UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 3, 2017

THERMON GROUP HOLDINGS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**001-35159**	**27-2228185**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

100 Thermon Drive **San Marcos, Texas**	**78666**
(Address of principal executive offices)	(zip code)

Registrant's telephone number, including area code: **(512) 396-5801**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

On October 3, 2017, 2071827 Alberta Ltd. ("MergerSub"), a newly created, indirect and wholly-owned subsidiary of Thermon Group Holdings, Inc. ("Thermon"), entered into Definitive Agreements (as defined below) to purchase 100% of the equity interests of CCI Thermal Technologies Inc. ("CCI") and certain related real estate assets (collectively, the "Acquisition"). CCI is engaged in industrial process heating, focused on the development and production of advanced heating and filtration solutions for industrial and hazardous area applications and is headquartered in Edmonton, Alberta. Thermon's Board of Directors unanimously approved the Definitive Agreements and the other transactions contemplated by the Definitive Agreements.

The total consideration to be paid in cash at Closing is $258.0 million CAD (approximately $206.4 million USD at the exchange rate as of October 4, 2017). $204.0 million CAD will be paid by MergerSub at Closing for approximately 89.9% of the equity interests of CCI pursuant to that certain share purchase agreement dated October 3, 2017 (the "Share Purchase Agreement") between MergerSub, Camary Holdings, Ltd. ("Camary") and Rocor Holdings, Ltd. ("Rocor"). $23.0 million CAD will be paid by MergerSub at Closing for the remaining 10.1% of the equity interests of CCI pursuant to certain employee share purchase agreements dated October 3, 2017 (the "Employee Share Agreements" and, together with the Share Purchase Agreement, the "Definitive Agreements") between MergerSub and certain current and former employee shareholders of CCI ("Employee Shareholders"). These amounts are subject to customary purchase price adjustments, including a working capital adjustment. In a separate but related transaction, MergerSub will pay $31.0 million CAD to Whitemud Place Properties Inc. at Closing for three parcels of real estate currently being used in the operation of CCI's business in Canada.

The Acquisition is expected to close in Thermon's third fiscal quarter (the "Closing"). MergerSub and CCI will amalgamate immediately following the Closing. The Definitive Agreements provide for customary representations, warranties, covenants, indemnifications and agreements, including, among others, that all parties will use commercially reasonable efforts to complete the Acquisition and that CCI will conduct its business in the ordinary course consistent with past practice during the period between the execution of the Definitive Agreements and the consummation of the Acquisition. The liabilities of Camary, Rocor and the Employee Shareholders have been limited pursuant to the terms of the Definitive Agreements. Breaches of certain representations and warranties are expected to be insured under an insurance policy. Consummation of the Acquisition is subject to satisfaction or waiver of certain customary closing conditions.

In addition, pursuant to the Stock Purchase Agreement, MergerSub paid a $5 million cash deposit (the "Deposit") upon execution of the Definitive Agreements to be held in escrow until the earlier of Closing or forfeiture by Thermon. The Deposit will be applied to the purchase price in full at Closing. The Deposit will become non-refundable to Thermon on or about October 30, 2017 if the Acquisition fails to close due to insufficient financing.

The transaction will be financed with a combination of cash on hand and a new senior secured debt facility. Concurrently and in connection with the execution of the Definitive Agreements, Thermon Industries, Inc., a wholly owned subsidiary of Thermon entered into an agreement with JPMorgan Chase Bank, N.A. ("JPMorgan") whereby JPMorgan committed to provide debt financing for the Acquisition consisting of a $250 million USD senior secured term loan B facility (the "Term Facility") and a senior secured revolving credit facility in an aggregate amount of $60 million USD (the "Revolving Facility," and together with the Term Facility, the "Facilities"). The terms of the Facilities are subject to the conditions set forth in a commitment letter dated as of October 3, 2017 (the "Debt Commitment Letter"). The obligation of JPMorgan to provide debt financing under the Debt Commitment Letter is subject to a number of customary conditions, including, without limitation, execution and delivery by the borrowers and the guarantors of definitive documentation consistent with the Debt Commitment Letter. Thermon intends to use part of the loan proceeds to refinance its existing Term Loan A debt as well as complete the Acquisition and pay certain fees and expenses associated with the Acquisition.

Other than with respect to the Acquisition as described herein, there are no material relationships between Thermon or its affiliates and CCI.

Thermon intends to hedge the foreign currency exposure associated with the Acquisition's Canadian dollar denominated purchase price and has entered into non-designated option contracts with a notional value of $200 million CAD at a weighted average strike price of 1.244 Canadian dollars per US dollar. These option contracts will expire on October 30, 2017.

The foregoing description of the Definitive Agreements and the Debt Commitment Letter do not purport to be complete and are qualified in their entirety by reference to the Stock Purchase Agreement, the Employee Share Agreements and the Debt Commitment Letter, copies of which are filed herewith as Exhibits 2.1, 2.2 and 10.1, respectively, and are incorporated herein by reference.

The Definitive Agreements contain representations and warranties that each party thereto made to and solely for the benefit of the other party as of specific dates. The assertions embodied in those representations and warranties were made solely for purposes of the contract between the parties to the Definitive Agreements and may be subject to important qualifications and limitations agreed by the parties in connection with negotiating the terms of the Definitive Agreements or contained in the confidential disclosure letter. The disclosure letter contains information that modifies or creates exceptions to the representations and warranties set forth in the Definitive Agreements. Moreover, some of those representations and warranties (1) may not be accurate or complete as of any specified date and are modified, qualified and created in important part by the underlying disclosure letter, (2) may be subject to a contractual standard of materiality different from that generally applicable to stockholders, or (3) may have been used for the purpose of allocating risk between the parties to the Definitive Agreement rather than establishing matters as fact. For the foregoing reasons, the representations and warranties should not be relied upon as statements of factual information.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information included in Item 1.01 above related to the Debt Commitment Letter and option contracts is incorporated by reference into this Item 2.03.

Item 7.01. Regulation FD Disclosure.

On October 4, 2017, Thermon issued a press release and investor presentation announcing the Acquisition. Copies of the press release and the investor presentation are furnished as Exhibits 99.1 and 99.2, respectively, and are incorporated into this Item 7.01 by reference.

The information in the press release and investor presentation is furnished and shall not be deemed "filed" with the Securities and Exchange Commission for purposes of Section 18 of the Securities and Exchange Act of 1934, or otherwise be subject to the liability of that Section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Thermon specifically incorporated it by reference.

Item 9.01. Financial Statements and Exhibits.

Exhibit No.	Description of Exhibit
2.1	Share Purchase Agreement dated October 3, 2017 by 2071827 Alberta Ltd. ("Purchaser") and Camary Holdings Ltd. and Rocor Holdings Ltd. ("Sellers")
2.2	Employee Share Agreement dated October 3, 2017 by 2071827 Alberta LTD. ("Purchaser") and certain current and former employee shareholders of CCI ("Employee Shareholders")
10.1	Commitment Letter dated October 3, 2017 by Thermon Industries, Inc., as borrower and JPMorgan Chase Bank, N.A., as Lead Arranger
99.1	Press Release issued by Thermon on October 4, 2017.
99.2	Investor Presentation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 10, 2017

THERMON GROUP HOLDINGS, INC.

By: /s/ Jay Peterson

Jay Peterson

Chief Financial Officer

Exhibit Index

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Execution Version

SHARE PURCHASE AGREEMENT

2071827 ALBERTA LTD.

- and -

CAMARY HOLDINGS LTD.

- and -

ROCOR HOLDINGS LTD.

October 3, 2017

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT (the "**Agreement**") is made as of October 3, 2017,

BETWEEN:

CAMARY HOLDINGS LTD., a body corporate incorporated under the laws of the Province of Alberta

("**Camary**")

AND:

ROCOR HOLDINGS LTD., a body corporate incorporated under the laws of the Province of Alberta

("**Rocor**" and collectively with Camary, the "**Vendors**")

AND:

2071827 ALBERTA LTD., a body corporate incorporated under the laws of Alberta.

(the "**Purchaser**")

WHEREAS:

A. The Vendors are the registered and beneficial owners of the Vendors' Shares, which represent all of the issued and outstanding shares in the capital of the Corporation other than the Employee Shares, which are owned by the Employee Shareholders;

B. The Corporation is in the business of the development, design and production of heating and filtration solutions for industrial and hazardous area applications (the "**Business**");

C. The Purchaser wishes to purchase from the Vendors, and the Vendors wish to sell to the Purchaser, the Vendors' Shares (as defined below) on the terms and conditions set out in this Agreement (the "**Acquisition**");

D. Concurrently with the execution of this Agreement, the Purchaser will enter into agreements with each of the Employee Shareholders, whereby the Employee Shareholders will agree to sell and the Purchaser will agree to purchase, concurrently with the purchase and sale of the Vendors' Shares, all of the Employee Shares; and

E. At Closing, the Purchaser will enter into an agreement with WPP whereby WPP will agree to sell to the Purchaser, concurrently with the purchase and sale of the Vendors' Shares, all of the Canadian Real Property.

NOW THEREFORE, in consideration of the respective covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

Article I
INTERPRETATION

1.1 Defined Terms

Whenever used in this Agreement or the Disclosure Letter, the following terms have the following meanings:

"**2016 Reorganization**" means all of the transactions undertaken by EmployeeCo, the Corporation, Camary and Rocor in any way connected to the series of transactions that involved the wind-up of the CCI Partnership, including but not limited to any transfers of property, redemptions of shares and payments of dividends between these parties;

"**Accounts Receivable**" means all accounts receivable, trade receivables, book debts and other amounts due or accruing due to the Corporation and its Subsidiaries, less any allowance or reserve for doubtful accounts, calculated in accordance with GAAP;

"**Acquisition**" has the meaning set out in Recital C;

"**Aircraft**" has the meaning set out in 7.1(h).

"**Aircraft Employees**" has the meaning set out in 9.4(c)(iv);

"**Affiliate**" means any Person which, directly or indirectly, controls, is controlled by or is under common control with

another Person, and for the purpose of this definition, "control" (including with correlative meanings, the terms "controlled by" or "under common control") means the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of voting securities, by contract or otherwise;

"**Ancillary Agreements**" means, collectively, the Employee Share Agreements, Real Property Agreement, Executive Employment Agreements, Management Employment Agreements, Non-Competition Agreements and Escrow Agreement;

"**Anti-Corruption Laws**" means: (a) the *Foreign Corrupt Practices Act of 1977* (United States); (b) the *Corruption of Foreign Public Officials Act* (Canada); (c) the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997; and (d) such other applicable anti-corruption or anti-bribery Laws issued, administered or enforced by any Governmental Authority;

"**Anti-Money Laundering Laws**" means the applicable anti-money laundering Laws issued, administered or enforced by any Governmental Authority, including the (a) *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (b) *Patriot Act of 2001* (Pub. L. No. 107-56) (United States); (c) *Money Laundering Control Act of 1986* (United States), as amended; and (d) *U.S. Currency and Foreign Transaction Reporting Act of 1970*;

"**Arm's Length**" shall be determined in accordance with the terms of the Tax Act;

"**Assets**" means all of the Corporation's property and assets of every nature and kind, wherever located;

"**Authorization**" means, with respect to any Person, any order, approval, consent, waiver, license, permit (including Environmental Permits), registration, clearance, qualifications or similar authorization of or by any Governmental Authority having jurisdiction over such Person;

"**Benefit Plans**" has the meaning set out in Section 3.45;

"**BNAS 2011 Transaction** " means the transaction for the sale of goods described in Section 9.4(c)(iii) of the Disclosure Letter.

"**Buildings and Fixtures**" means all buildings, structures, systems used in any building or structure, and fixtures located on the Leased Premises and Owned Real Properties;

"**Business**" has the meaning as set out in Recital B;

"**Business Day**" means any day other than a day which is a Saturday, a Sunday or a day on which banks in Edmonton, Alberta or San Marcos, Texas are generally not open for business;

"**Canadian Real Property** " means the real property set out in Section 1.1A of the Disclosure Letter;

"**CCI Partnership**" means the predecessor entity to the Corporation, which was dissolved following a 2016 reorganization whereby the Corporation became the sole remaining partner;

"**Closing**" has the meaning set out in Section 8.1;

"**Closing Date**" means: (a) the later of: (i) October 30, 2017; and (ii) the date that is five Business Days following the day on which the last of the conditions to Closing as set out in Article VII has been satisfied or waived by the appropriate Party, or (b) such earlier or later date as the Parties may agree upon in writing, but in no event later than the Outside Date;

"**Closing Time**" means 10:00 a.m. (Mountain Daylight Time) on the Closing Date;

"**Commissioner**" means the Commissioner of Competition appointed under the Competition Act or any Person authorized to exercise the powers and perform the duties of the Commissioner of Competition;

"**Competing NDAs** "has the meaning set out in Section 3.38(m);

"**Competition Act**" means the Competition Act, R.S.C. 1985, c. C-34;

"**Condition**" means, with respect to any Person, the condition of the assets, liabilities, operations, activities, earnings, prospects, affairs and financial position of that Person;

"**Confidentiality Agreement**" means the Confidentiality Agreement dated April 28**,** 2017 between the Corporation and Purchaser attached as Section 1.1B of the Disclosure Letter;

"**Confidential Information**" shall be broadly construed to mean all information that the Vendors or the Corporation provide to Purchaser or that the Purchaser provides to the Corporation or the Vendors in connection with the Acquisition whether or not disclosed and/or received before or after the date of this Agreement (for purposes of this paragraph only, the Party receiving Confidential Information shall be referred to as the "**Recipient**" and such other Party shall be referred to as the "**Disclosing Party**"), and regardless of the form or manner (including, without limitation, whether written, oral,

or disseminated by electronic means) in which the information is communicated to the Recipient. Without limiting the generality of the foregoing, any idea, finding, research, data, specification, process, technique, algorithm, know-how, invention, design, plan, drawing, sketch, product schematic, document, manual, report, study, photograph, sample, program, source code, prototype, supply or distribution arrangement, customer list, price list, product description, business method, business plan, marketing plan or financial information of the Disclosing Party or of any of its Affiliates, together with any information that describes or relates in any way to the composition, process, manufacture, design or operation of the Products (as defined below) and all documents or materials prepared by or on behalf of the Recipient containing, based on, generated or derived, in whole or in part, from any such information, shall be deemed to be Confidential Information irrespective of the form or manner of its communication or whether it has been designated "Confidential Information." Notwithstanding the foregoing, the term "Confidential Information" as used herein shall not include, and this Agreement shall not be construed as restricting the Recipient's right to disclose or use for any purpose, any information: (a) that, at the time of disclosure or thereafter, is publicly available other than as a result of its disclosure by the Recipient; (b) at the time of disclosure and as shown by written records, was already known by the Recipient without a breach of the Recipient's obligations under this Agreement; (c) was or becomes available to the Recipient on a non-confidential basis from a person not otherwise bound by a confidentiality agreement with the Disclosing Party and without breach of the Recipient's obligations under this Agreement; or (d) is independently developed by the Recipient (as evidenced by its written records) without violation of any rights that the Disclosing Party may have in such information, including without limitation any rights or protections inuring to the benefit of the Disclosing Party pursuant to this Agreement. For the purposes of this paragraph, "**Products**" shall mean all products and technologies developed, manufactured or marketed from time to time by the Disclosing Party, together with any component thereof, and any products, devices, theories or applications of any of the foregoing, or deriving from such product, whether or not patented or patentable, together with all technology and know-how associated therewith, and is intended to be broadly construed.

"**Contract**" means any legally binding oral or written contract, agreement, arrangement, indenture, transaction, lease, license, deed of trust, sales order, purchase order, instrument, understanding, undertaking or other commitment;

"**Corporate Records**" has the meaning set out in Section 3.11;

"**Corporate Intellectual Property**" has the meaning set out in Section 3.41(a)(i);

"**Corporation**" means CCI Thermal Technologies Inc., a body corporate incorporated under the laws of Alberta;

"**Current Assets**" means the Corporation's Accounts Receivable, Inventory, prepaid expenses, deposits, and income, sale and other tax receivables, in each case calculated in accordance with GAAP and applied on a basis consistent with past practice, but excluding: (a) cash and cash equivalents, to the extent such amounts exceed $2,000,000 in aggregate; (b) Accounts Receivable from Related Parties; (c) prepaid income taxes; and (d) deferred Tax assets;

"**Current Liabilities**" means accounts payable, accrued liabilities, bonuses payable, taxes payable, deferred revenue, and other accrued liabilities of the Corporation, in each case calculated in accordance with GAAP and applied on a basis consistent with past practice, but excluding: (a) corporate taxes payable; (b) accounts payable from Related Parties; and (e) any amounts treated as Vendors' Transaction Expenses;

"**Disclosure Letter**" means the written disclosure letter delivered by the Vendors to the Purchaser and dated the date of this Agreement;

"**Dispute**" has the meaning set out in Section 11.3;

"**Economic Sanctions/Trade Laws**" means all applicable Laws relating to anti-terrorism, the importation of goods, export controls, economic restrictions or sanctions, trade embargoes, and other similar restrictive measures imposed by a Governmental Body, including (a) the U.S. Department of State, the U.S. Department of Commerce and the U.S. Treasury Department (including the Office of Foreign Assets Control ("OFAC")); (b) the United Nations; and (c) prohibited or restricted international trade and financial transactions and lists maintained by any applicable Governmental Authority;

"**Employee Share Agreements**" means the agreements to be entered into concurrently with this Agreement for the purchase by the Purchaser from the Employees of the Employee Shares;

"**Employee Shareholders**" means all the shareholders of the Corporation other than the Vendors as identified in Section 3.8 of the Disclosure Letter;

"**Employee Shares**" means the 599,550 Class "B" Common Shares and 154,812 Class "C" Common Shares in the capital of the Corporation owned by the Employee Shareholders, as more particularly identified in Section 3.8 of the Disclosure Letter;

"**EmployeeCo**" means CCI Thermal Technologies Employee Inc., a predecessor by amalgamation of the Corporation which was, at the time of amalgamation, a body corporate incorporated under the laws of Alberta;

"**Encumbrances**" means mortgages, charges, pledges, security interests, liens, encumbrances, actions, options, rights and claims, adverse interests, acquisition rights of the Vendors or Third Parties, demands and equities of any nature, whatsoever or howsoever arising, and any rights or privileges capable of becoming any of the foregoing;

"**Environment**" means the natural components of the earth and includes: (a) air, land and water; (b) all layers of the atmosphere; (c) all organic and inorganic matter and living organisms; and (d) the interacting natural systems that include components referred to in subsections (a) to (c) of this definition;

"**Environmental Laws**" means all Laws, now or hereafter in force or existence in Canada, the United States and elsewhere (whether federal, provincial, territorial, state, municipal or local, including any requirement or obligation under the common law), relating to the protection and preservation of the Environment, occupational health and safety, product safety, product liability, or the sale, handling, storage, discharge, Release or transportation of Hazardous Substances that are applicable to the Corporation;

"**Environmental Permits**" includes all orders, permits, certificates, approvals, consents, registrations and licenses issued by any Governmental Authority under Environmental Laws;

"**Escrow Agent**" means Miller Thomson LLP;

"**Escrow Agreement**" means the escrow agreement to be executed concurrently with this Agreement between the Escrow Agent, the Purchaser and the Vendors in the form as set out in Section 1.1C of the Disclosure Letter;

"**Estimated Closing Statement**" has the meaning set out in Section 2.2(c);

"**Estimated Purchase Price**" has the meaning set out in Section 2.2(c);

"**Executive Employment Agreements**" means the employment agreements to be dated as of the Closing Date between the Corporation (on the one hand) and each of the individuals listed on Section 1.1D of the Disclosure Letter (on the other hand) in such form to be mutually agreed upon prior to Closing;

"**Final Closing Statement**" has the meaning set out in Section 2.5(a);

"**Final Purchase Price**" has the meaning set out in Section 2.6(a);

"**Financial Adjustment Time**" means 11:59 p.m. on the day preceding the Closing Date;

"**Financial Statements**" means collectively the FY16 Audited Financial Statements and the FY17 Unaudited Financial Statements;

"**Financing**" means any and all financing required by Purchaser to enable its payment of the balance of the Purchase Price to the Vendors in cash at the Closing Time.

