

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

BETWEEN:

**HUK 10 LIMITED**

Applicant

- and -

**HMV CANADA INC.**

Respondent

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended**

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**APPLICATION RECORD  
(Returnable January 27, 2017)**

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**HMV CANADA INC.**

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**(Updated as of January 25, 2017)**

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**HMV CANADA INC.**

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# INDEX

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

B E T W E E N:

**HUK 10 LIMITED**

Applicant

- and -

**HMV CANADA INC.**

Respondent

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended**

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# **TAB 1**



Court File No. CV-17- 11674 -00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

BETWEEN:

**HUK 10 LIMITED**

Applicant

- and -

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Respondent

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended**

**NOTICE OF APPLICATION**

**TO THE RESPONDENTS:**

**A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU** by the Applicant. The claim made by the Applicant is set out on the following page.

**THIS APPLICATION** will come on for a hearing before the Honourable Regional Senior Justice Morawetz **at 8:30 a.m. on Friday January 27, 2017**, or as soon thereafter as the application can be heard, at the Courthouse located at 330 University Avenue, Toronto, Ontario.

**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 not later than 2 p.m. on the day 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: January 25, 2017

Issued by: \_\_\_\_\_

  
Local Registrar

Address of Court office: 7th Floor  
330 University Avenue  
Toronto, Ontario M5G 1E6

**TO: THIS HONOURABLE COURT**

**AND TO: THE SERVICE LIST**

## APPLICATION

### 1. THE APPLICANT, HUK 10 LIMITED, MAKES AN APPLICATION FOR:

- (a) an Order abridging the time for the service of this Notice of Application and the materials filed in support thereof and declaring that this motion is properly returnable on Friday January 27, 2017;
- (b) an Order (the “**Appointment Order**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”), appointing Richter Advisory Group Inc. (“**Richter**”) as receiver and manager (in that capacity, the “**Receiver**”) over all properties, assets and undertakings of HMV Canada Inc. (the “**Debtor**”);
- (c) an Order (the “**Agency Agreement Approval Order**”): (i) ratifying and approving the execution by the Debtor and by Richter as proposed Receiver of an agency agreement dated January 25, 2017 (the “**Agency Agreement**”) with Gordon Brothers Canada ULC and Merchant Retail Solutions ULC (together, the “**Agent**”) in respect of the sale of the Debtors merchandise and owned furniture, fixtures and equipment by the Agent (the “**Sale**”) and approving the Agency Agreement generally, (ii) approving the sale guidelines to be implemented by the Debtor and the Agent in conducting the sale of the Debtor’s Property, including but not limited to, remaining inventory, owned furniture, fixtures, equipment and other assets (the “**Sale Guidelines**”) in respect of the conduct of the Sale by the Agent, and (iii) granting the Agent a charge (the “**Agent’s Charge**”) over substantially all of the Property of the Debtor as security for the obligations of the Debtor under the Agency Agreement;

substantially the forms of the draft Orders included in the Application Record; and

- (d) such further and other relief as this Court deems just and equitable.

### 2. THE GROUNDS FOR THE APPLICATION ARE:

- (a) the Debtor is an Ontario corporation incorporated pursuant to the *Business Corporations Act* (Ontario), and carries on business from approximately 102 leased retail store locations across Canada and from its head office location in Toronto, Ontario and two logistic centres located in Mississauga, Ontario;
- (b) the Debtor is indebted to HUK 10 in the amount of CDN\$38,961,468, inclusive of interest, as at January 24, 2017, plus interest accruing at applicable rates and all costs (the “**Indebtedness**”), which HUK 10 is entitled to under the terms of the HUK 10 Loan Agreement, the HUK 10 Guarantee, the Consolidation Agreement (the “**Loan and Security Documents**”) all as more particularly described in the Affidavit of Christopher Emmott filed herein;
- (c) the Debtor is in default of its obligations to HUK 10 under the Loan and Security Documents. In particular, HUK 10 has received no cash payments from the Debtor on account of the Indebtedness since November 2014 and the Debtor has suffered a material adverse change in its financial condition and operations and is facing significant and immediate liquidity issues;
- (d) the Debtor’s current financial circumstances, including the substantial deterioration in the quantum of the Debtor’s revenue and the steady decline of the Debtor’s cash flow over the past two fiscal years, has resulted in little to no working capital being available to the Debtor;
- (e) the Debtor’s inventory is significantly depleted with no viable alternative supply arrangement to replenish its stock;
- (f) HUK 10 provided the Debtor with a period of forbearance from mid December 2016 until January 20, 2017 in order to provide the Debtor with the opportunity to attempt to secure the support of the major music labels and media studios from whom the Debtor purchases inventory (collectively, the “**Major Suppliers**”) to support its business for at least 2017 on terms acceptable to HUK 10. Despite *bona fide* efforts on all sides, the Debtor has been unable to reach terms that were mutually acceptable with HMV and the Major Suppliers;

- (g) for the foregoing reasons HUK 10 is no longer prepared to support the Debtor and its business operations as HUK 10's collateral continues to erode, thereby significantly impairing HUK 10's ability to recover the Indebtedness;
- (h) the appointment of the Receiver will allow for the management and monitoring of the Debtor's cash flow and cash management system as well as oversight of the sale of the Debtor's Property as contemplated by the terms of the Agency Agreement;
- (i) HUK 10 believes that there is no further viable business for the Debtor to carry on as a going concern. As such, HUK 10 is of the view that the option which presents the best recovery for all stakeholders is to enter into the Agency Agreement and work with the Debtor, the Receiver and the Agent to conduct a sale of the Debtor's Property in the most effective and orderly manner and under the Court's supervision;
- (j) the Sale Guidelines being proposed are informed by the Sale Guidelines previously approved by this Honourable Court in recent large-scale retail insolvency proceedings;
- (k) on January 25, 2017, and with the prior consent of Bank of Montreal, HUK 10 made demand upon the Debtor for repayment of the Indebtedness, and delivered a Notice of Intention to Enforce Security pursuant to Section 244 of the BIA. On January 2X, the Debtor executed a waiver of the 10 day notice period under section 244 of the BIA and consented to the immediate enforcement of the Loan and Security Documents by HUK 10;
- (l) the appointment of the Receiver is just and convenient in these circumstances;
- (m) Richter has consented to act as Receiver;
- (n) the provisions of the BIA, including section 243;
- (o) section 101 of the CJA;

- (p) Rules 1.04, 2.01, 3.02, 16.08 and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194; and
- (q) 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 Affidavit of Christopher Emmott sworn January 25, 2017 and the Exhibits thereto;
- (b) The pre-appointment Report of Richter as proposed receiver dated January 26, 2017 and the Appendices thereto;
- (c) the Consent of Richter to act as Receiver; and
- (d) such further and other material as counsel may advise and this Court may permit.

January 25, 2017

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HUK 10 Limited

Court File No. *Cv-17-11674-000*

**HUK 10 LIMITED**

- and -  
Applicant **HMV CANADA INC.**  
Respondent

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

PROCEEDINGS COMMENCED AT TORONTO

**NOTICE OF APPLICATION**

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HUK 10 Limited

# **TAB 2**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

BETWEEN:

**HUK 10 LIMITED**

Applicant

- and -

**HMV CANADA INC.**

Respondent

**APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended**

**AFFIDAVIT OF CHRISTOPHER EMMOTT  
(Sworn January 25, 2017)**

I, **CHRISTOPHER EMMOTT**, of the City of London, in the United Kingdom, **MAKE**

**OATH AND SAY:**

1. I am a Director of the Applicant, HUK 10 Limited (“**HUK 10**”), and, as such, I have knowledge of the matters deposed to in this affidavit. Where the information set out in this affidavit is based upon information which I have received from others, I have stated the source of that information and believe it to be true.

**PURPOSE**

2. This affidavit is sworn in support of an application by HUK 10 for, among other things:

- (a) an Appointment Order (the “**Appointment Order**”) appointing Richter Advisory Group Inc. (“**Richter**”) as the receiver (in such capacity, the “**Receiver**”), without security, of the assets, undertakings and properties of HMV Canada Inc. (the “**Debtor**”) comprising, acquired for, or used in relation to, the business carried on by the Debtor (the “**Property**”), pursuant to section 243 of *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, pursuant to the form of order attached at Tab 3 of the Application Record;
  - (b) an Agency Agreement Approval Order (the “**Agency Agreement Approval Order**”) approving:
    - (i) the execution and delivery of an agency agreement among the Debtor, a contractual joint venture composed of Gordon Brothers Canada ULC and Merchant Retail Solutions ULC (together, the “**Agent**”) and the Receiver (the “**Agency Agreement**”); and
    - (ii) the sale guidelines to be implemented by the Debtor and the Agent in conducting the sale of the Debtor’s Property, including but not limited to, remaining inventory, owned furniture, fixtures, equipment and other assets (the “**Sale Guidelines**”).
3. HUK 10 is seeking the appointment of a Receiver for the following reasons, amongst others:
- (a) the Debtor is in default of its obligations to HUK 10 under the HUK 10 Loan Agreement, the HUK 10 Guarantee and the Consolidation Agreement (all as defined below);
  - (b) HUK 10 has received no cash payments from the Debtor on account of the Indebtedness (as defined below) since November 2014, and interest continues to accrue on the Indebtedness at the applicable rates, as well as all costs, expenses and charges recoverable by HUK 10;

- (c) the Debtor has suffered a material adverse change in its financial condition and operations and is facing significant and immediate liquidity issues;
- (d) the Debtor's current financial circumstances, including the substantial deterioration in the quantum of the Debtor's revenue and the steady decline of the Debtor's cash flow over the past two fiscal years, has resulted in little to no working capital being available to the Debtor;
- (e) the Debtor's inventory is significantly depleted with no viable alternative supply arrangement to replenish its stock;
- (f) Richter, in its capacity to date as consultant to the Debtor, was of the belief that the Debtor would be unable to meet its obligations generally as they become due without the ongoing support and forbearance of HUK 10 and the support of the major music labels and media studios from whom the Debtor purchases inventory (collectively, the "**Major Suppliers**") and the Debtor has been unable to reach terms that are mutually beneficial with the Major Suppliers in that regard; and
- (g) the appointment of the Receiver will allow for the management and monitoring of the Debtor's cash flow and cash management system as well as oversight of the sale of the Debtor's Property by the Agent as contemplated by the terms of the Agency Agreement.

4. For the foregoing reasons, as more particularly described below, HUK 10 is no longer prepared to support the Debtor and its business operations as HUK 10's collateral continues to erode, thereby significantly impairing HUK 10's ability to recover the Indebtedness.

5. The Debtor is indebted to HUK 10 in the amount of CDN\$38,961,468, inclusive of interest, as at January 24, 2017, plus interest accruing at applicable rates and all costs, expenses and charges recoverable by HUK 10 to the date of repayment, all of which HUK 10 is entitled to under the terms of the HUK 10 Loan Agreement, the HUK 10 Guarantee, the Consolidation Agreement (as such terms are defined herein) and the security granted to HUK 10 by the Debtor (the "**Indebtedness**").

6. As detailed below, HUK 10 believes that there is no further viable business for the Debtor to carry on as a going concern. As such, HUK 10 is of the view that the option which presents the best recovery for all stakeholders is to enter into the Agency Agreement and work with the Debtor, the Receiver and the Agent to conduct a sale of the Debtor's Property in the most effective and orderly manner and under the Court's supervision.

## **BACKGROUND**

7. The Debtor is an Ontario corporation incorporated pursuant to the *Business Corporations Act* (Ontario), and its registered head office is located in Etobicoke, Ontario. The Debtor is an indirect subsidiary of Hilco International Holdings, LLC, a company based in the United States ("**Hilco International**").

8. The Debtor was established in 1988 and carries on business as a premier entertainment retailer, specializing in the sale of, among other things, music, DVD, Blu-ray, apparel, electronics, gifts and collectibles, from over 100 retail locations across the country. A copy of the Corporate Profile Report in respect of the Debtor is attached hereto as Exhibit "**A**".

9. The Debtor is also registered extra-provincially to carry on business in Alberta, British Columbia, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island (collectively with Ontario, the "**Provinces**"). Copies of the certificates evidencing the extra-provincial registrations are compiled and attached hereto as Exhibit "**B**".

10. HUK 10 is an affiliate of the Debtor, and also an indirect subsidiary of Hilco International. The loans under the HUK 10 Loan Agreement were originally put in place in connection with a sale and recapitalization of the Debtor in 2011, pursuant to which all of the Debtor's shares were sold to Hilco Capital Limited. These loans were to be used to finance the Debtor's general working capital expenses.

## **INDEBTEDNESS OF HVM CANADA INC. TO HUK 10**

### ***The HUK 10 Loan Agreement***

11. Pursuant to a second amended and restated loan agreement dated April 26, 2012 (the "**HUK 10 Loan Agreement**"), HUK 10 extended certain loans to the Debtor. As of January 24,

2017, the indebtedness owed by the Debtor under the HUK 10 Loan Agreement was approximately CDN\$17,969,896, inclusive of interest. A copy of the HUK 10 Loan Agreement is attached hereto as Exhibit “C”.

12. The Debtor is also indebted to HUK 10 in connection with certain procurement fees rendered by HUK 10 pursuant to the terms of an amended and restated negotiation services agreement dated January 7, 2014 (the “**Negotiation Services Agreement**”). As of January 24, 2017, the indebtedness owed by the Debtor under the Negotiation Services Agreement was approximately CDN\$3,207,207. A copy of the Negotiation Services Agreement is attached hereto as Exhibit “D”.

13. As security for its indebtedness and obligations to HUK 10 under the HUK 10 Loan Agreement, the Debtor executed and delivered to HUK 10 a General Security Agreement dated June 28, 2011 (the “**HUK 10 GSA**”) and a Deed of Hypothec dated June 28, 2011 (the “**HUK 10 Hypothec**”) and together with the HUK 10 GSA, the “**HUK 10 Security**”). The HUK 10 GSA and the HUK 10 Hypothec also secure the Debtor’s indebtedness and obligations to HUK 10 under the Negotiation Services Agreement and the HUK 10 Guarantee. Attached hereto as Exhibits “E” and “F”, respectively, are copies of the HUK 10 GSA and the HUK 10 Hypothec.

14. HUK 10 registered its security interest against the Debtor pursuant to the *Personal Property Security Act* (Ontario) (the “**PPSA**”) on June 28, 2011, against all classes of collateral, except “consumer goods”. Attached hereto as Exhibit “G” is a copy of the PPSA Enquiry Response Certificate from the Ministry dated January 12, 2017 in respect of the Debtor.

15. HUK 10 also registered its security interest against the Debtor pursuant to the applicable personal property security legislation in each of the Provinces. Copies of searches of the relevant personal property registries in each of the Provinces are attached hereto as Exhibit “H”.

#### ***The HUK 10 Guarantee***

16. Pursuant to a guarantee dated December 28, 2011 made by the Debtor in favour of HUK 10 (the “**HUK 10 Guarantee**”), a copy of which is attached hereto as Exhibit “I”, the Debtor has also guaranteed the following indebtedness owed to HUK 10:

- (a) amounts advanced to HMV IP Holdings ULC (“**HMV IP**”) by HUK 10 under the loan agreement made between HMV IP and HUK 10 dated February 27, 2012, and all schedules thereto (the “**HMV IP Loan Agreement**”);
- (b) amounts advanced to HMV Pure Holdings ULC (“**HMV Pure**”) by HUK 10 under the loan agreement made between HMV Pure and HUK 10 dated February 27, 2012, and all schedules thereto (the “**HMV Pure Loan Agreement**”); and
- (c) amounts advanced to HMV Digital Holdings ULC (“**HMV Digital**”) by HUK 10 under the loan agreement made between HMV Digital and HUK 10 dated February 27, 2012, and all schedules thereto (the “**HMV Digital Loan Agreement**”).

17. The aggregate indebtedness of HMV IP, HMV Pure and HMV Digital under the HMV IP Loan Agreement, HMV Pure Loan Agreement and HMV Digital Loan Agreement is approximately CDN\$11,159,566, inclusive of interest, as at January 24, 2017.

#### **INDEBTEDNESS OF HMV CANADA TO AFFILIATE ENTITIES**

18. The Debtor is also indebted to HMV IP with respect to licensing fees for the Debtor’s use of certain intellectual property pursuant to the terms of a sub-sublicense agreement dated June 26, 2011 (the “**Sub-Sublicense Agreement**”) entered into between HMV IP and the Debtor. As at January 24, 2017, the indebtedness owing by the Debtor under the Sub-Sublicense Agreement is approximately CDN\$5,200,000 (the “**HMV IP Indebtedness**”). A copy of the Sub-Sublicense Agreement is attached hereto as Exhibit “**J**”.

19. As security for its indebtedness and obligations to HMV IP under the Sub-Sublicense Agreement, the Debtor executed and delivered to HMV IP a General Security Agreement dated January 19, 2015 (the “**HMV IP GSA**”) and a Deed of Hypothec dated January 19, 2015 (the “**HMV IP Hypothec**”) and together with the HMV IP GSA, the “**HMV IP Security**”). Attached hereto as Exhibits “**K**” and “**L**”, respectively, are copies of the HMV IP GSA and the HMV IP Hypothec.

20. The Debtor is also indebted to Retail Agents 230 Limited (“**RAL**”), an affiliate of HUK 10, with respect to fees owing by the Debtor relating to sale assistance made available under the terms of a Deed of Novation re: Assignment of Services Agreement dated November 21, 2012 (the “**RAL Deed of Novation**”), but effective as of September 24, 2012, and an Agreement and Restated Sales Implementation Services Agreement effective as of September 11, 2011 (the “**RAL Sale Services Agreement**”) entered into between the Debtor and a predecessor of RAL. As at January 24, 2017, the indebtedness owing by the Debtor under the Sale Services Agreement is approximately CDN\$928,569 (the “**RAL Indebtedness**”). Copies of the RAL Deed of Novation and RAL Sale Services Agreement are attached hereto as Exhibits “**M**” and “**N**”, respectively.

21. As security for its indebtedness and obligations to RAL under the Sale Services Agreement, the Debtor executed and delivered to RAL a General Security Agreement dated June 19, 2015 (the “**RAL GSA**”) and a Deed of Hypothec dated June 19, 2015 (the “**RAL Hypothec**”) and together with the RAL GSA, the “**RAL Security**”). Attached hereto as Exhibits “**O**” and “**P**”, respectively, are copies of the RAL GSA and the RAL Hypothec.

22. In addition to registering their security interests under the PPSA, each of HMV IP and RAL registered their security interests against the Debtor pursuant to the applicable personal property security legislation in each of the Provinces. The registrations made by HMV IP and RAL in each of the Provinces are set out in Exhibits “**G**” and “**H**”.

#### **CONSOLIDATION OF DEBT AND SECURITY**

23. Pursuant to an Amendment and Consolidation Agreement dated December 22, 2016 (the “**Consolidation Agreement**”), the Debtor, HMV IP, RAL, HMV Digital and HMV Pure entered into an agreement whereby, among other things, (i) RAL and HMV IP assigned the RAL Indebtedness and HMV IP Indebtedness, as well as the RAL Security and the HMV IP Security, to HUK 10; and (ii) HUK 10 agreed to forbear from exercising its rights and remedies and taking enforcement actions under the HUK 10 Security, as well as the RAL Security and the HMV IP Security, until the earlier of January 20, 2017 or the occurrence of an Intervening Event (as defined in the Consolidation Agreement) (the “**Forbearance Deadline**”), notwithstanding

certain defaults by, among others, the Debtor in existence at the time of the Consolidation Agreement. A copy of the Consolidation Agreement is attached hereto as Exhibit “Q”.

24. The main purpose of the Consolidation Agreement was to provide the Debtor with a reasonable period of time to attempt to renegotiate its supply arrangements with the Major Suppliers in an effort to provide ongoing working capital to the Debtor.

#### **OTHER SECURED CREDITORS AND RELATED PARTY CREDIT ARRANGEMENTS**

25. The Debtor is also a party to a certain credit agreement dated as of December 22, 2014, as amended by a first amending agreement dated December 15, 2016, pursuant to which Bank of Montreal (“BMO”) made available to the Debtor certain credit facilities (the “**BMO Credit Facilities**”). As security for the BMO Credit Facilities, the Debtor, and certain affiliates of the Debtor, granted security in favour of BMO. Pursuant to subordination agreements dated December 22, 2014 (the “**BMO Subordination Agreements**”), HUK 10, RAL and HMV IP, among others, granted priority to the security granted by the Debtor to BMO over the HUK 10 Security, RAL Security and HMV IP Security. Attached hereto as Exhibit “R” are copies of the BMO Subordination Agreements.

26. It is my understanding that the BMO Credit Facilities expired in December 2016 and a three month extension was granted until March 2017 with a possible further extension if the Debtor was able to satisfy the condition precedent of reaching an agreement with the Major Suppliers. As set out below, the Debtor was unable to reach an agreement on mutually beneficial terms with the Major Suppliers and, as such, there would be no further extension of the BMO Credit Facilities.

27. As of the date hereof, I understand that there are no amounts owed to BMO on account of the BMO Credit Facilities. I am advised by the Debtor’s senior management that the Debtor has terminated the BMO Credit Facilities effective January 25, 2017 and that the Debtor is working with BMO to obtain the necessary discharges and releases of BMO’s security.

28. The Debtor is also indebted, on a secured basis, to HMV Pure on account of amounts arising from management related to the Debtor’s *purehmv* customer royalty program. As of the

date hereof, the Debtor's indebtedness to HMV Pure is approximately CDN\$1,198,887. The Debtor has also previously been indebted, on a secured basis, to HMV Digital in connection with the implementation of a digital media program, however, as of the date hereof, it is my understanding that there is no balance owing to HMV Digital from the Debtor. Both HMV Pure and HMV Digital registered their security interests under the PPSA as well as the applicable personal property security legislation in each of the Provinces.

29. In addition to the security registrations in favour of HUK 10, HMV IP and RAL, I am advised by Edmond F.B. Lamek, a partner with WeirFoulds LLP and counsel to HUK 10, that the search reports of registrations filed under the PPSA and the applicable personal property security legislation in each of the Provinces show certain additional registrations that appear to be in relation to certain financing and equipment lessors.

#### **HMV CANADA'S HISTORY WITH HUK 10 AND FINANCIAL PROBLEMS**

30. As mentioned above, Hilco International first acquired the Debtor and organized various of the other affiliates involved in the Debtor's operations, including HUK 10, as part of the recapitalization of the Debtor in 2011. At that time, the Debtor was facing a significant cash shortage and was considering ceasing operations. Hilco International, through its subsidiaries, acquired the Debtor and began providing financial and operational advice and support.

31. Hilco International's support stabilized the Debtor's business and allowed the Debtor to continue operating. Since 2011, the Debtor has continually kept over 100 stores in operation, purchased over \$900,000,000 worth of inventory from suppliers and, at various times during that period, employed in excess of 1,700 individuals. The Debtor's operations were profitable for 2011, 2012 and 2013, but have produced negative EBITDA since that time.

32. Through 2011 and most of 2012, HUK 10 was the primary financier of the Debtor. Since late 2012, the Debtor has also been financed by an asset-based loan from a third party lender (most recently, the BMO Credit Facilities). As set out above, the financing provided by HUK 10 was subordinated to these third party lenders such as BMO and used as a secondary credit facility to ensure that the Debtor had enough capital to fund its operations.

33. As a result of the constant and significant shift in the way media is consumed by customers, especially in North America, the Debtor has seen a consistent year-over-year decrease in the sale of physical media. In 2012, the Debtor's revenues were approximately CDN\$266,000,000, and by the end of 2016, the Debtor's revenues had decreased to approximately CDN\$193,000,000. This trend is expected to continue as more customers move to online consumption of media.

34. Between December 2011 and December 2014, the average loan balance owing by the Debtor to HUK 10 was CDN\$11,000,000. However, as a result of the need for increased funding and decreasing sales, between December 2014 and December 2016, the average loan balance more than doubled to CDN\$26,000,000.

35. Currently, HUK 10's exposure to the Debtor is in excess of CDN\$38,000,000 and it is anticipated that, to continue operations, the Debtor would require an immediate cash injection of CDN\$2,000,000 and a minimum of CDN\$5,000,000 per annum of additional cash injections during each year of continued operations. At present, the Debtor's business is losing approximately CDN\$100,000 per day. Further compounding the problem, HUK 10 has received no cash payments on account of the Indebtedness since November 2014, with interest and other amounts owing continuing to accrue since that date.

36. These financial difficulties, combined with the further decrease in the Debtor's sales expected over the coming years, means the current situation is not sustainable. HUK 10 is not prepared to provide further financial support to the Debtor under the current circumstances.

#### **RESTRUCTURING EFFORTS WITH MAJOR SUPPLIERS**

37. In late December 2016, after considerable analysis, HUK 10 advised the Debtor that without an agreement with the Major Suppliers on terms acceptable to HUK 10 and the Debtor for continued supply, HUK 10 was not in a position to further fund the Debtor's ongoing business operations. Without an agreed supply arrangement and access to funding under the Consolidation Agreement, the Debtor would no longer be able to carry on business and, as a result, it would be forced to sell its remaining inventory and close all of its stores.

38. As noted above, the main purpose of the Consolidation Agreement was to provide a short period of time for the Debtor to attempt to renegotiate its exiting supply arrangements with its Major Suppliers. During the final weeks of December 2016 and the first few weeks of January 2017, the Debtor, in consultation with HUK 10, has engaged with the Major Suppliers in an effort to negotiate supply arrangements and potentially an assignment of or participation in the Indebtedness by the Major Suppliers. The intent of these negotiations was to provide the Debtor with additional cash flow for working capital and allow it to continue operations. Given the lack of outlets remaining in Canada for physical media, HUK 10's view, shared by the Debtor, was that an agreement with the Major Suppliers would be beneficial for all parties.

39. Unfortunately, the Debtor has been unable to reach an agreement with the Major Suppliers on mutually beneficial terms that would allow the Debtor to address its immediate cash flow needs.

40. As a result, HUK 10 has come to the determination that it is impossible for the Debtor to carry on business given the its immediate liquidity crisis.

#### **ENGAGEMENT OF FINANCIAL ADVISOR**

41. As a term of the Consolidation Agreement, the Debtor was required to engage a financial consultant satisfactory to each of HUK 10 and the Debtor. On or about December 19, 2016, the Debtor engaged Richter as a financial consultant to assist the Debtor, in consultation with HUK 10, establish a contingency plan to address its liquidity crisis.

42. The scope of Richter's engagement also included, among other general restructuring advice, a review of the Debtor's financial position and assisting the Debtor's efforts to canvass the market to identify interested parties to liquidate all or substantially all of the Debtor's business and/or assets.

