Names, and addresses of the persons who have executed the instrument of alteration (note 2)

BDC Capital Inc. (wholly-owned subsidiary of Business Development Bank of Canada), 137 Glasgow Street, Suite 355, Kitchener, Ontario, Canada N2G 4X8 ("BDC")
The Bank of Nova Scotia, 44 Collier Street, Main Floor, Barrie, Ontario, Canada L4M 1G6 (the "Lender")
Medike Branding Solutions Inc, 216 Main Street West, P.O Box 620, Markdale, Canada ON N0C 1H0 (the "Borrower")
Checker Leather Limited, Unit 2 Western Road Industrial Estate, Crathie Road, Kilmarnock, Ayrshire KA3 1LU ("CLL")

*Please do not
write in
this margin*

*Please complete
legibly, preferably
in black type, or
bold block lettering*

Please note that there is no fee associated with the registration of this form

Date(s) of execution of the instrument of alteration

BDC Capital Inc. - 26 and 27 September 2018
The Bank of Nova Scotia - 23 August 2018
Medike Branding Solutions Inc. - 18 September 2018
Checker Leather Limited - 18 September 2018
Date of Delivery - 27 September 2018

A statement of the provisions, if any, imposed by the instrument of alteration prohibiting or restricting the creation by the company of any fixed security or any other floating charge having, priority over, or ranking pari passu with the floating charge

N/A

Short particulars of any property released from the floating charge

N/A

The amount, if any, by which the amount secured by the floating charge has been increased

N/A

*Please do not
write in
this margin*

*Please complete
legibly, preferably
in black type, or
bold block lettering*

Intercreditor Agreement dated 27 September 2018 among BDC, the Lender, the Borrower and CLL (the Agreement")

Clause 2.3 Priority

Each of the parties agree that, subject to the terms of the Agreement:

2.3.1 The BDC Security Interests rank and shall rank, postponed to the Lender Security Interests with respect to the Lender Collateral, to the extent of the Borrower's indebtedness to the Lender under the Lender Credit Agreement, together with all accrued interest thereon and all costs, charges and expenses incurred by the Lender in connection therewith, and

2.3.2 The Lender Security Interests rank and shall rank, postponed to the BDC Security Interests with respect to the BDC Collateral, to the extent of the BDC Debt, together with all accrued interest thereon and all costs, charges and expenses incurred by BDC in connection therewith.

Definitions:

BDC Collateral means all present and after-acquired Intellectual Property and the proceeds thereof.

BDC Debt means all Liabilities which are or may become payable or owing by the Borrower and/or CLL to BDC under the BDC Debt Documents or which are secured by any BDC Security Interest.

BDC Debt Document means any document referred to in Part 1 of Part 1 of the Schedule to the Agreement or any facility or agreement which from time to time evidences Liabilities of the Borrower and/or CLL to BDC and any BDC Security Document.

BDC Security Document means any document referred to in Part 2 of Part 1 of the Schedule to the Agreement and, any document under which Security is taken pursuant thereto and any other document under which Security has been or is created, whether previously, at the date of this Agreement or at any later date, which secures any of the BDC Debt.

BDC Security Interest means any Security in favour of BDC created by a BDC Security Document.

Business Day means a day other than a Saturday, Sunday or public holiday when banks in the City of Toronto, Canada or the City of Glasgow, Scotland are open for business.

Creditors means (1) BDC and (2) the Lender and "Creditor" means either or one of them.

Debt Document means any BDC Debt Document and any Lender Debt Document.

Intellectual Property means all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of CLL.

Lender Credit Agreement means the credit agreement between the Lender and the Borrower dated June 13, 2018.

Lender Collateral means all present and after-acquired personal property of CLL, and the proceeds thereof, other than the Intellectual Property and the proceeds thereof.

Lender Debt means all Liabilities which are or may become payable or owing by the Borrower and/or CLL to the Lender under the Lender Debt Documents or which are secured by any Lender Security Interest.

Lender Debt Document means any document referred to in Part 1 of Part 2 of the Schedule to the Agreement or any facility or agreement which from time to time evidences Liabilities of the Borrower and/or CLL to the Lender and any Lender Security Document.

Lender Security Document means any document referred to in Part 2 of Part 2 of the Schedule to the Agreement and any document under which Security is taken pursuant thereto and any other document under which Security is created, whether at the date of this Agreement or at any later date, which secures any of the Lender Debt and is permitted to be taken pursuant to this Agreement.