"**Financing Commitment Letter**" means the commitment letter, dated as of the date of this Agreement, by and among the Purchaser and the lenders, arrangers and agents party thereto, together with all exhibits, schedules, annexes and amendments thereto.

"**Financing Sources**" means the financing sources providing and/or arranging the Financing and shall include, for the avoidance of doubt, the financing sources party to the Financing Commitment Letter and any of their respective former, current, or future general or limited partners, direct or indirect shareholders or equityholders, managers, members, directors, officers, employees, Affiliates, representatives or agents or any former, current or future general or limited partner, direct or indirect shareholder or equityholder, manager, member, director, officer, employee, Affiliate, representative or agent of any of the foregoing.

"**Fundamental Representations and Warranties**" has the meaning set out in Section 5.1(c);

"**FY16 Audited Financial Statements**" means the audited financial statements of the Corporation as at and for the fiscal year ended July 31, 2016 a copy of which is set out in Section 3.15(A) of the Disclosure Letter.

"**FY17 Audited Financial Statements**" means the audited financial statements of the Corporation as at and for the fiscal year ended July 31, 2017, a copy of which will be delivered to the Purchaser prior to Closing.

"**FY17 Unaudited Financial Statements**" means the unaudited financial statements of the Corporation as at and for the fiscal year ended July 31, 2017 a copy of which is set out in Section 3.15(B) of the Disclosure Letter.

"**GAAP**" means the generally accepted accounting principles for private enterprises (commonly referred to as ASPE) as set out in Part II of the CPA Canada Handbook – Accounting, as applicable, at the relevant time applied on a consistent basis;

"**Governmental Authority**" means any: (a) multinational, federal, provincial, territorial, state, municipal, local or other government, governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (b) subdivision or authority of any of the foregoing; (c) stock-exchange; or (d) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any

of the foregoing;

"**Government Assistance Programs**" has the meaning set out in Section 3.55;

"**Hazardous Substance**" means any pollutant, substance, dangerous substance, toxic substance, hazardous material, hazardous substance, waste, hazardous waste, dangerous good or contaminant, whether natural or artificial, including any other material or substances as defined in or regulated by any Environmental Law now or hereafter in effect and including all breakdown substances, including asbestos, lead, petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas or synthetic fuels), polychlorinated biphenyls, radon gas and other radioactive materials;

"**Hovey Litigation**" means Hovey Industries (2005) Inc. and 6369081Canada Inc. v. CCI Thermal Technologies Inc. and Gregor Harris filed in the Ontario Superior Court of Justice in July 2017 and any other claim or proceeding related to the subject matter thereof.

"**Indemnified Party**" means any of the Vendors' Indemnified Parties or the Purchaser's Indemnified Parties;

"**Indemnifying Party**" has the meaning set out in Section 9.5(a);

"**Indemnity Claim**" has the meaning set out in Section 9.5;

"**Independent Accountant**" means an accounting firm of recognized national standing in Canada which is independent of the Parties and appointed by the mutual agreement of the Parties. If the Parties are unable to agree on the Independent Accountant within the prescribed time period then the Independent Accountant will be Ernst & Young or, in the event of a conflict, PricewaterhouseCoopers;

"**Intellectual Property**" means any and all intellectual property (whether foreign or domestic, registered or unregistered) owned by the Corporation including: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice) and all patents, patent applications and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions and re-examinations thereof; (b) all trademarks, trade-names, trade dress, logos, business names, corporate names, domain names, uniform resource locators (URL's) and the internet websites related thereto, and including all goodwill associated therewith and all applications, registrations and renewals in connection therewith; (c) all copyrightable works of authorship, all copyrights and all applications, registrations and renewals in connection therewith; (d) all designs, industrial designs, design patents and all applications, registrations and renewals in connection therewith; (e) all proprietary or technical information, including all trade secrets, processes, procedures, know-how, show-how, formulae, methods, data, compilations, databases and the information contained therein, together with all business and financial information relating to the Corporation; (f) all computer software (including all source code, object code and related documentation); and (g) any industrial or intellectual property that may exist, arise or be embodied in those items set out in Section 3.41 of the Disclosure Letter, together with: (i) all copies and tangible embodiments of the foregoing referred to in subsections (a) to (g) (in whatever form or medium); (ii) all improvements, modifications, translations, adaptations, refinements, derivations and combinations thereof; and (iii) all Intellectual Property Rights related thereto;

"**Intellectual Property Rights**" means any right or protection existing from time to time in a specific jurisdiction, whether registered or not, under any patent law or other invention or discovery law, copyright law, performance or moral rights law, trade-secret law, confidential information law, trade-mark law, trade-name law, unfair competition law or other industrial, intellectual property or similar laws (including legislation by competent Governmental Authorities and judicial decisions under common law or equity);

"**Interim Financial Statements**" means the unaudited, non-consolidated financial statements of the Corporation for each completed one-month period from August 1, 2017 through the Closing Date;

"**Interim Period**" means the period from and including the date of this Agreement and ending as at the Closing Time;

"**Inventory**" has the meaning set out in Section 3.50;

"**I.P. Licenses**" has the meaning set out in Section 3.41(c)(i);

"**Laws**" means the general principles of common law, civil law and equity, and all applicable: (a) laws, statutes, codes, ordinances, decrees, treaties, resolutions, rules, regulations and municipal by-laws; (b) regulatory judgments, orders, decisions, rulings or awards of any Governmental Authority; and (c) to the extent they have the force of law, any policies, guidelines and notices of any Governmental Authority, as from time to time in force and effect and whether binding on or affecting the Person referred to in the context in which the word is used;

"**Leased Premises**" has the meaning set out in Section 3.35;

"**Legal Proceeding**" means any litigation, action, suit, prosecution, audit, investigation, hearing, inquiry, claim, demand, formal grievance, notice of non-compliance or defect, citation, directive, legal charge, arbitration proceeding or other legal notice or legal proceeding, judgment, order or decree, and includes any appeal or review and any application for

appeal or review of any of the foregoing;

"**Letter of Intent**" means the letter of intent dated August 22, 2017 between the Vendors and the Purchaser, as may from time to time be amended or extended;

"**Liabilities**" means obligations, liabilities, debts, claims, actions, settlement payments, indemnities, awards, judgments, fines, penalties, interest, damages, losses, all Taxes, costs (including remediation costs) and expenses (including reasonable fees, charges and disbursements of legal counsel, consultants, expert witnesses, accountants and other professionals and including any other costs incurred in investigating, defending or pursuing any Legal Proceeding), deficiencies and other charges, whether accrued, absolute, contingent or otherwise;

"**Losses**" means any losses, damages, liabilities, injuries, costs, penalties, fines, awards or expenses (including reasonable legal expenses) or deficiencies of any kind or nature, whether direct or indirect suffered or incurred by an Indemnified Party excluding any such losses, damages, etc., that are not reasonably foreseeable as of the date of this Agreement by the Indemnifying Party except where awarded against an Indemnified Party pursuant to a Third Party Claim, in which case such losses, damages, etc., will be included;

"**Management Employment Agreements**" means the employment agreements to be dated as of the Closing Date between the Corporation (on the one hand) and each of the individuals listed on Section 1.1E of the Disclosure Letter (on the other hand) in such form to be mutually agreed upon prior to Closing;

"**Material Adverse Change**" means any change, effect, fact, circumstance, occurrence or event that, individually or in the aggregate, is, or could reasonably be expected to be, materially adverse to the Business, operations, assets, properties, cash flow, earnings, liabilities, capitalization, condition (financial or otherwise) or prospects of the Corporation;

"**Material Contracts**" has the meaning set out in Section 3.38;

"**Non-Competition Covenants**" has the meaning set out in Section 2.7;

"**Non-Competition Agreements**" means the non-competition and non-solicitation agreements to be dated as of the Closing Date between each of the individuals and entities listed on Section 6.14 of the Disclosure Letter (on the one hand) and the Purchaser (on the other hand) each to be for the duration set forth across from his/her/its name and in such form to be mutually agreed upon prior to Closing;

"**Notice**" has the meaning set out in Section 11.7(a);

"**Objection**" has the meaning set out in Section 2.5(b);

"**Ordinary Course**" means with respect to an action taken by any Person, that such action is consistent in nature and scope with the past practices of such Person, and is taken in the ordinary course of the normal day-to-day operations of the business of such Person;

"**Outside Date**" means November 30, 2017;

"**Owned Real Property**" has the meaning set out in Section 3.36;

"**Parties**" means the Purchaser and the Vendors;

"**Permitted Encumbrances**" means the Encumbrances set out in Section 1.1F of the Disclosure Letter;

"**Person**" includes any individual, corporation, limited liability company, unlimited liability company, body corporate, partnership, limited partnership, limited liability partnership, firm, joint venture, syndicate, association, capital venture fund, trust, trustee, executor, administrator, legal personal representative, estate, government, Governmental Authority and any other form of entity or organization, whether or not having legal status;

"**Personal Information**" means information about an identifiable individual that is regulated by Privacy Laws and collected, used or disclosed by the Corporation, but does not include the individual's name, position name or title, work address, work telephone number, work fax number or work electronic address;

"**Personal Property Leases**" has the meaning set out in Section 3.33;

"**Privacy Laws**" means all Laws relating to the collection, use, disclosure and storage of Personal Information, including the *Personal Information Protection Act* (Alberta) and *Personal Information Protection and Electronic Documents Act* (Canada);

"**Pro Rata Basis**" means a *pro rata basis* in accordance with each of the Vendors' interest in the Purchased Shares;

"**Property Transfer Date**" means, in respect of each parcel of real property comprising the Canadian Real Property, the date that parcel is transferred to the Corporation as contemplated by Section 6.11;

"**Purchase Price**" has the meaning set out in Section 2.2(a);

"**Purchase Price Adjustments**" has the meaning set out in Section 2.2(a);

"**Purchased Shares**" means all of the issued and outstanding shares in the share capital of the Corporation;

"**Purchaser's Indemnified Parties**" means the Purchaser and its Affiliates (including from and after the Closing Time, the Corporation) and their respective successors, assigns, directors, officers, employees and agents or any of them;

"**Purchaser's Transaction Expenses**" has the meaning set out in Section 11.9;

"**Purchaser's Counsel**" means Bennett Jones LLP;

"**Qualifying Claim**" shall mean a single claim for Losses that is of a value of not less than $15,000;

"**R&W Insurance Policy**" has the meaning set out in Section 6.11;

"**R&W Insurance Terms**" means those terms as set out in Section 6.11 of the Disclosure Letter;

"**Real Property Agreement**" means the agreement to be entered into in connection with this Agreement for the purchase by the Purchaser from WPP of the Canadian Real Property;

"**Real Property Leases**" has the meaning set out in Section 3.35;

"**Related Party Obligations**" means all liabilities (including amounts payable and all liabilities which are accruing but not payable) owing by the Corporation to Related Parties, including the Vendors, the officers, directors and shareholders of the Vendors and WPP;

"**Related Parties**" means, in reference to any Person: (a) its Affiliates, successors and permitted assigns; (b) any Person with whom the first Person does not (or is deemed to not) deal at Arm's Length; and (c) its directors;

"**Release**" has the meaning prescribed in any Environmental Law and includes any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of a Hazardous Substance into the Environment;

"**Representatives**" means directors, officers, employees, agents, consultants, legal counsel, accountants and environmental advisors;

"**Shortfall Amount**" has the meaning set out in Section 2.6(a);

"**Subsidiaries**" has the meaning set out in Section 3.1(a) of the Disclosure Letter;

"**Target Working Capital Amount** " means Thirty-Three Million, Eight Hundred Ninety-Seven Thousand, Six Hundred and Thirteen Canadian Dollars ($33,897,613);

"**Tax Act**" means the *Income Tax Act* (Canada);

"**Tax Returns**" means all returns, reports, declarations, statements, bills, elections, notices, designations, schedules, forms or written information of, or in respect of, Taxes that are, or are required to be, filed with or supplied to any Governmental Authority;

"**Taxes**" means all national, federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, reassessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority including: (a) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, license, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, anti-dumping, countervail, excise, severance, stamp, occupation, or premium tax; (b) all withholdings on amounts paid to or by the relevant person; (c) all employment insurance premiums, Canada or Québec Pension Plan premiums and any other pension plan contributions or premiums; and (d) any fine, penalty, interest, or addition to tax imposed by any Governmental Authority;

"**Third Party**" means any Person other than the Parties and their respective Affiliates;

"**Third Party Debt**" means the total sum of all operating debt, long-term debt, vehicle loans, capital lease obligations and any other long-term liabilities (including, in each case, the current portion thereof) of the Corporation owing to any Third Party, to the extent any such item is a "liability" in accordance with GAAP and is not otherwise captured in the calculation of Related Party Obligations;

"**Third Party Claim**" has the meaning set out in Section 9.5(b);

"**Transferred Information**" means the Personal Information to be disclosed or conveyed to the Purchaser or any of its Representatives by or on behalf of the Vendors or the Corporation in connection with the Acquisition, and includes all such Personal Information as is disclosed to the Purchaser and its Representatives during the period leading up to and including the completion of the Acquisition;

"**Vendors' Counsel**" means Miller Thomson LLP;

"**Vendors' Indemnified Parties**" means the Vendors and their respective directors, officers, employees and agents (as applicable) or any of them;

"**Vendors' Shares**" means all of the issued and outstanding shares in the share capital of the Corporation legally and beneficially owned by the Vendors. For the avoidance of doubt, the Vendors' Shares include the 6,339,016 Class "A" common shares and 10,889 Class "D" preferred shares held by the Vendors as described in Section 3.8 of the Disclosure Letter;

"**Vendors' Transaction Expenses**" has the meaning set out in Section 11.9;

"**Working Capital**" means Current Assets less Current Liabilities as illustrated in Section 1.1H of the Disclosure Letter; and

"**WPP**" means Whitemud Place Properties Inc. , a body corporate incorporated under the laws of Alberta.

1.2 Knowledge

Where any fact, event or condition in this Agreement is expressly qualified by reference to the knowledge of the Vendors, such knowledge will be deemed to mean the actual conscious awareness of such fact, event or condition of the officers or directors of any of the Vendors or the actual knowledge of the officers, directors or Harold Roozen, Catherine Roozen, Bernie Moore, Chris Donnelly, Garth Wideman or Alejandro Maldonado, and the knowledge that could have been obtained by any such reasonably prudent person in the position of such Persons following a reasonable due and diligent inquiry into the relevant subject matter.

The Vendors confirm that they have made a reasonable due and diligent inquiry of such Persons as they consider necessary and advisable as to the matters that are the subject of the representations, warranties and agreements contained in this Agreement.

1.3 Disclosure Letter

The Disclosure Letter is incorporated into this Agreement and forms an integral part of the Agreement.

1.4 Governing Law

This Agreement, and, to the extent no choice of law is specified therein, the Ancillary Agreements and any documents delivered in connection with this Agreement will be governed by and construed, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

1.5 Currency

Unless otherwise indicated, all dollar amounts referred to in this Agreement are stated in Canadian currency.

1.6 Interpretation Not Affected by Headings or Party Drafting

The division of this Agreement into Articles and Sections, and the insertion of headings are for convenience of reference only and are not to affect the construction or interpretation of this Agreement. The Parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

1.7 Certain Phrases

In this Agreement:

(a) the term "including", "includes" and "include" means "including (or includes or include) without limitation";

(b) any reference to a specific Article or Section number refers to the specified Article or Section in this Agreement; and

(c) with respect to calculating a period of time, time periods "within" or "following" which any act is to be done will be calculated by excluding the day on which the period commences and including the day which ends the period, and by extending the period to the next Business Day if the last day of the period is not a Business Day.

1.8 **Number and Gender**

In this Agreement, unless the context otherwise requires, words importing the singular number include the plural and *vice versa*. Words importing the use of any gender includes all genders, including the neutral gender "it".

1.9 **Statutes**

Unless otherwise provided for in this Agreement, any reference to statutes or regulations in this Agreement refer to such statutes or regulations as amended or replaced from time to time.

ARTICLE II
PURCHASE AND SALE TERMS

2.1 **Purchase and Sale**

On the terms and subject to the fulfillment of the conditions in this Agreement, at the Closing Time the Vendors agree to sell, assign and transfer the Vendors' Shares to the Purchaser, and the Purchaser agrees to purchase the Vendors' Shares from the Vendors, free and clear of all Encumbrances. Concurrently with the execution of this Agreement, Purchaser will enter into an agreement with each of the Employee Shareholders to purchase the Employee Shares from the Employee Shareholders, free and clear of all Encumbrances, such that Purchaser acquires all of the Purchased Shares at the Closing Time.

2.2 **Purchase Price**

(a) The aggregate purchase price payable by the Purchaser to the Vendors for the sale of the Vendors' Shares and the performance by the Vendors of their respective obligations under this Agreement shall be $204,011,283 (the "**Purchase Price**"), subject to the adjustments provided for in this Section 2.2.

(b) The Purchase Price will be adjusted at the rate of Eighty-Nine and 8,857/10,000 ($0.898857) Cents for every One ($1.00) Dollar of Working Capital differential, as follows (collectively, the "**Purchase Price Adjustments**"):

(i) decreased by the amount, if any, by which the Working Capital as at the Financial Adjustment Time is less than the Target Working Capital Amount; or

(ii) increased by the amount, if any, by which the Working Capital as at the Financial Adjustment Time is greater than the Target Working Capital Amount.