#### **DEMAND LETTERS**

43. Having determined that the Debtor would not be able to reach mutually beneficial terms with the Major Suppliers and with the expiry of the Forbearance Deadline, HUK 10 advised BMO of its intent to enforce the security granted to it by the Debtor, namely the HUK 10 Security, the RAL Security and the HMV IP Security. Pursuant to the terms of the BMO

Subordination Agreement between, among others, HUK 10 and BMO, HUK 10 was required to seek BMO's consent prior to undertaking any enforcement efforts, including the issuance of demand letters. BMO consented to the issuance of demands by HUK 10 and its enforcement of the security granted to it by the Debtor.

44. As such, HUK 10 issued and delivered a demand letter dated January 24, 2017 (the "**HMV Demand Letter**") to the Debtor, enclosing a Notice of Intention to Enforce Security delivered pursuant to subsection 244(1) of the BIA, demanding immediate repayment of the Indebtedness under the HUK 10 Loan Agreement, the HUK 10 Guarantee and the Consolidation Agreement. A copy of the HMV Demand Letter is attached hereto as Exhibit "**S**".

45. Concurrently with the delivery of the HMV Demand Letter, HUK 10 also issued and delivered demand letters to each of HMV IP, HMV Digital and HMV Pure in respect of their individual indebtedness to HUK 10 pursuant to the HMV IP Loan Agreement, HMV Digital Loan Agreement and HMV Pure Loan Agreement, respectively (the "**HMV Affiliate Demand Letters**"). Copies of the HMV Affiliate Demand Letters are attached hereto as Exhibit "**T**".

46. On January 24, 2017, the Debtor, as well as HMV IP, HMV Digital and HMV Pure, executed and returned to HUK 10 consents to enforcement, waiving the ten (10) day notice period afforded to the Debtor, HMV IP, HMV Digital and HMV Pure by the Notices of Intention to Enforce Security enclosed with the HMV Demand Letter and HMV Affiliate Demand Letters (the "**244 Consents**"). Copies of the 244 Consents are attached hereto as Exhibit "**U**".

#### **APPOINTMENT OF RICHTER AS RECEIVER**

47. As noted above, HUK 10 has determined that it can no longer support the Debtor given the present circumstances in which its collateral continues to erode, its exposure continues to increase and the Debtor's business continues to rapidly decline.

48. HUK 10 is seeking the Receiver's appointment, substantially in the form of Appointment Order included in the Application Record, for the following reasons:

- (a) the Debtor's sales have fallen significantly and are expected to further decrease rapidly;

- (b) the Debtor has an immediate liquidity crisis and it is unable to service its debt obligations generally as they become due;
- (c) the Debtor has no availability under the Consolidation Agreement to allow it to operate on a going concern basis;
- (d) with no viable alternative supply arrangement, the Debtor will run out of inventory in the very near term;
- (e) there is no indication that the Debtor will be able to secure alternative financing to repay HUK 10 in full;
- (f) HUK 10 is of the view that value will be maximized for all stakeholders if the business and/or assets can be sold and otherwise realized upon as soon as possible under the supervision of the Court as contemplated in the Agency Agreement;
- (g) it would be of assistance to the Agent, the Debtor and the Receiver to have a stay of proceedings in order to complete the orderly sale of the Debtor's assets; and
- (h) in the circumstances, the appointment of the Receiver by this Court is just, equitable and in the interests of all persons having an interest in the Debtor's Property.

49. HUK 10 fully supports the form of receivership being contemplated in the draft Appointment Order included in the Application Record, which leaves a large degree of control over the Debtor to the current directors and officers (the "D&Os") to effect the proposed wind down of the Debtor's operations and the sale of the Property. The D&Os have worked diligently for the benefit of all stakeholders of the Debtor over the past five years and are intimately familiar with the Debtor's business and operations and have a unique skill set and knowledge of the industry which will allow the Debtor, with the assistance of the Receiver and the Agent, to conduct a sale of the Debtor's assets in the most efficient manner.

50. The D&Os have already overseen the sale of the Debtor's assets located in, and the closing of, approximately thirty stores across Canada, however, the sale of the Debtor's assets

located in the remaining 102 stores presents a greater challenge that requires a coordinated strategy and supervision which is why HUK 10 is seeking approval of the Agency Agreement.

51. The D&Os have indicated that due to the potential for personal liability, they cannot continue in their current capacities should the Receiver be appointed. As a result, the form of Appointment Order sought by HUK 10 provides that the Debtor shall indemnify the D&Os against obligations and liabilities that they may incur as D&Os after the Receiver's appointment. In addition, the proposed form of Appointment Order contemplates a charge in the amount of CDN\$750,000 in favour of the D&Os (the "**D&O Charge**"), the benefit of which will only be available to the D&Os to the extent that any liability is not covered under any directors' and officers' insurance policy or to the extent that the amount of the charge is insufficient to pay amounts for which the D&Os have been indemnified.

52. The amount of the D&O Charge is based upon the maximum exposure that the D&Os would have for wages owed to the Debtor's employees, employee withholdings and HST liability at any given time based upon a monthly cycle.

53. In addition to the D&O Charge, it is contemplated that the Receiver, counsel to the Receiver and counsel to the Debtor will be granted a Court-ordered charge on the Debtor's Property to a maximum amount of CDN\$750,000 (the "**Administration Charge**"), on account of their reasonable fees and disbursements, in each case at their standard rates and charges. I am of the view that the Administration Charge is fair and reasonable in the circumstances.

54. I believe the receivership proceedings contemplated in the form of Appointment Order sought by HUK 10 require the expertise, knowledge and continuing participation of the proposed beneficiaries of the Administration Charge and that the Administration Charge is necessary to ensure their continued participation.

#### **APPROVAL OF AGENCY AGREEMENT**

55. As noted above, HUK 10 and the Debtor have analyzed the Debtor's business and come to the conclusion that the only viable process to realize upon the assets of the Debtor is through an orderly liquidation. The reasons for this conclusion include:

- (a) the Debtor was unable to reach agreement on mutually beneficial terms with its Major Suppliers and, as such, the Debtor cannot order any further inventory;
- (b) the only assets of the Debtor available to support a recovery, apart from the remaining inventory, are shelving, racking and other physical assets;
- (c) any of the names, marks, or other intellectual property associated with the “HMV” name are licensed from HMV IP, with such intellectual property ultimately owned by a company based in the United Kingdom. It is my understanding that such license has or will be terminated, effectively foreclosing the possibility of any sort of going concern sale of the Debtor’s business; and
- (d) as noted above, the market for the sale of physical media in Canada is decreasing rapidly, meaning that, even if a going concern sale were possible notwithstanding the aforementioned issues with respect to the names, marks and other intellectual property associated with the “HMV” name, there is no substantive growth opportunity or even sustainable business for a potential purchaser.

56. In addition, I understand from Richter’s report accompanying the Application Record (the “**Pre-Filing Report**”), that Richter, after reviewing the Debtor’s finances, has concluded that the best available outcome for all stakeholders is an orderly liquidation of the Debtor’s assets and distribution of the available proceeds to creditors.

57. As detailed in the Pre-Filing Report, Richter and the Debtor canvassed several parties to solicit bids for a process to sell the Debtor’s assets and, after review of the offers received, the Agent’s proposal is, in the view of the Debtor and HUK 10, the best proposal which will yield the highest recovery for all stakeholders.

58. Given all of the foregoing, HUK 10 supports the engagement of the Agent by the Debtor and the Receiver and the consummation of the transactions contemplated under the Agency Agreement and requests that this Court approve the Agency Agreement. In the circumstances, where there is no other viable option for a going concern sale of the Debtor’s business, HUK

10's view is that there is no reason to delay commencement of a sale and doing so only impedes recovery for all stakeholders.

### **CONCLUSION AND RELIEF SOUGHT**

59. The Debtor is in default under the provisions of the HUK 10 Loan Agreement, the HUK 10 Guarantee and the Consolidation Agreement and a material adverse change in the Debtor's business has occurred. The Debtor is insolvent and unable to meet its obligations as they generally become due, as evidenced by the Debtor's inability to repay the Indebtedness upon demand by HUK 10. HUK 10 is concerned that immediate steps must be taken in order to preserve the value of HUK 10's collateral and immediately realize upon the assets of the Debtor, in order to minimize costs and avoid further value degradation.

60. Failure to appoint the Receiver will result in a further significant decrease in the value of the Debtor's business and assets and a reduction in recoveries for HUK 10 and other stakeholders generally.

61. As set out above, HUK 10 has provided the Debtor with significant time, most recently by agreeing to forbear from taking any enforcement action pursuant to the terms of the Consolidation Agreement, to restructure its affairs and to meet its obligations and develop a plan to address its immediate liquidity issues. Given the Debtor's existing financial wherewithal, the status of the Debtor's business and liquidity issues and the lack of a viable strategy and resources for the Debtor to repay HUK 10 in full, HUK 10 is not prepared to continue to expose itself to further losses.

62. For the reasons set out above, I verily believe that it is just and equitable and in the interests of HUK 10 and the Debtor's stakeholders that Richter is appointed as Receiver and that the Debtor, the Agent and the Receiver enter into, and carry out the transactions contemplated by, the Agency Agreement.

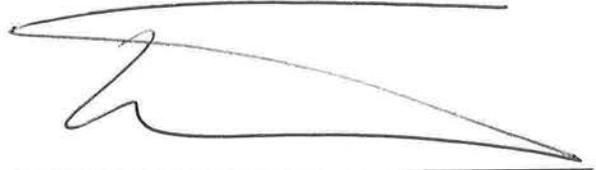
63. Richter has consented to act as Receiver, if so appointed by this Court, and has executed the consent attached hereto as Exhibit "V".

64. I swear this affidavit in support of an application by HUK 10 for, among other things, the appointment of the Receiver and the approval of the Agency Agreement and Sale Guidelines, and for no other or improper purpose.

SWORN before me at the City of Toronto, in the Province of Ontario this 28<sup>th</sup> day of January, 2017.

  
A Commissioner for Taking Affidavits

DANNY NUNES



**CHRISTOPHER EMMOTT**

# EXHIBIT

A

Request ID: 019736329  
 Transaction ID: 63103634  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2016/12/22  
 Time Report Produced: 11:49:56  
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## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1282514	HMV CANADA INC.	1998/02/19
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
		Amalgamation Ind.
		NOT APPLICABLE
5401 EGLINTON AVE. WEST,		NOT APPLICABLE
Suite # UNIT 110		New Amal. Number
ETOBICOKE		Notice Date
ONTARIO		NOT APPLICABLE
CANADA M9C 5K6		NOT APPLICABLE
		Letter Date
		NOT APPLICABLE
Mailing Address		Revival Date
		Continuation Date
		NOT APPLICABLE
5401 EGLINTON AVE. WEST,		NOT APPLICABLE
Suite # UNIT 110		Transferred Out Date
ETOBICOKE		Cancel/Inactive Date
ONTARIO		NOT APPLICABLE
CANADA M9C 5K6		NOT APPLICABLE
		EP Licence Eff.Date
		EP Licence Term.Date
		NOT APPLICABLE
		NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum Maximum	in Ontario
	0001 0010	NOT APPLICABLE
Activity Classification		Date Ceased
NOT AVAILABLE		in Ontario
		NOT APPLICABLE

Request ID: 019736329  
Transaction ID: 63103634  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

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## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1282514	HMV CANADA INC.

Corporate Name History	Effective Date
HMV CANADA INC.	1998/02/24
DOUBLE CAPITAL CANADA INC.	1998/02/19

Current Business Name(s) Exist:	YES
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
HARVEY BERKLEY	5401 EGLINTON AVENUE WEST Suite # SUITE 110 TORONTO ONTARIO CANADA M9C 5K6

Date Began	First Director	Resident Canadian
2002/01/07	NOT APPLICABLE	
Designation	Officer Type	
DIRECTOR		Y

Request ID: 019736329  
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## CORPORATION PROFILE REPORT

Ontario Corp Number

1282514

Corporation Name

HMV CANADA INC.

Administrator:  
Name (Individual / Corporation)

HARVEY  
BERKLEY

Address

5401 EGLINTON AVENUE WEST  
Suite # SUITE 110  
TORONTO  
ONTARIO  
CANADA M9C 5K6

Date Began

2002/01/07

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Administrator:  
Name (Individual / Corporation)

HARVEY  
BERKLEY

Address

5401 EGLINTON AVENUE WEST  
Suite # SUITE 110  
TORONTO  
ONTARIO  
CANADA M9C 5K6

Date Began

2012/04/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHIEF FINANCIAL OFFICER

Resident Canadian

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Ministry of Government Services

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## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	
1282514	HMV CANADA INC.	
Administrator: Name (Individual / Corporation)	Address	
DANIEL KUCZKOWSKI	5401 EGLINTON AVE. W. Suite # 110 ETOBICOKE ONTARIO CANADA M9C 5K6	
Date Began	First Director	
2010/08/20	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	VICE-PRESIDENT	
Administrator: Name (Individual / Corporation)	Address	
TIMOTHY MURPHY	45 WAVERLEY ROAD  TORONTO ONTARIO CANADA M4L 3T2	
Date Began	First Director	
2014/01/31	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	VICE-PRESIDENT	

Request ID: 019736329  
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## CORPORATION PROFILE REPORT

Ontario Corp Number

1282514

Corporation Name

HMV CANADA INC.

Administrator:  
Name (Individual / Corporation)

NICK  
WILLIAMS

Address

5401 EGLINTON AVE. WEST  
Suite # SUITE 110  
ETOBICOKE  
ONTARIO  
CANADA M9C 5K6

Date Began

2010/08/20

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:  
Name (Individual / Corporation)

NICK  
WILLIAMS

Address

5401 EGLINTON AVE. WEST  
Suite # SUITE 110  
ETOBICOKE  
ONTARIO  
CANADA M9C 5K6

Date Began

2010/08/20

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Request ID: 019736329  
Transaction ID: 63103634  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

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## CORPORATION PROFILE REPORT

Ontario Corp Number

1282514

Corporation Name

HMV CANADA INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2014/02/03 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

# **EXHIBIT**

**B**



## Rechercher une entreprise au registre

### État de renseignements d'une personne morale au registre des entreprises

Renseignements en date du 2016-12-22 22:47:02

#### État des informations

##### Identification de l'entreprise

Numéro d'entreprise du Québec (NEQ)	1147609540
Nom	HMV CANADA INC.

##### Adresse du domicile

Adresse	5401, EGLINTON AVENUE WEST SUITE 110 ETOBICOKE ON M9C5K6
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##### Adresse du domicile élu

Nom de l'entreprise	DAVIES WARD PHILLIPS & VINEBERG
Adresse	100, KING STREET WEST, SUITE 4400 TORONTO (ONTARIO) M5X1B1

##### Immatriculation

Date d'immatriculation	1998-04-14
Statut	Immatriculée
Date de mise à jour du statut	1998-04-14
Date de fin de l'existence	Aucune date de fin d'existence n'est déclarée au registre.

##### Forme juridique

Forme juridique	Société par actions ou compagnie
Date de la constitution	1998-02-19 Constitution

Régime constitutif	ONTARIO : Loi sur les sociétés par actions, L.R.O. c. B.16
Régime courant	ONTARIO : Loi sur les sociétés par actions, L.R.O. c. B.16

**Dates des mises à jour**

Date de mise à jour de l'état de renseignements	2016-03-01
Date de la dernière déclaration de mise à jour annuelle	2016-03-01 2015
Date de fin de la période de production de la déclaration de mise à jour annuelle de 2016	2017-06-28
Date de fin de la période de production de la déclaration de mise à jour annuelle de 2015	2016-07-01

**Faillite**

L'entreprise n'est pas en faillite.

**Fusion et scission**

Aucune fusion ou scission n'a été déclarée.

**Continuation et autre transformation**

Aucune continuation ou autre transformation n'a été déclarée.

**Liquidation ou dissolution**

Aucune intention de liquidation ou de dissolution n'a été déclarée.

**Activités économiques et nombre de salariés**

**1<sup>er</sup> secteur d'activité**

Code d'activité économique (CAE)	6222
Activité	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques
Précisions (facultatives)	RETAIL TRADE INDUSTRY

**2<sup>e</sup> secteur d'activité**

Aucun renseignement n'a été déclaré.

**Nombre de salariés**

Nombre de salariés au Québec  
De 250 à 499

**Convention unanime, actionnaires, administrateurs, dirigeants et fondé de pouvoir**

**Actionnaires**

**Premier actionnaire**

Le premier actionnaire est majoritaire.

Nom	Hilco UK Limited
Adresse	80 ST New Bond London W1S1SB UK

**Convention unanime des actionnaires**

Il n'existe pas de convention unanime des actionnaires.

**Liste des administrateurs**

Nom	BERKLEY, HARVEY
Date du début de la charge	
Date de fin de la charge	
Fonctions actuelles	Vice-président, Secrétaire
Adresse	5401, EGLINTON AVENUE WEST, UNIT 110 ETOBICOKE (ONTARIO) M9C5K6

Nom de famille	Williams
Prénom	Nicholas
Date du début de la charge	2010-09-02
Date de fin de la charge	
Fonctions actuelles	Président
Adresse	110-5401 AVE Eglinton Etobicoke Ontario M9C5K6 Canada

**Dirigeants non membres du conseil d'administration**

Nom de famille	Dupont
Prénom	Katherine
Fonctions actuelles	Principal dirigeant: Directrice Ressources Humaines
Adresse	110-5401 AVE Eglinton O Etobicoke Ontario M9C5K6 Canada

**Fondé de pouvoir**

Aucun fondé de pouvoir n'a été déclaré.

**Administrateurs du bien d'autrui**

Aucun administrateur du bien d'autrui n'a été déclaré.

**Établissements**

Numéro et nom de l'établissement	Adresse	Activités économiques (CAE)
<b>0003 - H MV (Établissement principal)</b>	1020 rue Sainte-Catherine O Montréal (Québec) H3B5L2 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0024 - H MV	5.1-1185 BOUL. Moody Terrebonne Québec J6W3Z5 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0023 - H MV	930-755 BOUL. René-Lévesque Drummondville Québec J2C6Y7 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0022 - H MV	40-600 rue Pierre-Caisse Saint-Jean-sur-Richelieu (Québec) J3A1M1 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0021 - H MV	1022-900 BOUL. Grignon St-Jérôme Québec J7Y3S7 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0020 - H MV	9375 boul. Leduc Brossard (Québec) J4Y0A5 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0019 - H MV	45A-100 boul. Brien Repentigny (Québec) J6A5N4 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0018 - H MV	450-7077 boul. Newman Montréal (Québec) H8N1X1 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0017 - H MV	P11-401 boul. Labelle Rosemère (Québec) J7A3T2 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0016 - H MV	23-1401 boul. Talbot Saguenay (Québec) G7H5N6 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0015 - H MV	W15-3050 boul. de Portland Sherbrooke (Québec) J1L1K1 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0014 - H MV	67-1111 boul. Jutras E Victoriaville (Québec) G6S1C1 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0013 - H MV	H3-4125 boul. des Forges Trois-Rivières (Québec) G8Y1W1 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0012 - H MV	60-7275 rue Sherbrooke E Montréal (Québec) H1N1E9 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0011 - H MV	185-7999 boul. des Galeries-d'Anjou Montréal (Québec) H1M1W9 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0010 - H MV	M2-3035 boul. Le Carrefour Laval (Québec) H7T1C8 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0008 - H MV		Commerce de détail de téléviseurs, de postes de radio et d'appareils

Numéro et nom de l'établissement	Adresse	Activités économiques (CAE)
	205 boul. des Promenades Saint-Bruno-de-Montarville (Québec) J3V5K3 Canada	stéréophoniques (6222)
0007 - HMV	2110-5401 boul. des Galeries Québec (Québec) G2K1N4 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0006 - HMV	250-2700 boul. Laurier Québec (Québec) G1V2L8 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0005 - HMV	F8-550 boul. Wilfrid-Hamel Québec (Québec) G1M2S6 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0004 - HMV	1200 boul. Alphonse-Desjardins Lévis (Québec) G6V6Y8 Canada	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)
0001 - HMV	#K-010,6815 AUT. TRANS CANADADIENNE POINTE-CLAIRE (QUÉBEC) H9R5J1	Commerce de détail de téléviseurs, de postes de radio et d'appareils stéréophoniques (6222)

#### Documents en traitement

Aucun document n'est actuellement traité par le Registraire des entreprises.

#### Index des documents

##### Documents conservés

Type de document	Date de dépôt au registre
DÉCLARATION DE MISE À JOUR ANNUELLE 2015	2016-03-01
Déclaration de mise à jour courante	2015-04-21
DÉCLARATION DE MISE À JOUR ANNUELLE 2014	2015-04-07
DÉCLARATION DE MISE À JOUR ANNUELLE 2012	2015-03-31
DÉCLARATION DE MISE À JOUR ANNUELLE 2013	2014-07-14
Déclaration annuelle 2011	2011-10-28
État et déclaration de renseignements 2010	2010-10-28
État et déclaration de renseignements 2009	2009-10-27
État et déclaration de renseignements 2008	2008-10-24
État et déclaration de renseignements 2007	2007-11-15
État et déclaration de renseignements 2006	2007-11-15
Déclaration annuelle 2005	2006-03-15
Déclaration annuelle 2004	2005-01-18
Déclaration annuelle 2003	2003-12-16
Déclaration annuelle 2002	2002-12-19
Déclaration modificative	2002-08-20
Déclaration annuelle 2001	2001-11-19
Déclaration annuelle 2000	2000-12-19
Déclaration annuelle 1999	2000-02-03
Déclaration annuelle 1998	1999-02-10
Déclaration d'immatriculation	1998-04-14

#### Index des noms

Date de mise à jour de l'Index des noms 2007-11-15

**Nom**

Nom	Versions du nom dans une autre langue	Date de déclaration du nom	Date de déclaration du retrait du nom	Situation
HMV CANADA INC.		1998-02-19		En vigueur

**Autres noms utilisés au Québec**

Autre nom	Versions du nom dans une autre langue	Date de déclaration du nom	Date de déclaration du retrait du nom	Situation
HMV		2007-11-15		En vigueur
HMV (TMA 351924)		2007-11-15		En vigueur

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# MANITOBA COMPANIES OFFICE SEARCH RESULTS



CB05 BASIC DATA COMPANIES OFFICE 5 1 2017/01/25 10:25:29  
FUNCTION CODE I MAINT CODE FILE NO 3873073 OTHER SELECTION CB 05  
3873073 BN15 870884640MC0001 870884640MC0001  
NAME HMV CANADA INC.

OL

FILE # 3873073 TYPE 31 EP SHARE NONDIST STATUS ACT ACTIVE 1998/07/23  
INC/REG 1998/02/19 JURIS ON ONTARIO DATE REG 1998/07/23  
LAST ANNUAL RETURN/RENEWAL 2016 NAME CHANGE  
LINKAGE SEC  
ADDRESS CODE REGISTERED OFFICE ADDRESS  
5401 EGLINTON AVE W - SUITE 110  
CITY TORONTO PROV/ST ON PSTL CD M9C-5K6  
COUNTRY CA FOREIGN PROV FOREIGN MAILING CODE  
LANGUAGE PREFERENCE E DEFAULT DATE  
COMMENTS

CB06 OLD/TRANSLATED NAMES COMPANIES OFFICE 6 1  
FUNCTION CODE FILE NO 3873073 OTHER SELECTION CB 06

NAME HMV CANADA INC.

FILE NO 3873073

3873073

STATUS ACT 1998/07/23 ACTIVE

TYPE 31 EP SHARE NONDIST

REMARKS AIKINS

# MANITOBA COMPANIES OFFICE SEARCH RESULTS



CB07 EXTRA DATA COMPANIES OFFICE 7 0 2017/01/25 10:25:29  
 FUNCTION CODE C BN15 870884640MC0001 FILE NO 3873073 OTHER SELECTION CB 07  
 3873073

NAME HMV CANADA INC. 870884640MC0001

SIC CODE 0699 RETAIL STORE  
 ATTN TYPE 31 EP SHARE NONDIST

RENEWAL ADDRESS CODE	ATTY ADDRESS CODE
AIKINS & CO LLP	AIKINS & CO LLP
30TH FLOOR-360 MAIN ST	30TH FLOOR-360 MAIN ST
CITY WINNIPEG	CITY WINNIPEG
PROV/ST MB	POSTAL CD R3C 4G1
COUNTRY CA FOREIGN PROV	FOREIGN MAIL CD

SHARE CODE	SHARE TYPE	AUTHORIZED	ISSUED	CONSIDERATION
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INDEX NAME 0001000 HMV

CB08 CHRONOLOGY COMPANIES OFFICE 8 1 2017/01/25 10:25:30  
 ADD ONLY SCREEN BN15 870884640MC0001 FILE NO 3873073 OTHER SELECTION CB 08  
 3873073 79919769999

NAME HMV CANADA INC. TYPE 31 EP SHARE NONDIST  
 870884640MC0001

FNC MC	DATE	SEQ	TRAN	DESCRIPTION	ADDITIONAL DESCRIPTION
	2016/08/22	001	ARF	ANNUAL RETURN	2016
	2016/03/31	001	DFL	DEFAULT	

# MANITOBA COMPANIES OFFICE SEARCH RESULTS



2015/04/13 001 ARF ANNUAL RETURN 2015  
 2014/11/27 001 ARF ANNUAL RETURN 2014  
 2014/03/31 001 DFL DEFAULT  
 2013/05/23 001 ARF ANNUAL RETURN 2013  
 2013/03/31 001 DFL DEFAULT  
 2012/06/18 001 ARF ANNUAL RETURN 2012  
 2012/03/31 001 DFL DEFAULT  
 2011/04/13 001 ARF ANNUAL RETURN 2011  
 2010/05/18 001 ARF ANNUAL RETURN 2010  
 2010/03/31 001 DFL DEFAULT  
 2009/04/21 001 ARF ANNUAL RETURN 2009  
 2009/03/31 001 DFL DEFAULT

CB08 CHRONOLOGY COMPANIES OFFICE 8 1 2017/01/25 10:25:30  
 ADD ONLY SCREEN BN15 870884640MC0001 FILE NO 3873073 OTHER SELECTION CB 08  
 3873073 80019498999  
 NAME HMV CANADA INC.

TYPE 31 EP SHARE NONDIST  
 870884640MC0001

FNC MC	DATE	SEQ	TRAN	DESCRIPTION	ADDITIONAL DESCRIPTION
	2008/04/17	001	ARF	ANNUAL RETURN	2008
	2007/04/30	001	ARF	ANNUAL RETURN	2007
	2007/03/31	001	DFL	DEFAULT	
	2006/04/04	001	ARF	ANNUAL RETURN	2006
	2005/04/22	001	ARF	ANNUAL RETURN	2005
	2005/03/31	001	DFL	DEFAULT	
	2004/04/13	001	ARF	ANNUAL RETURN	2004
	2003/03/27	001	ARF	ANNUAL RETURN	2003
	2002/08/01	001	CDR	CHG DIRECTORS	EFF. JULY 5/02
	2002/04/22	001	ARF	ANNUAL RETURN	2002 FILED
	2002/03/31	001	DFL	DEFAULT	
	2001/04/11	001	ARF	ANNUAL RETURN	2001
	2000/04/11	001	ARF	ANNUAL RETURN	2000
	1999/06/02	001	ARF	ANNUAL RETURN	1999

CB08 CHRONOLOGY COMPANIES OFFICE 8 1 2017/01/25 10:25:30  
 ADD ONLY SCREEN BN15 870884640MC0001 FILE NO 3873073 OTHER SELECTION CB 08  
 3873073

# MANITOBA COMPANIES OFFICE SEARCH RESULTS



NAME HMV CANADA INC.