Lender Security Interests means any Security in favour of the Lender created by a Lender Security Document.

Liabilities means all present or future monies, obligations or liabilities, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity.

Priority Agreement means the Ontario (Canada) priority agreement dated 12 July 2018 between, among others, BDC, the Lender and the Borrower.

Please note that there is no fee associated with the registration of this form.

Receiver means a receiver, receiver and manager or administrative receiver appointed by either Creditor pursuant to the provisions of the Security Documents.

Schedule means the Schedule to the Agreement in two parts.

Security means any mortgage, charge (whether fixed or floating, legal or equitable), standard security, assignation in security, pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

Security Document means any BDC Security Document and any Lender Security Document.

BDC Debt Documents

1. Letter of offer dated 18 June 2018 granted by BDC to the Borrower, pursuant to which BDC offers to make available / has made available credit facilities to the Borrower.
2. An unlimited guarantee dated on or around the date of this Agreement by CLL in favour of BDC in respect of the liability and indebtedness of the Borrower.

BDC Security Documents

Floating Charge created on or around the date of this Agreement by CLL in favour of BDC and to be registered with the Registrar of Companies.

Lender Debt Documents

A Commitment Letter dated June 5 2017 between the Borrower and the Lender pursuant to which the Lender will make available/has made available credit facilities to the Borrower.

The Lender Credit Agreement

An unlimited guarantee dated 14 July 2017 by CLL in favour of the Lender in respect of the liability and indebtedness of the Borrower.

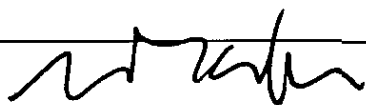
Lender Security Documents

Floating Charge by CLL in favour of the Lender created on 14 July 2017 and registered with the Register of Companies on 25 July 2017.

Please complete
legibly, preferably
in black type, or
bold block lettering

A fee is payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

Signed



Date

5/10/18

On behalf of ~~[company]~~ [chargee]

for and on behalf
of MacRobert LLP

Notes

1. A description of the instrument e.g. "Instrument of Charge" "Debenture" etc as the case may be, should be given. For the date of creation of a charge see section 410(5) of the Companies Act.
2. In accordance with section 466(1) the instrument of alteration should be executed by the company, the holder of the charge and the holder of any other charge (including a fixed security) which would be adversely affected by the alteration.
3. A certified copy of the instrument of alteration, together with this form with the prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of execution of that instrument.
4. A certified copy must be signed by or on behalf of the person giving the certification and where this is a body corporate it must be signed by an officer of that body.
5. A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders are to be made payable to **Companies House**.
6. The address of the Registrar of Companies is: Companies Registration Office, 139 Fountainbridge, Edinburgh EH3 9FF DX 235 Edinburgh or LP - 4 Edinburgh 2

☐ delete as
appropriate

EXECUTION

EDINBURGH 5/10/18
CERTIFIED A TRUE COPY

H Ward

MACROBERTS

INTERCREDITOR AGREEMENT

among

(1) BDC CAPITAL INC.

(2) THE BANK OF NOVA SCOTIA

(3) MEDIKE BRANDING SOLUTIONS INC

and

(4) CHECKER LEATHER LIMITED

MACROBERTS

LLP



FILE COPY

**CERTIFICATE OF THE REGISTRATION
OF AN ALTERATION TO A FLOATING CHARGE**

COMPANY NO. 69706
CHARGE CODE SC06 9706 0006

I HEREBY CERTIFY THAT PARTICULARS OF AN INSTRUMENT
OF ALTERATION DATED 27 SEPTEMBER 2018 WERE
DELIVERED PURSUANT TO SECTION 466 OF THE COMPANIES
ACT 1985
ON 5 OCTOBER 2018

THE INSTRUMENT RELATES TO A CHARGE CREATED ON 14
JULY 2017

BY CHECKER LEATHER LIMITED

IN FAVOUR OF
THE BANK OF NOVA SCOTIA

GIVEN AT COMPANIES HOUSE, EDINBURGH 8 OCTOBER 2018



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

FOR THE PURPOSES OF THE LEGAL WRITINGS (COUNTERPARTS AND DELIVERY)
(SCOTLAND) ACT 2015, THIS INTERCREDITOR AGREEMENT IS DELIVERED ON ~~AUGUST~~
27 SEPTEMBER **2018**