(c) The Purchase Price payable at Closing by the Purchaser to the Vendors (the "**Estimated Purchase Price**") will be based on the foregoing Purchase Price Adjustments and from the best estimate of the consolidated balance sheet of the Corporation as at the Financial Adjustment Time (the "**Estimated Closing Statement**"). The Vendors shall prepare the Estimated Closing Statement in accordance with GAAP as applied on a basis consistent with past practice (except that if past practices are inconsistent with GAAP, then GAAP takes precedence), and deliver such statement to the Purchaser not less than five days before the Closing Date. The Purchase Price will be further adjusted post-Closing pursuant to the Final Closing Statement, effective as at the Financial Adjustment Time, in accordance with Section 2.5.

(d) The Purchaser will have the right to inspect, review and audit the financial books and records of the Corporation relevant to the preparation of the Estimated Closing Statement. The Estimated Closing Statement is subject to approval by the Purchaser before Closing, which approval may be withheld by the Purchaser if the Estimated Closing Statement is not satisfactory to the Purchaser, acting reasonably and in good faith. Failing agreement between the Parties as to the Working Capital derived from the Estimated Closing Statement, the Estimated Purchase Price payable at Closing will be the unadjusted Purchase Price.

(e) The Vendors or the Corporation must:

(i) pay in full and satisfy all Related Party Obligations on or before the Closing Date; and

(ii) pay in full or direct to be paid in full all Third Party Debt on or before the Closing Date in accordance with payout letters delivered by each creditor to the Corporation or the Vendors.

2.3 **Payment of Estimated Purchase Price**

(a) At Closing, the Purchaser shall pay the Estimated Purchase Price, less the Deposit and all interest earned thereon while held by the Escrow Agent, to the Vendors' Counsel. Vendors' Counsel will be responsible for the allocation of the Estimated Purchase Price among the Vendors on a Pro Rata Basis, as illustrated in Section 2.3(a) of the Disclosure Letter (the "**Funds Flow Illustration**").

(b) All payments made by the Purchaser pursuant to this Agreement will be paid to Vendors' Counsel, as directed in Section 2.3(b) of the Disclosure Letter (the "**Remittance Instructions**") by wire transfer, bank draft or other immediately available funds, for further distribution to the Vendors.

(c) All payments made by the Vendors pursuant to this Agreement will be paid directly to Purchaser, as may be directed from time to time, by wire transfer, bank draft or immediately available funds.

2.4 **Deposit**

Contemporaneous with the execution and delivery of this Agreement, Purchaser shall pay to the Vendors, Five Million Canadian Dollars ($5,000,000.00) (the "**Deposit**") by way of wire transfer in immediately available funds to the Escrow Agent, as an earnest money deposit against the payment of the Purchase Price and, in connection therewith, the Vendors, Purchaser and Escrow Agent have entered into the Escrow Agreement. The Deposit is to be dealt with as follows:

(a) if Closing occurs:

(i) the Deposit and the interest earned thereon while held by the Escrow Agent shall be paid to the Vendors on a Pro Rata Basis and credited against the Purchase Price; and

(ii) the Parties shall direct the Escrow Agent to disburse the Deposit and the interest earned thereon to the Vendors on a Pro Rata Basis; or

(b) if Closing does not occur, and this Agreement is terminated by the Purchaser or the Vendors in consequence of Purchaser's failure to procure Financing sufficient to fund the balance of the Purchase Price in cash at the Closing Time:

(i) the Deposit and any interest earned thereon while held by the Escrow Agent shall be forfeited to and retained by the Vendors and Employee Shareholders on a Pro Rata Basis for their own accounts absolutely as a genuine pre-estimate by the Vendors, Employee Shareholders and Purchaser of the Vendors' and Employee Shareholders' liquidated damages as a result of Closing not occurring; and payment of such liquidated damages by forfeiture of the Deposit and any interest thereon to the Vendors and Employee Shareholders shall be the Vendors' and Employee Shareholders' sole remedy in respect of Closing not occurring and upon such payment being made Purchaser shall be released from all further Liabilities hereunder; and

(ii) the Parties shall direct the Escrow Agent to disburse the Deposit and the interest earned thereon to the Vendors and Employee Shareholders on a Pro Rata Basis; or

(c) if Closing does not occur and this Agreement is terminated in circumstances where Section 2.4(b) does not apply, the Deposit and the interest earned thereon while held by the Escrow Agent shall be paid by the Escrow Agent to Purchaser, and the Parties shall direct the Escrow Agent to disburse the Deposit and the interest earned thereon to Purchaser.

2.5 **Final Closing Statement**

(a) Within 90 days of the Closing Date, the Vendors shall cause the Corporation to prepare a balance sheet of the Corporation as at the Financial Adjustment Time, including a closing statement calculating the Purchase Price Adjustments as at the Financial Adjustment Time, all prepared in accordance with GAAP as applied on a basis consistent with past practice (the "**Final Closing Statement**"). The Final Closing Statement, along with all other

financial statements of the Corporation for each fiscal period ending immediately prior to the Closing Date shall be prepared by the Vendors with the assistance and full cooperation of the Corporation's management and shall be audited by Deloitte, the Corporation's current auditor. The Final Closing Statement is to provide details of any variance between the Final Closing Statement and the Estimated Closing Statement. The Vendors shall deliver to the Purchaser the Final Closing Statement within 90 days of the Closing Date.

(b) The Purchaser shall have 15 Business Days from the date they receive the Final Closing Statement to review the Final Closing Statement and to inform the Vendors in writing of any disagreement (an "**Objection**") with the Final Closing Statement. If the Vendors do not receive an Objection within such 15 Business Day period, the Final Closing Statement will be deemed to have been accepted by the Purchaser and will become binding upon the Purchaser and the Vendors. If the Purchaser deliver an Objection to the Vendors within such 15 Business Day period, the Vendors and Purchaser shall attempt to resolve any differences within 15 Business Days following the Vendors' receipt of the Objection. If the Vendors and Purchaser are unable to come to a resolution with respect to the matters raised in the Objection, the Parties must promptly refer the matters to an Independent Accountant. The Independent Accountant shall, as promptly as practicable (but in any event within 45 days following its appointment), make a determination on the disputed items based solely on written submissions provided by the Vendors and the Purchaser to the Independent Accountant. The decision of the Independent Accountant as to any disputed items will, absent manifest error, be final and binding upon the Vendors and the Purchaser and Employee Shareholders. If the Objection is materially accepted by the Independent Accountant, as determined by the Independent Accountant, then the Vendors shall pay the fees, costs and expenses of the Independent Accountant. If the Objection is materially rejected by the Independent Accountant, as determined by the Independent Accountant, then the Purchaser shall pay the fees, costs and expenses of the Independent Accountant. If the Objection is neither materially rejected nor materially accepted by the Independent Accountant, as determined by the Independent Accountant, then the Purchaser (as to one-half) and the Vendors (as to one-half) shall share equally the fees, costs and expenses of the Independent Accountant.

(c) If requested by the Purchaser, the Parties shall cause all or a portion of the Inventory, wherever located, to be physically confirmed after the Closing Date at the Purchaser's sole expense, in accordance with the following provisions (the "**Stocktaking**"):

(i) the Stocktaking shall take place within 5 Business Days of the Closing Date;

(ii) representatives of the Purchaser and the Vendors shall be entitled to be present at the Stocktaking;

(iii) after the Stocktaking has been completed, schedules reflecting the Stocktaking shall be prepared by the Purchaser and submitted to the Vendor for its review and approval within 5 Business Days of the Stocktaking.

2.6 **Post-Closing Purchase Price Adjustments**

(a) Upon acceptance of the Final Closing Statement by the Purchaser and the Vendors, or a final determination pursuant to Section 2.5:

(i) if the Estimated Purchase Price is greater than the Purchase Price payable to the Vendors as finally adjusted in accordance with Section 2.2 (the "**Final Purchase Price**") (the amount of such difference, the "**Excess Amount**"), the Vendors shall, within five (5) Business Days of such acceptance or final determination, pay to the Purchaser, on account of the Vendors and Employee Shareholders, an amount equal to the Excess Amount.

(ii) if the Estimated Purchase Price is less than the Final Purchase Price (the amount of such difference, the "**Shortfall Amount**"), the Purchaser shall, within five (5) Business Days of such acceptance or final determination, pay to the Vendors' Counsel for further distribution to the Vendors and Employee Shareholders on a Pro Rata Basis an amount equal to the Shortfall Amount.

2.7 **Section 56.4 Election**

The Purchaser and the Vendors intend that the conditions set out in Subsection 56.4(7) of the Tax Act have been met such that Subsection 56.4(5) of the Tax Act applies to any "restrictive covenants" (as defined in Subsection 56.4(1) of the Tax Act) granted by each of the Vendors pursuant to the Non-Competition Agreement (in this Section 2.7, the "**Non-Competition Covenants**"). For greater certainty:

(a) for the purposes of paragraph 56.4(7)(d) of the Tax Act, no proceeds will be attributable, allocable, received or receivable by the Vendors for granting the Non-Competition Covenants;

(b) the Non-Competition Covenants are integral to this Agreement and have been granted to maintain or preserve the fair market value of the Purchased Shares; and

(c) the Purchaser would not purchase the Purchased Shares without having the benefit of the Non-Competition Covenants.

Notwithstanding the foregoing, nothing in this Section 2.7 will diminish, limit or derogate from the validity or enforceability of any of the Non-Competition Covenants and the Vendors agree that they will not assert or claim that this Section 2.7 diminishes, limits or derogates from the validity or enforceability of such Non-Competition Covenants in any manner whatsoever. The Purchaser will, within five Business Days of a written request from a Vendor to do so, make jointly with a Vendor one or more elections pursuant to or in respect of Subsection 56.4(7) of the Tax Act in the required manner and using a form prescribed for such purposes (if applicable) and otherwise reasonably acceptable to their respective counsels, as will cause Subsection 56.4(5) of the Tax Act to apply to the Non-Competition Covenants granted by the Vendor. Such election will reflect that the Parties have allocated no consideration to the restrictive covenant. Provided that the Purchaser complies with this Section 2.7, Purchaser will have no Liability to the Vendors or otherwise with respect to the Tax consequences associated with any such election.

2.8 Allocation of Purchase Price

The Purchase Price, as adjusted, will be allocated among the Vendors' Shares in the manner provided in Section 2.8 of the Disclosure Letter. If and to the extent the Purchase Price is adjusted after the Closing as contemplated in Section 2.2 (or otherwise pursuant to this Agreement), then the allocation of the Purchase Price among the Vendors' Shares will also be adjusted in proportion with the allocation provided in Section 2.8 of the Disclosure Letter.

In addition, a current purchase price allocation is attached as Section 2.8 to the Disclosure Letter, which includes an allocation of the Purchase Price among the US and Canadian assets of the Corporation. For clarity, the purchase price allocation is inclusive of the transactions contemplated by the Employee Share Agreements and the Real Property Agreement. The Vendors and the Purchaser must each complete all Tax Returns, designations and elections in a manner consistent with the final purchase price allocation and otherwise follow the final allocation for all Tax purposes on and subsequent to the Closing Date and not take any position inconsistent with the final purchase price allocation. If such allocation is disputed by any taxation or Governmental Authority, the Party receiving notice of such dispute will promptly notify the other Party and the Parties will use commercially reasonably efforts to sustain the final purchase price allocation. The Parties will share information and cooperate to the extent reasonably necessary to permit the Acquisition and transactions contemplated by the Ancillary Agreements to be properly, timely and consistently reported.

2.9 Employee Share Agreements

Concurrently with the execution of this Agreement, the Purchaser will enter into the Employee Share Agreement with the Employee Shareholders, whereby the Employees will agree to sell and the Purchaser will agree to purchase, concurrently with the purchase and sale of the Vendors' Shares, all of the Employee Shares for an aggregate purchase price of $22,956,217.

2.10 Real Property Agreement

At Closing, the Purchaser will enter into the Real Property Agreement with WPP whereby WPP will agree to sell to the Purchaser, concurrently with the purchase and sale of the Vendors' Shares, all of the Canadian Real Property for a purchase price of $31,060,000. Vendors' Counsel shall hold the $31,060,000 purchase price of the Canadian Real Property in favor of WPP on trust conditions that it not be released to WPP until the transfer of the Canadian Real Property to the Purchaser, free and clear of all Encumbrances, other than Permitted Encumbrances, has been completed in accordance with Section 6.11.

2.11 Net Tax Refunds

The Parties agree that any net Tax refund due to the Corporation or any Subsidiary, and relating to any taxation year of the Corporation, EmployeeCo or a Subsidiary that ends on or before the Closing Date, shall be received by the Corporation on account of the Vendors and Employee Shareholders as an adjustment to the Purchase Price and any such refund received by the Corporation shall be paid to the Vendors' Counsel for the benefit of the Vendors and Employee Shareholders on a Pro-Rata basis within 10 Business Days of receipt thereof by the Corporation. Any net Tax payable by the Corporation or any Subsidiary, and relating to any taxation year of the Corporation, EmployeeCo or a Subsidiary that ends on or before the Closing Date, shall be an expense of the Vendors and the Employee Shareholders on a Pro-Rata basis as an adjustment to the Purchase Price, and shall be paid to the Purchaser by the Vendors' within 10 Business Days of a written request for such payment.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE VENDORS

Each Vendor represents and warrants to the Purchaser: (a) severally with respect to the representations and warranties regarding the Corporation as set out in Sections 3.1 to 3.59; and (b) severally, as to itself only, with respect to the representations and warranties regarding the Vendors as set out in Sections 3.60 to 3.66, and each Vendor acknowledges and confirms that the Purchaser is relying upon such representations and warranties in connection with its acquisition of the Purchased Shares.

3.1 Corporate Status and Qualifications

(a) The Corporation and each of its Subsidiaries is a body corporate duly formed and validly existing under the laws of its jurisdiction of incorporation. The Corporation and each of its Subsidiaries has the necessary corporate power and capacity to own and operate its properties and Assets and to carry on the Business as it is now being conducted. The name, jurisdiction of incorporation and the list of directors and officers of the Corporation and each of its Subsidiaries as set out in Section 3.1(a) of the Disclosure Letter are true and complete.

(b) Section 3.1(b) of the Disclosure Letter sets out each jurisdiction in which the Corporation and each of its Subsidiaries is licensed, registered or otherwise qualified to carry on the Business and the Corporation and each of its Subsidiaries is in good standing in each such jurisdiction. The jurisdictions listed in Section 3.1(b) of the Disclosure Letter include each jurisdiction in which the conduct of the Business or the character of the Corporation's and its Subsidiaries' properties and Assets, owned, leased or operated, make such licensing, registration or qualification necessary or desirable. Section 3.1(b) of the Disclosure Letter also sets out all jurisdictions in which the Corporation and each of its Subsidiaries (and, if applicable, each predecessor entity thereof) has carried on the Business in the last five years.

3.2 Corporate Authorization and Approval

The board of directors of the Corporation has or will have by Closing taken all necessary corporate actions, steps and other proceedings to approve and authorize the transfer of the Purchased Shares to the Purchaser. The Corporation and each of its Subsidiaries has good and sufficient right and authority to enter into all agreements and transactions to which it is a party in connection with the Acquisition and to perform all obligations under such agreements and transactions.

3.3 Execution and Binding Obligation

This Agreement, and as of the Closing Time, each of the Ancillary Agreements to which the Corporation or a Subsidiary thereof is a party and all other agreements to which the Corporation or a Subsidiary thereof is a party in connection with the Acquisition, have been duly executed and delivered by the Corporation or such Subsidiary (as applicable) and each such agreement constitutes a legal, valid and binding obligation of the Corporation or such Subsidiary (as applicable), enforceable against it in accordance with its terms, subject only to any limitation under Laws relating to:

(a) bankruptcy, winding-up, insolvency, arrangement and other Laws of general application affecting the enforcement of creditors' rights; and

(b) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunctive relief.

3.4 No Conflict with Constating Documents, Authorizations and Laws

Except as disclosed in Section 3.4 of the Disclosure Letter, the execution, delivery and performance by the Corporation and each of its Subsidiaries of each of the Ancillary Agreements to which it is a party, all other agreements to which it is a party in connection with the Acquisition and the completion of the transactions contemplated by this Agreement will not:

(a) constitute or result in a violation or breach of, or conflict with any term or provision of the Corporation's or any of its Subsidiaries' articles, by-laws and other constating documents, or permit any Person to exercise any rights under its articles, by-laws and other constating documents, including its shareholders' agreement (if any);

(b) subject to obtaining the Authorizations described in Section 3.6 of the Disclosure Letter, constitute or result in a violation or breach of, conflict with or cause the termination or revocation of, any Authorization held by the Corporation or any of its Subsidiaries necessary to conduct the Business or for the Vendors to own the Purchased Shares;

(c) result in the creation of any Encumbrance on the Purchased Shares or Assets of the Corporation; or

(d) result in a breach or violation of any Law.

3.5 No Conflict with Contracts

Except as disclosed in Section 3.5 of the Disclosure Letter, the execution, delivery and performance by the Corporation and each of its Subsidiaries of each of the Ancillary Agreements to which it is a party, all other agreements to which it is a party in connection with the Acquisition and the completion of the transactions contemplated by this Agreement, will not, subject to obtaining the consents and approvals described in Section 3.7 of the Disclosure Letter:

(a) result in a breach or a violation of, or conflict with any Material Contract binding on the Corporation or any of its Subsidiaries or affecting any of the Assets; or

(b) give any Person the right to terminate or amend any Material Contract or cause the acceleration of any obligations of the Corporation or any of its Subsidiaries.

3.6 Required Authorizations

There is no requirement for the Vendors or the Corporation or any of its Subsidiaries to obtain any Authorization from, make any filing with, or give notice to, any Governmental Authority in connection with, or as a condition to, the lawful completion of any of the transactions contemplated by this Agreement, except for the Authorizations, filings and notices set out in Section 3.6 of the Disclosure Letter.

3.7 Required Contractual Consents and Approvals

There is no requirement for the Vendors or the Corporation or any of its Subsidiaries to obtain any consent or approval from, or to give notice to, a party under any Material Contract to the which the Corporation or any of its Subsidiaries is a party, in connection with, or as a condition to, the lawful completion of any of the transactions contemplated by this Agreement, except for the consents, approvals and notices set out in Section 3.7 of the Disclosure Letter. The Vendors have provided true and complete copies of all Contracts under which the Vendors or the Corporation or any Subsidiary thereof are obligated to obtain any such consents, approvals and notices. Each of the consents, approvals and notices set out in Section 3.7 of the Disclosure Letter has or will at Closing be obtained in a form and manner which has been approved by the Purchaser, acting reasonably.

3.8 Authorized and Issued Capital

The authorized, issued and outstanding share capital of the Corporation is set out in Section 3.8 of the Disclosure Letter. The Purchased Shares represent all of the issued and outstanding shares in the capital of the Corporation, are non-assessable and have been duly authorized and validly issued in compliance with:

(a) all Laws, including applicable securities laws;

(b) the articles, by-laws and other constating documents of the Corporation; and

(c) any agreement to which the Corporation is a party or by which it is bound.