TYPE 31 EP SHARE NONDIST  
870884640MC0001

FNC MC	DATE	SEQ	TRAN	DESCRIPTION	ADDITIONAL DESCRIPTION
	1999/03/31	001	DFL	DEFAULT	
	1998/07/23	002	AAS	APPOINT ATTY	RICHARD L. YAFFE
	1998/07/23	001	REG	REGISTERED	

CB10 OTHER NAMES COMPANIES OFFICE A 1 2017/01/25 10:25:30  
 FUNCTION I I BN15 870884640MC0001 FILE NO 3873073 OTHER SELECTION CB 10  
 NAME HMV CANADA INC.

TYPE 31 EP SHARE NONDIST  
870884640MC0001

CODE AND DESCRIPTION 3873073

A DIRECTOR NAME HARVEY BERKLEY

FILE NO

ADDR 5401 EGLINTON AVE W STE 110 -

A

CITY TORONTO PROV ON POSTAL CD M9C-5K6

SHARE CODE # OF SHARES SHARE CODE # OF SHARES

A DIRECTOR NAME NICK WILLIAMS

FILE NO

ADDR 5401 EGLINTON AVE W STE 110 -

A

CITY TORONTO PROV ON POSTAL CD M9C-5K6

SHARE CODE # OF SHARES SHARE CODE # OF SHARES

B PRESIDENT NAME NICK WILLIAMS

FILE NO

ADDR 5401 EGLINTON AVE W STE 110 -

B

CITY TORONTO PROV ON POSTAL CD M9C-5K6

# MANITOBA COMPANIES OFFICE SEARCH RESULTS



SHARE CODE # OF SHARES SHARE CODE # OF SHARES  
 HARVEY BERKLEY  
 NICK WILLIAMS  
 NICK WILLIAMS MORE ADDS? Y  
 CB10 OTHER NAMES COMPANIES OFFICE A 1 2017/01/25 10:25:30  
 FUNCTION I I BN15 870884640MC0001 FILE NO 3873073 OTHER SELECTION CB 10  
 NAME HMV CANADA INC.

TYPE 31 EP SHARE NONDIST  
 CODE AND DESCRIPTION 3873073 870884640MC0001  
 C SECRETARY NAME HARVEY BERKLEY

FILE NO  
 ADDR 5401 EGLINTON AVE W STE 110 - C  
 CITY TORONTO PROV ON POSTAL CD M9C-5K6  
 SHARE CODE # OF SHARES SHARE CODE # OF SHARES  
 E SHAREHOLDER NAME HUK 10 LTD.

FILE NO  
 ADDR - E  
 CITY PROV POSTAL CD 000-000  
 SHARE CODE A # OF SHARES 100 SHARE CODE # OF SHARES  
 G OFFICER NAME HARVEY BERKLEY

FILE NO  
 ADDR 5401 EGLINTON AVE W STE 110 - G  
 CITY TORONTO PROV ON POSTAL CD M9C-5K6  
 SHARE CODE # OF SHARES SHARE CODE # OF SHARES  
 HARVEY BERKLEY  
 HUK 10 LTD.

MORE ADDS? Y  
 CB10 OTHER NAMES COMPANIES OFFICE A 1 2017/01/25 10:25:30  
 FUNCTION I I BN15 870884640MC0001 FILE NO 3873073 OTHER SELECTION CB 10  
 NAME HMV CANADA INC.

TYPE 31 EP SHARE NONDIST  
 CODE AND DESCRIPTION 3873073 870884640MC0001  
 K ATTY SRVC NAME RICHARD L. YAFFE

FILE NO  
 ADDR 30TH FLOOR, 360 MAIN STREET - K  
 CITY WINNIPEG PROV MB POSTAL CD R3C-4G1  
 SHARE CODE # OF SHARES SHARE CODE # OF SHARES  
 V VICE-PRES NAME DAN KUCZKOWSKI

FILE NO

# MANITOBA COMPANIES OFFICE SEARCH RESULTS



ADDR 5401 EGLINTON AVE W STE 110 - V  
CITY TORONTO PROV ON POSTAL CD M9C-5K6  
SHARE CODE # OF SHARES SHARE CODE # OF SHARES  
V VICE-PRES NAME TIM MURPHY

FILE NO

ADDR 5401 EGLINTON AVE W STE 110 - V  
CITY TORONTO PROV ON POSTAL CD M9C-5K6  
SHARE CODE # OF SHARES SHARE CODE # OF SHARES  
RICHARD L. YAFFE  
DAN KUCZKOWSKI  
TIM MURPHY

MORE ADDS? N

**DISCLAIMER:**

This report has been generated using data provided by the Companies Office System, Province of Manitoba. No liability is undertaken by Oncorp Direct Inc. regarding its correctness, completeness, or the interpretation and use that are made of it.



Profile Report

Entity Number: 626073  
Entity Name: HVM CANADA INC.

Page 1 of 4  
Report Date: 25-Jan-2017

**Entity Details**

Entity Type	Business Corporation
Entity Subtype	Extra-provincial Corporation
Entity Status	Active
Registration Date	27-Jul-1998
Entity Number in Home Jurisdiction	1282514
Entity Name in Home Jurisdiction	HVM CANADA INC.
Home Jurisdiction	Ontario, Canada
Incorporation/Amalgamation Date in Home Jurisdiction	19-Feb-1998
Annual Return Due Date	31-Mar-2017
Nature of Business	RETAIL TRADE INDUSTRY (MUSIC)

**Registered Office/Mailing Address**

Physical Address	5401 EGLINTON AVE. W., STE. 110, TORONTO, Ontario, Canada, M9C5K6
Mailing Address	HVM CANADA INC., 1500 - 1874 SCARTH ST., REGINA, Saskatchewan, Canada, S4P4E9
Attention To	MACPHERSON LESLIE & TYERMAN LLP

**Directors/Officers**

**NICK WILLIAMS (Officer)**

Physical Address:	24 NURSEWOOD RD., TORONTO, Ontario, Canada, M4E3R8	Office Held:	PRESIDENT
Mailing Address:	24 NURSEWOOD RD., TORONTO, Ontario, Canada, M4E3R8	Effective Date:	14-Sep-2011

**DAN KUCZKOWSKI (Officer)**

Physical Address:	32 OBAN COURT, COURTICE, Ontario, Canada, L1E1Z6	Office Held:	VICE PRESIDENT, PURCHASING
Mailing Address:	32 OBAN COURT, COURTICE, Ontario, Canada, L1E1Z6	Effective Date:	14-Sep-2011



Profile Report

Page 2 of 4

Entity Number: 626073  
Entity Name: HVM CANADA INC.

Report Date: 25-Jan-2017

**TIM MURPHY (Officer)**

Physical Address: 5401 EGLINGTON AVE. W.,  
SUITE 110, TORONTO,  
Ontario, Canada, M9C5K6

Mailing Address: 5401 EGLINGTON AVE. W.,  
SUITE 110, TORONTO,  
Ontario, Canada, M9C5K6

Office Held: VICE-PRESIDENT,  
OPERATIONS

Effective Date: 27-Feb-2015

**HARVEY BERKLEY (Officer)**

Physical Address: 5401 EGLINTON AVE. W.,  
SUITE 110, TORONTO,  
Ontario, Canada, M9C5K6

Mailing Address: 5401 EGLINTON AVE. W.,  
SUITE 110, TORONTO,  
Ontario, Canada, M9C5K6

Office Held: SECRETARY AND CFO

Effective Date: 16-Sep-2014

**NICK WILLIAMS (Director)**

Physical Address: 24 NURSEWOOD RD.,  
TORONTO, Ontario, Canada,  
M4E3R8

Mailing Address: 24 NURSEWOOD RD.,  
TORONTO, Ontario, Canada,  
M4E3R8

Effective Date:

**HARVEY BERKLEY (Director)**

Physical Address: 5401 EGLINTON AVE. W.,  
SUITE 110, TORONTO,  
Ontario, Canada, M9C5K6

Mailing Address: 5401 EGLINTON AVE. W.,  
SUITE 110, TORONTO,  
Ontario, Canada, M9C5K6

Effective Date:

**Power of Attorney**

**JOHN A. DIPPLE**

Physical Address: 1500 - 1874 SCARTH ST., REGINA, Saskatchewan, Canada, S4P4E9

Mailing Address: 1500 - 1874 SCARTH ST., REGINA, Saskatchewan, Canada, S4P4E9

**AARON D. RUNGE**



Profile Report

Entity Number: 626073

Page 3 of 4

Entity Name: HVM CANADA INC.

Report Date: 25-Jan-2017

Physical Address: 1500 - 1874 SCARTH ST., REGINA, Saskatchewan, Canada, S4P4E9

Mailing Address: 1500 - 1874 SCARTH ST., REGINA, Saskatchewan, Canada, S4P4E9

**DONALD K. WILSON**

Physical Address: 1500 - 1874 SCARTH ST., REGINA, Saskatchewan, Canada, S4P4E9

Mailing Address: 1500 - 1874 SCARTH ST., REGINA, Saskatchewan, Canada, S4P4E9

**Business Names Owned By Corporation**

Number	Name	Type
908320	HVM CANADA	Saskatchewan Business Name - Sole Proprietor

**Previous Entity Names**

Type	Name	Effective Until
Home Jurisdiction Name	HVM CANADA INC.	15-Sep-2014

**Event History**

Type	Date
Business Corporation - Annual Return	04-Mar-2016
Business Corporation - Annual Return	27-Feb-2015
Power of Attorney	16-Sep-2014
Business Corporation - Restoral	16-Sep-2014
Business Corporation - Annual Return	22-Feb-2013
Business Corporation - Annual Return	27-Mar-2012
Power of Attorney	14-Sep-2011
Business Corporation - Restoral	14-Sep-2011
Notice of Change of Registered Office/Mailing Address	21-Jul-2010
Business Corporation - Annual Return	05-Mar-2010
Business Corporation - Annual Return	26-Feb-2009
Business Corporation - Annual Return	27-Feb-2008
Power of Attorney	10-Apr-2007
Business Corporation - Annual Return	27-Feb-2007
Business Corporation - Annual Return	22-Feb-2006



Information™  
Services  
Corporation

Profile Report

Page 4 of 4

Report Date: 25-Jan-2017

Entity Number: 626073

Entity Name: H MV CANADA INC.

Business Corporation - Annual Return

15-Feb-2005

General Information

22-Apr-2004

Business Corporation - Annual Return

25-Mar-2004

Business Corporation - Annual Return

10-Mar-2003

Notice of Change of Directors/Officers

31-Jul-2002

Business Corporation - Annual Return

26-Mar-2002

Business Corporation - Annual Return

02-Apr-2001

Business Corporation - Annual Return

14-Jun-2000

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2017/01/25  
Time of Search: 09:20 AM  
Search provided by: WEST-END REGISTRATIONS LICENSING & SEARCHES LTD.

Service Request Number: 26423349  
Customer Reference Number: 01546574-745417

**Corporate Access Number:** 217828292  
**Legal Entity Name:** HMV CANADA INC.

**Legal Entity Status:** Active  
**Extra-Provincial Type:** Other Prov/Territory Corps  
**Registration Date:** 1998/04/28 YYYY/MM/DD  
**Date Of Formation in Home Jurisdiction:** 1998/02/19 YYYY/MM/DD  
**Home Jurisdiction:** ONTARIO  
**Home Jurisdiction CAN:** 1282514

## Primary Attorney:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code
DOLGOY	LEONARD	M.	WITTEN LLP	2500, 10303 JASPER AVENUE	EDMONTON	ALBERTA	T5J 3N6

## Head Office Address:

**Street:** 5401 EGLINTON AVENUE WEST, SUITE 110  
**City:** ETOBICOKE  
**Province:** ONTARIO  
**Postal Code:** M9C 5K6

## Directors:

**Last Name:** BERKLEY  
**First Name:** HARVEY  
**Street/Box Number:** 162 LAWRIE ROAD  
**City:** THORNHILL

**Province:** ONTARIO  
**Postal Code:** L4J 8N1  
  
**Last Name:** WILLIAMS  
**First Name:** NICK  
**Street/Box Number:** SUITE 110, 5401 EGLINTON AVENUE WEST  
**City:** TORONTO  
**Province:** ONTARIO  
**Postal Code:** M9C 5K6

**Voting Shareholders:**

**Last Name:** BARRAUD HOLDINGS LIMITED  
**Street:** BROADWALK HOUSE, 5 APPOLD STREET  
**City:** LONDON  
**Postal Code:** EC2A 2HA  
**Country:** ENGLAND  
**Percent Of Voting Shares:** 100

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2016	2016/07/08

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
1998/04/28	Register Extra-Provincial Profit / Non-Profit Corporation
2002/07/19	Change Director / Shareholder
2016/07/08	Enter Annual Returns for Alberta and Extra-Provincial Corp.

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.





Extrajurisdictional Company Summary For HMV CANADA INC.

Date and Time of Search: January 25, 2017 08:24 AM Pacific Time
Currency Date: November 24, 2016

ACTIVE

Registration Number in BC: A0047100
Name of Extrajurisdictional Company: HMV CANADA INC.
Registration Date: Registered in British Columbia on April 15, 1998
Last Annual Report Filed: April 15, 2016 Receiver: No

FOREIGN JURISDICTION INFORMATION

Identifying Number in Foreign Jurisdiction: 1282514 Name in Foreign Jurisdiction: HMV CANADA INC.
Date of Incorporation, Continuation or Amalgamation in Foreign Jurisdiction: February 19, 1998 Foreign Jurisdiction: ONTARIO

HEAD OFFICE INFORMATION

Mailing Address: 5401 EGLINTON AVE WEST ETOBICOKE ON M9C 5K6 CANADA
Delivery Address: 5401 EGLINTON AVE WEST ETOBICOKE ON M9C 5K6 CANADA

ATTORNEY INFORMATION

Corporation or Firm Name: DAVIS CORPORATE SOLUTIONS INC.
Mailing Address: 2800 PARK PLACE, 666 BURNARD STREET VANCOUVER BC V6C 2Z7 CANADA
Delivery Address: 2800 PARK PLACE, 666 BURNARD STREET VANCOUVER BC V6C 2Z7 CANADA

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## **DIRECTOR INFORMATION**

Directors are not recorded for extraprovincial registration types. Go to the incorporating jurisdiction for director information.

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PROFILE - H MV CANADA INC. - as of: 2017-01-25 12:24 PM

<b>Business/Organization Name:</b>	H MV CANADA INC.
<b>Registry ID:</b>	3021289
<b>Type:</b>	Extra-Provincial Corporation
<b>Nature of Business:</b>	RETAIL TRADE INDUSTRY
<b>Status:</b>	Active
<b>Jurisdiction:</b>	Ontario
<b>Registered Office:</b>	SUITE 110, 5401 EGLINTON AVENUE WEST TORONTO ON Canada M9C 5K6
<b>Mailing Address:</b>	P.O. BOX 730 HALIFAX NS Canada B3J 2V1

**PEOPLE**

Name	Position	Civic Address	Mailing Address
HARVEY BERKLEY	Director	SUITE 110, 5401 EGLINTON AVENUE WEST TORONTO ON M9C 5K6	
NICK WILLIAMS	Director	SUITE 110, 5401 EGLINTON AVENUE WEST TORONTO ON M9C 5K6	
NICK WILLIAMS	PRESIDENT	SUITE 110, 5401 EGLINTON AVENUE WEST TORONTO ON M9C 5K6	
TIM MURPHY	VP, OPERATIONS	SUITE 110, 5401 EGLINTON AVENUE WEST TORONTO ON M9C 5K6	
DAN KUCZKOWSKI	VP, PURCHASING	5401 EGLINTON AVE. W., SUITE 110 TORONTO ON M9C 5K6	
HARVEY BERKLEY	SECRETARY & CFO	SUITE 110, 5401 EGLINTON AVENUE WEST TORONTO ON M9C 5K6	
JOSEPH A.F. MACDONALD	Recognized Agent	1300 - 1969 Upper Water Street, Purdy's Wharf Tower II Halifax NS B3J 3R7	PO Box 730 Halifax NS B3J 2V1

**ACTIVITIES**

<b>Activity</b>	<b>Date</b>
Annual Renewal	2016-03-07
Annual Statement Filed	2016-03-07
Annual Renewal	2015-02-03
Annual Statement Filed	2015-02-03
Annual Renewal	2014-02-06
Annual Statement Filed	2014-02-06
Annual Renewal	2013-01-28
Annual Statement Filed	2013-01-28
Annual Statement Filed	2012-03-31
Annual Renewal	2012-03-31
Annual Renewal	2011-02-18
Annual Statement Filed	2011-02-18
Annual Renewal	2010-02-25
Annual Statement Filed	2010-02-23
Annual Renewal	2009-03-05
Annual Statement Filed	2009-03-05
Annual Renewal	2008-02-22
Annual Statement Filed	2008-02-21
Annual Statement Filed	2007-04-02
Annual Renewal	2007-02-23
Annual Statement Filed	2007-02-23
Annual Statement Filed	2006-02-24
Annual Renewal	2006-02-24
Annual Statement Filed	2005-03-07
Annual Renewal	2005-03-07
Annual Statement Filed	2004-04-07
Annual Renewal	2004-03-31
Appoint an Agent	2004-01-14
Annual Renewal	2003-01-31
Annual Statement Filed	2003-01-31
Annual Statement Filed	2002-10-11
Annual Renewal	2002-03-28
Annual Renewal	2001-03-14
Annual Statement Filed	2001-03-14
Annual Renewal	2000-04-03
Annual Statement Filed	1999-04-27
Annual Renewal	1999-03-26
Annual Statement Filed	1999-03-26
Annual Statement Filed	1999-03-26
Registered	1998-07-23
Incorporated in other Jurisdiction	1998-02-19

**RELATED  
REGISTRATIONS**

<b>This Company ...</b>	
HMV CANADA	Registered

The credit card transaction was successful

- Transaction Amount: \$3.45
- Date of Transaction: 2017-01-25 12:20:07
- Transaction #: 2922121
- HST #: 10786 3888 RT0006
- Authorization #: 004225

We recommend that you print this screen and retain it with your records

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#### General Information

Reference Number: 620068  
Name: HMV Canada Inc.  
Registration Date: 2005-07-12  
Category Code: 62  
Category: extra-provincial corporation – Business Corporations Act  
Status Code: A  
Status: Active  
Last Status Change Date: 2016-07-28  
Jurisdiction: Ontario

#### Available Documents

[Click here to view electronic documents for this record.](#)  
[Click here to order paper copies of documents.](#)  
[Click here to order certified copies of documents.](#)

#### Annual Return Information

Last Annual Return Filed: 2016

#### Registered Office

Address: 5401 Eglinton Avenue W Suite 110 Toronto ON M9C 5K6

#### Directors

Name: Berkley, Harvey  
Address: 5401 Eglinton Avenue W Suite 110 Toronto ON M9C 5K6

Name: Williams, Nick  
Address: 5401 Eglinton Avenue W Suite 110 Toronto ON M9C 5K6

#### Agent

Name: Len Hoyt  
Address: Barker House 570 Queen Street Suite 600 Post Office Box 610 Stn A  
Fredericton NB E3B 5A6



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Detailed Company Information			
<b>Company Name:</b>	HMV CANADA INC.		
In Good Standing			
<b>Company Number:</b>	6646F	<b>Corporation Type:</b>	Company
<b>Status:</b>	Active	<b>Category:</b>	Extra-Provincial
<b>Last Annual Return:</b>	2016-10-31	<b>Business Type:</b>	With Share Capital - Foreign
<b>Incorporation Jurisdiction:</b>	ON	<b>Filing Type:</b>	Registration
<b>Registration Date:</b>	2003-11-21		
<b>Incorporation Date:</b>	1998-02-19		
<b>Additional Information:</b>			
<i>(Latest addresses on file)</i>			
<b>Registered Office in NL:</b>		<b>Registered Office outside NL:</b>	
McInnes Cooper		5401 Eglinton Avenue West	
P.O. Box 5939		Suite 110	
5th Floor, 10 Fort William Place		Toronto	
St. John's		ON Canada	
NL Canada		M9C 5K6	
A1C 5X4			

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[\[Previous Names\]](#)

[\[Amalgamated Information\]](#)

[\[Current Directors\]](#)

[\[Historical Remarks\]](#)



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**EXHIBIT**

**C**

DATED 26 April 2012

(1) HUK 10 LTD

as Lender

AND

(2) HVM CANADA INC.

as Borrower

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SECOND AMENDED AND RESTATED LOAN AGREEMENT

---



Millennium Bridge House  
2 Lambeth Hill  
London, EC4V 4AJ

Tel: 020 7429 6000  
Fax: 020 7429 6001  
Ref: AVG/0215192.25

THIS SECOND AMENDED AND RESTATED LOAN AGREEMENT is made on  
2012

26 April

**BETWEEN**

- (1) **HUK 10 LTD**, a company established under the laws of England with company registration number 07530828, with its registered office at Olympus House, Olympus Avenue, Leamington Spa, Warwickshire CV34 6BF (the "**Lender**"); and
- (2) **HMV CANADA INC.**, a company established under the laws of Ontario, Canada with Ontario Corporation number 1282514, with its registered office at 100 King Street West, 1 First Canadian Place Suite 4400, Toronto, Ontario M5X 1B1 Canada (the "**Borrower**").

**INTRODUCTION**

- A. The Borrower has requested the Lender to make a loan facility available for the Borrower's working capital purposes.
- B. The Lender has agreed to provide a loan facility to the Borrower on and subject to the terms and conditions of this Agreement.

**OPERATIVE PROVISIONS**

**1 DEFINITIONS AND INTERPRETATION**

- 1.1 In this Agreement including the Introduction the following words and expressions have the following meanings:

<b>"Advance"</b>	means an advance made or to be made by the Lender to the Borrower in respect of the Loan Facility, or the principal amount of such an advance outstanding;
<b>"Bank Accounts"</b>	means all bank accounts (or such bank accounts as the Lender may direct) held in the name of the Borrower, or in which the Borrower has a beneficial interest, with Bank of Montreal, and any additional or substitute bank accounts of the Borrower from time to time;
<b>"Business Day"</b>	means a day on which banks generally are open for business in the City of London and the province of Ontario (excluding Saturdays, Sundays and bank or public holidays);
<b>"Canadian Anti-Money Laundering &amp; Anti-Terrorism"</b>	means the <i>Criminal Code</i> , R.S.C. 1985, c. C-46, <i>The Proceeds of Crime (Money Laundering) and Terrorist Financing Act</i> , S.C. 2000, c. 17 and the <i>United Nations</i>

<b>Legislation"</b>	Act, R.S.C. 1985, c. U-2 or any similar Canadian legislation, together with all rules, regulations and interpretations thereunder or related thereto including, without limitation, the <i>Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism</i> and the <i>United Nations Al-Qaida and Taliban Regulations</i> promulgated under the <i>United Nations Act</i> ;
<b>"Canadian Dollars"</b>	means the lawful currency of Canada;
<b>"Cross Company Guarantee"</b>	means the cross company guarantee entered into by the Borrower, HVM IP Holdings ULC, HVM Pure Holdings ULC, HVM Digital Holdings ULC, Wholesale Entertainment ULC, HUK 16 Limited, HUK 17 Limited, HUK 18 Limited and HUK 19 Limited in favour of the Lender on 28 December 2011;
<b>"Default Rate"</b>	means interest at the rate of 2% per annum above the Interest Rate;
<b>"Dollar Equivalent"</b>	means the equivalent in Canadian Dollars of an amount denominated in Sterling, at the Exchange Rate (for the conversion of Sterling to Canadian Dollars) on the Business Day immediately preceding the date on which a payment is made;
<b>"Drawdown Date"</b>	means the date on which an Advance is made, or is to be made under this Agreement;
<b>"Exchange Rate"</b>	means the prevailing spot rate of exchange of Reference Bank (or if such rate is not available from the Reference Bank, such other bank as the Lender may reasonably select) for the purpose of conversion of one currency to another, at or around 11:00 a.m. Toronto time, on the date on which any such conversion of currency is to be made under this Agreement;
<b>"Facility Amount"</b>	means £15,000,000;
<b>"Finance Documents"</b>	means this Agreement, the GSA, the Hypothec, the Cross Company Guarantee and any other documents, agreements, certificates or instruments delivered or given or continued pursuant to or in connection therewith or otherwise designated a Finance Document by the Lender;
<b>"GSA"</b>	means a first ranking general security agreement over the assets of the Borrower in favour of the Lender dated 28 June 2011;

<b>"Hypothec"</b>	means a first ranking hypothec over the assets of the Borrower in favour of the Lender dated 28 June 2011;
<b>"Interest Rate"</b>	means 8% per annum;
<b>"Loan"</b>	means the loan made or to be made available under the Loan Facility or the principal amount outstanding for the time being of such loan;
<b>"Loan Facility"</b>	means the loan facility provided for in this Agreement;
<b>"Obligations"</b>	has the meaning given to it in the GSA;
<b>"Reference Bank"</b>	means The Toronto-Dominion Bank, or such other bank as the Lender may from time to time designate;
<b>"Sterling" and "£"</b>	means the lawful currency of the United Kingdom;
<b>"Sterling Equivalent"</b>	means the equivalent in Sterling of an amount denominated in Canadian Dollars, at the Exchange Rate (for the conversion of Canadian Dollars to Sterling) on the Business Day immediately preceding the date on which a payment is made; and
<b>"Warranties"</b>	means the representations and warranties set out in Clause 10 of this Agreement.

- 1.2 References in this Agreement or to any provisions of, or definitions contained in this Agreement or any other documents shall be construed as references to this Agreement, that provision or document in force for the time being and as amended from time to time but only to the extent that any such amendment has been made in accordance with the terms of this Agreement.
- 1.3 Headings are for ease of reference only and shall be ignored in the interpretation of this Agreement.
- 1.4 In this Agreement, unless the context otherwise requires:
- (a) references to clauses are to be construed as references to the clauses of this Agreement;
  - (b) words importing the singular shall include the plural and vice versa;
  - (c) references to persons shall include any firm, body corporate, company, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of any two or more of the foregoing.
- 1.5 A reference to a statute, statutory provision or subordinate legislation is a reference to it as in force for the time being.
- 1.6 This Agreement supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties relating to the subject matter hereof and entered into prior to the date of this Agreement and amends, restates, consolidates and supplements certain amended and restated provisions of that certain amended and restated facility agreement between Lender and

Borrower dated 4<sup>th</sup> November, 2011, as amended and restated on 4<sup>th</sup> November, 2011 and further amended on 19<sup>th</sup> December, 2011 (the "**Loan Agreement**"). Any provision hereof which differs from or is inconsistent with a provision of the Loan Agreement constitutes an amendment to the Loan Agreement with each such amendment being effective as and from the date hereof. This Agreement is and shall for all purposes be deemed to be an amendment and restatement of the provisions of the Loan Agreement and does not constitute a discharge or novation of any debt, obligation, covenant or agreement contained in the Loan Agreement or any of the other Finance Documents.