THIS AGREEMENT IS

among

- (1) **BDC CAPITAL INC.**, a wholly-owned subsidiary of **BUSINESS DEVELOPMENT BANK OF CANADA**, with a business centre at 137 Glasgow Street, Suite 355, Kitchener, Ontario N2G 4X8 ("**BDC**");
- (2) **THE BANK OF NOVA SCOTIA**, having a Commercial Banking Office at 44 Collier Street, Main Floor, Barrie, Ontario, Canada L4M 1G6 (the "**Lender**").
- (3) **MEDIKE BRANDING SOLUTIONS INC.**, a company incorporated under the laws of Canada, having its registered office at 216 Main Street West, P.O. Box 620, Markdale, ON N0C 1H0, Canada; (the "**Borrower**"); and
- (4) **CHECKER LEATHER LIMITED** (Company Number SC069706), having its registered office at Unit 2 Western Road Industrial Estate, Crathie Road, Kilmarnock, Ayrshire, KA3 1LU ("**CLL**").

WHEREAS:

- A BDC has provided the BDC Debt to the Borrower, and CLL has entered into, or will enter into the BDC Security Documents to secure the BDC Debt;
- B The Lender has provided, the Lender Debt to the Borrower and CLL have entered into the Lender Security Documents to secure the Lender Debt;
- C BDC and the Lender have agreed that the priority of the BDC Security Interests and the Lender Security Interests, for the BDC Debt and the Lender Debt respectively shall be as set out in this Agreement; and
- D The Borrower and CLL have agreed to enter into this Agreement to acknowledge its terms and to give certain covenants to the Creditors.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

BDC Collateral means all present and after-acquired Intellectual Property and the proceeds thereof;

BDC Debt means all Liabilities which are or may become payable or owing by the Borrower and/or CLL to BDC under the BDC Debt Documents or which are secured by any BDC Security Interest.

BDC Debt Document means any document referred to in Part 1 of Part 1 of the Schedule or any facility or agreement which from time to time evidences Liabilities of the Borrower and/or CLL to BDC and any BDC Security Document.

BDC Security Document means any document referred to in Part 2 of Part 1 of the Schedule and, any document under which Security is taken pursuant thereto and any other document under which Security has been or is created, whether previously, at the date of this Agreement or at any later date, which secures any of the BDC Debt.

BDC Security Interest means any Security in favour of BDC created by a BDC Security Document.

Business Day means a day other than a Saturday, Sunday or public holiday when banks in the City of Toronto, Canada or the City of Glasgow, Scotland are open for business.

Creditors means (1) BDC and (2) the Lender and “**Creditor**” means either or one of them.

Debt Document means any BDC Debt Document and any Lender Debt Document.

Intellectual Property means all patents, trade-marks, copyrights, industrial designs, plant breeder’s rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of CLL;

Lender Credit Agreement means the credit agreement between the Lender and the Borrower dated June 13, 2018;

Lender Collateral means all present and after-acquired personal property of CLL, and the proceeds thereof, other than the Intellectual Property and the proceeds thereof;

Lender Debt means all Liabilities which are or may become payable or owing by the Borrower and/or CLL to the Lender under the Lender Debt Documents or which are secured by any Lender Security Interest.

Lender Debt Document means any document referred to in Part 1 of Part 2 of the Schedule or any facility or agreement which from time to time evidences Liabilities of the Borrower and/or CLL to the Lender and any Lender Security Document.

Lender Security Document means any document referred to in Part 2 of Part 2 of the Schedule and any document under which Security is taken pursuant thereto and any other document under which Security is created, whether at the date of this Agreement or at any later date, which secures any of the Lender Debt and is permitted to be taken pursuant to this Agreement.

Lender Security Interests means any Security in favour of the Lender created by a Lender Security Document.

Liabilities means all present or future monies, obligations or liabilities, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity.

Priority Agreement means the Ontario (Canada) priority agreement dated 12 July 2018 between, among others, BDC, the Lender and the Borrower.

Receiver means a receiver, receiver and manager or administrative receiver appointed by either Creditor pursuant to the provisions of the Security Documents.

Schedule means the Schedule to this Agreement in two parts.

Security means any mortgage, charge (whether fixed or floating, legal or equitable), standard security, assignation in security, pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

Security Document means any BDC Security Document and any Lender Security Document.