There are no outstanding or authorized options, warrants, or convertible securities of the Corporation. The Corporation is a "private issuer" within the meaning of such term set out in Section 2.4(1) of National Instrument 45-106 - *Prospectus Exemptions* by the Canadian Securities Authorities.

3.9 No Other Purchase Agreements or Commitments for Securities

Except for the Purchaser's rights under this Agreement and the Employee Share Agreements, no Person has any agreement, arrangement, option, understanding or commitment (written or verbal), or any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming an agreement, option or commitment, including a right of conversion or exchange attached to convertible securities, warrants or convertible obligations of any nature, for:

(a) the purchase, subscription, allotment or issuance of, or conversion into, any of the unissued shares or any other securities of the Corporation; or

(b) any share appreciation, phantom share, profit participation or similar rights.

3.10 **Shareholders' Agreements, etc.**

Except for the Employee Share Agreements and as disclosed in Section 3.10 of the Disclosure Letter, there are no voting trusts or agreements, pooling agreements, unanimous shareholder agreements, other shareholder agreements, proxies or other agreements or understandings in effect with respect to the ownership, voting or transfer of any of the Purchased Shares.

3.11 **Corporate Records**

The corporate records of the Corporation and its Subsidiaries contain:

(a) in respect of the Corporation and each of its Subsidiaries:

(i) the articles, by-laws, amendments thereto and other constating documents,

(ii) all share certificates and registers of securities, share transfers, shareholders and directors, and

(iii) all notices of change of directors; and

(b) copies of the Financial Statements;

(collectively, the "**Corporate Records**").

The Vendors have provided the Purchaser with the Corporate Records and they are complete and accurate in all material respects, with the exception that the directors and shareholders of the Corporation and each of its Subsidiaries has passed a conforming "whitewash" resolution for the purpose of ratifying all prior acts of the shareholders and directors. The Vendors make no representation as to the completeness of shareholders' or directors' minutes or resolutions in writing of the Corporation or any of its Subsidiaries. The Corporate Records have otherwise been maintained in accordance with all Laws. All corporate actions taken by the Corporation and each of its Subsidiaries have been or are presently in compliance with all constating documents and Laws. Without limiting the generality of the foregoing: (i) the Corporation and each of its Subsidiaries has properly authorized and filed all amendments to constating documents and government filings; (ii) the Corporation and each of its Subsidiaries has properly approved and completed all share issuances and the registers of securities and share transfers are accurate and complete; and (iii) all current and former directors and officers of the Corporation and each of its Subsidiaries have been elected or appointed (or were removed or resigned, as the case may be) in accordance with all constating documents and Laws.

3.12 **Filings**

The Corporation and its Subsidiaries have filed all material documents required to be filed by them with all applicable Governmental Authorities.

3.13 **Subsidiaries and Other Interests**

The Corporation has no subsidiaries other than as set forth in Section 3.13 of the Disclosure Letter, and neither the Corporation nor any of its Subsidiaries has any interest in any other partnership, corporation or other business organization. As of the date hereof, the Corporation directly or indirectly owns all of the outstanding securities of its Subsidiaries. Section 3.13 of the Disclosure Letter sets out:

(a) the authorized and issued capital of each of the Corporation's Subsidiaries; and

(b) the names of the registered and beneficial owners of the issued capital of each of the Corporation's Subsidiaries.

All of the issued and outstanding securities of the Corporation's Subsidiaries are duly authorized, validly issued, fully paid and non-assessable, and at Closing all such securities will be owned directly or indirectly by the Corporation free and clear of all Encumbrances. There are no outstanding options, rights, entitlements, understandings or commitments (contingent or otherwise)

regarding the right to acquire any such securities of the Corporation's Subsidiaries.

3.14 Partnerships or Joint Ventures

Other than as set forth in Section 3.14 of the Disclosure Letter, the Corporation and each of its Subsidiaries is not (and within five years prior to the date hereof has never been) a partner or participant in any partnership, joint venture, profit-sharing arrangement or other similar association of any kind and is not (and has never been) a party to any agreement under which it agrees or agreed to carry on any part of a business or any other activity in such manner or by which it agrees or agreed to share any revenue or profit with any other Person.

3.15 Financial Statements

The Financial Statements have been prepared in accordance with GAAP as applied on a basis consistent with past practice, are true, correct and complete in all material respects, and present fairly:

(a) the assets, liabilities and financial condition of the Business as at the respective dates of the relevant statements; and

(b) the results of operations and cash flow for the periods to which such Financial Statements relate.

There has been no significant adverse change in the Condition of the Corporation or any of its Subsidiaries since the date of the FY17 Unaudited Financial Statements. True and complete copies of the Financial Statements are attached as Section 3.15 to the Disclosure Letter.

3.16 Financial Records

All financial transactions of the Corporation and each of its Subsidiaries have been recorded in its financial books and records fairly, completely and accurately in all material respects, in accordance with GAAP, and correctly reflect the basis for the its assets, liabilities and financial condition as shown in the Financial Statements. With the exception of External offsite back-up tape storage, no information, records or systems pertaining to the operation or administration of the Business or the affairs of the Corporation and its Subsidiaries are in the possession of, recorded, stored, maintained by or otherwise dependent upon any other Person.

3.17 No Liability

There are no Liabilities of the Corporation or any of its Subsidiaries of any kind whatsoever, and there is no basis for assertion against the Corporation or any of its Subsidiaries of any Liabilities of any kind other than:

(a) Liabilities disclosed or provided for in the Financial Statements;

(b) Current Liabilities incurred since the respective dates of the FY17 Unaudited Financial Statements which were incurred in the Ordinary Course; or

(c) Other Liabilities disclosed in Section 3.17 of the Disclosure Letter.

3.18 Off-Balance Sheet Arrangements

The Corporation and its Subsidiaries do not have any "off-balance sheet arrangements" as such term is described under GAAP, except for those disclosed in the FY17 Unaudited Financial Statements, other than in the Ordinary Course, but which are not material in any event.

3.19 Indebtedness

Except as disclosed in this Agreement, the Disclosure Letter or the FY17 Unaudited Financial Statements, neither the Corporation nor any of its Subsidiaries has any bonds, debentures, mortgages, promissory notes or other indebtedness maturing more than one year after the date of their original creation or issuance, and neither the Corporation nor any of its Subsidiaries is under any obligation to create or issue any bonds, debentures, mortgages, promissory notes or other indebtedness maturing more than one year after the date of their original creation or issuance.

Accounts

3.20 **Receivable**

The Accounts Receivable in the Financial Statements and all Accounts Receivable arising since the date of the FY17 Unaudited Financial Statements, arose from *bona fide* transactions in the Ordinary Course and are valid, enforceable and fully collectible accounts (subject to a reasonable allowance for doubtful accounts as reflected in the Financial Statements consistent with past practice). The Accounts Receivable are not subject to any set-off or counterclaim.

3.21 **Banks Accounts and Safety Deposit Boxes**

Section 3.21 of the Disclosure Letter sets out:

(a) the name and address of each bank, trust company or similar institution with which the Corporation or its Subsidiaries have one or more accounts or one or more safety deposit boxes;

(b) the number of each such account and safety deposit box; and

(c) the names of all persons authorized to draw thereon or who have access to such accounts or deposit boxes.

Except as described in Section 3.21 of the Disclosure Letter, there are no credit cards or other credit accounts issued to employees of the Corporation or its Subsidiaries under which the Corporation or any of its Subsidiaries has any current or potential future liability.

3.22 **Conduct of Business in the Ordinary Course**

Since the date of the FY17 Unaudited Financial Statements or as otherwise disclosed in Section 3.22 of the Disclosure Letter, the Business has been conducted in the Ordinary Course. Without limiting the generality of the foregoing, since the date of the FY17 Unaudited Financial Statements, and except as disclosed in Section 3.22 of the Disclosure Letter, neither the Corporation nor any of its Subsidiaries has:

(a) amended or approved any amendment to its articles, by-laws or other constating documents;

(b) declared or paid any dividend or made any other distribution in respect of any of its shares of any class, or redeemed or purchased or otherwise acquired any of its shares of any class, or reduced its authorized capital or issued capital, or agreed to any of the foregoing;

(c) incurred, assumed or guaranteed any indebtedness for borrowed money or made any loan or otherwise became liable for any Liability of any Person, except for business obligations incurred in the Ordinary Course, none of which, in the aggregate, are material;

(d) paid or satisfied any obligation or Liability, except:

(i) Current Liabilities disclosed in the FY17 Unaudited Financial Statements;

(ii) Current Liabilities incurred since the date of the FY17 Unaudited Financial Statements in the Ordinary Course; and

(iii) scheduled payments pursuant to obligations under loan agreements or other contracts or commitments described in this Agreement or the Disclosure Letter;

(e) sold, assigned, transferred, leased or otherwise disposed of any of its Assets, except in the Ordinary Course;

(f) transferred, assigned or granted any license or sublicense of any material rights with respect to any Corporate Intellectual Property, except to one or more of the Subsidiaries;

(g) purchased, leased or otherwise acquired any material properties or assets, except in the Ordinary Course;

(h) created any Encumbrance upon any of its Assets which will be subsisting as of the Closing Date, except the Permitted Encumbrances;

(i) with the exception of the Hellfire acquisition from Hovey Industries (2005) Inc., made any capital expenditures, in the case of any single capital expenditure, in excess of $100,000 and, in the case of all capital expenditures, in excess of $750,000 in the aggregate;

(j) made any write-down of the value of the assets of the Business or any write-off as uncollectible of Accounts Receivable or any portion thereof, other than in the Ordinary Course;

(k) waived, released or cancelled any material rights or claims;

(l) made any sale of products or services at a price outside of the Ordinary Course;

(m) entered into any Material Contract, except in the Ordinary Course;

(n) discontinued, closed or disposed of any plant, facility, business operation or product line;

(o) had any supplier terminate or, to the knowledge of the Vendors, communicate the intention or threaten to terminate its relationship, or its intention to substantially reduce the quantity of products or services it sells to the Corporation or its Subsidiaries, except in the case of suppliers whose sales to the Corporation or its Subsidiaries are not, in the aggregate, material to the Business or its Condition;

(p) suffered any material shortage of supplies or interruption of services;

(q) had any customer terminate or, to the knowledge of the Vendors, communicate the intention or threaten to terminate its relationship, or its intention to substantially reduce the quantity of products or services it purchases, or its dissatisfaction with the products or services sold by the Corporation or its Subsidiaries, except in the case of customers whose purchases from the Corporation or its Subsidiaries are not, in the aggregate, material to the Business or its Condition;

(r) made any material change in the method of billing customers or the credit terms made available to its customers;

(s) had any distributor or agent terminate or, to the knowledge of the Vendors, communicate the intention or threaten to terminate its relationship, or its intention to substantially reduce the quantity of products it sells on behalf of the Corporation or its Subsidiaries, or its dissatisfaction with the products is sells on behalf of the Corporation or its Subsidiaries, except in the case of distributors or agents whose sales of products of the Corporation or its Subsidiaries are not, in the aggregate, material to the Business or it Condition;

(t) made a material change to any method of accounting or auditing practice;

(u) made or agreed to make any increase in or modification of the compensation payable or to become payable to any of its officers, directors, employees, consultants or independent contractors or any grant to any such director, officer, employee, consultant or independent contractor of any increase in entitlements under any retention, severance or termination programs, in each case, other than annual increases consistent with past practice or as a result of promotions in the Ordinary Course;

(v) adopted or agreed to any increase in benefits under or any modification of any Benefits Plan, or established or agreed to establish any new Benefits Plan, other than annual increases consistent with past practice or as a result of promotions in the Ordinary Course or modifications as required by Laws, and in a manner consistent with the terms of such Benefits Plan and past practice;

(w) removed any director or auditor or terminated any officer, senior employee, consultant or independent contractor;

(x) with the exception of rent under the Real Property Leases with WPP, made any payment to a Vendor or a Related Party thereof;

(y) settled any litigation or action, with the exception of litigation and actions the carriage of which is under the control of the Corporation’s insurers;

(z) made any material change with respect to any method of management or operation in respect of the Business;

(aa) suffered any damage, destruction or extraordinary loss (whether or not covered by insurance) which has significantly affected or could significantly affect the Business or its Condition;

(bb) reduced or cancelled any insurance coverage;

(cc) commenced, participated in or agreed to commence or participate in any bankruptcy, involuntary liquidation, dissolution, winding up, insolvency or similar proceeding;

(dd) made or incurred any material change in, or become aware of any event or condition which is likely to result in a material change in, the Business or its Condition; or

(ee) authorized, agreed or otherwise became committed to do any of the foregoing.

3.23 **Authorizations**

All of the Authorizations held by the Corporation and its Subsidiaries are set out in Section 3.23 of the Disclosure Letter and the Corporation and each of its Subsidiaries holds all material Authorizations required for it to conduct the Business and operate its Assets as previously and currently conducted in compliance with all Laws. True and complete copies of the Authorizations held by the Corporation have been delivered or made available to the Purchaser. Except as set out in Section 3.23 of the Disclosure Letter, the Corporation and each of its Subsidiaries is in compliance with all material terms and conditions of its Authorizations and all Authorizations are in good standing, valid and subsisting. There are no proceedings in progress, pending or, to the knowledge of the Vendors, threatened, that could result in the revocation, cancellation or suspension of any of the Authorizations. Neither the Corporation nor any of its Subsidiaries is subject to any legislation or any judgment, order or requirement of any Governmental Authority which is not of general application to Persons carrying on a business similar to the Business. To the knowledge of the Vendors, there are no facts or circumstances that could significantly affect the ability of the Corporation or any of its Subsidiaries to continue to operate the Business as presently conducted by it following the completion of the Acquisition.

3.24 **Compliance with Laws**

Except as set out in Section 3.24 of the Disclosure Letter, the Corporation and its Subsidiaries are operating the Business and have within five years prior to the date hereof always operated the Business in compliance with all material Laws from time to time in effect.

3.25 **Compliance with Anti-Corruption Laws**

Within five years prior to the date hereof and, to the knowledge of the Vendors at no time prior thereto, none of the Corporation or its Subsidiaries or any director or officer, employee, agent or other person acting on behalf of the Corporation or any of its Subsidiaries has, in relation to the Business:

(a) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity;

(b) made any direct or indirect unlawful payment to any foreign or domestic governmental official from corporate funds;

(c) violated or is in violation of any provision of the Anti-Corruption Laws from time to time in effect;

(d) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment in violation of any of the Anti-Corruption Laws from time to time in effect; or

(e) employed any government or political official of any country to act on behalf of the Corporation or any of its Subsidiaries.

No action, suit or proceeding by or before any Governmental Authority or any arbitrator involving the Corporation or any of its Subsidiaries with respect to the Anti-Corruption Laws is pending or, to the knowledge of the Vendors, threatened.

3.26 **Compliance with Anti-Money Laundering Laws**

Within five years prior to the date hereof and, to the knowledge of the Vendors at all times prior thereto, the Business has been conducted in compliance with all Anti-Money Laundering Laws from time to time in effect and no action, suit or proceeding by or before any Governmental Authority or any arbitrator involving the Corporation or any of its Subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Vendors, threatened.

3.27 **Compliance with Economic Sanctions / Trade Laws**

Except as disclosed in Section 9.4(c)(iii) of the Disclosure Letter, within five years prior to the date hereof and, to the knowledge of the Vendors at all times prior thereto, the Business has been conducted in compliance with all applicable Economic Sanctions / Trade Laws from time to time in effect and no action, suit or proceeding by or before any Governmental Authority or any arbitrator involving the Corporation or any of its Subsidiaries with respect to the Economic Sanctions / Trade Laws is pending or, to the knowledge of the Vendors, threatened.

3.28 **Title to Assets**

Except as disclosed in Section 3.28 of the Disclosure Letter, the Corporation and each of its Subsidiaries has sole legal and beneficial ownership of, and as applicable, good title, to all the properties and assets it purports to own, including the properties and assets reflected in the Financial Statements and all properties and assets acquired thereby since the date of the Unaudited Year-End Financial Statements and the Interim Financial Statements, free and clear of all Encumbrances whatsoever, except for:

(a) the properties and assets disposed of, utilized or consumed by the Corporation or its Subsidiaries since the date of the Unaudited Year-End Financial Statements and the Interim Financial Statements in the Ordinary Course;

(b) the Encumbrances described in Section 3.28 of the Disclosure Letter that will be discharged on or prior to Closing; and

(c) Permitted Encumbrances.

Except as disclosed in Section 3.28 of the Disclosure Letter, no other Person owns any properties or assets that are being used in the Business.

3.29 **Sufficiency of Assets**

The Corporation and its Subsidiaries do not carry on any business other than the Business. The Corporation and its Subsidiaries own or lease all assets and properties necessary to conduct the Business. The Assets are sufficient for the Corporation and its Subsidiaries to carry on the Business in substantially the same manner as the Business has been conducted during the 12 months prior to the date of this Agreement.

3.30 **Condition of Assets**

All Buildings and Fixtures, machinery, equipment, vehicles, tools, furniture, furnishings and materials used in the Business (leased or owned) are in good working order, fully operational, free of any material defect, normal wear and tear excepted. With the exception of the budgeted machinery upgrade expenditure for the Orillia location of the Business, no such Building or Fixture, machinery or equipment, etc. is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not materially significant in nature or cost.

3.31 **Operation of Assets**

All material tangible Assets have been operated and maintained in a manner consistent with sound industry practice in accordance with Laws then in effect and all current inspection certificates necessary to operate such assets have been obtained.

3.32 **No Other Purchase Agreements or Commitments for Assets**

Except for the Purchaser's right under this Agreement, no Person has any agreement or commitment (written or verbal), or any right or privilege capable of becoming an agreement or commitment for the acquisition of any of the Assets, other than Inventory in the Ordinary Course.

3.33 **No Outstanding Acquisitions**

The Corporation and its Subsidiaries have no rights or obligations to purchase all or substantially all of the assets, properties or undertakings, or any division, business unit or product line, of any Person under any agreements.

3.34 Leases of Personal Property

Section 3.34 of the Disclosure Letter sets out all leases and agreements to lease of personal property (the "**Personal Property Leases**") under which the Corporation or a Subsidiary thereof leases any personal property in connection with the Business. Complete and correct copies of each Personal Property Lease set out in Section 3.34 of the Disclosure Letter have been provided or made available to the Purchaser. All payments and other obligations required to be paid or performed under the Personal Property Leases have been duly paid and performed and all of such leases are in good standing and in full force and effect. Subject to obtaining any consents described in Section 3.7 of the Disclosure Letter, the terms and conditions of any Personal Property Lease will not be affected by, nor will any of the Personal Property Leases be in default as a result of, the completion of the Acquisition.