## 2 **THE LOAN FACILITY**

Upon and subject to the terms of this Agreement the Lender agrees to make a working capital loan facility available to the Borrower.

## 3 **TERMS APPLYING TO THE LOAN FACILITY**

### 3.1 Purpose

- (a) The Borrower shall use the Loan Facility for its working capital requirements or for such other purpose as the Lender may agree.
- (b) The Lender is not bound to monitor or verify the Borrower's application of any amount borrowed pursuant to this Agreement.

### 3.2 Availability and Drawdown of the Loan Facility

The Borrower may draw the Loan Facility in any number of Advances and in such amounts and at such times as the Lender in its sole discretion shall agree by making a written request to the Lender by not later than 10.00am on the Business Day falling two Business Days before the proposed Drawdown Date (or such shorter time as may be agreed by the parties), provided the requested Drawdown Date is a Business Day.

### 3.3 Conditions

- (a) The Lender will not make any Advance under the Loan Facility unless on the Drawdown Date the Warranties are true and correct in all material respects and they will continue to be true and correct immediately after the proposed Advance is made.
- (b) The condition specified in this clause 3.3 is for the benefit of the Lender only. The Lender may waive it, in whole or in part, and with or without further conditions, without prejudicing the Lender's right to require subsequent fulfilment of such conditions.

## 4 **INTEREST AND DEFAULT INTEREST**

4.1 Interest shall accrue on each Advance at the Interest Rate.

4.2 Interest shall accrue from day to day and be payable on the last day of each calendar month.

4.3 If the Borrower does not pay any amount due under this Agreement on its due date, default interest will accrue on that unpaid amount at the Default Rate.

- 4.4 Default interest shall accrue from day to day (both before and after judgment) and shall be payable on demand.
- 4.5 For the purposes of this Agreement, whenever interest is calculated on the basis of a period which is less than the actual number of days in a calendar year, each rate of interest determined pursuant to such calculation is, for the purposes of the *Interest Act* (Canada), equivalent to such rate multiplied by the actual number of days in the calendar year in which such rate is to be ascertained and divided by the number of days used as the basis of such calculation.
- 4.6 The parties acknowledge and agree that all calculations of interest under this Agreement are to be made on the basis of the nominal interest rate described herein and not on the basis of effective yearly rates or on any other basis which gives effect to the principle of deemed reinvestment of interest. The parties acknowledge that there is a material difference between the stated nominal interest rates and the effective yearly rates of interest and that they are capable of making the calculations required to determine such effective yearly rates of interest.
- 4.7 In no event shall "interest" (as such term is defined in Section 347 of the *Criminal Code* of Canada) on the "credit advanced" (as defined therein) hereunder be payable by the Borrower or any guarantor in excess of sixty percent (60%) per annum and if any of such parties does pay an amount of interest in excess of sixty percent (60%) in any particular year, the amount of such excess shall be repaid by Lender to such party.

**5 REPAYMENT OF THE LOAN FACILITY**

Notwithstanding any other provision of this Agreement the Borrower shall repay the Loan Facility and all accrued interest and all other sums outstanding under this Agreement or any other Finance Document on demand.

**6 PREPAYMENT**

- 6.1 The Borrower may notify the Lender that it wishes to prepay part or all of an Advance. Such notification shall be made five Business Days in advance of the proposed prepayment date and shall specify the amount which the Borrower wishes to prepay.
- 6.2 The Lender shall have absolute discretion to accept or refuse the Borrower's request to make a prepayment. In either case it shall notify the Borrower of its decision.
- 6.3 If the Lender accepts the Borrower's request to make a prepayment in accordance with this Clause 6, any such prepayment shall include the following:
- (i) the unpaid interest accrued on the prepaid amount; and
  - (ii) any amount due or becoming due on prepayment under any other provision of this Agreement or any other Finance Document at that time.
- 6.4 The Borrower may reborrow any part of the Loan which is prepaid on and subject to the terms and conditions of this Agreement.

7        **SWEEP ARRANGEMENTS**

- 7.1        So long as any sum is outstanding under this Agreement the Borrower agrees to pay to the Lender at close of business on the last Business Day of each week (or more frequently if requested by the Lender), the sum standing to the credit of the Bank Accounts on the previous Business Day (subject to the trading commitments of the Borrower at such time).
- 7.2        The Lender shall apply all sums received from the Borrower under Clause 7.1 against repayment of the Borrower's Obligations as the Lender in its absolute discretion sees fit.
- 7.3        Any sums paid to the Lender by the Borrower under Clause 7.1 shall at the absolute discretion of the Lender be available to be relented to the Borrower on and subject to the terms and conditions of this Agreement.

8        **SECURITY**

- 8.1        The repayment of the Loan together with all accrued interest and other amounts outstanding under this Agreement will be secured by the GSA and the Hypothec and any other agreements entered into by the Borrower in accordance with Clause 8.2.
- 8.2        The Borrower shall, at the request of the Lender and at the Borrower's expense, at any time after the date of this Agreement immediately do all acts and things and execute in favour of the Lender, or as it may direct, such further or other legal assignments, transfers, pledges, mortgages, charges, securities and other deeds and documents as the Lender may require, in such form as the Lender may require in order to perfect or improve the security intended to be conferred on the Lender by or pursuant to the GSA and the Hypothec, or create, perfect or improve any additional security which the Lender may require whether under English law or under the law of any other jurisdiction, including, without limitation, a debenture on the real estate and other property of the Borrower.

9        **PAYMENTS**

- 9.1        All payments to be made by the Borrower under this Agreement shall be made without set-off or counterclaim and free and clear of any withholding or deduction for or on account of tax, save as may be required by law, provided that if the Borrower is required to make such a deduction or withholding the Borrower will (i) pay the amount required to be deducted or withheld to the relevant taxation authority, (ii) provide to the Lender a certificate of deduction of tax (or a copy thereof) evidencing the payment to such taxation authority and (iii) increase any amount due to such an amount as may be necessary to remit to the Lender the full amount it would have received had no such deduction or withholding been necessary.
- 9.2        If any payment is due to be made on a day that is not a Business Day, it shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- 9.3        The parties acknowledge and agree that the Loan Facility is denominated in Sterling, that all interest accruing under or pursuant to this Agreement shall accrue and be calculated in Sterling and that any demand, or notice of prepayment, made under this Agreement will be for a Sterling amount. Notwithstanding the foregoing:
- (a)        when making an Advance, the Lender shall pay the Dollar Equivalent of such Advance to the Borrower;

- (b) the Sterling Equivalent of all amounts denominated in Canadian Dollars which are swept from the Bank Accounts pursuant to Clause 8 shall be the repayment value; and
- (c) when making any repayment or prepayment of principal or any payment of interest or of other sums due under this Agreement, the Borrower shall pay the Dollar Equivalent of such payment amount to the Lender.

9.4 The Borrower shall promptly indemnify the Lender against any cost, loss or liability incurred by the Lender as a result of the currency conversions described in Clause 9.3 above.

## 10 REPRESENTATIONS AND WARRANTIES

10.1 The Borrower represents and warrants to the Lender that:

- (a) it is a corporation duly organised and validly existing under the laws of its jurisdiction of incorporation, has the capacity to sue or be sued in its own name and has full power and all necessary governmental and other consents, approvals, licences and authorities to own its property and other assets and to carry on its business as it is being conducted;
- (b) it has full power to enter into and perform its obligations under the Finance Documents to which it is a party, to borrow up to the aggregate of the Facility Amount and repay up to the aggregate of the Facility Amount and all interest, costs and other sums which may accrue in relation to the Loan Facility, and has obtained and will maintain in effect all necessary corporate authorisations and all other necessary consents, licences and authorities in order to enable it to enter into and perform its obligations under the Finance Documents to which it is a party;
- (c) execution of the Finance Documents to which it is a party and the drawing of the Loan Facility do not and will not constitute a default under or breach of, any existing law or regulation or the constitutional documents of the Borrower or any limitation on the powers of the board of directors of the Borrower or of the terms of any charge, contract, undertaking or restrictions binding on the Borrower;
- (d) no litigation, arbitration or proceeding is taking place, pending, or, to the Borrower's knowledge, threatened against it, or any of its assets; and
- (e) the choice of English law as the governing law of this Agreement will be recognised and enforced in its jurisdiction of incorporation and any judgment obtained in England in relation to this Agreement will be recognised and enforced in that jurisdiction.

10.2 Each of the Warranties are given on and made as at the date of this Agreement and are continuing representations and warranties which are deemed to be repeated on the date of a drawdown request and on each Drawdown Date by reference to the facts and circumstances existing on each such date.

## 11 ANTI-MONEY LAUNDERING AND ANTI-TERRORISM LEGISLATION

The Lender and its successors and assigns may be subject to Canadian Anti-Money Laundering & Anti-Terrorism Legislation and "know your customer" rules and regulations, and they hereby notify the Borrower that in order to comply with such legislation, rules and regulations, they may be, among other things, required to obtain, verify and record information pertaining to the Borrower, which information may relate to, among other things, the names, addresses, corporate directors,

corporate registration numbers, corporate tax numbers, corporate shareholders and banking transactions of the Borrower. The Borrower hereby agrees to take promptly such actions and to promptly provide, upon request, such information, access to information and certifications regarding the Borrower that are required to enable the Lender and its successors and assigns to comply with such Canadian Anti-Money Laundering & Anti-Terrorism Legislation and “know your customer” rules and regulations. In addition, and to the extent it is required to do so at law the Borrower agree to promptly comply with its obligations under Canadian Anti-Money Laundering & Anti-Terrorism Legislation.

**12 COSTS**

The Borrower shall promptly on demand pay to the Lender the amount of all costs and expenses (including legal and out of pocket expenses) reasonably incurred by the Lender in connection with:

- (i) the preparation, negotiation, execution, registration and perfection of the Finance Documents or any document referred to in them;
- (ii) any amendment, extension, waiver, consent or suspension of rights (or any proposal for these) relating to the Finance Documents or any document referred to in them;
- (iii) enforcing, preserving any rights under, or monitoring the provisions of the Finance Documents or any document referred to in them; and
- (iv) monitoring the performance and financial condition of the Borrower to ensure that it shall at all times be in compliance with its obligations under the Finance Documents to which it is a party.

**13 NOTICES**

13.1 Each notice or other communication to be made under this Agreement shall be made in writing and, unless otherwise stated, may be made by facsimile transmission or letter.

13.2 Any notice, communication or document to be made or delivered pursuant to this Agreement shall (unless that other person has by five Business Days’ written notice to the other specified another address or another person for whose attention the communication or document should be marked) be made or delivered to the addresses specified in this Agreement and shall be deemed to have been made or delivered when (in the case of a facsimile transmission) it is received legibly by the recipient or (in the case of any communication made by letter) when left at the relevant address or (as the case may be) two Business Days after being deposited in the post first class prepaid in an envelope addressed to the relevant address.

**14 CERTIFICATES**

A certificate from the Lender as to the amount at any time due from the Borrower to the Lender under this Agreement shall, in the absence of manifest error, be conclusive and binding on the Borrower.

**15 NO WAIVERS, REMEDIES CUMULATIVE**

No delay or omission on the part of the Lender in exercising any right, power or remedy under this Agreement, nor any single or partial exercise thereof, will preclude any other or further exercise

thereof or the exercise of any other right, power or remedy. The rights, powers and remedies of the Lender under this Agreement are cumulative and not exclusive of any right, power or remedy provided by law.

16 **PARTIAL INVALIDITY**

If, at any time any provision under this Agreement is or becomes illegal, invalid or unenforceable under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired thereby.

17 **THIRD PARTIES**

A person who is not a party to this Agreement has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of the third party which exists or is available apart from that Act.

18 **CURRENCY INDEMNITY**

If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement or any of the Finance Documents, it becomes necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due under this Agreement or any of the Finance Documents in any currency other than the Judgment Currency (the "Currency Due"), then conversion shall be made at the Exchange Rate prevailing on the Business Day before the day on which judgment is given. In the event that there is a change in the Exchange Rate prevailing between the Business Day before the day on which the judgment is given and the date of receipt by Lender of the amount due, the Borrower will, on the date of receipt by the Lender, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount received by the Lender on such date is the amount in the Judgment Currency which when converted at the Exchange Rate prevailing on the date of receipt by Lender is the amount then due under this Agreement or any of the Finance Documents in the Currency Due. If the amount of the Currency Due which Lender is able to purchase is less than the amount of the Currency Due originally due to it, the Borrower shall indemnify and save the Lender harmless from and against loss or damage arising as a result of such deficiency. The indemnity contained herein shall constitute an obligation separate and independent from the other obligations contained in this Agreement and the Finance Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Lender from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement or any of the Finance Documents or under any judgment or order.

19 **COUNTERPARTS**

The parties may execute this Agreement in two or more counterparts, each of which is an original and which when read together shall constitute the same agreement.

20 **ASSIGNMENT**

20.1 The Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Lender.

20.2 The Borrower agrees that the Lender may assign the Lender's rights and obligations under this Agreement to another party without the prior written consent of the Borrower.

21 **GOVERNING LAW AND JURISDICTION**

21.1 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 for all purposes in accordance with the laws of England and Wales, and the parties hereto submit to the jurisdiction of the English courts to hear any suit or action arising hereunder (including non-contractual disputes or claims).

21.2 Without prejudice to any other mode of service allowed under any relevant law, the Borrower:

- (a) irrevocably appoints Hilco UK Limited as its agent for service of process in relation to any proceedings before the English courts in connection with this Agreement;
- (b) covenants and agrees that, so long as it has any obligations under this Agreement, it shall maintain a duly appointed process agent to receive service of process and any other legal summons in England for the purposes of any legal action or proceeding brought by the Lender in respect of this Agreement or any other relevant document and shall keep the Lender advised of the identity and location of such agent; and
- (c) agrees that any failure by the process agent to notify the Borrower of the process will not invalidate the proceedings concerned.

**IN WITNESS** whereof the parties have executed this Agreement the day and year first above written.

**THE LENDER**

**SIGNED**

)

  
-----

for and on behalf of

)

**HUK 10 LTD**

)

**THE BORROWER**

**SIGNED**

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for and on behalf of

)

**HMV CANADA INC.**

)

**THE LENDER**

**SIGNED**

)

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for and on behalf of

)

**HUK 10 LTD**

)

**THE BORROWER**

**SIGNED**

)

Harvey Berke

for and on behalf of

)

**HMV CANADA INC.**

)

**EXHIBIT**

**D**



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## Amendment and Restatement Agreement

**Dated 7 January 2014**

**HMV Canada Inc**  
(the Company)

**HUK10 Limited**  
(the Consultant)

Dentons UKMEA LLP  
One Fleet Place  
London EC4M 7WS  
United Kingdom  
DX 242

## **Amendment agreement**

**Dated**            **January 7, 2014**

### **Between**

- (1)    H MV Canada Inc, a company registered under the laws of Ontario, Canada with Ontario corporation number 1282514, with its registered office at 100 King Street West, 1 First Canadian Place Suite 4400, Toronto, Ontario M5X 1B1, Canada (the **Company**); and
- (2)    HUK10 Limited, a company registered in England under registered number 07530828, whose registered office is at 7 River Court, Brighthouse Road, Middlesbrough, TS2 1RT (the **Consultant**).

### **Recitals**

- A      The Company and the Consultant are party to a negotiation services agreement dated 5 December 2011 relating to the provision of advisory services by the Consultant to the Company (the **Original Agreement**).
- B      The Company and the Consultant have agreed to amend and restate the Original Agreement.

### **It is agreed**

#### **1      Amendment and Restatement of the Original Agreement**

The Company and the Consultant consent to and agree that with effect from the date of this Agreement, the Original Agreement shall be amended and restated so as to take effect in the form set out in Schedule 1 (the **Restated Agreement**), so that the rights and obligations of the parties to the Original Agreement shall, on and from that date, be governed by and construed in accordance with the provisions of the Restated Agreement.

#### **2      Continued effect**

The Company and the Consultant agree that the terms and conditions of the Original Agreement, as amended and restated by this Agreement, shall remain in full force and effect.

#### **3      Governing law and jurisdiction**

- 3.1    This Agreement shall be governed by, and construed in accordance with, the laws of England and Wales.
- 3.2    The parties irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement.

**Executed** as a deed and delivered on the date appearing at the beginning of this Deed.

Executed as a deed by **HMV Canada** )

Inc, acting by Harvey Barkley )  
being a person who in accordance )  
with the law of Ontario, Canada, is )  
acting under the authority of the )  
company )

*Harvey Barkley*

Executed as a Deed by **HUK10 Limited** )  
acting by a director in the presence of: )

Director

Signature of witness: .....

Name of witness: .....

Address: .....  
.....  
.....

Executed as a deed by HVM Canada )  
Inc, acting by \_\_\_\_\_ )  
being a person who in accordance )  
with the law of Ontario, Canada, is )  
acting under the authority of the )  
company )

Executed as a Deed by HUK10 Limited )  
acting by a director in the presence of: )



Director

Signature of witness: 

Name of witness: STEPHANIE COPE

Address: 80 NEW BOND ST  
LONDON  
W1S 1SB

**Schedule 1 - Restated Agreement**

**PRIVATE AND CONFIDENTIAL**

**PROCUREMENT AGREEMENT**

**HMV CANADA INC**

**AND**

**HUK10 LIMITED**

7 January 2014

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**THIS AGREEMENT** is made on January 7, 2014

**BETWEEN:**

- (1) **HMV Canada Inc**, a company established under the laws of Ontario, Canada with Ontario corporation number 1282514, with its registered office at 100 King Street West, 1 First Canadian Place Suite 4400, Toronto, Ontario M5X 1B1, Canada (the "**Company**"); and
- (2) **HUK10 Limited**, a Company incorporated under the laws of England and Wales with the registered number 07530828, with its registered office is at 7 River Court, Brighthouse Road, Middlesbrough TS2 1RT (the "**Consultant**").

**RECITALS:**

- (A) The Company wishes to engage the Consultant to act as its advisor in negotiating more advantageous terms with suppliers with the aim of allowing the Company to trade more profitably.
- (B) In recognition of the requirements of the Company, the Consultant has agreed to provide the Advisory Services to the Company for the fees, and on the terms and conditions, set out in this agreement.

**IT IS AGREED**

**1. DEFINED TERMS**

- 1.1 In this agreement, including the schedules, the following words and phrases shall have the following meanings:

**Advisory Services** means the consultancy services listed in Schedule 1 as may be amended by agreement in writing by the parties from time to time;

**Business Day** means a day (other than a Saturday or a Sunday) on which clearing banks are open for business in London and Toronto;

**Confidential Information** means information in whatever form (including, without limitation, in written, oral, visual or electronic form or on any magnetic or optical disk or memory and wherever located) relating to the business, customers, products, affairs and finances of the Company or any Group Company for the time being confidential to the Company or any Group Company and trade secrets including, without limitation, technical data and know-how relating to the business of the Company or any Group Company or any of its or their suppliers, customers, agents, distributors, shareholders, management or business contacts, and including (but not limited to) information that the Consultant creates, develop, receive or obtain in connection with the Advisory Services, whether or not such information (if in anything other than oral form) is marked confidential;

**Group Company** means the Company and its affiliates from time to time;

**Head Office** means 110-5401 Eglinton Avenue West, Etobicoke, Ontario M9C 5K6, Canada or such other premises designated by the Company;

**Services Commencement Date** means 5 December 2011;

**Services Term** means the period from the **Services Commencement Date** until such time as this agreement is terminated under clause 8;

**VAT** means Value Added Tax or any similar tax replacing it or performing any similar fiscal function chargeable or payable in accordance with applicable UK taxation legislation; and

- 1.2 Reference to a clause or Schedule is to a clause or schedule of or to this agreement, unless the context requires otherwise.
- 1.3 Reference to any gender includes the other genders and words denoting the singular include the plural and vice versa unless the context requires otherwise. Reference to a **person** includes any individual, firm, unincorporated association or body corporate.
- 1.4 The headings in this agreement are for ease of reference only and shall not affect its construction or interpretation.

## **2. APPOINTMENT OF CONSULTANT**

In recognition of the requirements of the Company, the Company wishes to engage the Consultant and the Consultant has agreed to provide the Advisory Services to the Company for the fees detailed in Clause 3, and on the terms and conditions, set out in this agreement.

## **3. ADVISORY SERVICES FEES**

- 3.1 The Consultant will allocate a senior team led initially by Chris Emmott to provide the Advisory Services. It is acknowledged by all parties that the negotiations with suppliers will require an ongoing engagement and therefore the fee during the Services Term shall be charged by way of a monthly retainer.
- 3.2 As consideration for the provision of the Advisory Services set out in this agreement, the Company shall pay the Consultant a monthly retainer which shall be calculated as the equivalent of 2% of the payments (net of VAT) made to trade suppliers of the Company. This sum shall be payable within 7 days after the period end in which the supplier payments were made by or on behalf of the Company.

## **4. SERVICES TERM**

- 4.1 The Services shall commence on the Services Commencement Date and continue until such time as this agreement is terminated under clause 8.

## **5. CONDUCT OF THE SERVICES**

- 5.1 It is acknowledged by the Company that the Consultant is acting in an advisory capacity and that the Company is responsible for the strategic and operational direction of the business of the Company.
- 5.2 The Company acknowledges that forecasts and hypothetical and estimated outcomes are the responsibility of the Company, which is responsible for ensuring that individual assumptions used in the preparation of this information are appropriate in the circumstances, including the responsibility to ensure that such assumptions as a whole are appropriate in the circumstances.
- 5.3 The Company acknowledges that the Consultant is not an auditor, and consequently, the accuracy or completeness of any financial analysis undertaken by the Consultant using financial information provided by the Company cannot be relied upon as if the information had been audited.
- 5.4 Any outputs prepared by the Consultant are for the sole use of the Company and shall not be disclosed to any third parties without the prior written consent of the Consultant.

- 5.5 The Company acknowledges that the Consultant and its affiliates accept no responsibility or liability for any losses suffered by the Company's stakeholders, or any unauthorised user as a result of the circulation, publication, reproduction or other uses of its output.
- 5.6 The Company shall make available to the Consultant in so far as is reasonably practicable and legally and contractually permissible during the Services Term:
- (a) the use, without charge, of the Company's existing office facilities, existing central and administrative services and access to existing personnel to assist the Consultant in identifying issues which are pertinent to the provision of the Services; and
  - (b) suitable office accommodation as is necessary at the Head Office for the reasonable use of the Consultant to provide the Advisory Services in accordance with this agreement.
- 5.7 The Consultant will provide the Advisory Services at its own discretion.

## **6. INTERFACE**

- 6.1 The parties shall meet within fourteen days of either Party's written request during the Services Term at the Head Office of the Company in order to discuss the Consultant's advice.
- 6.2 Each party shall appoint a relationship manager, being the persons listed below, to attend such meetings on its behalf (**Relationship Manager**).

The Company's Relationship Manager: Harvey Berkley

The Consultant's Relationship Manager: Chris Emmott

- 6.3 The Relationship Managers will raise any issues, problems or concerns arising in the context of the Services and such issues, problems or concerns shall be discussed and both parties shall use all reasonable endeavours to resolve any issues which may arise.

## **7. CONFIDENTIAL INFORMATION**

- 7.1 The Consultant acknowledges that during the Services Term it will have access to Confidential Information. The Consultant has therefore agreed to accept the restrictions in this clause 7.
- 7.2 The Consultant shall not (except in the proper course of their duties), either during the Services Term or for a period of 12 months after the termination of this agreement, use or disclose to any third party (and shall use all reasonable endeavours to prevent the publication and disclosure of) any Confidential Information without the prior consent of the Company. This restriction does not apply to:
- (a) any use or disclosure authorised by the Company or required by law; or
  - (b) any information which is already in, or comes into, the public domain otherwise than through the Consultant's unauthorised disclosure.

## **8. TERMINATION**

- 8.1 The Consultant shall be entitled to terminate this agreement by not less than 7 days written notice to the Company.
- 8.2 Each of the Company and the Consultant shall be entitled immediately to terminate this agreement by written notice to the other if a trustee in bankruptcy, liquidator, administrator, or other similar officer is appointed over all or a substantial part of its assets or its earnings or the other enters into or

proposes any composition or arrangement with its creditors (other than for the purposes of a solvent amalgamation or reconstruction) or either party is made bankrupt, wound-up or dissolved or an event analogous to any of the foregoing occurs in a jurisdiction outside England and/or Ontario.

- 8.3 Any waiver by either party of a breach of any provision of this agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision of this agreement.
- 8.4 Notwithstanding the termination of this Agreement under this clause 8, any outstanding fees due under clause 3 at the date of the termination shall be payable to the Consultant within 7 days of the date of termination.

## **9. CONSEQUENCES OF TERMINATION**

- 9.1 Upon termination of this agreement for any reason:
- (a) the Consultant shall cease to provide the Advisory Services;
  - (b) subject to clause 8.4 and as otherwise provided in this agreement and to any rights or obligations which have accrued prior to termination, neither party shall have any further obligation to the other under this agreement; and
  - (c) all Advisory Services Fees pursuant to clause 3.2 shall be for the account of the Company.

## **10. LIMITATION OF LIABILITY**

- 10.1 The Consultant shall not be liable under this Agreement whether in contract, tort (including for negligence), breach of statutory duty or otherwise for:
- (i) loss of profit, loss of business or depletion of goodwill in each case whether direct or indirect; or,
  - (ii) for any other claims for consequential or indirect loss or special damage whatsoever (howsoever caused);

Provided that nothing in this Agreement excludes or limits either party's liability for death or personal injury caused by its negligence or for fraud or fraudulent misrepresentation or for any matter that it would be illegal for either party to exclude or attempt to exclude its liability.

- 10.2 Subject to clause 10.1, the Consultant's total aggregate liability in respect of all other claims, losses or damages whether arising from tort (including negligence) breach of contract or otherwise under or in connection with this Agreement shall in no event exceed Canadian \$50,000.