1.2 Interpretation

1.2.1 clause and Schedule headings shall not affect the interpretation of this Agreement;

- 1.2.2 a reference to a person shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.3 a reference to a holding company or subsidiary (as the case may be) means a holding company or subsidiary as defined in section 1159 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee) by way of security or in connection with the taking of security; or (b) its nominee. In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Companies Act 2006 shall be amended so that: (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights;
- 1.2.4 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.5 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.6 a reference to a party shall include that party's successors, permitted assigns and permitted transferees;
- 1.2.7 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.8 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.9 a reference to writing or written includes fax but not e-mail;
- 1.2.10 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.11 a reference to this Agreement (or any provision of it) or to any other agreement or document referred to in this Agreement is a reference to this Agreement, that provision or such other agreement or document as amended, restated, modified or supplemented (in each case, other than in breach of the provisions of this Agreement) from time to time;
- 1.2.12 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this Agreement;
- 1.2.13 any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.2.14 a reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- 1.2.15 a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.16 a reference to "parties" means the parties to this Agreement;

- 1.2.17 a reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution; and
- 1.2.18 a reference to a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 Schedule

The Schedule forms part of this Agreement and shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes the Schedule.

1.4 Priority Agreement

In so far as applicable and permitted by law, the whole terms, undertakings, obligations, powers, rights and provisions of and contained in the Priority Agreement shall be deemed to form part of this Agreement and incorporated herein mutatis mutandis and shall be in addition to the terms specified herein. In the event of and to the extent of any conflict between the terms of the Priority Agreement and the terms of this Agreement, the terms of the Priority Agreement shall prevail.

2. PRIORITY OF SECURITY

2.1 BDC consent to Lender Security Interests

BDC:

- 2.1.1 consents to the creation or subsistence (as appropriate) of the Lender Security Interests; and
- 2.1.2 confirms that the creation or subsistence of the Lender Security Interests does not constitute a default under any of the BDC Debt Documents.

2.2 Lender consent to BDC Security Interests

The Lender:

- 2.2.1 consents to the creation or subsistence (as appropriate) of the BDC Security Interests; and
- 2.2.2 confirms that the creation or subsistence of the BDC Security Interests does not constitute a default under any of the Lender Debt Documents.

2.3 Priority

Each of the parties agree that, subject to the terms and conditions of this Agreement:

- 2.3.1 The BDC Security Interests rank and shall rank, postponed to the Lender Security Interests with respect to the Lender Collateral, to the extent of the Borrower's indebtedness to the Lender under the Lender Credit Agreement, together with all accrued interest thereon and all costs, charges and expenses incurred by the Lender in connection therewith; and
- 2.3.2 The Lender Security Interests rank and shall rank, postponed to the BDC Security Interests with respect to the BDC Collateral, to the extent of the BDC Debt, together with all accrued interest thereon and all costs, charges and expenses incurred by BDC in connection therewith.

2.4 Continuing status of security

Nothing in this Agreement shall affect the status of the Security Documents as continuing security, nor shall the ranking of the Security specified in clause 2.3 be affected by any act, omission, transaction, limitation, matter, thing or circumstance whatsoever which but for this

provision might operate to affect the relative priorities of the Security constituted by the Security Documents.

2.5 No challenge to security

No party shall challenge or question:

- 2.5.1 the validity or enforceability of any Security constituted by a Security Document;
- 2.5.2 the nature of any Security constituted by a Security Document; or
- 2.5.3 without prejudice to the generality of the foregoing, whether any Security constituted by a Security Document is fixed or floating.

3. PRESERVATION OF RIGHTS

3.1 Rights and remedies not prejudiced

Nothing in this Agreement shall as between the Borrower, CLL and a Creditor affect or prejudice any rights or remedies of a Creditor under its Security Documents.

3.2 No waiver

No delay in exercising rights and remedies in respect of the BDC Debt or the Lender Debt because of any term of this Agreement postponing, restricting or preventing such exercise shall operate as a waiver of any of those rights and remedies.

3.3 BDC Debt remains due and payable

The BDC Debt shall remain owing, or due and payable, from the Borrower and/or CLL, and interest and default interest will accrue on missed payments in accordance with the terms of the BDC Debt Documents, despite any term of this Agreement that might postpone, subordinate or prevent payment of the BDC Debt.

4. ENFORCEMENT

- 4.1 The Lender and BDC may enforce the Lender Security Interests and the BDC Security Interests in the manner provided for in the Priority Agreement.