3.35 Leases of Real Property

Section 3.35 of the Disclosure Letter sets out all leases and agreements to lease (the "**Real Property Leases**") under which the Corporation or a Subsidiary thereof leases any real property (collectively, the "**Leased Premises**"). The Vendors have provided complete and correct copies of the Real Property Leases to the Purchaser, except the leases with WPP, which will terminate at Closing upon acquisition by the Purchaser of the Canadian Real Property. Section 3.35 of the Disclosure Letter describes, for each Real Property Lease other than leases with WPP:

(a) the names of the parties to the Real Property Leases;

(b) a description of the Leased Premises (including municipal address and legal description);

(c) the expiration of the term and any rights of renewal;

(d) rent and other amounts payable;

(e) the current use of such property; and

(f) any restrictions with respect to change of control, assignment or business combinations.

Each Real Property Lease is in good standing and in full force and effect and the Corporation or a Subsidiary thereof is exclusively entitled to all rights and benefits as lessee under the Real Property Leases and the Corporation or such Subsidiary (as applicable) has not sublet, assigned or otherwise conveyed any rights in the Leased Premises or in the Real Property Leases to any Person. For each Real Property Lease, the Corporation or its Subsidiary (as applicable) has: (i) paid all rental and other requisite payments; (ii) performed all obligations required by it, and to the Vendors' knowledge, the other party has not defaulted under any of its obligations; and (iii) except as set out in Section 3.23 of the Disclosure Letter not been in breach of any Laws (including building and zone laws), covenant, restriction or official plan. The Corporation or a Subsidiary thereof owns and have good and marketable title, free and clear of all Encumbrances (other than Permitted Encumbrances), to all chattels (specifically excluding any Buildings and Fixtures) located on the Leased Premises and have adequate rights of ingress and egress to each of the Leased Premises for the operation of the Business.

For the avoidance of doubt, the Real Property Lease for the property located at 102, 2317 – 9^{h} Street, Nisku, Alberta will be terminated at or prior to Closing, with the security deposit returned to the Corporation.

3.36 Owned Real Property

(a) Section 3.36 of the Disclosure Letter sets out all real property owned by the Corporation or its Subsidiaries and their respective legal descriptions and municipal addresses (the "**Owned Real Property**"). The Corporation or a Subsidiary thereof is the absolute legal and beneficial owner of, and has good title in fee simple to, the Owned Real Property (including all Buildings and Fixtures located on such properties and any related rights and restrictions), free and clear of any and all Encumbrances, except for:

(i) the Permitted Encumbrances;

(ii) the Encumbrances disclosed or reflected in the Financial Statements; and

(iii) liens for current Taxes not yet due.

(b) Section 3.36 of the Disclosure Letter also describes all real property previously owned by the Corporation or its Subsidiaries at any time since December 31, 2001 and their respective legal descriptions and municipal addresses. There are no agreements, options, contracts or commitments to sell, transfer or otherwise dispose of the Owned Real Property or which would restrict the ability of the Corporation or its Subsidiary (as applicable) to transfer the Owned Real Property. The Corporation or its Subsidiary (as applicable) has obtained all Authorizations required to allow the use and occupancy of the Owned Real Property. All of the buildings and fixtures located on the Owned Real Property were, to the knowledge of the Vendors, constructed in accordance with all Laws then in effect, and the Corporation or its Subsidiary (as applicable) has adequate rights of ingress and egress into the Owned Real Property for the operation of the Business. To the knowledge of the Vendors, none of the Owned Real Property or the buildings and fixtures on such properties, nor their use, operation or maintenance for the purpose of carrying on the Business, violates any restrictive covenant or any provision of any Law or encroaches on any property owned by any other Person. No condemnation or expropriation proceeding is pending or, to the knowledge of the Vendors, threatened which would preclude or impair the use of any of the Owned Real Property for the purposes for which it is currently used. To the knowledge of the Vendors, there are no pending applications or notices in respect of rezoning or land use designations affecting the Owned Real Property. The Corporation or its Subsidiary (as applicable) has paid all Taxes that are due and payable with respect to the Owned Real Property.

3.37 **Work Orders and Deficiencies**

There are no outstanding work orders, non-compliance orders, deficiency notices or other similar notices issued by any Governmental Authority relating to the Leased Premises, Owned Real Property or the Business, and nor is the Corporation or any of its Subsidiaries or any of the Vendors in discussion with any Governmental Authority relating to such work orders, non-compliance orders, deficiency notices or other similar notices. None of the Leased Premises, Owned Real Property or other Assets are being operated in a manner that is not in compliance with any Law. No amounts are owing by the Corporation or any of its Subsidiaries in respect of the Leased Premises or Owned Real Property to any Governmental Authority or public utility, other than current accounts which are not in arrears and the details of which are described in Section 3.37 of the Disclosure Letter.

3.38 **Material Contracts**

Except for the Contracts set out in Section 3.38 of the Disclosure Letter, the Personal Property Leases set out in Section 3.34 of the Disclosure Letter (Leases of Personal Property), the Real Property Leases set out in Section 3.35 of the Disclosure Letter (Leases of Real Property), the Contracts set out in Section 3.43 of the Disclosure Letter (Existing Employment Agreements), Benefit Plans set out in Section 3.45 of the Disclosure Letter (Employee Benefit and Pension Plans), the Contracts set out in Section 3.41 of the Disclosure Letter (Intellectual Property) and the Contracts set out in Section 3.52 of the Disclosure Letter (Insurance) (collectively, the "**Material Contracts**"), neither the Corporation nor any of its Subsidiaries is a party to or bound by:

(a) any distributor, advertising, marketing, or agency Contract;

(b) any Contract for the future purchase of materials, supplies, equipment or services involving more than $250,000;

(c) any Contract for the future provision of work or services or the sale of materials, or equipment involving more than $250,000;

(d) any Contract requiring or contemplating any deferred payment outside of the Ordinary Course for the purchase price for any assets, goods or services;

(e) any written employment or consulting Contract with any officer, employee, consultant or contractor;

(f) any profit sharing, bonus, stock option, pension, retirement, disability, stock purchase, medical, dental, hospitalization, insurance or similar plan or agreement providing benefits to any current or former director, officer, employee or consultant, including upon a change of control;

(g) any trust indenture, mortgage, promissory note, loan agreement, guarantee or other written Contract for the borrowing or lending of money or a leasing transaction of the type required to be capitalized in accordance with GAAP;

(h) any Contracts that provide for the indemnification by the Corporation or any of its Subsidiaries of any Person or the assumption of any Tax, Environment or other Liability of any Person;

(i) any Contracts for capital expenditures in excess of $100,000;

(j) any written commitment for charitable contributions in excess of $1,000;

(k) any Contract pursuant to which the Corporation is a lessor or lessee of any machinery, equipment, motor vehicles, office furniture, fixtures or other personal property;

(l) any Contract that relates exclusively to the Corporate Intellectual Property or any written Contract having a value of in excess of $100,000 relating to Intellectual Property used by or licensed to the Corporation or its Subsidiaries, excluding all commercially available off the shelf, click-wrapped or shrink-wrapped software licensed by the Vendors without material customization;

(m) any written confidentiality or non-disclosure Contract that restricts the Corporation or any of its Subsidiaries from disclosing any proprietary or confidential information, other than confidentiality or non-disclosure Contracts executed in relation to a proposed transaction with any Third Party for the sale of the Corporation ("**Competing NDAs**");

(n) any written Contract that limits or purports to limit the ability of the Corporation or any of its Subsidiaries (or would limit the ability of the Purchaser after Closing) to:

(i) engage in any line of business;

(ii) to compete with any Person;

(iii) operate in any geographic area;

(iv) solicit or accept business from the clients or prospective clients of any Person;

(v) solicit for employment or hire any Person; or

(vi) otherwise conduct the Business as the Corporation or its Subsidiaries may determine or desire.

(o) any written Contract or commitment to pay any royalty, license fee, management fee or other similar fee;

(p) any written Contract that does not expire, or may not expire if the same is renewed or extended at the option of any Person other than the Corporation or a Subsidiary thereof and is not capable of being cancelled by the Corporation or such Subsidiary thereof within one year after the date of this Agreement having a value of in excess of $100,000;

(q) any written Contract entered into not in the Ordinary Course or with a Related Party;

(r) any written Contract that is material to the operation of the Business or the absence of which would have a significant adverse effect on the Business.

3.39 **Material Contracts in Good Standing**

The Corporation and each of its Subsidiaries has performed or will, as of the Closing Date, have performed all of the obligations required to be performed by it prior to the Closing Time pursuant to any Material Contract and is or will be entitled to all benefits

under, and is not in default or, to the Vendors' knowledge, alleged to be in default in respect of, any Material Contract. All Material Contracts are in good standing and in full force and effect and, to the Vendors' knowledge, no event, condition or occurrence exists that, after notice or lapse of time or both, would constitute a default by the Corporation under any Material Contract. The Vendors have provided the Purchaser with access to true and complete copies of all Material Contracts and any amendments or supplements made to them.

3.40 **Other Contracts in Good Standing**

Neither the Corporation nor any of its Subsidiaries is in breach of any material obligation under any written Contract (excluding Material Contracts) required to be performed by it and, to the knowledge of the Vendors, no other Person party to such Contracts is in default of any of its obligations thereunder. All such Contracts are in good standing and in full force and effect.

3.41 **Intellectual Property**

(a) **Registrations and pending applications**

(i) Section 3.41 of the Disclosure Letter contains a complete list of all Intellectual Property that is: (A) the subject of a registration or application claimed by the Corporation or a Subsidiary thereof together with the details of any registrations and applications for registration with respect to the Intellectual Property owned by the Corporation or a Subsidiary thereof; or (B) used in the operation, conduct or maintenance of the Business, as it is currently and has historically been operated, conducted or maintained (collectively, the "**Corporate Intellectual Property**").

(ii) The registrations and applications for registration listed in Section 3.41 of the Disclosure Letter are, except to the extent disclosed therein, valid and subsisting, in good standing, current and up to date in all respects, and enforceable against Third Parties, and are recorded, maintained and renewed in the name of the Corporation or a Subsidiary thereof in the appropriate registries or government offices to preserve the Corporation's or its Subsidiary's rights thereof and thereto.

(b) **Title and Sufficiency**

(i) The Corporation and its Subsidiaries own or have sufficient right to all Intellectual Property used in the operation, conduct and maintenance of the Business as the Business is currently and has historically been operated, conducted or maintained and each item of such Intellectual Property will be owned or available for use by the Corporation and its Subsidiaries on identical terms and conditions immediately after, and after giving effect to, the Closing without the need for any further right, license, permission or consent in respect thereof and the consummation of the Acquisition will not impair, alter or limit in any way such ownership or rights.

(ii) Except as disclosed in Section 3.41 of the Disclosure Letter, the Corporation or a Subsidiary thereof owns and has the exclusive legal and beneficial right, title and interest in its own name in and to the Corporate Intellectual Property, free and clear of any Encumbrances, and none of the Corporate Intellectual Property has been licensed from or to a Third Party.

(iii) Except as disclosed in Section 3.41 of the Disclosure Letter, the Corporate Intellectual Property is sufficient for the operation, conduct and maintenance of the Business as such Business is currently and has historically been operated, conducted or maintained and no additional Intellectual Property Rights are required by the Corporation or its Subsidiaries.

(iv) There are no royalty payments, license fees or other sums payable to or by the Corporation or any of its Subsidiaries and there are no consents, permissions or approvals required by the Corporation or any of its Subsidiaries in respect of the use or any dealing with any of the Corporate Intellectual Property, or to maintain or renew any registrations or applications for registration in relation thereto or the operation, conduct and maintenance of the Business as such Business is currently and has historically been operated, conducted or maintained , except for renewal fees in the Ordinary Course or as otherwise listed in Section 3.41 of the Disclosure Letter.

(v) Except as disclosed in Section 3.41 of the Disclosure Letter, the Corporation or a Subsidiary thereof has the exclusive right to use and otherwise exploit the Corporate Intellectual Property in all jurisdictions in which it is currently or has historically been used or otherwise exploited and there are no prohibitions or restrictions on the use or other exploitation by the Corporation and its Subsidiaries of the Corporate

Intellectual Property.

(vi) Except as disclosed in Section 3.41 of the Disclosure Letter, the Corporation and its Subsidiaries have obtained sufficient and enforceable moral rights waivers from all authors of any works of authorship that are included in the Corporate Intellectual Property such that the Corporation and its Subsidiaries are not limited in any way in which they may choose to commercialize, exploit, use, adapt, modify, improve, associate or otherwise deal with such works of authorship and no consents, permissions, or approvals are required by the Corporation or any of its Subsidiaries in that regard.

(c) **Licenses**

(i) Section 3.41 of the Disclosure Letter contains a complete list of all material licenses, agreements or arrangements to which the Corporation is a party, whether as licensor, licensee or otherwise, and whether written or oral, with respect to the Corporate Intellectual Property, excluding any commercially available off the shelf, click-wrapped or shrink-wrapped software licensed by the Vendors without material customization (collectively, the "**I.P. Licenses**").

(ii) Complete and correct copies of all agreements and schedules and appendices to such agreements (including the I.P. Licenses listed in Section 3.41 of the Disclosure Letter) relating to or affecting the Corporate Intellectual Property, listed in Section 3.41 of the Disclosure Letter, have been provided or made available to the Purchaser.

(iii) None of the Vendors, the Corporation or any of its Subsidiaries has received any notice that the Corporation is in default (or, with the giving of notice or lapse of time or both, would be in default) under any of the I.P. Licenses.

(iv) The Corporation and each of its Subsidiaries is operating in compliance with all of requirements of each of the I.P. Licenses, and any royalty payment, license fee or other sum payable under any I.P. License is current as of the date of this Agreement and will continue to be current as of Closing.

(v) To the knowledge of the Vendors, no state of affairs exists that, if true, would place (including with the giving of notice or lapse of time or both) the Corporation or any of its Subsidiaries or the other contracting party in default under any of the I.P. Licenses.

(d) **Infringement**

(i) Neither: (A) the operation, conduct and maintenance by the Corporation and its Subsidiaries of the Business as such Business is currently and has historically been operated, conducted or maintained; nor (B) the use by the Corporation or any of its Subsidiaries of the Corporate Intellectual Property in respect thereto; infringes, misappropriates, misuses or violates the Intellectual Property Rights or any other rights of any Third Party.

(ii) None of the Vendors, the Corporation or any of its Subsidiaries has received any notice, complaint, threat or claim alleging: (A) the infringement, misappropriation, misuse or violation of any Intellectual Property Rights of any Third Party; (B) that the Corporation or its Subsidiaries do not own the Corporate Intellectual Property; or (C) in the case of Intellectual Property which is licensed to the Corporation or a Subsidiary thereof, that the Corporation or such Subsidiary does not have the right (unless otherwise stated in Section 3.41 of the Disclosure Letter) to use the Intellectual Property in the manner in which it has been historically used by the Corporation or a Subsidiary.

(iii) No written claims or challenges have been asserted by any Third Party (including written claims and challenges initiated through a court or administrative process or a patent office) with respect to, or challenging or questioning, the ownership, validity, enforceability or use of, the Corporate Intellectual Property and, to the best knowledge of the Vendors, there is no valid basis for any such claim.

(iv) Subject to Section 3.41 of the Disclosure Letter, no claim has been asserted (or to the Vendors' knowledge is likely to be asserted) by the Corporation or any of its Subsidiaries against a Third Party with respect to the Corporate Intellectual Property nor has the Corporation or any of its Subsidiaries issued, filed or made (or to the Vendors' knowledge is likely to issue, file or make) any notice, complaint, threat or claim against a Third Party alleging infringement of the Corporate Intellectual Property or any Intellectual Property Right of the Corporation or any of its Subsidiaries by such Third Party.

3.42 **Employees**

Section 3.42 of the Disclosure Letter sets out:

(a) the name, department, employer, location of employment and hire date for each employee of the Corporation and each of its Subsidiaries, as well as the regular hourly wage rate for hourly employees;

(b) schedules summarizing each salaried employee's compensation plan for the current year and the previous year, showing all elements of compensation (including such employee's base salary, bonus at targeted amounts for that year, the approximate personal benefit of company vehicle or vehicle allowance and subjective annual bonus);

(c) an invoice showing existing group insurance benefits for each employee;

(d) a list of employees of the Corporation and each of its Subsidiaries who are now on disability, maternity or other authorized or unauthorized leave or who are receiving workers' compensation or short-term or long-term disability benefits, the nature of such leave, the approximate date such employee is expected to return and the aggregate financial obligation of the Corporation or its Subsidiary with respect to providing benefits to such employee in connection therewith; and

(e) the name, department, location of engagement and engagement date for each contractor engaged by the Corporation and its Subsidiaries and a summary of the fees and other compensation paid to such contractors in the current year and the previous year.

3.43 **Employment Agreements**

Except as disclosed in Section 3.43 of the Disclosure Letter, neither the Corporation nor any of its Subsidiaries is a party to any written or oral employment, service or consulting agreement with any Person, except for oral employment agreements which are of indefinite term and without any special arrangements or commitments with respect to the continuation of employment or payment of any particular amount upon termination of employment. Except as disclosed in Section 3.43 of the Disclosure Letter, neither the Corporation nor any of its Subsidiaries has any employee who cannot be dismissed upon such period of notice as is required by law (statutory and common law) in respect of a Contract of hire for an indefinite term.

3.44 **Labour Matters and Employment Standards**

(a) Neither the Corporation nor any of its Subsidiaries is subject to any collective or other agreement with any labour union or employee association and none of them has made any commitment to or conducted negotiations with any labour union or employee association with respect to any future agreement and, to the knowledge of the Vendors, during the period of five years preceding the date of this Agreement, no union or employee organization has been or remained certified by the Alberta Labour Relations Board or any other labour relations board to represent or collectively bargain on behalf of any employees of the Corporation or its Subsidiaries and during the period of five years preceding the date of this Agreement there has been no attempt to organize, certify or establish any labour union or employee association in relation to any of the employees of the Corporation or its Subsidiaries.

(b) There are no existing or, to the knowledge of the Vendors, threatened labour strikes or labour disputes, grievances, controversies or other labour relations troubles affecting the Corporation or its Subsidiaries or the Business.

(c) The Corporation and each of its Subsidiaries has complied with all applicable Laws from time to time in effect relating to employment, including those applicable statutory employment standards, human rights, occupational health and safety, and privacy obligations, and relating to wages, hours, collective bargaining, hazardous materials, employment standards, human rights, sexual harassment, discrimination, pay equity and workers' compensation. All amounts due and payable by the Corporation and each of its Subsidiaries to its employees and independent contractors have been paid in full and all amounts accruing due to same have been reflected in the financial records of the Corporation. There are no outstanding charges or complaints against the Corporation or any of its Subsidiaries relating to human rights, employment standards, privacy, unfair labour practices, occupational health and safety issues or discrimination or under any legislation or Law relating to employees. To the knowledge of the Vendors, nothing has occurred which might lead to a claim by an employee or an independent contractor under such Laws relating to employees. The Corporation and each of its Subsidiaries has paid in full all amounts owing under any workplace safety insurance Laws, and neither the Corporation nor any of its Subsidiaries has been reassessed in any material respect under such legislation during the past three years and, to the knowledge of the Vendors, no audit of the Corporation is currently being performed pursuant to any applicable workplace safety and insurance legislation.