## **11. NON WAIVER**

- 11.1 No delay or omission on the part of any party to this agreement in exercising any right, power or remedy provided under this agreement or any other documents referred to in it shall impair such right, power or remedy or operate as a waiver of any of them.
- 11.2 The single or partial exercise of any right, power or remedy provided under this agreement shall not preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

## **12. NOTICES**

- 12.1 Any notice or other communication to be given under this agreement shall be in writing and shall be deemed to have been duly served on, given to or made in relation to a party if it is left at the

authorised address of that party or posted by registered post addressed to that party at such address or by fax to that party's authorised fax number or by email to that party's authorised email address and shall if:

- (a) personally delivered, be deemed to have been received at the time of delivery; or
- (b) posted to an inland address in the United Kingdom, be deemed to have been received on the second Business Day after the date of posting and if posted to an overseas address, be deemed to have been received on the fifth Business Day after the date of posting; or
- (c) faxed, be deemed to have been delivered, at the time of transmission;
- (d) by email, be deemed to have been received on the same day provided it was sent before 4pm

provided that where, in the case of delivery by hand delivery or by fax occurs after 6 pm or by email occurs after 4pm on a Business Day or on a day which is not a Business Day, receipt shall be deemed to occur at 9 am on the next following Business Day.

12.2 For the purposes of this clause the authorised address and fax number of the parties are as follows:

If to the Company: to The Company Secretary, **HMV Canada Inc**, 110-5401 Eglinton Avenue West, Etobicoke, Ontario M9C 5K6, Canada – fax no +1 416 620 5309.

If to the Consultant: to The Company Secretary, **HUK10 Limited**, 7 River Court, Brighthouse Road, Riverside Park, Middlesbrough TS2 1RT – fax no +44 (0)1642 249 196.

### **13. APPLICABLE LAW AND JURISDICTION**

- 13.1 This agreement is governed by, construed and shall take effect in accordance with, the laws of England.
- 13.2 The courts of England shall have exclusive jurisdiction to settle any claim, dispute or matter of difference which may arise out of or in connection with this agreement (including without limitation claims for set-off or counterclaim) or the legal relationships established by this agreement and the parties waive any objection to any such proceedings on the grounds of venue or on the grounds that the proceedings have been bought in an inappropriate forum.

### **14. ENTIRE AGREEMENT**

This agreement (together with all of the other documents to be entered into pursuant to it) sets out the entire agreement and understanding between the parties relating to the matters contemplated by this agreement, and all conditions, terms and warranties, whether express or implied are excluded if they are not expressly set out in this agreement.

### **15. WARRANTIES**

- 15.1 The Consultant warrants and agrees that:
  - (a) the Consultant will perform its obligations under this Agreement in compliance with all laws and maintain all consents required by law;
  - (b) it has full power and authority to enter into this Agreement and to perform the Services; and

- (c) the provision of the Services shall in no way whatever be a violation or infringement of any third party intellectual property rights and shall not be in any way unlawful or illegal and will not in any way inhibit restrict or impair the free and/or unrestricted exercise by the Company of the rights granted in this Agreement.

15.2 The Company warrants and agrees that:

- (a) it has full power and authority to enter into this Agreement;
- (b) it shall co-operate promptly with all reasonable requests made by the Consultant which are necessary for it to supply the Services;
- (c) so far as it is aware, it has the requisite rights which it requires the Consultant to use in providing the Services.

## **16. ANTI-BRIBERY**

16.1 The Consultant shall:

- (a) comply with all applicable laws, statutes and regulations relating to anti-bribery and anti-corruption;
- (b) comply with the Company's Ethics and Anti-bribery Policy as updated and provided by the Company from time to time;
- (c) have and shall maintain in place its own policies and procedures to ensure compliance with the matters referred to in clauses 16.1(a) and (b), and will enforce them where appropriate;
- (d) promptly report to the Company any request or demand for any undue financial or other advantage of any kind received by the Consultant in connection with the performance of this Agreement.
- (e) The Consultant shall ensure that any person associated with the Consultant who is performing services in connection with this Agreement does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Consultant in this clause 16. The Consultant shall be responsible for the observance and performance by such persons of such terms, and shall be directly liable to the Company for any breach by such persons of any of such terms.

## **17. FORCE MAJEURE**

Either party reserves the right to defer the date for performance of, or payment for, the Services, or to terminate this agreement, if it is prevented from, or delayed in, carrying on its business by acts, events, omissions or accidents beyond its reasonable control, including strikes, lockouts or other industrial disputes (whether involving the workforce of either party or any other party), failure of a utility service or transport network, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors.

## **18. FURTHER ASSURANCE**

Each party must, at its own expense, take any action which the other party reasonably requests to:

- (a) carry out the intended purpose of this Agreement; or
- (b) perfect, preserve, protect or enforce the other party's rights under this Agreement; and
- (c) ensure that third parties do the same.

## **19. RIGHTS OF THIRD PARTIES**

A person who is not party to this Agreement may not enforce any term of this Agreement under the Contracts (Rights of Third Parties) Act 1999. The parties may rescind or change any term of this Agreement without the consent of a person who is not party to this Agreement.

## **20. MISCELLANEOUS**

- 20.1 Nothing in this agreement is intended to establish any relationship of agent and principal between the parties or to create any proprietary interest whatsoever.
- 20.2 If any clause, part of a clause or other provision in this agreement shall be or become void or unenforceable the remainder of this agreement shall remain in full force and no party shall be discharged from its remaining obligations under this agreement.
- 20.3 Neither party shall assign or charge this agreement or any rights under it without the prior written consent of the other party. This agreement and all rights and obligations under it shall enure to the benefit of or be binding upon the parties to this agreement and their respective successors and assigns.
- 20.4 Each party shall pay its own costs and expenses in relation to the negotiation, preparation, and implementation of this agreement (and the documents referred to in it), including the fees and disbursements of their respective legal, accountancy and other advisers.
- 20.5 No variation, amendment, supplement, deletion or replacement of or from this agreement or any of its terms shall be effective unless made in writing and signed by or on behalf of each party.
- 20.6 The Company shall not, unless required by law, regulation or the rules of any regulatory authority or stock exchange or with the Consultant's prior written consent, make any announcement mentioning the Consultant.
- 20.7 This agreement may be executed in the form of one or more counterparts in like form each of which shall be deemed to be an original when taken together and shall constitute one and the same document.
- 20.8 Nothing in this agreement shall be deemed to constitute a partnership between the parties, nor constitute either of them the agent of the other or otherwise entitle either party to bind the other for any purpose.
- 20.9 The Consultant's Costs are exclusive of an amount in respect of VAT. In the event that the Consultant is required by law to charge VAT in respect of any of the Services, the Company shall, on receipt of a valid VAT invoice from the Consultant, pay to the Consultant such additional amounts in respect of VAT as are chargeable on a supply of the Services.

20.10 The fees for the Advisory Services shall be paid free and clear of all withholding tax, unless the withholding is required by law. If any withholding is required by law the Company shall pay to the Consultant such sum as will, after the deduction or withholding has been made, leave the Consultant with the same amount as it would have been entitled to receive in the absence of any such requirement to make a withholding. If the Company is required by law to make a withholding, the Company shall, within 30 Days of making the withholding, provide a statement in writing showing the gross amount of the payment, the amount of the sum deducted and the actual amount paid.

**Signed** by the parties or their duly authorised representatives.

## SCHEDULE 1

### Advisory Services

Service provided	Overview of service
<b>Spend data management</b>	Receiving data from multiple data streams, reviewing, manipulating, refining and developing reports to be used by both internal and external parties
<b>Demand forecasting</b>	Using consumption data, to develop structured forecasts which the Company can use to develop its ordering and other buying requirements
<b>External market analysis</b>	Reviewing the marketplace by use of market intelligence and industry indices to understand the current and future market conditions and factors which may influence the Company. Produce market reports and commentary to assist the Company in the best approach to work with its suppliers
<b>Sourcing strategy</b>	Development of a suitable strategy which allows the Company to continue to grow and develop through suitable plans around its material purchases. This may include supplier approach and input into what products and services to include in the range and to purchase
<b>Negotiation</b>	Undertaking the negotiation on behalf of the Company. Setting out the strategy, approach and process for the negotiation. Leading or contributing to the process and finalising the deal struck. This may include contracting support and commercial input into the terms and conditions
<b>Implementation</b>	Moving the deals forward from agreed terms to fully implemented and activated agreement. Assisting with embedding of the agreement and allowing the Company to transact in line with the agreed terms and conditions
<b>Open to buy control and Stock control</b>	Input into the Company's management of stock for initial and future top up requirements
<b>Cash management</b>	Use the market analysis to assist with forecasting and demand management on a month by month basis
<b>Cash management</b>	Assist with treasurer forecasting – using demand forecasts, open to buy and stock control data to produce forecasts to control cash requirements of the Company
<b>Supplier enablement</b>	Act as the interface to ensure deals and agreements are being honoured by the Company and suppliers
<b>Supplier assistance/help desk</b>	Trouble shoot issues and problems on a strategic level escalating as necessary with the supplier

**Service provided****Overview of service**

<b>Supplier calibration and development</b>	Ensuring suppliers are meeting the agreed standards of services and looking for opportunities which both parties can benefit from
<b>Supplier Relationship Monitoring</b>	Regular testing the overall customer and supplier relationship by putting together the results on a regular basis. Reviewing the results against the supplier agreements and identifying issues and problems and ensuring these are made known to all parties
<b>Risk Management</b>	Monitoring the market results being achieved by the supplier to supporting the Company and identifying risks and applying programmes to mitigate these risks
<b>Service Level Agreement (SLA) &amp; Key Performance Indicators (KPI) monitoring and reporting</b>	Monitoring the agreed KPI's and SLA's. Reviewing these with the Company and suppliers and agreeing the ways to continue or improve the supplier performance
<b>Compliance monitoring</b>	Overall contract/agreement performance to ensure all financial benefits are obtained in accordance with the relevant terms and conditions

**SIGNATORIES**

**SIGNED by**  
for and on behalf of  
**HMV CANADA INC**

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)  
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)

*Warren Belley*  
.....

**SIGNED by**  
for and on behalf of  
**HUK10 LIMITED**

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)  
)  
)

.....

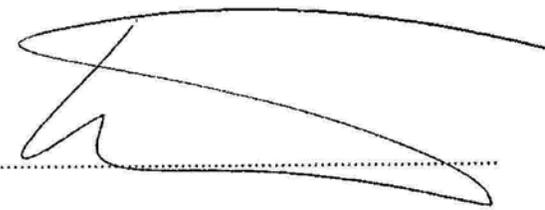
**SIGNATORIES**

**SIGNED by**  
for and on behalf of  
**HMV CANADA INC**

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**SIGNED by**  
for and on behalf of  
**HUK10 LIMITED**

)  
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) .....  
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A handwritten signature in black ink is written over a horizontal dotted line. The signature is stylized and appears to consist of several overlapping loops and strokes.

# **EXHIBIT**

**E**

**GENERAL SECURITY AGREEMENT**

**BETWEEN:**

**HMV CANADA INC.**

**-and-**

**HUK 10 LTD**

**Goodmans<sup>LLP</sup>**

333 Bay Street  
Suite 3400  
Toronto, Ontario  
M5H 2S7

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## GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made the 28<sup>th</sup> day of June, 2011.

### BETWEEN:

HMV CANADA INC., a corporation incorporated under the laws of the Province of Ontario,

(the "Debtor")

AND

HUK 10 LTD, a corporation subsisting under the laws of England,

(the "Secured Party")

### RECITALS:

- A. The Debtor has agreed to grant a security interest and assignment, mortgage, hypothecation and charge in the Collateral as provided herein in order to secure the performance of its Obligations (as defined below) to the Secured Party.

NOW THEREFORE, in consideration of the foregoing and the representations, warranties, covenants, conditions, agreements and promises contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties to this Agreement, the parties agree as follows:

## ARTICLE I INTERPRETATION

### 1.1 Definitions

Defined terms used herein shall have the meaning set out in the Credit Agreement (as defined below) unless otherwise defined herein. The following terms shall have the following corresponding meanings:

"Accessions" has the meaning given to it in the PPSA.

"Account" has the meaning given to it in the PPSA.

"Agreement", "this Agreement", "the Agreement", "herein", "hereby", "hereof", "hereunder" and similar expressions mean this General Security Agreement dated June \_\_\_\_, 2011 between the Debtor and the Secured Party, including all schedules and exhibits, and all instruments amending or restating this Agreement. All references to "Articles", "Sections", "Schedules" and "Exhibits" mean and refer to the specified article, section, schedule and exhibit of this Agreement.

"BIA" means the *Bankruptcy and Insolvency Act* (Canada).

"Business Day" means any day which is not a Saturday, a Sunday or a day observed as a statutory or civic holiday under the laws of the Province of Ontario, or the federal laws of Canada applicable in the Province of Ontario or the laws of England.

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

"Certificated Security" has the meaning given to it in the STA.

"Chattel Paper" has the meaning given to it in the PPSA.

"Collateral" has the meaning given to it in Section 2.1.

"Control" means, with respect to a specified form of Investment Property, "control" as defined in Sections 23 through 26 of the STA as applicable to such form of Investment Property.

"Control Agreement" means: (a) with respect to any Uncertificated Securities included in the Collateral, an agreement between the Issuer of such Uncertificated Securities and another Person whereby such Issuer agrees to comply with instructions that are originated by such Person in respect of such Uncertificated Securities, without the further consent of the Debtor; and (b) with respect to any Security Entitlements in respect of Financial Assets included in the Collateral, an agreement between the Securities Intermediary in respect of such Security Entitlements and another Person pursuant to which such Securities Intermediary agrees to comply with any

Entitlement Orders with respect to such Security Entitlements that are originated by such Person, without the further consent of the Debtor.

"Credit Agreement" means the working capital loan agreement dated June ~~28~~<sup>29</sup>, 2011 between Debtor and Secured Party, as may be amended, supplemented, restated or replaced from time to time.

"Debtor" means HMV Canada Inc., its heirs, personal representatives, successors and permitted assigns.

"Document of Title" has the meaning given to it in the PPSA.

"Entitlement Order" has the meaning given to it in the STA.

"Equipment" has the meaning given to it in the PPSA.

"Event of Default" has the meaning given to it in Article V of this Agreement.

"Financial Asset" has the meaning given to it in the STA.

"Goods" has the meaning given to it in the PPSA.

"Governmental Authority" means any governmental, regulatory or administrative authority, department, agency, commission, board, panel, tribunal, Crown corporation, Crown ministry or court or other law, rule or regulation-making or enforcing entity having or purporting to have jurisdiction on behalf of any nation, or province, territory or state or other subdivision thereof or any municipality, district or other subdivision thereof.

"Instrument" has the meaning given to it in the PPSA.

"Intangible" has the meaning given to it in the PPSA.

"Intellectual Property" means (a) patents, and applications therefor; (b) registered and unregistered trade-marks, service marks and other indicia of origin, pending trade-mark and service mark registration applications, and intent-to-use registrations or similar reservations of marks; (c) registered and unregistered copyrights and mask works, and applications for registration of either; (d) internet domain names, applications and reservations for internet

domain names, uniform resource locators and the corresponding Internet sites; (e) trade secrets and proprietary information not otherwise listed in (a) through (d) above, including, without limitation, unpatented inventions, invention disclosures, moral and economic rights of authors and inventors (however denominated), confidential information, technical data, customer lists, corporate and business names, trade names, trade dress, brand names, know-how, show-how, mask works, circuit topography, formulae, methods (whether or not patentable), designs, processes, procedures, technology, source codes, object codes, computer software programs, databases, data collections and other proprietary information or material of any type, and all derivatives, improvements and refinements thereof, howsoever recorded, or unrecorded; (f) any of the foregoing licensed by Debtor; and (g) any goodwill associated with any of the foregoing.

"Inventory" has the meaning given to it in the PPSA.

"Investment Property" has the meaning given to it in the PPSA.

"Issuer" has the meaning given to it in the STA.

"Money" has the meaning given to it in the PPSA.

"Notice" has the meaning given to it in Section 6.2 of this Agreement.

"Obligations" means all obligations, debts and liabilities of the Debtor to the Secured Party, present or future, direct or indirect, absolute or contingent, matured or not, all interest, commissions, legal (including legal fees on a full indemnity basis) and other costs, charges and expenses, whenever and however incurred, in any currency at any time owing by the Debtor to the Secured Party or remaining unpaid by the Debtor to the Secured Party and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, whether arising from dealings between the Secured Party and the Debtor or from other dealings or proceedings by which the Secured Party may be or become in any manner whatsoever a creditor of the Debtor and wherever incurred and whether incurred by the Debtor alone or with another or others and whether as principal, surety or guarantor, whether pursuant to the Promissory Note or otherwise whether arising before, during or after the initial or any renewal term of this Agreement or after the commencement of any proceeding with respect to the Debtor under the BIA, the CCAA or any similar statute in any jurisdiction (including, the

payment of interest and other amounts which would accrue and become due but for the commencement of such proceeding, whether or not such amounts are allowed or allowable in whole or in part in such proceeding).

"**Permitted Encumbrances**" has the meaning given to it in Section 4.2 of this Agreement.

"**Person**" means any individual, sole proprietorship, limited or unlimited liability corporation or company, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, body corporate, joint venture, trust, pension fund, union, Governmental Authority, and a natural person, including in such person's capacity as trustee, heir, beneficiary, executor, administrator or other legal representative.

"**PPSA**" means the *Personal Property Security Act* (Ontario).

"**Proceeds**" has the meaning given to it in the PPSA.

"**Receiver**" means any receiver, interim receiver, receiver and manager or agent of all or any part of the Collateral appointed by the Secured Party.

"**Secured Party**" means HUK 10 Ltd, its heirs, personal representatives, successors or assigns.

"**Securities Account**" has the meaning given to it in the STA.

"**Securities Entitlement**" has the meaning given to it in the STA.

"**Securities Intermediary**" has the meaning given to it in the STA.

"**Security**" means an obligation of an Issuer or a share, participation or other interest in an Issuer or in property or an enterprise of an Issuer, (a) that is represented by a security certificate in bearer form or registered form, or the transfer of which may be registered on books maintained for that purpose by or on behalf of the Issuer; (b) that is one of a class or series, or by its terms is divisible into a class or series, of shares, participations, interests or obligations; and (c) that, (i) is, or is of a type, dealt in or traded on securities exchanges or securities markets, or (ii) is a medium for investment and by its terms expressly provides that it is a security for the purposes of the *Securities Transfer Act*.

"STA" means the *Securities Transfer Act, 2006* (Ontario).

"Uncertificated Security" has the meaning given to it in the STA.

**1.2 Certain Rules of Interpretation**

In this Agreement and the Schedules and Exhibits:

- (a) **Time** - Time is of the essence in and of this Agreement.
- (b) **Calculation of Time** - Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. Where the last day of any such time period is not a Business Day, such time period shall be extended to the next Business Day following the day on which it would otherwise end.
- (c) **Business Days** - Whenever any action to be taken or payment to be made pursuant to this Agreement would otherwise be required to be made on a day that is not a Business Day, such action shall be taken or such payment shall be made on the first Business Day following such day.
- (d) **Currency** - Unless otherwise specified, all references to amounts of money in this Agreement refer to the lawful currency of Canada.
- (e) **Headings** - The descriptive headings preceding Articles and Sections of this Agreement are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections. The division of this Agreement into Articles and Sections shall not affect the interpretation of this Agreement.
- (f) **Including** - Where the word "including" or "includes" is used in this Agreement, it means "including without limitation" or "includes without limitation".

- (g) **Plurals and Gender** - The use of words in the singular or plural, or referring to a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such Persons or circumstances as the context otherwise permits.
- (h) **Statutory References** - Any reference to a statute shall mean the statute in force as at the date of this Agreement (together with all regulations promulgated thereunder), as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto, unless otherwise expressly provided.

**1.3 Applicable Law and Attornment**

This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated, in all respects, as an Ontario contract. The Debtor hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario to hear any suit or action arising hereunder.

**1.4 Accounting Principles**

All references to generally accepted accounting principles or "GAAP" mean Canadian generally accepted accounting principles applied on a consistent basis and which are in accordance with the recommendations made from time to time by the Canadian Institute of Chartered Accountants, or any successor institute, including those recommended in the CICA Handbook, on the date on which such generally accepted accounting principles are applied. In the event that a change in GAAP, including for greater certainty, the adoption of International Financial Reporting Standards by the Borrower, ("GAAP Change") results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Secured Party agree to enter into negotiations in order to amend such provisions of this Agreement so as to reflect equitably such GAAP Change with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after the GAAP Change as if such GAAP Change had not been made. Until such time as the Borrower and the Secured Party have executed and delivered an amendment to this Agreement in accordance with this provision,

all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such GAAP Change had not occurred.

**1.5**            **Schedules**

The Schedules described below and appended to this Agreement shall be deemed to be integral parts of this Agreement:

- Schedule 3.1(b)      Place(s) of Business and Location(s) of Records and Collateral
- Schedule 3.1(d)      Intellectual Property
- Schedule 3.1(c)      Instruments and Investment Property
- Schedule 3.1(f)      Motor Vehicles

**ARTICLE II**  
**GRANT OF SECURITY INTEREST**

**2.1**            **Security Interest**

As general and continuing security for the payment and performance of all Obligations of the Debtor to the Secured Party, the Debtor grants to the Secured Party a security interest in the present and future assets, undertaking and property, both real and personal, including those acquired by amalgamation, of the Debtor (collectively, the "Collateral"), and as further general and continuing security for the payment and performance of the Obligations, the Debtor assigns the Collateral to the Secured Party and mortgages and charges the Collateral (excluding Contractual Rights and Intellectual Property which are subject to the security interest only) as and by way of a fixed and specific mortgage and charge to the Secured Party. Without limiting the generality of the foregoing, the Collateral will include all right, title and interest of the Debtor in all property of the following kinds:

- (a)      Accounts;
- (b)      Chattel Paper;

- (c) Documents of Title;
- (d) Equipment;
- (e) Goods;
- (f) Intangibles;
- (g) Intellectual Property;
- (h) Inventory;
- (i) Investment Property and Financial Assets;
- (j) Money;
- (k) Securities and Instruments;
- (l) all books and records of the Debtor, including all books, papers, business plans, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in this Section 2.1 and all contracts and other rights and benefits in respect thereof;
- (m) all replacements of, substitutions for and increases, additions and Accessions to any of the property described in this Section 2.1; and
- (n) all proceeds of any Collateral in any form derived directly or indirectly from any dealing with the Collateral or that indemnifies or compensates for the loss of or damage to the Collateral.

**2.2 Exception for Last Day of Leases**

This assignment and mortgage and charge will not (a) extend or apply to the last day of the term of any lease or any agreement to lease now held or hereafter acquired by the Debtor, but should the Secured Party enforce this assignment and mortgage and charge, the Debtor will thereafter stand possessed of such last day and must hold it in trust to assign it to the Secured Party or to any Person acquiring such term in the course of the enforcement of this assignment and

mortgage and charge, or (b) render the Secured Party liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Debtor is a party or by which it is bound.

**2.3 Exception for Contractual Rights**

The security interest created hereby does not and shall not extend to, and Collateral shall not include, any contract, right or licence (the "Contractual Rights") of the Debtor, including any right of the Debtor as security holder, shareholder or holder of a partnership interest, if pursuant to the terms of such Contractual Right, or pursuant to the terms of any agreement affecting such Contractual Right, the Contractual Right would automatically terminate if it was part of the Collateral charged hereby, or would be terminable at the option of the other party or of the grantor, or would be subject to disposition, alteration or amendment at the option of another party including another security holder, shareholder or holder of a partnership interest. The Debtor shall hold its interest in the Contractual Rights in trust for the Secured Party and the security interest granted hereby shall automatically extend to such Contractual Rights once the appropriate consents of the other parties to such Contractual Rights are obtained.

**2.4 Enforcement of Contractual Rights**

On or after the occurrence of any Event of Default which is continuing, in order that the full value of the beneficial interest in the Contractual Rights not assigned to the Secured Party pursuant to this Agreement but held in trust for the Secured Party pursuant to Section 2.3 hereof, may be realized for the benefit of the Secured Party, the Debtor shall, at the request and expense and under the direction of the Secured Party, in the name of the Debtor, take all such action and do or cause to be done all such things as are desirable in order that the obligations of the Debtor under such Contractual Rights may be performed in such manner that the beneficial interest in such Contractual Rights shall be preserved and shall enure to the benefit of the Secured Party or as the Secured Party may direct in writing and the collection of any monies due and payable and to become due and payable shall be facilitated and the Debtor will promptly pay over to the Secured Party or as the Secured Party may direct in writing all monies collected by or paid to the Debtor in respect of the beneficial interest in every such Contractual Right.

**2.5 Attachment of Security Interest**

The Debtor acknowledges and agrees that: (a) value has been given by the Secured Party, (b) it has rights in the Collateral or the power to transfer rights in the Collateral, (c) the security interest will attach when the Debtor signs this Agreement, and (d) it has not otherwise agreed to postpone the time of attachment.

The Debtor further acknowledges that: (a) all Collateral that is Certificated Securities has been delivered to and deposited with the Secured Party under section 68 of the STA in bearer form, or in registered form duly endorsed in blank to the Secured Party, allowing the Secured Party to obtain Control over the Certificated Securities; and (b) the Debtor has delivered all necessary consents, Control Agreements, or other documents that may be required to effect the transfer of Control of all Collateral that is Investment Property to the Secured Party.

**2.6 Direct Agreement with Licensor(s) of Intellectual Property**

Debtor shall co-operate diligently with Secured Party to obtain a direct agreement, in form and substance satisfactory to Secured Party, from any third party licensing of Intellectual Property of Debtor.

**ARTICLE III**

**REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR**

**3.1 Representations and Warranties**

The Debtor represents and warrants that:

- (a) Debtor's Legal Name: The Debtor's correct legal name is "HMV Canada Inc.";
- (b) Places of Business and Location of Collateral: The Debtor's chief executive office and principal place of business, the location of the office where it keeps its corporate records and records respecting the Accounts, and all locations, warehouses and premises where Collateral is stored or located, are set out in Schedule 3.1(b);

- (c) Ownership: The Debtor is the sole direct and beneficial owner of the Collateral and has good direct and marketable title thereto, free and clear of any liens or encumbrances other than those created by this Agreement or any Permitted Encumbrances and the Debtor has the right and requisite authority to grant the security interest provided herein to the Secured Party and consummate the transactions contemplated hereunder and the Debtor is under no contractual or legal restriction or limitation that would prevent any of the foregoing;
- (d) Intellectual Property: All of the Debtor's Intellectual Property is set out in Schedule 3.1(c);
- (e) Investment Property:
  - (i) Each of the partnership agreements, articles of association or other constating documents, as applicable, of each Issuer which is a partnership or limited liability company and which equity interest in such partnership or limited liability company may form part of the Collateral of the Debtor, expressly states that such equity interest thereof is a "Security" for the purposes of the STA;
  - (ii) All of the Debtor's Instruments and Investment Property (including all Securities, Securities Entitlements and Securities Accounts) is set out in Schedule 3.1(e) to this Agreement;
- (f) Motor Vehicles: A description of all motor vehicles and other "serial number" or vehicle identification goods (i.e., trailers, mobile homes, aircraft, aircraft engines and vessels) presently owned by the Debtor and classified as Equipment is set out in Schedule 3.1(f) to this Agreement;
- (g) No Consumer Goods: The Debtor does not own any Consumer Goods (as defined in the PPSA) which are material in value or which are material to the business, operations or property of the Debtor; and
- (h) Enforceability: The Debtor has taken all necessary corporate action and steps required to make this Agreement a legal, binding and valid obligation of the

Debtor enforceable against the Debtor in accordance with its terms, and to create a valid and continuing first priority security interest in favour of the Secured Party.