5. APPLICATION OF ENFORCEMENT PROCEEDS

Any proceeds received by CLL or by BDC or the Lender in respect of the collateral charged by the BDC Security Documents or the Lender Security Documents shall applied in accordance with the provisions of the Priority Agreement.

6. PERMITTED PAYMENTS

- 6.1 Payments in relation to the Lender Debt and/or the BDC Debt shall be made in accordance with the Priority Agreement.

7. RESTRICTIONS ON ASSIGNMENTS

BDC and the Lender each agree that it will not transfer or assign any of its rights, or transfer any of their rights or obligations under this Agreement or any Debt Document without first obtaining from the proposed assignee or transferee an agreement to be bound by the provisions of this Agreement.

8. ACKNOWLEDGEMENTS OF CLL AND THE BORROWER

8.1 Acknowledgment and consent

The Borrower and CLL acknowledge the terms of this Agreement and consent to the Creditors communicating with each other about the affairs of the Borrower and CLL for the purposes of this Agreement.

8.2 No reliance by Borrower or CLL

The Borrower and CLL further acknowledges that none of the provisions entered into by the Creditors in this Agreement are for the benefit of the Borrower or CLL, nor may they be enforced or relied on by the Borrower or CLL.

9. AMENDMENTS, WAIVERS AND CONSENTS

9.1 Amendments

No amendment of this Agreement shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

9.2 Waivers and consents

9.2.1 A waiver of any right or remedy under this Agreement or by law, or any consent given under this Agreement, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

9.2.2 A failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Agreement. No single or partial exercise of any right or remedy provided under this Agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Agreement by a Creditor shall be effective unless it is in writing.

9.3 Rights and remedies

The rights and remedies provided under this Agreement are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

10. SEVERANCE

10.1 Severance

If any provision (or part of a provision) of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this Agreement.

11. COUNTERPARTS

11.1 Counterparts

11.1.1 This Agreement may be executed in any number of counterparts, and by the parties hereto on separate counterparts

11.1.2 Where this Agreement has been executed in counterpart, this Agreement shall not take effect until all of the counterparts have been delivered in accordance with the Legal Writings (Counterparts and Delivery) (Scotland) Act 2015 (the "Counterparts Act").

11.1.3 The parties hereto may choose to evidence the date of delivery of this Agreement by inserting such date on the cover page and at the top of the front page of this Agreement.

11.1.4 The parties hereto, in accordance with Section 2(1) of the Counterparts Act, nominate MacRoberts LLP to take delivery of all counterparts of this Agreement. The parties hereto agree that the provisions of Section 2(3) of the Counterparts Act shall not apply to any counterpart of this Agreement.

12. NOTICES

12.1 Delivery

Any notice or other communication given to a party under or in connection with this Agreement shall be:

12.1.1 in writing;

12.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and

12.1.3 sent to:

- (a) BDC Capital Inc. at:
137 Glasgow Street, Suite 355
FAO: Managing Director, Growth & Transition Capital
- (b) CLL:
Unit 2 Western Road Industrial Estate,
Crathie Road
Kilmarnock
Ayrshire
KA3 1LU
FAO:
- (c) The Lender:
Commercial Banking Office
44 Collier Street, Main Floor
Barrie, Ontario L4M 1G6

or to any other address or fax number as is notified in writing by one party to the others from time to time.

12.2 Receipt by CLL

Any notice or other communication that the Lender and/or BDC give to the Borrower and/or CLL, or the Lender and/or BDC give to another party shall be deemed to have been received:

12.2.1 if delivered by hand, at the time it is left at the relevant address;

12.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and

12.2.3 if sent by fax, when received in legible form.

A notice or other communication given as described in clause 12.2.1 or clause 12.2.3 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

12.3 Receipt by Lender

Any notice or other communication given to the Lender and/or BDC by the Borrower and/or CLL shall be deemed to have been received only on actual receipt.

12.4 Service of proceedings

This clause 12 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

12.5 No notice by e-mail

A notice or other communication given under or in connection with this Agreement is not valid if sent by e-mail.

13. GOVERNING LAW AND JURISDICTION

13.1 Governing law

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with Scots law.

13.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of Scotland shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Creditors to take proceedings against CLL in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

13.3 Other service

CLL irrevocably consents to any process in any legal action or proceedings under clause 12.2 being served on it in accordance with the provisions of this Agreement relating to service of notices. Nothing contained in this Agreement shall affect the right to serve process in any other manner permitted by law.