(d) Except as set out in Section 3.44 of the Disclosure Letter, there are no outstanding compliance orders, inspection orders or written equivalent made under any occupational health and safety Laws which relate to the Corporation or its Subsidiaries or their employees. There have been no fatal or critical accidents in the last three years in respect of employees of the Corporation or its Subsidiaries. There are no materials present in the assets owned or used by the Corporation or its Subsidiaries or conditions present in the Business or during the services performed by employees of the Corporation or its Subsidiaries, exposure to which could result in a disease caused by employment or peculiar to or characteristic of such materials or conditions. The Corporation and each of its Subsidiaries has complied in all respects with any orders issued under any occupational health and safety Laws. There are no appeals of any orders under any occupational health and safety Laws against the Corporation or any of its Subsidiaries which are currently outstanding.

(e) Neither the Corporation nor any of its Subsidiaries has terminated the employment of any employee during the 90 days preceding the Closing Date, excluding voluntary resignation and termination for cause.

3.45 **Employee Benefit and Pension Plans**

(a) Except as disclosed in Section 3.45 of the Disclosure Letter, neither the Corporation nor any of its Subsidiaries maintains, sponsors or contributes to, or has any obligation to contribute to, any pension plan, supplemental pension or other retirement plan, deferred compensation plan, retirement income or group registered retirement savings plan, stock option, stock appreciation rights, phantom stock or stock purchase plan, profit sharing plan, bonus plan or policy, commission or incentive compensation plan, change of control agreement, retention bonus plan or agreement, severance or termination pay arrangement, employee life or other group insurance plan, savings plan, employee loan, indemnity, education or hospitalization plan, medical or dental plan, long-term or short-term disability plan or other employee benefit plan, program, policy or practice, formal or informal, or any other similar benefit, plan or entitlement with respect to any of the employees or former employees of the Corporation or its Subsidiaries, other than the Canada Pension Plan and other similar health plans established pursuant to statute or other applicable Law. Section 3.45 of the Disclosure Letter also lists all of the written employment policies, procedures and work-related rules currently in effect with respect to employees of the Corporation and its Subsidiaries, including policies regarding holidays, sick leave, vacation, disability and death benefits, termination and severance pay, automobile allowances and rights to company-provided automobiles and expense reimbursements. The plans, programs, policies, practices and procedures described in Section 3.45 of the Disclosure Letter are hereafter collectively called the "**Benefit Plans**".

(b) Complete and correct copies of:

(i) all documentation establishing or relating to the Benefit Plans listed in Section 3.45 of the Disclosure Letter;

(ii) the most recent financial statements and actuarial reports relating thereto, if any, related to any of the Benefit Plans;

(iii) all reports and returns filed, if any, with any Governmental Authority in respect of the Benefit Plans, within three years prior to the date hereof; and

(iv) all plan summaries, booklets, personnel or other manuals or written communications prepared for or circulated to any employees of the Corporation or its Subsidiaries concerning any Benefit Plan;

have been provided or made available to the Purchaser.

(c) All of the Benefit Plans are and have been established and administered in accordance with their terms.

(d) No material changes have occurred to, or are affecting, any of the Benefit Plans since the date of the most recent actuarial report or financial statements applicable thereto, if any, or are expected to occur, which would materially affect the information contained in the actuarial reports or financial statements with respect to the Benefit Plans, if any.

(e) All contributions or premiums required to be made or paid by the Corporation and each of its Subsidiaries under the terms of each Benefit Plan or by any Laws have been made in a timely fashion in accordance with all Laws and the terms of the Benefit Plans.

(f) No improvements have been promised in respect of any of the Benefit Plans that are not reflected in the copies of the Benefit Plans provided to the Purchaser.

(g) To the knowledge of the Vendors, no Benefit Plan, nor any related trust or other funding medium thereunder, is subject to any pending investigation, examination or other proceeding, action or claim initiated by any Governmental Authority, and, to the knowledge of the Vendors, there exists no state of facts which after notice or lapse of time or both could reasonably be expected to give rise to any such investigation, examination or other proceeding, action or claim or to affect the registration of any Benefit Plan required to be registered.

(h) None of the Benefit Plans is a funded plan.

3.46 **Tax Matters**

(a) The Corporation and each of its Subsidiaries has, and on the Closing Date will have, duly and on a timely basis prepared and filed all Tax Returns required to be filed by it prior to the date hereof and the Closing Date in respect of Taxes and such Tax Returns are complete and correct. Copies of such Tax Returns filed in respect of the last three fiscal years ending prior to the date hereof have been provided to the Purchaser prior to the date hereof.

(b) The Corporation and each of its Subsidiaries has and on the Closing Date will have paid on a timely basis all Taxes which are due and payable by it on or before the Closing Date, including installments on account of Taxes. Adequate provision was made by the Corporation in the FY16 Audited Financial Statements and the FY17 Unaudited Financial Statements for all Taxes for the applicable periods. Neither the Corporation nor any of its Subsidiaries has any liability for any Taxes other than those provided for in the FY16 Audited Financial Statements and the FY17 Unaudited Financial Statement and those arising in the Ordinary Course since the date of the respective Financial Statements.

(c) Federal, provincial and state income tax assessments (as applicable) have been issued to the Corporation and each of its Subsidiaries covering all periods up to but not including the fiscal year ending July 31, 2017. There are no Legal Proceedings now pending or made or, to the knowledge of the Vendors, threatened against the Corporation or any of its Subsidiaries in respect of any Taxes.

(d) There are no agreements, waivers or other arrangements providing for any extension of time with respect to the filing of any Tax Return by the Corporation or any of its Subsidiaries in respect of the Corporation's Taxes or the payment of any Taxes by the Corporation or any of its Subsidiaries or the period for any assessment or reassessment of Taxes.

(e) The Corporation and each of its Subsidiaries has and on the Closing Date will have withheld from each Person (including any present or former employees, officers or directors and any Persons who are not residents of Canada for the purposes of the Tax Act) and from the amount to be paid to or credited in respect of each such Person the amount of Taxes required to be withheld therefrom and has and on the Closing Date will have remitted such Taxes to the proper Governmental Authority within the time periods required under Laws. All consultants or independent contractors of the Corporation are properly characterized as independent contractors and will not be reclassified as employees by any Governmental Authority in accordance with Laws. The Vendors have provided to the Purchaser true, correct and up-to-date copies of all contracts with independent contractors and consultants providing services to the Corporation.

(f) The Corporation and each of its Subsidiaries has duly and timely collected all amounts of any sales or transfer Taxes, including goods and services Tax, harmonized sales and provincial or territorial sales Taxes required to be collected by it and has duly and timely remitted to the appropriate Governmental Authority any amounts required to be remitted by it.

(g) There are no Encumbrances on any of the Assets that arose in connection with any failure (or alleged failure) to pay any Taxes.

(h) There are no requests for rulings or determinations in respect of any Taxes pending between the Corporation or any of its Subsidiaries and any Governmental Authority.

(i) No written claim has been received by the Corporation from any Governmental Authority in a jurisdiction where the Corporation or a Subsidiary thereof does not file Tax Returns or other documents in respect of Taxes that the Corporation or a Subsidiary thereof is or may be subject to taxation by, or required to file any such return or other document in, that jurisdiction, which claim has not been resolved.

(j) Neither the Corporation nor any of its Subsidiaries is a party to any Tax indemnification, Tax allocation or Tax sharing agreement that could give rise to a payment or indemnification obligation after Closing.

(k) There are no circumstances which exist and would result in, or which have existed and resulted in, Sections 17, 78 and 79 to 80.04 of the Tax Act or equivalent provision of any Tax Laws applying with significant adverse consequences to the Corporation or any of its Subsidiaries.

(l) Neither the Corporation nor any of its Subsidiaries has directly or indirectly transferred any material property to or supplied any material services to or acquired any material property or material services from a Person with whom it was not dealing at Arm's Length for consideration other than consideration equal to the fair market value of the property or services at the time of the transfer, supply or acquisition of the property or services.

(m) The Corporation and each of its Subsidiaries has complied with all transfer pricing requirements under the Tax Act and the Laws of all other jurisdictions in which the Corporation carries on the Business.

(n) GST
Matters:

(i) The Corporation is registered for purposes of the *Excise Tax Act* (Canada) and its registration number is 89269 8275 RT0001; and

(ii) All input Tax credits claimed by the Corporation for purposes of the *Excise Tax Act* (Canada) were calculated in accordance with Laws in all material respects, and the Corporation has in all material respects complied with all registration, reporting, payment, collection and remittance requirements in respect of goods and services Tax, provincial sales Tax and harmonized sales Tax legislation.

(o) The Corporation has complied with subsection 89(14) of the Tax Act in respect of any past dividends designated as eligible dividends and does not have any excessive eligible dividend designations.

(p) The Corporation has not claimed any reserves for purposes of the Tax Act or other offerings for the most recent taxation year ending prior to date of this Agreement.

3.47 **Environmental Matters**

(a) Except as disclosed in Section 3.47 of the Disclosure Letter or in compliance with Environmental Laws, to the Vendors' knowledge, the current and past operations of the Business, the properties and assets owned, leased, used or occupied by or formerly owned, leased, used, or occupied by, the Corporation and its Subsidiaries (including the Owned Real Property and the Leased Premises) and the use, maintenance and operation thereof were, have been and are in compliance with all applicable Environmental Laws as from time to time in force and effect. In respect of the Owned Real Property and Leased Premises, the Corporation and each of its Subsidiaries has complied with all reporting and monitoring requirements under all applicable Environmental Laws as from time to time in force and effect. Neither the Corporation nor any of its Subsidiaries has received any notice of any non-compliance with any applicable Environmental Laws in respect of the Owned Real Property and Leased Premises, and neither the Corporation nor any of its Subsidiaries has been convicted of an offence for non-compliance with any applicable Environmental Laws or been fined or otherwise sentenced or settled such prosecution short of conviction. Neither the Corporation nor any of its Subsidiaries has received any claim or demand from any Person or authority regarding a breach or alleged breach of any applicable Environmental Laws or costs of clean-up of any Hazardous Substance or notice of any such claim or demand and to the knowledge of the Vendors there are no grounds on which any such claim or demand could be made with any reasonable likelihood of success.

(b) The Corporation and each of its Subsidiaries has obtained all Environmental Permits necessary to conduct the Business and to own, use and operate its Assets and the operation of such Business and Assets, and the use, maintenance and operation thereof have been and are in compliance with all applicable Environmental Permits. All presently required Environmental Permits are in full force and effect and are set out in Section 3.47 of the Disclosure Letter and complete and correct copies thereof have been made available or provided to the Purchaser. Except as disclosed in Section 3.47 of the Disclosure Letter the Vendors are in compliance with all such applicable Environmental Permits and all such applicable Environmental Permits are valid and in full force and effect. Except as disclosed in Section 3.47 of the Disclosure Letter, no consent to the transactions contemplated by this Agreement is required to maintain said Environmental Permits in full force and effect.

(c) Except as disclosed in Section 3.47 of the Disclosure Letter, there are no Hazardous Substances located on, in, or under any of the Assets owned, leased, used or occupied by the Corporation or any of its Subsidiaries (including the Leased Premises and the Owned Real Property), and since December 31, 2001 no Release of any Hazardous Substances has resulted from the operation of the Business or the conduct of any other activities of the Corporation or any of its Subsidiaries. Except as disclosed in Section 3.47 of the Disclosure Letter, since December 31, 2001 neither the Corporation nor any of its Subsidiaries has used any of the properties and assets

currently or previously owned, leased, used or occupied thereby to use, produce, generate, store, handle, transport or dispose of any Hazardous Substances except in compliance with applicable Environmental Laws as from time to time in effect.

(d) Without limiting the generality of the foregoing, except as disclosed in Section 3.47 of the Disclosure Letter, there are no underground or surface storage tanks or urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls (PCBs), ozone-depleting substances or radioactive substances located on, in, under, or migrating from any of the Assets, including the Leased Premises or Owned Real Property. To the Vendors' knowledge, neither the Corporation nor any of its Subsidiaries is, and there is no basis upon which the Corporation or any of its Subsidiaries could become, responsible for any clean-up or corrective action under any applicable Environmental Laws. Neither the Corporation nor any of its Subsidiaries has conducted or caused to be conducted an environmental audit, assessment or study of any of its Assets (including the Leased Premises or Owned Real Property), other than such environmental audits, assessments or studies which have been disclosed to the Purchaser in Section 3.47 of the Disclosure Letter and copies of which have been provided to the Purchaser.

3.48 Customers and Suppliers

A list of the 25 largest current customers and 25 largest current suppliers of the Corporation and its Subsidiaries is set out in Section 3.48 of the Disclosure Letter. The Corporation and its Subsidiaries have taken reasonable precautions to keep the customer and supplier lists confidential. Except to the extent that any consequences thereof are not material to the Corporation and its Subsidiaries, or as is disclosed in Section 3.48 of the Disclosure Letter, there has been no termination or cancellation of, and no modification or change in, any business relationship of the Corporation or any of its Subsidiaries with any customer or supplier since the date of the FY17 Unaudited Financial Statements. To the knowledge of the Vendors, there is no reason to believe that the benefits of any customer or supplier relationship will not continue after the Closing Time in substantially the same manner as prior to the Closing Time.

3.49 Warranties and Claims

Except as disclosed in Section 3.49 of the Disclosure Letter:

(a) neither the Corporation nor any of its Subsidiaries has given any written or oral warranty, express or implied (except for warranties implied by Law), in respect of any of the products sold or serviced by it, except warranties made in the Ordinary Course by the Corporation and its Subsidiaries. A copy of the most current form of the Corporation's standard warranty has been provided to the Purchaser;

(b) in each of the three years prior to the date hereof, no claims outside the Ordinary Course have been made against the Corporation or any of its Subsidiaries for breach of warranty or contract or negligence or for a price adjustment or other concession in respect of any defect in or failure to perform or deliver any products, services or work, nor do facts or circumstances exist that could reasonably be expected to result in any such claim;

(c) neither the Corporation nor any of its Subsidiaries is now subject to any agreement or commitment, and neither the Corporation nor any of its Subsidiaries has, within three years prior to the date of this Agreement, entered into any agreement with or made any commitment to any customer of the Business which would require it to repurchase any products sold to such customers or to adjust any price or grant any refund, discount or other concession to such customer; and

(d) neither the Corporation nor any of its Subsidiaries has made a product warranty or liability claim (or claim in the nature thereof) against any supplier within three years prior to the date of this Agreement.

3.50 Inventory

Subject to the reserves reflected in the FY17 Unaudited Financial Statements established in accordance with past practice, all inventory recorded in the Financial Statements ("**Inventory**") is usable by the Corporation in the Ordinary Course and has been determined and valued in accordance with GAAP, industry standards and Laws. The Inventory does not include any items which are of a quality which results in such items not being usable by the Corporation in the Ordinary Course. The Inventory levels have been maintained at levels sufficient for the continuation of the Business in the Ordinary Course.

3.51 Litigation

Except as disclosed in Section 3.51 of the Disclosure Letter, there are no:

(a) actions, suits or proceedings (whether civil, quasi-criminal or criminal or at law or in equity);

(b) arbitration or other dispute settlement process;

(c) regulatory or administrative proceeding, or investigation or inquiry, by any Governmental Authority; or

(d) any similar matter or proceeding;

whether pending, in progress or, to the Vendors' knowledge, threatened, against or involving the Corporation or any of its Subsidiaries or their Assets.

No event has occurred which might give rise to any of the foregoing proceedings and there is no presently outstanding and unsatisfied or unenforced judgment, decree, injunction, rule, award or order of any Governmental Authority to which the Corporation or any of its Subsidiaries is subject.

3.52 **Insurance**

Section 3.52 of the Disclosure Letter contains a true and complete list of all insurance policies maintained by the Corporation and its Subsidiaries or on behalf of the Corporation and its Subsidiaries in connection with the Business, Assets, and their respective operations, employees, officers, and directors, specifying for each insurance policy:

(a) the insurer;

(b) the amount of coverage;

(c) the type of coverage;

(d) the policy number;

(e) the annual premium;

(f) the expiration date; and

(g) a description of any pending claims under such policies.

Complete and correct copies of all such insurance policies have been made available or provided to the Purchaser. All such insurance policies are in full force and effect. Neither the Corporation nor any of its Subsidiaries is in default with respect to any of the provisions contained in any such insurance policies and nor have they failed to give any notice or pay any premium or present any claim under any such insurance policy in a timely manner. To the knowledge of the Vendors, there is no reason to believe that any of the insurance policies set out in Section 3.52 of the Disclosure Letter will not be renewed by the insurer upon the scheduled expiry of the policy. In the past three years, except as disclosed in Section 3.52 of the Disclosure Letter, there has been no significant change in relationship between the Corporation or any of its Subsidiaries and their insurers, the premiums or availability of coverage. Neither the Corporation nor any of its Subsidiaries has received notice from any of the insurers regarding cancellation of its insurance policies or denying any claims. There are no circumstances under which the Corporation or any of its Subsidiaries would be required to give any notice to the insurers under any such insurance policies which has not been given. Neither the Corporation nor any of its Subsidiaries has experienced claims in excess of the current coverage of its insurance.

3.53 **Privacy Laws and Transferred Information**

(a) The Corporation and each of its Subsidiaries is in compliance with all Laws (including Privacy Laws) and accepted industry standards relating to the collection, use, retention and storage by the Corporation of Personal Information including disclosing or transferring Personal Information to Third Parties in the course of operating the Business. No Person has notified the Corporation or any of its Subsidiaries of a complaint or claim alleging that the Corporation or any of its Subsidiaries has contravened applicable Privacy Laws with respect to the collection, use, disclosure or storage of Personal Information.

The Corporation and each of its Subsidiaries maintains appropriate privacy and security policies, procedures and

(b) systems to safeguard Personal Information from unauthorized access, misuse, loss or damage. Neither the Corporation nor any of its Subsidiaries has been notified of any unauthorized access, significant loss or damage to, or misuse of, any of the Personal Information it collects, uses, retains or stores.

(c) Neither the Corporation nor any of its Subsidiaries has ever been notified of a security or data breach relating to the unauthorized access to or disclosure of Personal Information or Confidential Information.

(d) The Corporation and each of its Subsidiaries has provided all notices and obtained all consents required by Law from each individual to whom the Transferred Information relates, for the collection, use and disclosure of such information for the purposes and in the manner as currently and historically collected, used and disclosed by the Corporation and its Subsidiaries in the conduct of the Business, and for the completion of the Acquisition. Neither the Vendors, nor the Corporation or any of its Subsidiaries have received notice, or have reason to believe, that any such consent has been withdrawn or varied. The Transferred Information does not contain any Personal Information that does not directly relate to the continuation of the Business by the Corporation and its Subsidiaries or the completion of the Acquisition.