### 3.2 Covenants

The Debtor covenants as follows:

- (a) Condition of Collateral: The Debtor shall keep the Collateral in good condition and repair, normal wear and tear excepted.
- (b) Rents, Taxes, etc.: The Debtor shall pay all rents, taxes, rates, levies, assessments and other charges lawfully levied, imposed upon or assessed against or in respect of the Collateral, or the income and profits of the Debtor, when the same become payable.
- (c) Accessions/Fixtures: The debtor shall not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Secured Party.
- (d) Maintenance of Records: The Debtor shall keep and maintain accurate and complete records of the Collateral, including a record of all payments received and all credits granted with respect to the Accounts.
- (e) Right to Inspect the Collateral: The Debtor shall permit a representative of the Secured Party to inspect the Collateral and the operations of the Debtor and for that purpose to enter the Debtor's premises (and any other location where the Collateral may be situated) during reasonable business hours and upon reasonable notice.
- (f) Insurance: The Borrower shall maintain or cause to be maintained with reputable insurers satisfactory to the Secured Party in its sole discretion, acting reasonably, comprehensive general liability insurance and insurance coverage against risk of loss or damage to property of the Borrower and of each Obligor up to its full replacement value, and including public liability and damage to property of third

parties, business interruption insurance, fire and extended peril insurance and boiler and machinery insurance, all in such amounts and otherwise covering such risks as are at all times satisfactory to the Secured Party in its sole discretion, acting reasonably, and provide to the Secured Party, on request, evidence of such coverage. Without limiting the generality of the foregoing, the Borrower shall maintain or cause to be maintained in good standing all insurance coverages reasonable and prudent for a business analogous to the business of the Borrower and the Obligors. The Secured Party shall be indicated in all insurance policies, as applicable, as a loss payee and additional insured, as applicable, and all policies shall contain such clauses as the Secured Party requires in its sole discretion, acting reasonably, for the Secured Party's protection.

(g) Delivery and Execution of Documents, etc.: The Debtor shall from time to time forthwith at the request of the Secured Party execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by the Secured Party to effectively carry out the full intent and meaning of this Agreement or to better evidence and perfect the security interest, assignment and mortgage and charge granted, and after the occurrence of an Event of Default and for so long as such Event of Default is continuing, the Debtor irrevocably constitutes and appoints the Secured Party, or any Receiver appointed by the court or the Secured Party, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever the Secured Party or any such Receiver may consider it to be necessary or expedient. Without limiting the generality of the foregoing, the Debtor shall also take all action the Secured Party deems advisable to cause the Secured Party to have Control of any Investment Property included in the Collateral including:

- (i) entering into Control Agreements with the Secured Party, and any applicable Securities Intermediary or Issuer, in form and substance satisfactory to the Secured Party;

- (ii) causing the Investment Property to be transferred to or registered in the name of the Secured Party or its nominee or otherwise as the Secured Party may direct (and causing such transfer and registration to be recorded on the books and records of the Issuer);
  - (iii) endorsing any Certificated Securities to the Secured Party or in blank by an effective endorsement;
  - (iv) delivering the Collateral to the Secured Party or someone on its behalf as the Secured Party may direct; and
  - (v) delivering to the Secured Party any and all consents or other documents or agreements which may be necessary to effect the transfer of any Collateral to the Secured Party or any third party.
- (h) Change of Name and certain other changes: The Debtor shall advise the Secured Party, in reasonable detail, of:
- (i) any change of name or the addition of any new business names or French names, by providing at least ten (10) Business Days prior written notice of the change to the Secured Party;
  - (ii) any merger or amalgamation or intention to merge or amalgamate with any other Person(s) or any arrangement or agreement which, either separately or in combination with any other transactions, arrangements or agreements would have the effect of the Debtor merging, amalgamating or entering into any joint venture or co-tenancy arrangement with any other Person, and the Debtor shall obtain the written prior consent of the Secured Party to do so;
  - (iii) any change in the location of any place of business (including any additional locations) or the chief executive office of the Debtor, or the location of any of the Collateral (including additional locations) by providing at least ten (10) Business Days prior written notice of the change to the Secured Party including a revised Schedule 3.1(b);

- (iv) any additional jurisdiction in which material account debtors of the Debtor are located by providing immediate notice in writing to the Secured Party;
  - (v) any material loss or damage to any of the Collateral by providing immediate notice in writing to the Secured Party;
  - (vi) any acquisition of real property by the Debtor by providing at least ten (10) Business Days prior written notice of the acquisition to the Secured Party;
  - (vii) any change (including additions) to the Intellectual Property listed in Schedule 3.1(d) by providing to be Secured Party at least ten (10) Business Days prior written notice of the change including a revised Schedule 3.1(d);
  - (viii) any change (including additions) to the Securities, Instruments or Investment Property listed in Schedule 3.1(e) by providing to be Secured Party at least ten (10) Business Days prior written notice of the change including a revised Schedule 3.1(e); and
  - (ix) any acquisition of any ULC Shares by providing at least ten (10) Business Days prior written notice of the acquisition to the Secured Party.
- (i) Investment Property: The Debtor shall, promptly upon the request of the Secured Party, (i) deliver (or cause to be delivered) to the Secured Party any and all Instruments, Certificated Securities (duly endorsed or with such power of attorney that the Secured Party requests in order to obtain Control over such Certificated Securities), Documents of Title and Chattel Paper included in or relating to the Collateral as the Secured Party may specify in its request, (ii) provide to the Secured Party a complete and accurate copy of each statement, confirmation, notice, proxy statement, proxy and other communication relating to any Investment Property included in the Collateral and received by the Debtor from any Person (including any Securities Intermediary or broker) obligated with respect to such Investment Property, (iii) deliver to any Securities Intermediary

designated by the Secured Party any Certificated Securities included in the Collateral (together with each endorsement or power of attorney that such Securities Intermediary requests to accomplish the assignment or other transfer of such Certificated Security to such Securities Intermediary) and instruct such Securities Intermediary to hold such Certificated Security for the account of the Secured Party and until such delivery, hold such Certificated Security in trust for the Secured Party and cause any security interest in any Intangible or Investment Property included in the Collateral that is not represented by Certificated Security to be registered or otherwise reflected in the name of the Secured Party or any other Person designated by the Secured Party.

- (j) Control Agreements and Control: The Debtor shall not (i) modify, terminate or attempt or agree to otherwise incur any obligation to modify or terminate any Control Agreement or any contract with a Securities Intermediary under which any Securities Account included in the Collateral is established or maintained, (ii) give Control of any Investment Property included in the Collateral to any Person other than the Secured Party, whether by entering into any agreement, instrument or document with a Securities Intermediary for the purpose of giving a Person other than the Secured Party Control of any Investment Property, or (iii) withdraw any Money or other property from any Securities Account included in the Collateral.
  
- (k) Claims and Assertions: The Debtor shall defend the Collateral against each demand, claim, counterclaim, setoff and defence asserted by any Person (including but not limited to any Account debtor, Issuer or Securities Intermediary) other than the Secured Party, and shall promptly notify the Secured Party of any threat or commencement of any action or other legal proceeding, or entry of any judgment or order of any Governmental Authority, or any assertion by any Person (including, but not limited to, any Account debtor, Issuer, Securities Intermediary) other than the Secured Party of any demand, claim, counterclaim, setoff or defence, relating to the Collateral.

- (1) Payment of Expenses: The Debtor shall pay to the Secured Party forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Secured Party in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement, including protecting and preserving the security interest, assignment and mortgage and charge granted and enforcing by legal process or otherwise the remedies provided in this Agreement; and all such costs and expenses shall be added to and form part of the Obligations secured under this Agreement.

#### ARTICLE IV DEALING WITH COLLATERAL

##### 4.1 Dealing with Collateral by the Debtor

The Debtor shall not sell, lease or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party, except that the Debtor may, unless an Event of Default has occurred and is continuing, deal with its Money or sell items of Inventory and obsolete Equipment, in each case in the ordinary course of its business so that the purchaser thereof takes title thereto free and clear of the security interest, assignment and mortgage and charge granted hereby. All Proceeds of any such sale will continue to be subject to the security interest, assignment and mortgage and charge granted hereby and shall be received by the Debtor as trustee for the Secured Party and must be held separate and apart from other assets of the Debtor and must be paid over to the Secured Party upon request.

##### 4.2 Permitted Encumbrances

The Debtor will not, without the prior written consent of the Secured Party, create, incur, assume, or suffer to exist any mortgage, deed of trust, pledge, lien, security interest, assignment, charge or encumbrance (including any conditional sale, or other title retention agreement or finance lease) of any nature, upon or with respect to any of its properties, now owned or hereafter acquired, other than:

- (a) undetermined or inchoate liens, rights of distress and charges incidental to current operations which have not at such time been filed or exercised and of which the Secured Party has not been given notice, or which relate to obligations not due or payable or, if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
- (b) the right reserved to, or vested in, any Governmental Authority by the terms of any lease, licence, franchise, grant or permit acquired by that Person, or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (c) liens resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workers' compensation, employment insurance, surety or appeal bonds, costs of litigation when required by law, liens and claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar liens, and public, statutory and other like obligations incurred in the ordinary course of business;
- (d) liens given to a public utility or any Governmental Authority when required by such utility or Governmental Authority in connection with the operations of that Person in the ordinary course of its business;
- (e) liens for taxes, rates, assessments and/or other charges or levies made by any Governmental Authority not yet subject to penalties for non-payment or which are being contested in good faith and by appropriate proceedings, but only if and to the extent such liens do not result in an Event of Default and for which adequate reserves in accordance with GAAP have been recorded on the consolidated balance sheet of the Debtor;
- (f) the liens created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings by that Person and does not result in an Event of Default and for

which adequate reserves in accordance with GAAP have been recorded on the consolidated balance sheet of the Debtor;

- (g) operating leases of vehicles or equipment which are entered into in the ordinary course of business;
- (h) liens securing purchase money security obligations subject to a maximum amount of indebtedness being secured thereby of no more than \$500,000 in the aggregate;
- (i) encumbrances in favour of the Secured Party;
- (j) liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of combination of accounts or similar rights in the ordinary course of conducting day-to-day banking business in relation to deposit accounts or other funds maintained with a creditor depository institution, provided that such liens (A) do not relate to any deposit account that is a dedicated cash collateral account which is subject to restrictions against access by the depositor or account holder, (B) do not relate to any deposit account intended by the depositor or account holder to provide collateral to the depository institution, and (C) are not intended directly or indirectly to secure the payment or performance of debt or any other obligation; and
- (k) other liens or encumbrances expressly consented to in writing by the Secured Party;

(the encumbrances described in Sections 4.2(a) – 4.2(k) above are collectively referred to as "Permitted Encumbrances"). The Debtor will not, without the prior written consent of the Secured Party, sign or file under the PPSA or similar registry system of any jurisdiction a financing statement which names the Debtor as a debtor, other than in favour of the Secured Party, or sign any security agreement authorizing any secured party under the security agreement to file such a financing statement other than in favour of the Secured Party.

**4.3 Unlimited Liability Shares**

Notwithstanding any other provision of this Agreement, to the extent that any of the Collateral constitutes shares in an unlimited liability company, the Secured Party shall not, except as a result of the exercise of the Secured Party's rights, powers and remedies as provided in the last sentence of this Section 4.3, become or be deemed to become members or shareholders, or obtain or have the right to obtain any other indicia of ownership of an unlimited liability company, and no provision in this Agreement (except this Section 4.3) or actions taken by the Secured Party or by the Debtor without the express written consent of the Secured Party pursuant to this Agreement which might provide or be deemed to provide otherwise, in whole or in part, shall apply in respect of unlimited liability shares. Without limiting the generality of the foregoing and notwithstanding anything to the contrary in this Agreement, but except as otherwise provided in the last sentence of this Section 4.3, the Secured Party shall not, and no provision of this Agreement or actions taken by the Secured Party or by the Debtor pursuant to this Agreement shall apply or be deemed to apply so as to cause the Secured Party to, be or be deemed to be or be entitled to:

- (a) be registered as shareholder or member, or apply to be registered as shareholder or member, of an unlimited liability company;
- (b) accept or request stock powers of attorney in respect of unlimited liability shares;
- (c) request or assent to a notation being entered in its favour in the share register in respect of unlimited liability shares;
- (d) hold itself out as shareholder or member of an unlimited liability company; or
- (e) act or purport to act as a member of an unlimited liability company, or obtain exercise or attempt to exercise any rights of a shareholder or member including, without limitation, the right to attend a meeting of, or to vote the shares of, an unlimited liability company or to be entitled to receive or receive any distribution in respect of unlimited liability shares.

The foregoing limitations shall not restrict the Secured Party from exercising the rights, powers and remedies which it is entitled to exercise hereunder in respect of any of the Collateral

constituting unlimited liability shares at any time that the Secured Party shall be entitled to realize on all or any portion of the Collateral pursuant to this Agreement (it being agreed that no such exercise shall occur, or be deemed to have occurred, prior to the provision to the Debtor by the Secured Party of prior written notice of the Secured Party's intention to exercise such rights, powers and remedies).

**4.4 Rights and Duties of the Secured Party**

- (a) The Secured Party may perform any of its rights and duties under this Agreement by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its rights and duties under this Agreement.
- (b) Should the Secured Party or any agent or nominee on its behalf take possession or delivery of all or any part of the Collateral pursuant to this Agreement, the PPSA or otherwise at law, it is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place. The Secured Party and any nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Debtor reasonably requests in writing, but failure of the Secured Party or its nominee to comply with any such request will not of itself be deemed a failure to exercise reasonable care.
- (c) The Secured Party will not be responsible for any loss occasioned by its exercise of any of such rights or by failure to exercise the same within the time limited for the exercise of such rights, except where such loss results from the gross negligence or wilful misconduct of the Secured Party.
- (d) There is no obligation on the Secured Party to keep fungible Collateral in their possession identifiable.
- (e) The Secured Party has no obligation to protect or preserve any Collateral from depreciating in value or becoming worthless and is released from all responsibility for any loss of value, whether such Collateral is in the possession

of, is a Security Entitlement of, or is subject to the Control of, the Secured Party, a Securities Intermediary, the Debtor or any other Person.

- (f) The Secured Party may, upon the occurrence and during the continuance of an Event of Default, sell, transfer, use or otherwise deal with the Collateral, on such conditions and in such manner as the Secured Party in its sole discretion may determine.

#### **4.5 Registration of Securities**

The Secured Party may have any Investment Property registered in its name or in the name of its nominee and will be entitled but not bound or required to exercise any of the rights that any holder of such Investment Property may at any time have, provided that until an Event of Default has occurred and is continuing, the Debtor will be entitled to exercise, in a manner not prejudicial to the interests of the Secured Party or which would violate or be inconsistent with this Agreement, all voting power from time to time exercisable in respect of the Investment Property (excluding, for greater certainty, any voting power relating to any ULC Shares). The Debtor must from time to time forthwith upon the request of the Secured Party deliver to the Secured Party the Investment Property requested by the Secured Party duly endorsed for transfer to the Secured Party or its nominee to be held by the Secured Party subject to the terms of this Agreement.

#### **4.6 Notification of Account Debtors**

On or after the occurrence of any Event of Default that is continuing, the Secured Party may give notice of this Agreement and the security interest and assignment granted hereby to any account debtors of the Debtor or to any other Person liable to the Debtor and may give notice to any such account debtors or other Person to make all further payments to the Secured Party, and, on or after the occurrence of any Event of Default that is continuing, any payment or other proceeds of Collateral received by the Debtor from account debtors or from any other Person liable to the Debtor whether before or after any notice is given by the Secured Party must be held by the Debtor in trust for the Secured Party and paid over to the Secured Party on request.

4.7 Application of Funds

All Money collected or received by the Secured Party in respect of the Collateral, on or after the occurrence of any Event of Default that is continuing, may be applied on account of such parts of the Obligations as the Secured Party in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Secured Party may be released to the Debtor, all without prejudice to the Secured Party's rights against the Debtor.

ARTICLE V  
ENFORCEMENT

5.1 Event of Default

Each and every one of the following events constitutes an Event of Default:

- (a) the occurrence of an Event of Default under the Credit Agreement; and
- (b) if the Debtor defaults in payment or performance of any of the Obligations or receives notice from any other secured creditor of the intention of such creditor to cease making credit available to the Debtor or requiring payment by the Debtor of the amounts owed by it to such secured creditor; or if the Debtor receives actual or threatened notice of enforcement of security by any other secured creditor, or any other secured creditor threatens or resorts to legal or contractual rights to compel payment or performance of an obligation or collection of a debt or judgment owed to that secured creditor;
- (c) any representation or warranty made by the Debtor in this Agreement shall prove to have been incorrect in any material respect when made or deemed to be made;
- (d) if the Debtor shall fail to perform, observe or comply with any of the covenants contained in this Agreement;
- (e) if any proceeding in respect of the Debtor or all or part of the assets, undertaking or property of the Debtor is commenced under the BIA or CCAA, or if any order is sought by any Person or any resolution passed for the bankruptcy, restructuring,

liquidation or sale outside of the ordinary course of business or winding-up of the Debtor or all or any part of its assets, undertaking or property, or if any appointment or proceeding for the appointment (whether by court or private appointment) of a Receiver over or in respect of the Debtor or all or any part of the assets, undertaking or property of the Debtor is made or commenced;

- (f) if the Debtor ceases or threatens to cease to carry on its business, commits any act of bankruptcy, becomes insolvent, proposes a compromise or arrangement to its creditors or makes an unauthorized sale in bulk of its assets or transfers or in any way parts with possession of all or a substantial part of the Collateral to any Person; or
- (g) if in the reasonable opinion of the Secured Party, acting in good faith, there has occurred a material adverse change in the financial or any other condition of the Debtor which is likely to result in the impairment of the Debtor's ability to pay or perform the Obligations or of the value of the Collateral or the Secured Party's ability to realize thereupon.

## 5.2 Remedies

- (a) On or after the occurrence of any Event of Default that is continuing,
  - (i) any or all of the Obligations will at the option of the Secured Party become immediately due and payable or be subject to immediate performance, as the case may be, without presentment, protest or notice of dishonour, all of which are expressly waived;
  - (ii) the obligation, if any, of the Secured Party to extend further credit to the Debtor will cease;
  - (iii) any or all security granted hereby will, at the option of the Secured Party, become immediately enforceable; and
  - (iv) in addition to any right or remedy provided by law, the Secured Party will have the rights and remedies set out below, all of which rights and

remedies will be enforceable and may be exercised from time to time separately or in combination and are not in substitution for any other rights, powers and remedies the Secured Party may have at law or otherwise:

- (A) the Secured Party may by appointment in writing appoint a Receiver of the Collateral (which term when used in this Section 5.2 will include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Secured Party" when used in this Section 5.2 will include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Secured Party will not be in any way responsible for any misconduct or negligence of any such Receiver;
- (B) the Secured Party may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at such place or places as may be specified by the Secured Party;
- (C) the Secured Party may take such steps as it considers desirable to maintain, preserve or protect the Collateral;
- (D) the Secured Party may transfer any of the Collateral into the name of the Secured Party (or such other Person as the Secured Party may designate), and may notify each Person (including any account debtor or Securities Intermediary) obligated with respect to any Collateral of the interest of the Secured Party, to direct payments with respect thereto directly and solely to the Secured Party, take control of all Proceeds thereof and deliver any notice of exclusive Control pursuant to any Control Agreement(s);

- (E) the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor;
- (F) the Secured Party may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
- (G) the Secured Party may sell, lease or otherwise dispose of the Collateral at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Secured Party may determine and without notice to the Debtor unless, in each case, otherwise required by law;
- (H) the Secured Party may accept the Collateral in satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law;
- (I) the Secured Party may, for any purpose specified in this Agreement, borrow money on the security of the Collateral in priority to the security interest, assignment and mortgage and charge granted by this Agreement;
- (J) the Secured Party may enter upon, occupy and use all or any of the premises, buildings and plants occupied by the Debtor and use all or any of the Equipment and other personal property of the Debtor for such time as the Secured Party requires to facilitate the realization of the Collateral, free of charge, and the Secured Party will not be liable to the Debtor in so doing except for any loss arising from the gross negligence or wilful misconduct of the Secured Party or in respect of any rent, charges, depreciation or damages in connection with such actions;
- (K) the Secured Party may charge on its own behalf and pay to others all reasonable amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies

of the Secured Party under this Agreement, including, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at such rate as the Secured Party deems reasonable, shall be added to and form part of the Obligations secured; and

(L) the Secured Party may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations secured.

- (b) The Secured Party may, without prejudice to the liability of the Debtor to the Secured Party or the Secured Party's rights under this Agreement:
- (i) grant extensions of time;
  - (ii) take and perfect or abstain from taking and perfecting security;
  - (iii) give up securities;
  - (iv) accept compositions or compromises;
  - (v) grant releases and discharges;
  - (vi) release any part of the Collateral; or
  - (vii) otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party sees fit.
- (c) The Secured Party will not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and is not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for

the purpose of preserving any rights of the Secured Party, the Debtor or any other Person, in respect of the Collateral.

- (d) The Secured Party may apply any proceeds of realization of the Collateral to payment of expenses in connection with the preservation and realization of the Collateral as above described and the Secured Party may apply any balance of such proceeds to payment of the Obligations in such order as the Secured Party sees fit. If there is any surplus remaining, the Secured Party may elect, in its sole discretion, to (i) pay the surplus into a court of competent jurisdiction, or (ii) pay it to any Person having a claim thereto in priority to the Debtor of whom the Secured Party has knowledge and any balance remaining must be paid to the Debtor. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and expenses relating thereto, the Debtor shall be liable to pay any deficiency to the Secured Party forthwith on demand.

## ARTICLE VI GENERAL

### 6.1 Costs and Indemnification

The Debtor shall pay all costs on demand (including fees and disbursements of legal counsel, accounting advisors, Receiver and other advisors, together with any interest thereon that may accrue) incurred by the Secured Party in connection with (a) the enforcement of this Agreement; (b) the Secured Party obtaining and maintaining delivery, possession, Control, perfection and priority with respect to the Collateral; and (c) the realization, disposition, retention, preservation or collection of the Collateral or enforcement of the rights and remedies of the Secured Party in respect of the Debtor or the Collateral under this Agreement, the PPSA, the STA or otherwise at law. All such costs shall, from the date of such costs being incurred by the Secured Party through to the date such costs are repaid by the Debtor, be deemed advanced to the Debtor and shall form part of the Obligations secured.

In addition, the Debtor irrevocably and unconditionally agrees to indemnify and save harmless the Secured Party from all costs (including fees and disbursements of legal counsel, accounting



or at such other address or facsimile number or e-mail address at which the addressee may from time to time notify the addressor. Any Notice delivered by personal delivery or by courier to the party to whom it is addressed as provided above shall be deemed to have been given and received on the day it is so delivered at such address. If such day is not a Business Day, or if the Notice is received after 4:00 p.m. (addressee's local time), then the Notice shall be deemed to have been given and received on the next Business Day. Any Notice sent by prepaid registered mail shall be deemed to have been given and received on the second Business Day following the date of its mailing. Any Notice transmitted by facsimile shall be deemed to have been given and received on the day in which transmission is confirmed. If such day is not a Business Day or if the facsimile transmission is received after 4:00 p.m. (addressee's local time), then the Notice shall be deemed to have been given and received on the first Business Day after its transmission.

Notices sent to an e-mail address shall be deemed to be received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such Notice is not sent on a Business Day or is sent after 4:00 p.m. (addressee's local time) on a Business Day, such Notice shall be deemed to have been given and received on the first Business Day after its transmission. Notices posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address (as described in the preceding sentence) of notification that such method of delivery of a Notice is available and identifying the website address for such Notice.

### 6.3 Waiver

Except as otherwise expressly set out herein, no waiver of any provision of this Agreement shall be binding unless it is in writing. No indulgence, forbearance or other accommodation by a party shall constitute a waiver of such party's right to insist on performance in full and in a timely manner of all covenants in this Agreement or in any document delivered pursuant to this Agreement. Waiver of any provision shall not be deemed to waive the same provision thereafter, or any other provision of this Agreement at any time.

6.4 Severability

If any provision of this Agreement or portion thereof or the application thereof to any Person or circumstance shall to any extent be illegal, invalid or unenforceable: (a) the remainder of this Agreement or the application of such provision or portion thereof to any other Person or circumstance shall not be affected thereby; and (b) the parties will negotiate in good faith to amend this Agreement to implement the intentions set forth in this Agreement. Each provision of this Agreement shall be legal, valid and enforceable to the fullest extent permitted by law.

6.5 Assignment and Enurement

Neither this Agreement nor any benefits or burdens under this Agreement shall be assignable by the Debtor, without the prior written consent of the Secured Party, which consent may be unreasonably withheld or delayed. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the parties and their respective successors (including any successor by reason of amalgamation or merger of any party) and permitted assigns hereunder.

6.6 Additional Continuing Security

This Agreement and the security interest, assignment and mortgage and charge granted are in addition to and not in substitution for any other security now or hereafter held by the Secured Party and this Agreement is a continuing agreement and security that will remain in full force and effect until discharged by the Secured Party.

6.7 Further Assurances

The parties shall do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each party shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

6.8 Power of Attorney

On or after the occurrence of any Event of Default that is continuing, the Debtor irrevocably constitutes and appoints the Secured Party the true and lawful attorney of the Debtor, with full power of substitution, to do, make and execute all such statements, assignments, documents,

acts, matters or things with the right to use the name of the Debtor whenever and wherever the officer may deem necessary or expedient and from time to time to exercise all rights and powers and to perform all acts of ownership in respect to the Collateral in accordance with this Agreement.

**6.9**            Set Off

Without in any way limiting any other rights or remedies available to the Secured Party, the Secured Party shall have the right (but shall not be obligated), at any time and from time to time on or after the occurrence of any Event of Default and without notice to the Debtor (such notice being expressly waived by the Debtor), to set off against the Obligations or any of the deposits (general or special) or Money then held by the Secured Party or any other indebtedness owing by the Secured Party to, or held by the Secured Party for the credit of, the Debtor, regardless of the currency in which such indebtedness is denominated and notwithstanding that such indebtedness would not then be due but for the occurrence of an Event of Default. For the avoidance of doubt, any set off rights available to the Secured Party prior to the occurrence of an Event of Default shall not be deemed to be waived by reason of the grant to the Secured Party of set off rights after the occurrence of an Event of Default pursuant to the previous sentence of this Section 6.9.