IN WITNESS WHEREOF these presents consisting of this and the preceding eight pages with the Schedule annexed hereto are executed as follows and are delivered for the purposes of the Legal Writings (Counterparts and Delivery) (Scotland) Act 2015 on the date specified on page 1 of this Intercreditor Agreement:

SUBSCRIBED FOR AND ON BEHALF OF by)
BDC CAPITAL INC.)

At (place of signing): *London, ONT*

On (date of signing): *Sept 27, 2018*

acting by its duly appointed attorney,
, in the presence of:

Witness' Signature:

[Signature]

Witness' Name:

Duncan Robinson

Witness' Address:

*137 Glasgow Street
Kitchener, ON*

[Signature]
.....
Authorised Signatory

Scott Lewis
Managing Director
Growth & Transition Capital

SUBSCRIBED FOR AND ON BEHALF OF by)
BDC CAPITAL INC.)

At (place of signing): *Kitchener, ON*

On (date of signing): *Sept 26/18*

acting by its duly appointed attorney,
, in the presence of:

Witness' Signature:

[Signature]

Witness' Name:

WESLEY HAVCK

Witness' Address:

*137 Glasgow St.
Kitchener, ON*

[Signature]
.....
Authorised Signatory
Mark Lunick
Director, Growth & Transition Capital
BDC Capital

SUBSCRIBED FOR AND ON BEHALF OF)
MEDIKE BRANDING SOLUTIONS INC.)

At (place of signing): Toronto, Ontario, Canada

On (date of signing): September 18, 2018

acting by

in the presence of:)

Witness' Signature: 

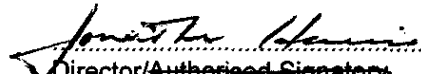
Witness' Name:

Linda Pieterse

Witness' Address:

110 Crescent Road

Toronto, Ontario, Canada M4W 1T5


 Director/Authorised Signatory
 Jonathan Harris

SUBSCRIBED FOR AND ON BEHALF OF)
CHECKER LEATHER LIMITED)

At (place of signing): Toronto, Ontario, Canada

On (date of signing): September 18, 2018

acting by

in the presence of:)

Witness' Signature: 

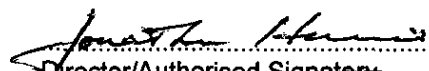
Witness' Name:

Linda Pieterse

Witness' Address:

110 Crescent Road

Toronto, Ontario, Canada M4W 1T5


 Director/Authorised Signatory
 Jonathan Harris

SUBSCRIBED FOR AND ON BEHALF OF)
 THE BANK OF NOVA SCOTIA)

At (place of signing): 44 Collier St. Barrington

On (date of signing): August 23, 2018

acting by Aaron Hall

in the presence of:)



Director/Authorised Signatory

Witness' Signature:



Witness' Name:

Marina Prole

Witness' Address:

44 Collier St. Barrington

**THIS IS THE SCHEDULE REFERRED TO IN THE FOREGOING INTERCREDITOR AGREEMENT
BETWEEN BDC CAPITAL INC, THE BANK OF NOVA SCOTIA, MEDIKE BRANDING SOLUTIONS
INC AND CHECKER LEATHER LIMITED**

SCHEDULE PART 1: BDC DOCUMENTS

Part 1 –

BDC Debt Documents

Letter of offer dated 18 June 2018 granted by BDC to the Borrower, pursuant to which BDC offers to *make available / has made available credit facilities to the Borrower.*

An unlimited guarantee dated on or around the date of this Agreement by CLL in favour of BDC in respect of the liability and indebtedness of the Borrower.

Part 2

BDC Security Documents

Floating Charge created on or around the date of this Agreement by CLL in favour of BDC and to be registered with the Registrar of Companies.

SCHEDULE PART 2– LENDER DOCUMENTS

Part 1

Lender Debt Documents

A Commitment Letter dated June 5 2017 between the Borrower and the Lender pursuant to which the Lender will make available / has made available credit facilities to the Borrower.

The Lender Credit Agreement

An unlimited guarantee dated 14 July 2017 by CLL in favour of the Lender in respect of the liability and indebtedness of the Borrower.

Part 2

Lender Security Documents

Floating Charge by CLL in favour of the Lender created on 14 July 2017 and registered with the Registrar of Companies on 25 July 2017.