3.54 **Non-Arm's Length Matters**

Except as disclosed in Section 3.54 of the Disclosure Letter or the FY17 Unaudited Financial Statements or the Interim Financial Statements and except for usual compensation paid in the Ordinary Course, neither the Corporation nor any of its Subsidiaries has made any payment or loan to, or borrowed any monies from or is otherwise indebted to, any current or former officer, director, employee or shareholder of the Corporation or any of its Subsidiaries, or to any Person not dealing at Arm's Length with any of the foregoing. Except as disclosed in Section 3.54 of the Disclosure Letter and except for Contracts of employment, neither the Corporation nor any of its Subsidiaries is a party to any Contract with any current or former officer, director, employee or shareholder of the Corporation, or with any Person not dealing at Arm's Length with any of the foregoing.

3.55 **Government Assistance**

Except as disclosed in Section 3.55 of the Disclosure Letter, there are no agreements, loans or other funding arrangements and assistance programs (collectively called "**Government Assistance Programs**") which are outstanding in favour of the Corporation or any of its Subsidiaries from any Governmental Authority. Complete and correct copies of all documents relating to the Government Assistance Programs have been made available or delivered to the Purchaser. The Corporation and each of its Subsidiaries has performed all of its obligations under the Government Assistance Programs, as applicable, and no basis exists for any Governmental Authority to seek payment or repayment by the Corporation or any of its Subsidiaries of any amount or benefit received thereby under any Government Assistance Programs.

3.56 **Competition Act**

The aggregate value of the assets in Canada directly or indirectly controlled by the Corporation, WPP and their affiliates and the annual gross revenues from sales in or from Canada generated by those assets, do not exceed $160,000,000 and $150,000,000, respectively, when calculated in accordance with part IX of the *Competition Act* (Canada) and the regulations thereunder

3.57 **No Solvency or Reorganization Proceedings**

Neither the Corporation nor any of its Subsidiaries is insolvent and no proceedings have been taken or authorized by the Corporation or any of its Subsidiaries or by any other Person with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of the Corporation, or with respect to any amalgamation, merger, consolidation, arrangement, receivership or reorganization of, or relating to, the Corporation or any of its Subsidiaries and to the knowledge of the Vendors no such proceedings have been threatened by any other Person. No events have occurred that would result in such proceedings being brought.

3.58 **Brokerage and Finder's Fees**

None of the Vendors, the Corporation, and their respective directors, have retained any broker or finder or incurred any liabilities or obligations to pay any fees, commissions or other similar forms of compensation to any broker, finder, financial advisor, or agent with respect to the Acquisition other than Deloitte Corporate Finance.

3.59 **Canadian Real Property**

(a) There are no agreements, options, contracts or commitments to sell, transfer or otherwise dispose of the Canadian Real Property or which would restrict the ability of WPP to transfer the Canadian Real Property. The

Corporation has obtained all Authorizations required to allow the use and occupancy of the Canadian Real Property. All of the buildings and fixtures located on the Canadian Real Property were, to the knowledge of the Vendors, constructed in accordance with all Laws then in effect, and the Corporation has adequate rights of ingress and egress into the Canadian Real Property for the operation of the Business. To the knowledge of the Vendors, none of the Canadian Real Property or the buildings and fixtures on such properties, nor their use, operation or maintenance for the purpose of carrying on the Business, violates any restrictive covenant or any provision of any Law or encroaches on any property owned by any other Person. No condemnation or expropriation proceeding is pending or, to the knowledge of the Vendors, threatened which would preclude or impair the use of any of the Canadian Real Property for the purposes for which they are currently used. To the knowledge of the Vendors, there are no pending applications or notices in respect of rezoning or land use designations affecting the Canadian Real Property. The Corporation and WPP have paid all Taxes that are due and payable with respect to the Canadian Real Property.

(b) Section 1.1A of the Disclosure Letter sets out the Canadian Real Property and their respective legal descriptions and municipal addresses.

(c) WPP is the absolute legal and beneficial owner of, and has good title in fee simple to, the Canadian Real Property (including all Buildings and Fixtures located on such properties and any related rights and restrictions), free and clear of any and all Encumbrances, except for:

(i) the Permitted Encumbrances; and

(ii) liens for current Taxes not yet due.

3.60 **Authority and Approval of Vendors**

Each Vendor is a body corporate duly formed and validly existing under the laws of its jurisdiction of incorporation. The board of directors of each Vendor has or will have by Closing taken all necessary corporate actions, steps and other proceedings to approve the Acquisition. Each Vendor has good and sufficient right and authority to enter into all agreements and transactions to which the Vendor is a party in connection with the Acquisition and to perform all obligations under such agreements and transactions.

3.61 **Execution and Binding Obligation of Vendors**

This Agreement, and as of the Closing Time, each of the Ancillary Agreements to which a Vendor is a party in connection with the Acquisition have been duly executed and delivered by such Vendor, and each such agreement constitutes a legal, valid and binding obligation of such Vendor, enforceable against such Vendor in accordance with its terms, subject only to any limitation under Laws relating to:

(a) bankruptcy, winding-up, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights; and

(b) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunctive relief.

3.62 **Required Authorizations and Consents of Vendors**

Except as set out in Section 3.62 of the Disclosure Letter, Section 3.6 (Required Authorizations) and Section 3.7 (Required Contractual Consents and Approvals) of the Disclosure Letter, each Vendor is not under any obligation to notify or obtain the approval or consent of any Person under any Contract, or to obtain any Authorization or provide notice to any Governmental Authority in connection with or relating in any way to the execution, delivery or performance by it of this Agreement or any Ancillary Agreement to which it is a party.

3.63 **Vendors' Ownership of Purchased Shares**

Each Vendor is the registered and beneficial owner of those Purchased Shares set out and described in Section 3.8 of the Disclosure Letter opposite each such Vendor's name. Each Vendor has the exclusive right to sell, assign and transfer such Purchased Shares as provided in this Agreement free and clear of any Encumbrances except for the restrictions, if any, contained in securities Laws and the Corporation's articles, by-laws and other constating documents. Upon completion of the Acquisition, the Purchaser will be the sole registered and beneficial owner of the Purchased Shares, free and clear of all Encumbrances, except

for the restrictions, if any, contained in securities Laws and the Corporation's articles, by-laws and other constating documents.

3.64 **No Conflict with Constating Documents, Contracts, Authorizations and Laws**

Except as disclosed in Section 3.6 (Required Authorizations), Section 3.7 (Required Contractual Consents and Approvals) and this Section 3.64, the execution, delivery and performance by each Vendor of this Agreement, each of the Ancillary Agreements to which the Vendor is a party, all other agreements to which it is a party in connection with the Acquisition and the completion of the transactions contemplated by this Agreement will not constitute or result in a violation or breach of, or conflict with:

(a) any term or provision of such Vendor's articles, by-laws or other constating documents;

(b) the terms of any Contract to which the Vendor is a party or by which it is bound;

(c) any term or provision of any Authorization of the Vendor necessary to conduct the Business or to own the Purchased Shares;

(d) any order or judgment of any Governmental Authority or any Law.

3.65 **No Other Agreements to Purchase from Vendors**

Except for the Purchaser's right under this Agreement, no Person has any agreement or commitment (written or verbal), or any right or privilege capable of becoming an agreement or commitment for the acquisition of any of the Purchased Shares from each Vendor and upon consummation of the transactions contemplated herein the Purchaser shall acquire the Purchased Shares free and clear of any rights, interest or claim of each Vendor.

3.66 **Residence of Vendors**

Each Vendor is not a non-resident of Canada within the meaning of the Tax Act.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Vendors as follows, and acknowledges and confirms that the Vendors are relying upon such representations and warranties in connection with their sale of the Purchased Shares:

4.1 **Corporate Status and Authorization and Approval**

The Purchaser is a corporation duly formed and existing under the laws of its jurisdiction of formation. The board of directors of the Purchaser have or will have by Closing taken all necessary corporate actions, steps and other proceedings to approve and authorize the Acquisition. The Corporation has good and sufficient right and authority to enter into this Agreement and all other agreements, including any of the Ancillary Agreements, to which it is a party in connection with the Acquisition and to perform all obligations under such agreements.

4.2 **Execution and Binding Obligation**

This Agreement, and as of the Closing Time, each of the Ancillary Agreements to which the Purchaser is a party and all other agreements to which the Purchaser is a party in connection with the Acquisition, have been duly executed and delivered by the Purchaser and each such agreement constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms, subject only to any limitation under Laws relating to:

(a) bankruptcy, winding-up, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights; and

(b) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunctive relief.

4.3 **No Conflict with Constating Documents, Authorizations, Contracts and Laws**

The execution, delivery and performance by the Purchaser of this Agreement, all other agreements to which it is a party in connection with the Acquisition, including each of the Ancillary Agreements and the completion of the transactions contemplated by this Agreement will not constitute or result in a violation or breach of, or conflict with:

(a) any term or provision of the Purchaser's articles, by-laws or other constating documents;

(b) the terms of any Contract to which the Purchaser is a party or by which it is bound;

(c) any term or provision of any of the Authorizations of the Purchaser; or

(d) any order or judgment of any Governmental Authority or any Law.

4.4 **Required Authorizations**

There is no requirement for the Purchaser to obtain any Authorization from, make any filing with, or give notice to, any Governmental Authority in connection with, or as a condition to, the lawful completion of any of the transactions contemplated by this Agreement.

4.5 **Competition Act**

The aggregate value of the assets in Canada directly or indirectly controlled by the Thermon Canada, Inc. (the parent company of the Purchaser), and the annual gross revenues from sales in or from Canada generated by those assets, do not exceed $239,000,000 and $249,000,000, respectively, when calculated in accordance with the *Competition Act* (Canada) and the regulations thereunder.

ARTICLE V
SURVIVAL OF REPRESENTATIONS AND WARRANTIES

5.1 **Survival of Representations and Warranties of the Vendors**

The representations and warranties contained in this Agreement, or contained in any document or certificate given in order to carry out the transactions contemplated by this Agreement will survive the Closing and will continue in full force and effect for a period of 12 months after the Closing Date, except that:

(a) the representations and warranties made in Section 3.46 (Tax Matters) will survive and continue in full force and effect until, but not beyond, 60 days from the expiration of the period (if any) during which an assessment, reassessment or other form of recognized document assessing liability to the Corporation for Taxes under applicable Tax legislation in respect of any taxation year to which such representations and warranties extend could be issued (without regard to any waiver or similar document filed by the Purchaser extending such period, unless the Vendors have consented in writing to the filing of such waiver or similar document);

(b) the representations and warrants made in Section 3.47 (Environmental Matters) will survive and continue for a period of 18 months from the Closing Date;

(c) the representations and warranties made in Sections 3.1(a) (Corporate Status and Qualifications), 3.2 (Corporation Authorization and Approval), 3.3 (Execution and Binding Obligation), 3.4 (No Conflict with Constating Documents, Authorizations and Laws) 3.8 (Authorized and Issued Capital), 3.9 (No Other Purchase Agreements or Commitments for Securities), 3.58 (Brokerage and Finders' Fees), 3.36(a) Owned Real Properties, 3.59(c) Canadian Real Property, 3.60 (Authority and Approval of Vendors), 3.61 (Execution and Binding Obligation of Vendors), 3.63 (Vendors' Ownership of Purchased Shares) and 3.66 (Residence) (collectively, the "**Fundamental Representations and Warranties**") will survive and continue in full force and effect indefinitely.

(d) any claim which is based upon intentional misrepresentation or fraud by the Vendors (or any of them) may be made or brought by the Purchaser at any time.

The Vendors will not have liability with respect to any representation or warranty they make in this Agreement or in other documents or certificates they deliver in connection with this Agreement after the end of the applicable survival period specified

in this Section 5.1 unless the Purchaser has provided written notice of its claim regarding the representations and warranties before the end of the applicable survival period specified in this Section 5.1, in which case liability for such claim will survive and continue in full force and effect until the final determination of such claim.

5.2 **Survival of Representations and Warranties of the Purchaser**

The representations and warranties made by the Purchaser contained in this Agreement, or contained in any document or certificate given in order to carry out the transactions contemplated by this Agreement will survive the Closing and will continue in full force and effect for the benefit of the Vendors for a period of 12 months following the Closing Date; provided however that the representations and warranties made in Sections 4.1 (Corporate Status and Authorization and Approval), 4.2 (Execution and Binding Obligation) and 4.3 (No Conflict with Constating Documents, Authorizations and Laws) will survive and continue in full force and effect indefinitely. The Purchaser will not have liability with respect to any representation or warranty it makes in this Agreement or in other documents or certificates it delivers in connection with this Agreement after the end of the survival period specified in this Section 5.2 unless the Vendors have provided written notice of their claim regarding the representations and warranties before the end of the specified survival period specified in this Section 5.2, in which case liability for such claim will survive and continue in full force and effect until the final determination of such claim.

ARTICLE VI
COVENANTS OF THE PARTIES

6.1 **Access**

(a) During the Interim Period, the Vendors shall, or shall cause the Corporation to:

(i) upon reasonable notice from the Purchaser, give the Purchaser and its Representatives, lenders, potential lenders, and insurers or potential insurers, during normal business hours, access to inspect all Owned Real Property, Leased Premises, all other premises used in the Business, and all Assets, Contracts, Corporate Records, books and other documents and data related to the Corporation as the Purchaser or any of its Representatives may reasonably request;

(ii) provide copies to the Purchaser and its Representatives, lenders, potential lenders, and insurers or potential insurers, of all written Contracts, Tax Returns, Financial Statements, information regarding employees, customers and suppliers, and all such additional financial, operating and other information, in each case related to the Corporation, as the Purchaser or any of its Representatives may reasonably request to make a thorough examination of the Corporation, its Business, Assets and operations;

(iii) have senior management and key personnel of the Corporation available to respond to inquiries from the Purchaser during normal business hours, provided that the Vendors shall cause contact with senior management and key personnel to be facilitated by the Corporation through Mr. Bernie Moore, its CEO and President; and

(iv) upon request of the Purchaser, execute, or cause to be executed, such consents and authorizations as may be necessary to enable the Purchaser and its Representatives to obtain access to all records, search results and information maintained by any Governmental Authority in respect of the Corporation's Business, Owned Real Property, Leased Premises, Assets, liabilities and Taxes.

6.2 **Conduct of Business During the Interim Period**

(a) During the Interim Period, the Vendors shall, and shall cause the Corporation to, operate the Business in the Ordinary Course, and without limiting the generality of the foregoing, do the following:

(i) maintain all of the Assets in the same condition as they now exist, ordinary wear and tear excepted;

(ii) maintain all of the Corporate Intellectual Property in the same condition as it now exists, and in order that no portion thereof ceases to be current, enforceable or in good standing during the Interim Period;

(iii) maintain the Corporation's books, records and accounts in the Ordinary Course;

(iv) manage the Inventory of the Business in order to continue carrying on the Business in the Ordinary Course;

(v) take all Ordinary Course action to preserve the Business and the goodwill of the Corporation and its relationships with customers, suppliers, landlords, creditors and others having business dealings with it, to maintain, to the extent commercially reasonable, in full force and effect all Contracts to which the Corporation is a party, and take all other action reasonably requested by the Purchaser in order that the Business and the Condition of the Corporation will not be impaired during the Interim Period;

(vi) take all Ordinary Course actions to keep available the services of its present officers and employees;

(vii) ensure that the Corporation performs and complies with all of its contractual obligations under all Contracts and complies with all Authorizations;

(viii) ensure that the Corporation does not sell or otherwise dispose of (or pledge as security) any of its Assets, except Inventory in the Ordinary Course;

(ix) maintain adequate levels of Working Capital to carry on the Business in the Ordinary Course;

(x) ensure that the Corporation does not create, incur or assume any long-term debt (including obligations in respect of leases) or create any Encumbrance upon any of its Assets;

(xi) ensure that the Corporation does not create any guarantees or otherwise become liable for the obligations of any other Person or makes any loans or advances to any Person, other than in favour of or on behalf of the Subsidiaries in the Ordinary Course;

(xii) with the exception of bonuses to be paid in favour of certain employees of the Corporation and Subsidiaries in contemplation of the Closing, ensure that the

Corporation does not increase or promise to increase, in any manner, the compensation or employee benefits of any of its directors, officers or employees, or pay or agree to pay to any of its directors, officers or employees any pension, severance or termination amount or other employee benefit not required by any of the Benefit Plans and programs described in the Disclosure Letter;

(xiii) keep in full force and effect all of the current insurance policies of the Corporation;

(xiv) collect and manage Accounts Receivable and pay and manage accounts payable in the Ordinary Course;

(xv) ensure that the Corporation does not redeem or repurchase any shares in its share capital;

(xvi) take all actions in the Ordinary Course and within its commercially reasonable control to ensure that the representations and warranties of the Vendors in Article III remain true and correct at the Closing Time, with the same force and effect as if such representations and warranties were made at and as of the Closing Time;

(xvii) subject to Laws, confer with the Purchaser concerning operational matters of a material nature;

(xviii) use its commercially reasonable efforts in the Ordinary Course to retain possession and control of the Assets and preserve the confidentiality of any confidential or proprietary information of the Business or Corporation; and

(xix) deliver to the Purchaser, as soon as they become available, true, correct and complete copies of any material reports or statements required to be filed by the Corporation or its Subsidiaries with any Governmental Authority subsequent to the date hereof.

(b) Without limiting the generality of the foregoing, during the Interim Period the Vendors will not, except with the prior written consent of the Purchaser, not to be unreasonably withheld, allow the Corporation to:

(i) enter into any agreement with respect to the Business, except agreements made in the Ordinary Course and which involve financial obligations of less than $100,000 per annum;

(ii) terminate or waive any right of substantial value to the Business;

(iii) make any payments of whatsoever nature outside of the Ordinary Course to the Vendors or any of their Affiliates; provided that the payment of dividends shall be expressly permitted;

(iv) make any capital expenditure or commitment to do so which individually or in the aggregate would exceed $100,000;

(v) sell material Assets outside of the Ordinary Course;

(vi) cause the Corporation to incur any increase in Third Party Debt or Related Party Obligations prior to Closing Time;

(vii) make any material change with respect to any method of management, operation or accounting in respect of the Business;

(viii) remove the auditor or any director of the Corporation;

(ix) hire or terminate the employment of: (A) any officer of the Corporation; (B) any employee of the Corporation with a base compensation of$100,000 or more; or (C) any group of employees;

(x) compromise or settle any litigation, proceeding or investigation by an Governmental Authority relating to the Assets, the Business or Corporation; or

(xi) authorize, agree, or otherwise commit, whether or not in writing, to do any of the foregoing.

6.3 **Notice of Untrue Representation or Warranty or Material Adverse Change**

During the Interim Period, the Vendors shall promptly advise the Purchaser in writing of:

(a) any facts that come to their attention that would cause any of the representations and warranties made by them in this Agreement to be untrue in any material respect;

(b) any Material Adverse Change in the Condition of the Business, or any threatened occurrence of any event or condition that could result in or could reasonably be expected to result in a Material Adverse Change; or

(c) an occurrence of any material damage or loss of any Asset.