**6.10**           Discharge

The Debtor will not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by the Secured Party. The Secured Party shall, upon the indefeasible payment and performance of all Obligations in full, execute such releases and discharges as the Debtor may reasonably require, all at the request and sole cost and expense of the Debtor.

**6.11**           Languages

The parties confirm that it is their wish that this Agreement, as well as any other documents relating to this Agreement, including Notices, Schedules, Exhibits and authorizations, have been and shall be drawn up in the English language only. Les parties aux présentes confirment leur volonté que cette convention, de même que tous les documents, y compris tous avis, annexes et autorisations s'y rattachant, soient rédigés en anglais seulement.

6.12 Execution by Electronic Transmission

The signature of any of the parties hereto may be evidenced by a facsimile, scanned email or internet transmission copy of this Agreement bearing such signature.

6.13 Counterparts

This Agreement may be signed in one or more counterparts, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument. Notwithstanding the date of execution or transmission of any counterpart, each counterpart shall be deemed to have the effective date first written above.

6.14 Executed Copy

The Debtor acknowledges receipt of a fully executed copy of this Agreement.

[SIGNATURE PAGES TO IMMEDIATELY FOLLOW]

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

**HMV CANADA INC.**

Per: Harvey Berchen  
Name: HARVEY BERCHEN  
Title: VP Finance & Real Estate

Per: Dick Willoughby  
Name: DICK WILLIUGHBY  
Title: PRESIDENT

**HUK 10 LTD**

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

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

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

**HMV CANADA INC.**

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

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

**HUK 10 LTD**

Per:  \_\_\_\_\_  
Name: PAUL GOWAN  
Title: DIRECTOR

Per:  \_\_\_\_\_  
Name: HOWARD GUNN  
Title: COMPANY SECRETARY

**SCHEDULE 3.1(b)**

**PLACE(S) OF BUSINESS AND LOCATION(S) OF RECORDS AND COLLATERAL**

**Chief Executive Office: 5401 Eglinton Avenue West, Unit 110, Etobicoke, Ontario M9C  
5K6**

**Location of books and records: Same as Chief Executive Office**

**Location(s) of Collateral: All provinces of Canada except Prince Edward Island.**

**SCHEDULE 3.1(d)**  
**INTELLECTUAL PROPERTY**

**NIL.**

**SCHEDULE 3.1(f)**  
**MOTOR VEHICLES**

**NIL.**

GOODMANS\982099.1

# **EXHIBIT**

**F**

## DEED OF HYPOTHEC

**BETWEEN:** **HUK 10 LTD**, a legal person established under the laws of England with company registration number 07530828, with its registered office at 7 River Court, Brighthouse Business Village, Brighthouse Road, Middlesbrough, Cleveland, United Kingdom TS2 1RT,

(hereinafter called the "Creditor");

**AND:** **HMV CANADA INC.**, a legal person established under the laws of Ontario, Canada, with its registered office at 100 King Street West, 1 First Canadian Place Suite 4400, Toronto, Ontario M5X 1B1 Canada,

(hereinafter called the "Grantor")

**WHEREAS** as continuing collateral security for the due payment and performance of the Indebtedness (as hereinafter defined), the Grantor has agreed to hypothecate all of its present and future movable property;

**NOW, THEREFORE, THE PARTIES HERETO HAVE AGREED AS FOLLOWS:**

### 1. INTERPRETATION

#### 1.1. Definitions

Capitalized terms used herein and defined in the Loan Agreement (as hereinafter defined) shall have the meaning ascribed to them in the Loan Agreement unless otherwise defined therein and, as used herein, the following terms have the following meanings unless there is something in the subject matter or context inconsistent therewith:

"**Applicable Law**" means, with respect to any Person, any federal, provincial, state, local, municipal or foreign (including the European Union) law, statute, treaty, rule or regulation or final, non-appealable determination of any arbitrator or any court or other Governmental Authority, in each case having legally binding effect upon and applicable to such Person or to any of its property.

"**Creditor**" means the Creditor defined above and its successors and assigns.

"**Charged Property**" means the universality of all of the movable property, rights and assets of the Grantor, present and future, corporeal and incorporeal, of whatsoever nature and wheresoever situated, including, without limitation:

- (a) all present and future:
  - (i) Claims;
  - (ii) Contractual Rights;
  - (iii) Equipment;
  - (iv) Hypothecated Securities;
  - (v) Insurance Policies;
  - (vi) Intellectual Property;
  - (vii) Inventory;

- (viii) Proceeds;
- (ix) Records; and
- (x) Title Documents;

- (b) all renewals, substitutions, improvements, accessions, attachments, additions, replacements and proceeds to, of or from each of the foregoing.

As used in this Hypothec, the term "Charged Property" shall mean all or, where the context permits or requires, any portion of the above or any interest therein.

"Claims" means all claims of the Grantor, including, without limitation, all cash, cash equivalents, bank accounts, accounts receivable, claims, debts, accounts and monies of every nature which are now or which may at anytime hereafter be due, owing or accruing to or owned by the Grantor, and also all securities, bills, notes, negotiable instruments and other documents now held or owned or which may be hereafter taken, held or owned by the Grantor or anyone on behalf of the Grantor in respect of the foregoing or any part thereof.

"Contractual Rights" means all present and future rights of the Grantor arising under or in connection with any agreements (such as, by way of example only, construction contracts, architects' agreements, engineers' contracts, utility contracts, maintenance agreements, franchise agreements and service contracts), permits, licenses, certificates and entitlements in any way relating to the development, construction, use, occupancy, operation, maintenance, enjoyment, acquisition or ownership of the Charged Property or any part thereof.

"Equipment" means all present and future equipment and machinery of the Grantor of whatever kind and wherever situated, including, without limitation, all machinery, equipment, tools, apparatus, furniture, fixtures and vehicles of whatsoever nature or kind.

"Event of Default" means any "Event of Default" under, and as defined in, the Loan Agreement.

"Governmental Authority" means any federal, provincial, state, regional, municipal or foreign (including the European Union) court, government or governmental agency, board, tribunal, authority, instrumentality or regulatory body and includes Her Majesty the Queen in right of Canada or any Province or Territory thereof.

"Grantor" means the Grantor defined above and its successors and permitted assigns, including, without limitation, any Person resulting from the amalgamation or continuation of the Grantor.

"Hypothec" means this deed and all amendments, replacements, restatements, supplements and substitutions thereto.

"Hypothecated Securities" means all securities, security entitlements, financial assets, investment property, investment certificates, futures contracts, shares, options, warrants, interests, participations, units or other equivalents of, in or issued by a trust, legal person, partnership, limited partnership or other entity, whether voting or non-voting or participating or non-participating, now or hereafter owned by the Grantor. For greater certainty, the Grantor hereby acknowledges that all present and future securities, security entitlements and financial assets described as being hypothecated hereunder shall include all securities, security entitlements and financial assets as such terms are used in the *Act Respecting the transfer of Securities and the Establishment of Security Entitlements* (Québec).

"Indebtedness" means all obligations, debts and liabilities of the Grantor to the Creditor, present or future, direct or indirect, absolute or contingent, matured or not, all interest, commissions, legal (including legal fees on a full indemnity basis) and other costs, charges and expenses, whenever and however incurred, in any currency at any time owing by the Grantor to the Creditor or remaining unpaid by the Grantor to the Creditor, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether arising from dealings between the Creditor and the Grantor or from other dealings or proceedings by which the Creditor may be or become in any manner whatsoever a creditor of the Grantor and wherever incurred and whether incurred by the Grantor alone or with another or others and whether as principal, surety or guarantor, whether pursuant to the Loan Agreement or otherwise, whether arising before, during or after the initial or any renewal term of this Agreement or after the commencement of any proceeding with respect to the Grantor under the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)* or any similar statute in any jurisdiction (including, the payment of interest and other amounts which would accrue and become due but for the commencement of such proceeding, whether or not such amounts are allowed or allowable in whole or in part in such proceeding).

"Insurance Policies" means all present and future insurance policies maintained by the Grantor in respect of the Charged Property (or a portion thereof) or the life of any individual and all insurance proceeds or indemnities in respect of the Charged Property or the life of any individual payable thereunder from time to time.

"Intellectual Property" means all of the right, title and interest of the Grantor in the intellectual property and industrial property now or hereafter owned or used by the Grantor, including, without limitation, all patents, trademarks, industrial designs (as well as applications for patents, trademarks or industrial designs), copyrights, inventions, trade secrets, know-how, plant breeder's rights, topography of integrated circuits, rights related to the Grantor's clientele and good will, corporate and other business names, as well as similar rights, now or hereafter owned, used or held by the Grantor.

"Inventory" means all of the inventory of the Grantor, both present and future, including, without limitation, all raw materials, work in progress or materials used or consumed in the business of the Grantor and all other goods and all products and by-products thereof or derived therefrom, manufactured, produced or purchased for sale, lease or resale by the Grantor, or procured for such manufactured products, sale, lease or resale and all goods, wares and merchandises used or procured for the packing or shipping of any of the foregoing, and all the goods, wares and merchandises, products and by-products thereof or derived therefrom, so manufactured, produced or purchased for sale, lease or resale.

"Loan Agreement" means the Working Capital Loan Agreement dated as of June \_\_, 2011, among the Creditor, as lender, and the Grantor, as borrower, as the same may be amended, modified, supplemented, revised, restated or replaced from time to time.

"Permitted Charges" means, collectively, the following:

- (a) undetermined or inchoate liens, rights of distress and charges incidental to current operations which have not at such time been filed or exercised and of which the Creditor has not been given notice, or which relate to obligations not due or payable or, if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;

- (b) the right reserved to, or vested in, any Governmental Authority by the terms of any lease, licence, franchise, grant or permit acquired by that Person, or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (c) liens resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workers' compensation, employment insurance, surety or appeal bonds, costs of litigation when required by law, liens and claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar liens, and public, statutory and other like obligations incurred in the ordinary course of business;
- (d) liens given to a public utility or any Governmental Authority when required by such utility or Governmental Authority in connection with the operations of that Person in the ordinary course of its business;
- (e) liens for taxes, rates, assessments and/or other charges or levies made by any Governmental Authority not yet subject to penalties for non-payment or which are being contested in good faith and by appropriate proceedings, but only if and to the extent such liens do not result in an Event of Default and for which adequate reserves in accordance with GAAP have been recorded on the consolidated balance sheet of the Grantor;
- (f) the liens created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings by that Person and does not result in an Event of Default and for which adequate reserves in accordance with GAAP have been recorded on the consolidated balance sheet of the Grantor;
- (g) operating leases of vehicles or equipment which are entered into in the ordinary course of business;
- (h) liens securing purchase money security obligations subject to a maximum amount of indebtedness being secured thereby of no more than \$[500,000] in the aggregate;
- (i) encumbrances in favour of the Creditor;
- (j) liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of combination of accounts or similar rights in the ordinary course of conducting day-to-day banking business in relation to deposit accounts or other funds maintained with a creditor depository institution, provided that such liens (A) do not relate to any deposit account that is a dedicated cash collateral account which is subject to restrictions against access by the depositor or account holder, (B) do not relate to any deposit account intended by the depositor or account holder to provide collateral to the depository institution, and (C)

are not intended directly or indirectly to secure the payment or performance of Indebtedness or any other obligation; and

- (k) other liens or encumbrances expressly consented to in writing by the Creditor.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee, limited liability company, unincorporated organization, government or any agency or political subdivision thereof, or any other form of entity.

"Proceeds" means identifiable or traceable movable property, present or future, in any form derived directly or indirectly from any dealing with the Charged Property or the proceeds therefrom including any payment or right to a payment or insurance representing an indemnity or compensation for loss of or damage to the Charged Property or any part thereof or proceeds therefrom.

"Records" means all present and future deeds, documents, books, manuals, papers, letters, invoices, writings and data (electronic or otherwise), access codes, recordings, evidencing or relating to the Charged Property or any part thereof including all copies and representations of the Intellectual Property in any form now known or in the future developed or discovered including, without limitation, those on paper, magnetic and optical media, and all working papers, notes, charges, drawings, materials and diagrams created in the process of developing the Intellectual Property.

"Special Property" means: (a) any contract, instrument, permit, lease or license or other document as to which and for so long as the creation of a hypothec or other security interest would constitute a violation of a valid and enforceable restriction in favour of a third party on such creation unless and until any required consents were obtained; (b) any contract, instrument, permit, lease, license or other documents as to which and for so long as the creation of a hypothec or other security interest would give any other party to such contract, instrument, permit, lease, license or other document the right to terminate its obligations thereunder; and (c) any contract, instrument, permit, lease or license or other document held by the Grantor to the extent that and for so long as any Applicable Law applicable thereto prohibits the creation of a hypothec or other security interest therein.

"Title Documents" means all present and future warehouse receipts and similar documents of title relating to Inventory.

## 1.2. Severability

If any one or more of the provisions contained in this Hypothec shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Creditor, be severable from and shall not affect any other provision of this Hypothec, but this Hypothec shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Hypothec.

## 1.3. Interpretation and Headings

The Grantor acknowledges that this Hypothec is the result of negotiations between the parties and shall not be construed in favour of or against any party by reason of the extent to which any party or its legal counsel participated in its preparation or negotiation. The words "hereto", "herein",

"hereof", "hereby", "hereunder" and similar expressions refer to the whole of this Hypothec including, without limitation, these additional provisions, and not to any particular Section or other portion thereof or hereof and extend to and include any and every document supplemental or ancillary hereto or in implementation hereof. Words in the singular include the plural and words in the plural include the singular. Words importing the masculine gender include the feminine and neuter genders where the context so requires. Words importing the neuter gender include the masculine and feminine genders where the context so requires. The headings do not form part of this Hypothec and have been inserted for convenience of reference only. Any reference to "including" shall mean "including without limitation" whether or not expressly provided.

#### **1.4. Effective Date**

This Hypothec shall take effect upon execution of this Hypothec by the parties hereto notwithstanding that all or any part of the principal amount secured by this Hypothec has not been advanced.

#### **1.5. Currency**

Unless otherwise specified in this Hypothec, all dollar references in this Hypothec are expressed in Canadian dollars.

## **2. CHARGE**

### **2.1. Hypothec**

2.1.1 To secure the payment and performance of the Indebtedness and of the expenses and charges incurred by the Creditor to obtain payment and performance of the Indebtedness or to conserve the Charged Property, the Grantor hereby hypothecates the Charged Property in favour of the Creditor for the principal sum of EIGHTY MILLION DOLLARS (\$80,000,000), together with interest thereon from the date hereof at the rate of twenty-five percent (25%) per annum, calculated semi-annually and not in advance.

2.1.2 The hypothec granted hereunder does not constitute and shall not constitute nor be construed as a floating hypothec within the meaning of Article 2715 of the Civil Code of Quebec.

2.1.3 **Special Property.** To the extent that the hypothecation of Special Property which may form part of the Charged Property would constitute pursuant to the terms of the Special Property or Applicable Law, a breach thereof or permit the acceleration or termination thereof because the Grantor has not obtained a consent of the applicable third party to the hypothecation of such rights in the Special Property, the hypothec against such rights in the Special Property is granted under the suspensive condition that the consent of the other party be obtained or requirement for consent waived. Upon consent being obtained or waived, the hypothec created above shall apply to the applicable Special Property and without necessity of any further agreement or other assurance to effect the hypothecation thereof.

### **2.2. Continuing Security**

The hypothec created herein is continuing security and will subsist notwithstanding any fluctuation or repayment of the obligations hereby secured. The Grantor shall be deemed to

obligate itself again, as provided in Article 2797 of the Civil Code of Quebec, with respect to any future obligation hereby secured.

### 2.3. Insurance

2.3.1 The Grantor will insure and keep insured the Charged Property against such other perils as are customarily insured by those carrying on an enterprise similar to that of the Grantor or as may from time to time be specified by the Creditor, for their full insurable value, by means of a policy or policies each with loss payable to the Creditor and containing a mortgage clause approved by the Creditor and issued by an insurer or insurers approved by the Creditor. The Grantor obliges itself to effect such new insurance as the Creditor may direct should the insurer(s) cease to have the approval of the Creditor or should the Creditor be advised by the insurer or otherwise become aware of any amendment to any policy which, in the sole and absolute discretion of the Creditor, is unsatisfactory to the Creditor. At least thirty (30) days before the expiry or cancellation of any policy, the Grantor will deliver to the Creditor evidence of renewal or replacement thereof. Without limiting the generality of the foregoing, the Grantor shall insure and keep insured the Charged Property under policies providing for the following: (a) Insurance against loss or damage by all hazards as are insurable under an all risk policy for their full insurable value; (b) Comprehensive broad form boiler and machinery insurance, including unfired pressure vessels and air conditioning equipment, including use and occupancy coverage, in an amount satisfactory to the Creditor; and (c) Insurance against loss of rentals covering potential loss of revenue from the Charged Property, if any, for at least twelve (12) months from the date of any occurrence or any longer indemnity period that the Creditor may prescribe from time to time;

2.3.2 The Grantor will maintain comprehensive general public liability insurance with respect to personal injury, death, and damage to property of third parties in an amount satisfactory to the Creditor;

2.3.3 Each insurance policy will be issued by an insurer or insurers approved by the Creditor and by way of a policy in form and substance acceptable to the Creditor. The Grantor obliges itself to effect such new insurance as the Creditor may direct should the insurer(s) cease to have the approval of the Creditor. All policies of insurance on the Charged Property or any of them (whether or not entered into or maintained in force pursuant to this Clause) shall provide that the proceeds shall be payable to the Creditor or to prior ranking hypothecary creditors (if applicable) and to the Creditor as their respective interests may appear by means of a mortgage clause approved by the Creditor and the Grantor hereby assigns and undertakes to assign all such proceeds to the Creditor, subject to the rights of such prior ranking hypothecary creditors. At least thirty (30) days before the expiry or cancellation of any policy the Grantor shall deliver to the Creditor evidence of renewal or replacement thereof. If the Grantor fails to perform any of the obligations required to be performed by it under this paragraph, the Creditor may (but will not be obliged to) maintain such insurance coverage and the Grantor shall pay to the Creditor on demand all sums expended by it in doing so together with interest thereon as provided in this Deed;

2.3.4 The Grantor will immediately notify the Creditor of any loss of or damage to any of the Charged Property. The Grantor will provide the Creditor with copies of all insurance policies (including all amendments and endorsements) which may be in force from time to time with respect to the Charged Property;

2.3.5 In the event that any insurance proceeds are paid to the Creditor, it may, at its option, apply such proceeds in reduction of the Indebtedness, whether or not exigible or, at the option of the Creditor, advance such proceeds to the Grantor, in such manner as the Creditor deems advisable for the purpose of repairing, restoring or reconstructing the Charged Property to a state and condition at least as good as existed prior to said loss or damage.

**2.4. Representations, covenants, etc.**

2.4.1 The Grantor hereby makes and reiterates all of the declarations, representations, warranties and covenants of, or applicable to, the Grantor set forth in the Loan Agreement, *mutatis mutandis*.

2.4.2 Furthermore, the Grantor hereby declares, represents, warrants and covenants that as of the date of this Hypothec and at all times during which this Hypothec is in effect:

2.4.2.1 the Grantor will pay all fees and expenses, legal and notarial or otherwise, and costs of publication or registration, incurred by or on behalf of the Creditor in respect of the Loan Agreement, this Hypothec and all amendments thereto and renewals and discharges thereof, and notices of address, and will pay all appraisal fees relating to the Charged Property as well as all costs, disbursements and expenses in connection with the enforcement of any of the Creditor's rights hereunder or under the Loan Agreement and in connection with the recovery or conservation of the Charged Property, which costs, disbursements and expenses include, without limitation, the following:

- (a) all costs and expenses of maintenance, operation, administration, conservation and/or collection of the Charged Property;
- (b) the usual charges of all independent managers for the maintenance, operation, administration and/or collection of the Charged Property; and
- (c) reasonable compensation for any person or firm engaged, employed or consulted by or on behalf of the Creditor who acts in connection with the maintenance, operation, administration, conservation and/or collection of any of the Charged Property;

2.4.2.2 the Grantor will maintain the Charged Property in good repair and prevent any use thereof which might diminish the value thereof or the Creditor's hypothec thereon, and from time to time at the request of the Creditor give the Creditor's officers, employees and agents access thereto for the purpose of inspection;

2.4.2.3 the Grantor will at all times do or cause to be done all things necessary or proper to preserve and keep in full force and effect its corporate existence and its ability to carry on its business and will not merge or amalgamate with any other entity without the prior written consent of the Creditor;

2.4.2.4 the Grantor will pay or cause to be paid as and when due and payable all taxes, rates, assessments, levies, surtaxes and any other impositions, ordinary and extraordinary, which may be assessed on or payable by the Grantor or in respect of any of the Charged Property as well as any and all interest thereon and penalties imposed in respect thereof (collectively the "Taxes") and will deliver to

the Creditor evidence of payment of the Taxes within fifteen (15) days after such Taxes become due and will make all remittances which it is required to make pursuant to any fiscal legislation applicable to the Grantor;

2.4.2.5 the Grantor will, at all times, duly and punctually pay and discharge the wages, salaries and other remuneration of all persons employed by the Grantor in connection with the enterprise of the Grantor;

2.4.2.6 with respect to environmental matters:

(a) the Grantor will operate its business and maintain the Charged Property and all other property owned from time to time by it in compliance with the requirements of applicable environmental laws and will not bring onto or use any air contaminant, pollutant, toxic substances or hazardous waste except in strict compliance with all environmental laws;

(b) the Grantor will promptly forward to the Creditor copies of all orders, notices, permits, applications, complaints and other communications and reports relating to its breach or potential breach of any environmental laws and will properly and diligently commence and complete all operations and other matters necessary in order to complete the remedy or rectify any such breach;

2.4.2.7 the Grantor is and shall be the sole and absolute owner of the Charged Property by good and marketable title free;

2.4.2.8 The Grantor will not, without the prior written consent of the Creditor, create, incur, assume, or suffer to exist any hypothec, mortgage, deed of trust, pledge, lien, security interest, assignment, charge or encumbrance (including any conditional or instalment sale, or other title retention agreement or finance lease) of any nature, upon or with respect to any of its properties, now owned or hereafter acquired, other than Permitted Charges;

2.4.2.9 except as provided herein, the Grantor will not sell, further hypothecate, register servitudes, encumber or otherwise dispose of any of the Charged Property without the prior written consent of the Creditor, which it may, in its discretion, refuse. In the event that the Creditor consents to the granting of a further hypothec on any of the Charged Property, such consent will be subject to the beneficiary of the hypothec entering into satisfactory arrangements with the Creditor including, without limiting the generality of the foregoing, a provision in such hypothec that upon the sale of any of the Charged Property by or for the account of the Creditor, such property will be sold free and clear of any hypothecs created therein, an undertaking that it will so confirm in writing to the Creditor and any prospective buyer, and an undertaking to grant mainlevée of its hypothec on such property at the time of the sale.

### 3. ADDITIONAL PROVISIONS WITH RESPECT TO THE HYPOTHEC ON CLAIMS

#### 3.1. Debt Collection

The Creditor hereby authorizes the Grantor to collect all Claims forming part of the Charged Property as the same fall due and payable according to the terms of each of the documents evidencing such Claims.

#### 3.2. Withdrawal of Authorization to Collect

The Creditor may, at its sole discretion, upon the occurrence and during the continuance of an Event of Default, withdraw the authorization granted above, by giving notice as prescribed by Applicable Law, whereupon the Creditor shall immediately be entitled to collect all Claims referred to in such notice. The debtors under such Claims shall comply with the notice sent by or on behalf of the Creditor and thereafter shall pay all Claims to the Creditor without inquiry into the state of accounts between the Creditor and the Grantor.

#### 3.3. Accounts and Records

Should the Creditor serve a notice withdrawing the authorization granted to the Grantor to collect the Claims as provided for above, the Grantor hereby agrees that all accounts and records maintained by the Creditor with respect to any such Claims received and their application by the Creditor shall be prima facie conclusive and binding unless proven to be wrong or incorrect.

#### 3.4. Powers in Connection with Collection of Claims

Without limiting or otherwise restricting the Creditor's rights as set forth herein or under Applicable Law, upon the occurrence and during the continuance of an Event of Default, the Creditor is irrevocably authorized in connection with the collection of the Claims, as the Grantor's agent and mandatary, to:

- 3.4.1 grant delays, take or abandon any security;
- 3.4.2 grant releases and discharges, whole or partial, with or without consideration;
- 3.4.3 endorse all cheques, drafts, notes and other negotiable instruments issued to the order of the Grantor in payment of the Claims;
- 3.4.4 take conservatory measures and appropriate proceedings to obtain payment of the Claims;
- 3.4.5 negotiate and settle out of Court with the debtors of the Claims, their trustee if there is a bankruptcy or insolvency, or any other legal representative, the whole as it deems appropriate; and
- 3.4.6 deal with any other matter relating to the Claims, in its discretion, without the intervention or the consent of the Grantor;

the Creditor shall not however be liable for any damages or prejudice which may result from its fault, other than its intentional fault, wilful misconduct or gross negligence.

**3.5. Collection of Debts by Grantor**

If, despite the withdrawal of authorization by the Creditor in accordance with the terms hereof, any Claims are paid to the Grantor, the Grantor shall be deemed to have received such amounts for the account and on behalf of the Creditor and shall pay all such amounts to the Creditor forthwith upon receipt.

**3.6. Further Assurances**

If and when requested by the Creditor, the Grantor shall remit to the Creditor all documents which are useful or necessary for the purposes set forth in this Section 3, shall sign any useful or necessary documents without delay, and, as the case may be, shall collaborate in the collection by the Creditor of the Claims.

**3.7. Waiver**

The Grantor hereby waives any obligation the Creditor may have to inform the Grantor of any irregularity in the payment of any Claims.

**3.8. Limitation of Creditor's Liability**

The Creditor shall not be liable or accountable for any failure to collect, realize, dispose of, enforce or otherwise deal with the Claims or any part thereof and shall not be bound to institute proceedings for any such purposes or for the purpose of preserving any rights of the Creditor, the Grantor or any other Person in respect of the Claims and shall not be liable or responsible for any loss or damage whatsoever which may accrue in consequence of any such failure whether resulting from the negligence of the Creditor or any of its officers, employees, mandataries, solicitors, attorneys, receivers or otherwise other than by way of their gross negligence, wilful misconduct or intentional fault.

**4. REMEDIES**

**4.1. Acceleration**

Upon the occurrence and during the continuance of an Event of Default, the entire Indebtedness shall, at the option of the Creditor in its sole discretion, immediately become due and payable, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, each of which are hereby expressly waived, and all the Creditor's rights and remedies under this Hypothec and otherwise under Applicable Law shall immediately become enforceable and the Creditor shall, in addition to any other rights, recourses and remedies it has, forthwith be entitled to exercise any and all hypothecary rights prescribed by the Civil Code of Quebec.

**4.2. Agent**

The Creditor may appoint any one or more agents who shall be entitled to exercise the powers and rights vested in the Creditor pursuant to this Hypothec and under Applicable Law.

#### 4.3. Creditor May Act on Advice of Professionals

The Creditor may execute any of the powers imposed or conferred upon it under this Hypothec, and perform any duties required of it, by or through attorneys or agents and, in relation to this Hypothec, may act on the opinion or advice of or information obtained from any lawyer, valuer, surveyor, broker, auctioneer, accountant or other expert, whether obtained by the Creditor or by the Grantor or otherwise, and shall not be responsible for any loss occasioned by acting or not acting thereon, unless occasioned by its intentional fault, wilful misconduct or gross negligence, and shall be entitled to take legal or other advice and employ such assistance as may be necessary to the proper discharge of its duties, and to pay proper and reasonable compensation to such agents and attorneys for all such legal and other advice or assistance as aforesaid.

#### 4.4. Creditor's Right to Perform Obligations

If the Grantor shall fail, refuse or neglect to make any payment or perform any act required hereunder, then while any Event of Default exists, and without notice to or demand upon the Grantor and without waiving or releasing any other right, remedy or recourse the Creditor may have as a result of or in relation to such Event of Default, the Creditor may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of the Grantor, and shall have the right to take all such action and undertake such expenditures as it may deem necessary or appropriate. If the Creditor shall elect to pay any sum due with reference to the Charged Property, the Creditor may do so in reliance on any bill, statement or assessment procured from the appropriate governmental authority or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created hereunder, the Creditor shall not be bound to inquire into the validity of any apparent or threatened adverse title, hypothec, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same. The Grantor shall indemnify the Creditor for all losses, expenses, damages, claims and causes of action, including legal fees (on a solicitor and client basis), incurred or accruing by reason of any acts performed by the Creditor pursuant to the provisions of this Section 4.4. All sums paid by the Creditor pursuant to this Section 4.4, and all other sums expended by the Creditor for which it shall be entitled to be indemnified, shall be added to the Indebtedness, shall be secured by this Hypothec and shall be paid by the Grantor to the Creditor upon demand.

#### 4.5. Mise en demeure

Except as otherwise expressly provided herein or in the Loan Agreement, no notice or mise en demeure of any kind shall be required to be given to the Grantor by the Creditor for the purpose of putting the Grantor in default, the Grantor being in default by the mere lapse of time allowed for the performance of an obligation or by the mere happening of an event constituting an Event of Default.

Moreover, notwithstanding anything to the contrary herein or in the Loan Agreement, the Attorney may sell or otherwise dispose of any Hypothecated Securities which are "securities" or "security entitlements" (within the meaning of *An Act Respecting the Transfer of Securities and Establishment of Security Entitlements* (Québec)), without having to give a prior notice, obtain voluntary surrender thereof or observe the time limits prescribed by Applicable Law.

#### **4.6. Exercise of Recourses**

In exercising any of the rights, recourses or remedies available hereunder, the Creditor may at its discretion, in respect of all or any part of the Charged Property or any other security held by the Creditor, exercise such rights, recourses and remedies as are available hereunder or under Applicable Law, as it elects to exercise, without prejudicing the other rights, recourses and remedies available to the Creditor in respect of all or part of the Charged Property or any other hypothec or other security held by the Creditor. The Creditor may exercise any of such rights, recourses and remedies in respect of all or any part of the Charged Property (or any other security held by the Creditor), simultaneously or successively. It is further understood that the Creditor shall be entitled to exercise and enforce all of the rights and remedies available to it, free from any control of the Grantor provided, however, that the Creditor shall not be bound to realize any specific security nor exercise any right or remedy as aforesaid and shall not be liable for any loss which may be occasioned by any failure to do so.

#### **4.7. Surrender**

If a prior notice of the Creditor's intention to exercise a hypothecary right is given to the Grantor, the Grantor shall, and shall cause any other Person in possession of the Charged Property subject to such prior notice, to immediately surrender same to the Creditor and shall execute, and cause to be executed all deeds and documents required to evidence such surrender to the Creditor.

#### **4.8. Extension of Time and Waiver**

Neither any extension of time given by the Creditor to the Grantor or any Person claiming through the Grantor, nor any amendment to this Hypothec or other dealing by the Creditor with a subsequent owner of the Charged Property will in any way affect or prejudice the rights of the Creditor against the Grantor or any other Person or Persons liable for payment of the Indebtedness. The Creditor may waive any Event of Default in its sole discretion. No waiver will extend to a subsequent Event of Default, whether or not the same as or similar to the Event of Default waived, and no act or omission by the Creditor will extend to, or affect, any subsequent Event of Default or the rights of the Creditor arising from such Event of Default. Any such waiver must be in writing and signed by the Creditor. No failure on the part of the Creditor or the Grantor to exercise, and no delay by the Creditor or the Grantor in exercising, any right pursuant to this Hypothec will operate as a waiver of such right. No single or partial exercise of any such right will preclude any other or further exercise of such right.

#### **4.9. Cancellation of Hypothec and Release**

The Creditor will have a reasonable period of time after full payment and satisfaction of the Indebtedness to prepare and execute a cancellation of this Hypothec. All reasonable legal and other expenses for the preparation, execution, delivery and registration of the cancellation shall be paid by the Grantor upon demand. The Grantor shall register such cancellation. The Creditor may release in its discretion and at any time any Person or any part or parts of the Charged Property from all or any part of the Indebtedness or the security either with or without any consideration and without releasing any other part of the Charged Property or any other Person from this Hypothec or from any of the covenants contained in this Hypothec, and without being accountable to the Grantor for the value of the Charged Property released or for any money except that actually received by the Creditor. The Creditor may grant renewals, extensions, indulgences, releases and discharges may take security from and give the same up, may abstain from taking security from, may accept compositions and proposals, and may otherwise deal with

the Grantor and all other Persons and security as the Creditor may see fit without prejudicing the rights of the Creditor hereunder.

## 5. ADDITIONAL RIGHTS OF THE CREDITOR

### 5.1. Additional Rights

The Grantor agrees that upon the occurrence and during the continuance of an Event of Default, the following provisions shall apply to supplement the provisions of any Applicable Law and without limiting any other provisions of this Hypothec dealing with the same subject matter:

5.1.1 The Creditor shall be the irrevocable mandatary and agent of the Grantor, with power of substitution, in respect of all matters relating to the enforcement of all rights, recourses and remedies of the Creditor. The Creditor shall, as regards all of the powers, authorities and discretions vested in it hereunder, have the absolute and unfettered discretion as to the exercise thereof whether in relation to the manner or as to the mode or time for their exercise.

5.1.2 Without limiting the generality of Section 5.1.1, the Grantor agrees that the Creditor may but is not obliged to, at the expense of the Grantor, for the purposes of protecting or realizing upon the value of the Charged Property or its rights:

5.1.2.1 cease or proceed with, in any way the Creditor sees fit, any enterprise of the Grantor, and the administration of the Charged Property, including, without limitation, the generality of the foregoing:

- (a) sign any credit agreement, security document, lease, service contract, construction contract, management contract, development contract, maintenance contract or any other agreement, contract, deed or other document in the name of and on behalf of the Grantor in connection with the Charged Property or any enterprise of the Grantor and renew, cancel or amend from time to time any such agreement, contract, deed or other document;
- (b) maintain, repair, renovate, operate, alter, complete, preserve or extend any part of the Charged Property in the name of the Grantor including undertaking or completing any construction work at the Grantor's expense;
- (c) reimburse for and on behalf of the Grantor any third person having a claim against any part of the Charged Property;
- (d) borrow money or lend its own funds for any purposes related to the Charged Property; and

receive the revenues, rents, fruits, products and profits from the Charged Property and endorse any cheque, securities or other instrument;

5.1.2.2 dispose of any part of the Charged Property likely to rapidly depreciate or decrease in value;

- 5.1.2.3 use the information it has concerning the Grantor or any information obtained during the exercise of its rights except as may be otherwise provided in the Loan Agreement or any confidentiality agreement;
  - 5.1.2.4 fulfil any of the undertakings of the Grantor or of any other Person;
  - 5.1.2.5 use, administer and exercise any other right pertaining to the Charged Property; and
  - 5.1.2.6 do all such other things and sign all documents in the name of the Grantor as the Creditor may deem necessary or useful for the purposes of exercising its rights, recourses and remedies hereunder or under Applicable Law.
- 5.1.3 In the event of the exercise by the Creditor of any right, recourse or remedy following the occurrence of an Event of Default:
- 5.1.3.1 the Creditor shall only be accountable to the Grantor to the extent of its commercial practice and within the delays normally observed by the Creditor and the Creditor shall not be obliged to with respect to the Charged Property or any enterprise operated by or on behalf of the Grantor;
    - (a) make inventory, take out insurance or furnish any security;
    - (b) advance any sums of money in order to pay any expenses not even those expenses that may be necessary or useful; or
    - (c) maintain the use for which the enterprise of the Grantor or any Charged Property is normally intended, make it productive or continue its use;
    - (d) and shall not be held liable for any loss whatsoever other than as a result of its gross negligence, wilful misconduct or intentional fault;
  - 5.1.3.2 any and all sums of money remitted to or held by the Creditor may be invested at its discretion, without the Creditor being bound by any legislative provisions relating to the investment or administration of the property of others; the Creditor is not obliged to invest or pay interest on amounts collected even where such amounts exceed the amounts due by the Grantor;
  - 5.1.3.3 the Creditor may itself, directly or indirectly, become the owner of the whole or any part of the Charged Property to the extent not prohibited by Applicable Law;
  - 5.1.3.4 the Creditor may, at the time it exercises its rights, renounce to a right belonging to the Grantor, make settlements and grant discharges and mainlevées, even without consideration;
  - 5.1.3.5 in the event the Creditor exercises its hypothecary right of taking in payment and the Grantor requires the Creditor to sell the whole or any part of the Charged Property, the Grantor acknowledges that the Creditor shall not be required to renounce to its hypothecary right of taking in payment unless, prior to the expiration of the time limit to surrender, the Creditor (i) shall have received security, which the Creditor deems satisfactory, to the effect that the sale will be

made at a price sufficient to pay all amounts owing under the Indebtedness and to enable the Creditor to be paid its claim in full, (ii) shall have been reimbursed the costs it shall have incurred, and (iii) shall have been advanced all amounts necessary for the sale of the Charged Property;

5.1.3.6 in the event that the Creditor sells the whole or any part of the Charged Property, it will not be required to obtain any prior appraisal from a third party; and

5.1.3.7 the sale of the Charged Property may be made with legal warranty on the part of the Grantor or, at the option of the Creditor, with total or partial exclusion of warranty.

5.1.4 The Creditor shall only be bound to exercise reasonable prudence and diligence in the execution of its rights and performance of its obligations under the terms of this Hypothec or under Applicable Law and the Creditor shall not be responsible for prejudice that may result from its fault or that of its agents or representatives, with the exception of its gross negligence, wilful misconduct or intentional fault.

5.1.5 The Creditor shall not be responsible in respect of any obligations undertaken in the exercise of its powers under the terms of this Hypothec or under Applicable Law, even in any case where the Creditor may have exceeded its powers, or by reason of any delay, omission or any other act made in good faith by the Creditor or its representatives with the exception of obligations undertaken or acts made further to gross negligence, wilful misconduct or intentional fault.

## 6. THE CREDITOR

### 6.1. Protection of Persons Dealing with Creditor

No Person dealing with the Creditor or its agents need inquire whether the hypothec hereby constituted has become enforceable or whether the powers which the Creditor is purporting to exercise have become exercisable.

### 6.2. Delegation of Powers

The Creditor may delegate the exercise of its rights or the performance of its obligations hereunder to another Person. In that event, the Creditor may furnish that Person with any information it may have concerning the Grantor or the Charged Property. The Creditor shall not be responsible for damages resulting from such delegation or from any fault committed by such delegate.

### 6.3. Successors

The rights of the Creditor hereunder shall benefit any successor or assign of the Creditor, including any Person resulting from the amalgamation of the Creditor with any other Person.

### 6.4. Liability of Creditor

The Creditor shall only be accountable for reasonable diligence in the performance of its duties and the exercise of its rights hereunder, and shall only be liable for its own gross negligence, intentional fault and wilful misconduct.

**6.5. Unfettered Discretion to Exercise Powers**

The Creditor, except as herein otherwise provided, shall, with respect to all rights, powers and authorities vested in it, have absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner or as to the mode and time for the exercise thereof, and in the absence of fraud, it shall be in no way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.

**7. MISCELLANEOUS****7.1. General Indemnity**

The Grantor shall protect, defend, indemnify and save harmless the Creditor and its shareholders, directors, officers, employees and agents from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation reasonable legal fees and expenses), imposed upon or incurred by or asserted against the Creditor by reason of holding this Hypothec or any interest therein or receipt of any Claims, or any other action or failure to act in relation to the Charged Property or the exercise of any rights or recourses of the Creditor.

**7.2. Amendments and Waivers**

No amendment or waiver of any provision of this Hypothec shall be effective unless in writing and signed by the party against whom enforcement is sought.

**7.3. Waivers**

No course of dealing on the part of the Creditor, its officers, employees, consultants or agents, nor any failure or delay by the Creditor with respect to exercising any right, power or privilege of the Creditor shall operate as a waiver thereof.

**7.4. Payment to Third Parties**

If the Creditor is at any time or from time to time required to make a payment in connection with the security constituted by this Hypothec, such payment and all reasonable costs of the Creditor (including legal fees and other expenses) shall be immediately payable by the Grantor to the Creditor.

**7.5. Notices**

All notices and communications hereunder shall be given to the addresses and otherwise made in accordance with the Loan Agreement.

**7.6. Governing Law**

This Hypothec shall be governed by and construed in accordance with the Applicable Law of the Province of Quebec and the Applicable Law of Canada.

**7.7. Paramountcy**

In the event of inconsistency or contradiction between the provisions of this Hypothec and those of the Loan Agreement, the provisions of the Loan Agreement shall prevail except that the

provisions hereof shall prevail insofar as they relate to the creation and enforcement of the hypothec created hereby.

7.8. Finance Document

This Hypothec shall be deemed to be a "Finance Document" as such term is defined in the Loan Agreement.

7.9. Counterparts

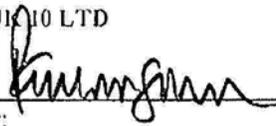
This Hypothec may be executed by one or more of the parties to this agreement on any number of separate counterparts (including by telecopy or in Portable Document Format (PDF)), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

7.10. Language

The parties hereto confirm that they have requested that this Hypothec and all related documents be drafted in English. Les parties aux présentes ont exigé que le présent acte et tous les documents connexes soient rédigés en anglais.

SIGNED AT LONDON, THIS 28<sup>th</sup> DAY OF June, 2011.

HUIK LTD

  
\_\_\_\_\_

Per:

HMV CANADA INC.

\_\_\_\_\_  
Per:

V5982463

provisions hereof shall prevail insofar as they relate to the creation and enforcement of the hypothec created hereby.

**7.8. Finance Document**

This Hypothec shall be deemed to be a "Finance Document" as such term is defined in the Loan Agreement.

**7.9. Counterparts**

This Hypothec may be executed by one or more of the parties to this agreement on any number of separate counterparts (including by telecopy or in Portable Document Format (PDF)), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

**7.10. Language**

The parties hereto confirm that they have requested that this Hypothec and all related documents be drafted in English. Les parties aux présentes ont exigé que le présent acte et tous les documents connexes soient rédigés en anglais.

SIGNED AT Toronto, THIS 28<sup>th</sup> DAY OF June, 2011.

HUK 10 LTD

\_\_\_\_\_  
Per:

HMV CANADA INC.

*Hannah Berliuck*  
Per: HANNAH BERLIECK

US982463

**EXHIBIT**

**G**



SECURITY IS EVERYTHING  
Phone: (416) 225-5511

Ontario Search Results  
ID 1367718  
Search Type [BD] Business Debtor

Your Ref No. 118-134710-AC-1354  
Liens : 7 Pages : 9

Searched : 12JAN2017 09:21 AM  
Printed : 12JAN2017 09:19 AM

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/12/2017  
CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 09:20:52  
ACCOUNT : 009233-0001 FAMILY : 1 OF 7 ENQUIRY PAGE : 1 OF 9  
FILE CURRENCY : 11JAN 2017  
SEARCH : BD : HMV CANADA INC.

00 FILE NUMBER : 670989762 EXPIRY DATE : 27JUN 2021 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20110627 1443 1590 3981 REG TYP: P PPSA REG PERIOD: 10  
02 IND DOB : IND NAME:  
03 BUS NAME: HMV CANADA INC. OCN :

04 ADDRESS : 5401 EGLINTON AVENUE WEST, SUITE 110  
CITY : ETOBICOKE PROV: ON POSTAL CODE: M9C 5K6  
05 IND DOB : IND NAME:  
06 BUS NAME: OCN :

07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
HUK 10 LTD

09 ADDRESS : C/O OLYMPUS HOUSE, OLYMPUS AVENUE,  
CITY : WARWICKSHIRE PROV: UK POSTAL CODE: CV34 6BF  
CONS. MV DATE OF OR NO FIXED

GOODS	INVTRY.	EQUIP	ACCTS	OTHER	INCL	AMOUNT	MATURITY	MAT DATE
10	X	X	X	X	X			

YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: GOODMAN LLP (D. WISEMAN/HDW)  
17 ADDRESS : 3400-333 BAY ST., BAY ADELAIDE CENTRE  
CITY : TORONTO PROV: ON POSTAL CODE: M5H 2S7

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/12/2017  
CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 09:20:55  
ACCOUNT : 009233-0001 FAMILY : 1 OF 7 ENQUIRY PAGE : 2 OF 9  
FILE CURRENCY : 11JAN 2017  
SEARCH : BD : HMV CANADA INC.

00 FILE NUMBER : 670989762 EXPIRY DATE : 27JUN 2021 STATUS :  
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :  
REG NUM : 20110627 1443 1590 3981 REG TYP: REG PERIOD:  
02 IND DOB : IND NAME:  
03 BUS NAME:

OCN :

04 ADDRESS :  
CITY : PROV: POSTAL CODE:  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :

07 ADDRESS :  
CITY : PROV: POSTAL CODE:  
08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS : LEAMINGTON SPA  
CITY : PROV: POSTAL CODE:  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT:  
17 ADDRESS :  
CITY : PROV: POSTAL CODE:

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/12/2017  
CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 09:20:58  
ACCOUNT : 009233-0001 FAMILY : 2 OF 7 ENQUIRY PAGE : 3 OF 9  
FILE CURRENCY : 11JAN 2017  
SEARCH : BD : HMV CANADA INC.

00 FILE NUMBER : 697888764 EXPIRY DATE : 10JUL 2019 STATUS :  
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :  
REG NUM : 20140710 1411 1462 4805 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: HMV CANADA

OCN :  
04 ADDRESS : 5401 EGLINTON AVE W  
CITY : ETOBICOKE PROV: ON POSTAL CODE: M9C5K6  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
XEROX CANADA LTD

09 ADDRESS : 33 BLOOR ST. E. 3RD FLOOR  
CITY : TORONTO PROV: ON POSTAL CODE: M4W3H1  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 YEAR MAKE X X MODEL V.I.N. X

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: PPSA CANADA INC. - (3992)  
17 ADDRESS : 110 SHEPPARD AVE EAST, SUITE 303  
CITY : TORONTO PROV: ON POSTAL CODE: M2N6Y8

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/12/2017  
CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 09:21:00  
ACCOUNT : 009233-0001 FAMILY : 3 OF 7 ENQUIRY PAGE : 4 OF 9  
FILE CURRENCY : 11JAN 2017  
SEARCH : BD : HMV CANADA INC.

00 FILE NUMBER : 701841114 EXPIRY DATE : 26NOV 2019 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :  
REG NUM : 20141126 1013 1793 0558 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: HMV CANADA INC.

OCN :  
04 ADDRESS : #110 - 5401 EGLINTON AVENUE WEST  
CITY : ETOBICOKE PROV: ON POSTAL CODE: M9C5K6  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:  
08 SECURED PARTY/LIEN CLAIMANT :  
HMV IP HOLDINGS INC.

09 ADDRESS : #110 - 5401 EGLINTON AVENUE WEST  
CITY : ETOBICOKE PROV: ON POSTAL CODE: M9C5K6  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
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YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: AIRD & BERLIS LLP (AC-122568)  
17 ADDRESS : 181 BAY STREET, SUITE 1800  
CITY : TORONTO PROV: ON POSTAL CODE: M5J2T9

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PSSME04 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/12/2017  
CCCL204 DISPLAY 2C REGISTRATION - SCREEN 1 09:21:03  
ACCOUNT : 009233-0001 FAMILY : 3 OF 7 ENQUIRY PAGE : 5 OF 9  
FILE CURRENCY : 11JAN 2017  
SEARCH : BD : HMV CANADA INC.

FILE NUMBER 701841114

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 001 OF 1 MV SCHED: 20170112 0803 1793 0693  
21 REFERENCE FILE NUMBER : 701841114  
22 AMEND PAGE: NO PAGE: CHANGE: A AMNDMNT REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: HMV CANADA INC.

25 OTHER CHANGE:  
26 REASON: AMENDED TO CHANGE THE SECURED PARTY'S NAME FROM "HMV IP HOLDINGS  
27 /DESCR: INC." TO "HMV IP HOLDINGS ULC"  
28 :  
02/05 IND/TRANSFEE:  
03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:  
CITY: PROV: POSTAL CODE:  
29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :  
HMV IP HOLDINGS ULC

09 ADDRESS : #110 - 5401 EGLINTON AVENUE WEST  
CITY : ETOBICOKE PROV : ON POSTAL CODE : M9C5K6  
CONS. MV DATE OF NO FIXED  
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : AIRD & BERLIS LLP  
17 ADDRESS : 181 BAY STREET, SUITE 1800, BOX# 754  
CITY : TORONTO PROV : ON POSTAL CODE : M5J2T9

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/12/2017  
CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 09:21:06  
ACCOUNT : 009233-0001 FAMILY : 4 OF 7 ENQUIRY PAGE : 6 OF 9  
FILE CURRENCY : 11JAN 2017  
SEARCH : BD : HMV CANADA INC.

00 FILE NUMBER : 701841267 EXPIRY DATE : 26NOV 2019 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :  
REG NUM : 20141126 1023 1793 0559 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: HMV CANADA INC.

OCN :  
04 ADDRESS : #110 - 5401 EGLINTON AVENUE WEST  
CITY : ETOBICOKE PROV: ON POSTAL CODE: M9C5K6  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
RETAIL AGENTS 230 LIMITED

09 ADDRESS : 7 RIVER COURT, BRIGHOUSE BUS VLG  
CITY : MIDDLESBROUGH PROV: UK POSTAL CODE: X0X0X0  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
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YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION  
13 THE COMPLETE ADDRESS OF THE SECURED PARTY IS 7 RIVER COURT,  
14 BRIGHOUSE BUSINESS VILLAGE BRIGHOUSE ROAD, MIDDLESBROUGH, UNITED  
15 KINGDOM TS21RT  
16 AGENT: AIRD & BERLIS LLP (AC-122568)  
17 ADDRESS : 181 BAY STREET, SUITE 1800  
CITY : TORONTO PROV: ON POSTAL CODE: M5J2T9

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/12/2017  
CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 09:21:09  
ACCOUNT : 009233-0001 FAMILY : 5 OF 7 ENQUIRY PAGE : 7 OF 9  
FILE CURRENCY : 11JAN 2017  
SEARCH : BD : HMV CANADA INC.

00 FILE NUMBER : 701841312 EXPIRY DATE : 26NOV 2019 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :  
REG NUM : 20141126 1024 1793 0560 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: HMV CANADA INC.

OCN :  
04 ADDRESS : #110 - 5401 EGLINTON AVENUE WEST  
CITY : ETOBICOKE PROV: ON POSTAL CODE: M9C5K6  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
WHOLESALE ENTERTAINMENT ULC

09 ADDRESS : #110 - 5401 EGLINTON AVENUE WEST  
CITY : ETOBICOKE PROV: ON POSTAL CODE: M9C5K6  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
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YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: AIRD & BERLIS LLP (AC-122568)  
17 ADDRESS : 181 BAY STREET, SUITE 1800  
CITY : TORONTO PROV: ON POSTAL CODE: M5J2T9

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/12/2017  
CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 09:21:11  
ACCOUNT : 009233-0001 FAMILY : 6 OF 7 ENQUIRY PAGE : 8 OF 9  
FILE CURRENCY : 11JAN 2017  
SEARCH : BD : HMV CANADA INC.

00 FILE NUMBER : 701921862 EXPIRY DATE : 28NOV 2019 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :  
REG NUM : 20141128 1141 1793 0649 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: HMV CANADA INC.

OCN :  
04 ADDRESS : #110 - 5401 EGLINTON AVENUE WEST  
CITY : ETOBICOKE PROV: ON POSTAL CODE: M9C5K6  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
BANK OF MONTREAL

09 ADDRESS : 1 FIRST CANADIAN PLACE, 11TH FLOOR  
CITY : TORONTO PROV: ON POSTAL CODE: M5X1A1  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: AIRD & BERLIS LLP (AC-122568)

17 ADDRESS : 181 BAY STREET, SUITE 1800  
CITY : TORONTO PROV: ON POSTAL CODE: M5J2T9

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 01/12/2017  
CCCL204 DISPLAY 1C REGISTRATION - SCREEN 1 09:21:14  
ACCOUNT : 009233-0001 FAMILY : 7 OF 7 ENQUIRY PAGE : 9 OF 9  
FILE CURRENCY : 11JAN 2017  
SEARCH : BD : HMV CANADA INC.

00 FILE NUMBER : 702012159 EXPIRY DATE : 02DEC 2019 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :  
REG NUM : 20141202 1243 1793 0725 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: HMV CANADA INC.

04 ADDRESS : #110 - 5401 EGLINTON AVENUE WEST OCN :  
CITY : ETOBICOKE PROV: ON POSTAL CODE: M9C5K6  
05 IND DOB : IND NAME:  
06 BUS NAME:

07 ADDRESS : OCN :  
CITY : PROV: POSTAL CODE:  
08 SECURED PARTY/LIEN CLAIMANT :  
HMV PURE HOLDINGS ULC

09 ADDRESS : #110 - 5401 EGLINTON AVENUE WEST  
CITY : ETOBICOKE PROV: ON POSTAL CODE: M9C5K6  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
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GENERAL COLLATERAL DESCRIPTION  
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16 AGENT: AIRD & BERLIS LLP (AC-122568)  
17 ADDRESS : 181 BAY STREET, SUITE 1800  
CITY : TORONTO PROV: ON POSTAL CODE: M5J2T9

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END OF REPORT