6.4 Actions to Satisfy Closing Conditions

During the Interim Period, the Vendors and Purchaser shall take all actions within their power to control to satisfy and fulfill the conditions set out in Section 7.1 and Section 7.3.

6.5 Transfer of Purchased Shares

At or before the Closing Time, the Vendors shall cause all necessary steps and proceedings to be taken in order to permit the Purchased Shares to be duly and regularly transferred to the Purchaser at Closing.

6.6 Request for Consents

Prior to Closing, the Vendors shall use their commercially reasonable efforts to obtain or provide, as the case may be, all consents, approvals and notices required pursuant to all Contracts to which the Corporation is a party in order to successfully complete the Acquisition, including the consents, approvals and notices set out in Section 3.7 of the Disclosure Letter and all other consents and approvals in compliance with all Laws. Such consents, approvals and notices will be upon such terms as are acceptable to the Purchaser, acting reasonably. To the extent any such consents or approvals are not obtained prior to Closing, the Vendors will use their commercially reasonable efforts, with the cooperation of the Purchaser, to obtain such consents and approvals as soon as is reasonably possible after Closing. The Vendors shall also use their commercially reasonable efforts to assist the Purchaser with filing all necessary applications and transferring or obtaining all necessary Environmental Permits.

6.7 Transfer of Personal Information

(a) The Vendors covenant and agree to:

(i) before the Closing, disclose the Transferred Information to the Purchaser solely as may be needed to enable the Purchaser to review and complete the Acquisition;

(ii) after the Closing, to collect, to use and disclose the Transferred Information only for those purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates or for the completion of the Acquisition; and

(iii) to advise the Purchaser: (A) of all purposes for which the Transferred Information was initially collected from or in respect of the individual to whom such Transferred Information relates; (B) of all additional purposes for which the Transferred Information has been collected, used or disclosed; and (C) of all instances where the Vendors have not provided such notices or obtained such consents as are required by Law in respect of such information or such purposes.

(b) The Purchaser covenants and agrees to:

(i) prior to the Closing, collect, use and disclose the Transferred Information solely for the purpose of reviewing and completing the Acquisition, including the determination to complete the Acquisition;

(ii) prior to and after the Closing, to protect the Transferred Information by security safeguards that are appropriate to the sensitivity of the Transferred Information;

(iii) after the Closing, to collect, use and disclose the Transferred Information only for those purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates or for the completion of the Acquisition;

(iv) after the Closing, where and in the manner required by Law, notify affected individuals that the Acquisition has been completed and that their Personal Information has been disclosed and transferred to another organization; and

(v) to return or destroy the Transferred Information in the custody of or under the control of the Purchaser if the Acquisition is not completed.

6.8 **Confidentiality**

After the Closing, the Vendors shall hold, and shall use their commercially reasonable efforts to cause their Representatives to hold, in confidence any and all information, whether written or oral, concerning the Corporation and the Business, except to the extent that the Vendors can show that such information is generally available to and known by the public through no fault of any of the Vendors or any of their respective Representatives. If any of the Vendors or any of their respective Representatives are compelled to disclose any information by judicial or administrative process or by other requirements of Law, the Vendors (or any one of them) shall:

(a) promptly notify the Purchaser in writing of their obligation to disclose;

(b) disclose only that portion of information that they are legally required to disclose in the opinion of their legal counsel; and

(c) at all times cooperate with the Purchaser to permit the Purchaser, at its sole expense, to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information by the recipients thereof.

6.9 **Escrow Agreement**

Following the Closing, the Vendors and Purchaser will comply with, and will, to the extent that it is within the control of the Vendors or the Purchaser, respectively, cause the Escrow Agent to pay amounts out of the Escrow Agreement in accordance with the provisions of such agreement.

6.10 **Tax Returns**

The Vendors, at their sole expense (to the extend not already reflected in Current Liabilities as an expense accrued prior to the Financial Adjustment Time), with the full assistance and cooperation of the Corporation's management, shall prepare and the Purchaser shall file, on behalf of the Corporation, all Tax Returns of the Corporation for the taxable periods ending on or before the Closing Date. The Purchaser shall prepare and file, on behalf of the Corporation, all Tax Returns of the Corporation for all taxable periods ending after the Closing Date. The Vendor shall provide draft copies of the Tax Returns to the Purchaser not less than 30 days in advance of the filing date for those Tax Returns to give the Purchaser an opportunity to review and comment on each Tax Return (to the extent that such Tax Return could affect any obligations of the Purchaser, under this Agreement or otherwise), such review to be at the Purchaser's sole expense. The Purchaser shall provide any comments on the Tax Returns no later than that day that is 15 days prior to the filing day of the Tax Returns and the Vendor will take into account, acting reasonably, the Purchaser's comments in respect of such Tax Returns before providing such completed Tax Returns to the Purchaser for filing in advance of the filing date for those Tax Returns. Notwithstanding any other provision hereof, the Purchaser agrees not to file any amended Tax Return for any period up to the Closing Date in respect of the Corporation or any of its Subsidiaries, and to not take any filing position in filing any subsequent Tax Return that has the result of increasing the tax liability of any such Person for any period up to the Closing Date without the prior consent of the Vendor, acting reasonably and in good faith.

6.11 **Canadian Real Property**

The Vendors covenant to cause the Canadian Real Property to be transferred by WPP to the Purchaser at Closing in accordance with the terms of the Real Property Agreement and to cause WPP to confirm that the Canadian Real Property has been transferred to the Purchaser at Closing free and clear of all Encumbrances other than Permitted Encumbrances as soon as possible and in any event no later than the Outside Date.

6.12 **R&W Insurance Policy**

The Purchaser will use commercially reasonable efforts to obtain representation and warranty insurance (the **R&W Insurance Policy**") concurrently with the execution of this Agreement that substantially conforms to the R&W Insurance Terms described in Section 6.11 of the Disclosure Letter. The entire cost of the R&W Insurance Policy shall be borne exclusively by the Purchaser.

6.13 **Commercial General Liability Insurance**

Purchaser will ensure that it has in place, on Closing, commercially adequate commercial general liability coverage at Closing for the sole account of the Purchaser.

6.14 **Non-Competition Agreements**

At or before the Closing Time, the Vendors will cause the Non-Competition Agreements to be executed and delivered to Purchaser.

6.15 **Board Representation**

Purchaser covenants and agrees to appoint either Harold Roozen or Bernie Moore to the Board of Directors of the Corporation (or any successor corporation) at Closing.

6.16 **Interim Financial Statements**

Vendors will update the Interim Financial Statements to include the one-month periods ended August 31, 2017 and September 30, 2017 and every completed month thereafter until the Closing Date. Such updated Interim Financial Statements will be delivered to Purchaser within 15 Business Days following the last day of the applicable month.

6.17 **Financing Cooperation**

Vendors shall use their commercially reasonable efforts to provide, and shall cause the Corporation, its Subsidiaries and their respective representatives and the representatives of the Vendors to use commercially reasonable efforts to provide, such reasonable cooperation in connection with the arrangement of the Financing as may be reasonably requested by Purchaser, including its commercially reasonable efforts to (i) participate (and use commercially reasonable efforts to cause members of senior management of the Corporation to participate), to the extent customary and reasonable and not unreasonably interfering with the Business, in meetings, presentations and due diligence sessions with the Financing Sources and actual and prospective lenders and financing sources and sessions with rating agencies, (ii) assist Purchaser and the Financing Sources in the preparation of (A) a customary confidential information memorandum and for any portion of the Financing (and furnishing customary authorization letters (containing customary representations, including the customary representation that the information provided by the Vendors and/or the Corporation for inclusion in any confidential information memorandum or lender presentation does not include material non-public information about the Corporation and its Subsidiaries, and designating the information provided by the Vendors and/or the Corporation for presentation to the Financing Sources as suitable to be made available to lenders who do not wish to receive material non-public information) in connection therewith, executed on behalf of the Corporation and without personal liability to such Persons), (B) materials for rating agency presentations and (C) bank information memoranda, bank syndication materials and similar documents required in connection with arranging the Financing, in each case to the extent customary and reasonable and not unreasonably interfering with the Business, (iii) provide reasonable and customary cooperation with the marketing efforts of Purchaser and the Financing Sources for any portion of the Financing to the extent not unreasonably interfering with the Business, (iv) assist with the preparation of and providing information necessary for completion of the schedules to, and cooperating with (and not impeding) the execution of, any pledge and security documents, any financing agreement and other definitive financing documents (in each case, with respect to any such execution, solely with respect to individuals who are employees of the Corporation or any of its Subsidiaries (such individuals, "Continuing Employees") and are executing such documentation on behalf of, and in the capacity as an officer or director of, the legal entities constituting the Corporation and its Subsidiaries, and without personal liability to such Continuing Employees, and not, for the avoidance of doubt, in his or her capacity as an officer of any Vendor, with such documentation effective with and subject to the occurrence of the Closing) and other customary matters, secretary's certificates, closing certificates, notices and other documentation that is customarily required for the closing of a financing such as the Financing (in each case on behalf of, and executed by a Continuing Employee in the capacity as an officer or director of the Corporation or a Subsidiary and without personal liability to such Continuing Employee), (v) facilitate the pledging of the assets of the Corporation and its Subsidiaries, in each case to be effective only upon and after Closing (including assisting with the execution, preparation and delivery of original stock certificates (or local equivalents) and other certificated securities of the Corporation and its Subsidiaries that are pledged under the Financing and original stock powers executed in blank (or local equivalents) to the lenders in respect of the Financing (including providing copies thereof prior to the Closing Date) on or prior to the Closing Date) and taking reasonable steps necessary to permit the Financing Sources to evaluate the assets of the Corporation and its Subsidiaries for purposes of establishing collateral arrangements to the extent customary and not unreasonably interfering with the Business, provided that no pledge shall be effective until the Closing and the delivery of any such original stock certificates and other certificated securities and original stock powers shall be delivered in escrow pending release at Closing, (vi) furnish Purchaser and the Financing Sources at least six Business Days prior to the Closing Date all documentation and other information as reasonably requested in writing at least nine Business Days prior to the Closing Date by the Financing Sources that they reasonably determine is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the PATRIOT Act, (vii) cooperating with the Financing Sources' due diligence investigation, to the extent customary and reasonable and not unreasonably interfering with the Business; and (viii) assist the Purchaser in satisfying the conditions precedent set forth in the Financing Commitment Letter (as in effect on the date of this Agreement) to the extent satisfaction thereof requires the cooperation, and is within the control, of any Vendor, the Corporation, its Subsidiaries or their respective representatives, to the extent such cooperation is reasonable and does not unreasonably interfere with the Business.

6.18 **Amalgamation**

The Purchaser agrees to amalgamate with the Corporation immediately following Closing.

6.19 Severance Obligations

The Purchaser acknowledges that during the Interim Period it intends to present employment agreements to the employees included in Sections 1.1D and 1.1E of the Disclosure Letter, which are intended to govern their employment relationships with the Corporation or its successor subsequent to the Closing. The Purchaser acknowledges and agrees that such agreements are to be on terms substantially similar to the current employment terms governing such employees' employment by the Corporation (and EmployeeCo prior to its amalgamation with the Corporation) and for an indefinite term for all employees other than for the employees included in Section 1.1D of the Disclosure Letter. The Purchaser acknowledges that it will be responsible for all severance obligations arising in relation to the new employment agreements, other than with respect to Bernie Moore (and, for clarity, the Aircraft Employees), after the Closing or at any time resulting from any change to any such employee's employment terms determined or alleged to have arisen as a consequence of the presentation or entry into of such new employment agreements.

6.20 No Actions Taken to Affect the Bump

Subsequent to execution of this Agreement, the Vendors shall not take any of the following actions or enter into any of the following transaction, which could reasonably be expected to have the effect of materially reducing or eliminating the amount of the tax cost "bump" available to the Purchasers pursuant to paragraphs 88(1)(c) and (d) of the Tax Act: (i) either of the Vendors acquiring any of the assets owned by the Corporation on the Closing Date; (ii) acquiring property that derives its value from property owned by the Corporation on the Closing Date; or (iii) acquiring shares of the Purchaser or any of its Affiliates; where such acquisition could reasonably be considered part of the same series of transactions that involves the sale of the Vendor Shares pursuant to this Agreement; and the Vendors agree to comply with any subsequent reasonable request to not take specific actions or not enter into specific transactions, where the effect of such actions or transactions might reasonably be expected to have such adverse effect on the tax cost "bump".

ARTICLE VII
CONDITIONS

7.1 Conditions to the Obligations of the Purchaser

The obligation of the Purchaser to complete the transactions contemplated in this Agreement is subject to the following conditions being fulfilled or performed at or before the Closing Time:

(a) **Accuracy of Representations and Warranties.** The representations and warranties of the Vendors contained in this Agreement and in any Ancillary Agreement will be true and accurate in all material respects on the date hereof and at the Closing Time in all material respects with the same force and effect as though such representations and warranties had been made as of the Closing Time (or, if made as of a particular date, as of such date). Each of the Vendors will have executed and delivered to the Purchaser a certificate in such form as Vendors' Counsel and Purchaser's Counsel agree confirming that the facts with respect to each representation and warranty of the Vendors made under this Agreement and any Ancillary Agreements, as applicable, are true and correct in all material respects at the Closing Time.

(b) **Performance of Covenants**. The Vendors will have fulfilled, performed or complied with, or caused the Corporation to fulfill, perform or comply with all covenants and obligations contained in this Agreement and in any Ancillary Agreement required by them to be fulfilled, performed or complied with at or before the Closing Time. Each of the Vendors will have executed and delivered to the Purchaser a certificate to that effect.

(c) **Consents**. All consents, approvals and notices set out in Section 3.7 of the Disclosure Letter will have been obtained or given by the Vendors, as the case may be, and delivered to the Purchaser on terms acceptable to the Purchaser, acting reasonably, and all such consents, notices and approvals will be in full force and effect as at the Closing Time.

(d) **Authorizations**. All Authorizations, notifications and filings set out in Section 3.6 of the Disclosure Letter will have been obtained or given by the Vendors, as the case may be, and delivered to the Purchaser on terms acceptable to the Purchaser, acting reasonably, and all such Authorizations, notifications and filings will be in full force and effect as at the Closing Time.

(e) **Closing Deliverables**. The Vendors will have executed and delivered to the Purchaser at Closing the documents set out in Section 8.2(a), and will have used their commercially reasonable efforts to cause to be executed and delivered to the Purchaser at Closing the documents set out in Section 8.2(b) in form satisfactory to the

Purchaser, acting reasonably.

(f) **No Legal Action or Proceedings**. No order, decision or ruling of any Governmental Authority will have been made, and no action or proceeding will be pending or threatened which, in the opinion of Purchaser's Counsel, is likely to result in an order, decision or ruling to disallow, enjoin or prohibit the purchase and sale of the Purchased Shares contemplated by this Agreement or the Employee Share Agreements or the right of the Purchaser to own the Purchased Shares.

(g) **Material Adverse Change**. As of the Closing Date, no Material Adverse Change will have occurred in connection with the Corporation's Assets, Business or Condition.

(h) **Sale of Aircraft.** The Corporation will have disposed of all of its interest in and to the 1998 Dessault Falcon 50EX aircraft, serial number 50-270 (the "**Aircraft**").

(i) **Employee Retention.** Arrangements reasonably satisfactory to the Purchaser shall have been made for the retention of the Key Employees.

(j) **Shareholder Loans Receivable.** The Vendors' shareholder loans receivable shall have been satisfied prior to Closing with the proceeds of dividends paid by the Corporation.

(k) **Operation of Business.** The Business of the Corporation having been conducted in the Ordinary Course consistent with past practice from the date of execution of this Agreement through the Closing Date.

(l) **Canadian Real Property.** WPP shall have transferred the Canadian Real Property to the Purchaser at Closing and confirm it to be free and clear of all Encumbrances, other than Permitted Encumbrances, in accordance with Section 2.10.

(m) **Delivery of FY17 Audited Financial Statements.** The Vendors' and the Corporation will deliver the FY17 Audited Financial Statements at or prior to Closing, which will not materially differ from the FY17 Unaudited Financial Statements. Failing delivery of the FY17 Audited Financial Statements at or prior to Closing, the Vendors' and its independent auditor will represent and warrant that, to the best of its respective knowledge, no facts or circumstances exist which will cause the FY17 Audited Financial Statements to materially differ from the FY17 Unaudited Financial Statements.

(n) **Nisku Lease.** The Corporation's lease of premises located in Nisku Alberta from WPP shall have been terminated with effect not later than the Closing Date.

7.2 Waiver or Termination by Purchaser Upon Unfilled Condition

If any conditions in Section 7.1 have not been fulfilled at or before the Closing Time or if any such condition is or becomes impossible to satisfy, other than as a result of the failure of the Purchaser to comply with its obligations under this Agreement, then the Purchaser in its sole discretion may, without limiting any rights or remedies available to the Purchaser at law or in equity, either:

(a) terminate this Agreement by notice to the Vendor, as provided in Section 10.1(b); or

(b) waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfilment of any other condition.

7.3 Conditions to the Obligations of the Vendors

The obligation of the Vendors to complete the transactions contemplated in this Agreement are subject to the following conditions being fulfilled or performed at or before the Closing Time:

(a) **Accuracy of Representations and Warranties**. The representations and warranties of the Purchaser contained in this Agreement or in any Ancillary Agreement will be true and accurate in all material respects on the date hereof and at the Closing Time in all material respects with the same force and effect as though such representations and warranties had been made as of the Closing Time (or, if made as of a particular date, as of such date). The Purchaser will have executed and delivered to the Vendors a certificate in such form as Vendors' Counsel and Purchaser's Counsel reasonably agree confirming that the facts with respect to each representation and warranty of the Purchaser made under this Agreement and any Ancillary Agreement, as applicable, are true and correct in all material respects at the Closing Time.

(b) **Performance of Covenants**. The Purchaser will have fulfilled, performed or complied with all covenants contained in this Agreement and in any Ancillary Agreement required by it to be fulfilled, performed or complied with at or before the Closing Time, and the Purchaser will have executed and delivered a certificate to that effect.

(c) **Closing Deliverables**. The Purchaser will have executed and delivered to the Vendors at Closing the documents set out in Section 8.2(c) in form satisfactory to the Vendors, acting reasonably.

(d) **No Legal Action or Proceedings**. No order, decision or ruling of any Governmental Authority will have been made, and no action or proceeding will be pending or threatened which, in the opinion of Vendors' Counsel, is likely to result in an order, decision or ruling, to disallow, enjoin or prohibit the purchase and sale of the Purchased Shares contemplated under this Agreement or the Employee Share Agreements.

(e) **Financing**. The Purchaser shall have completed all requisite Financing.

7.4 **Waiver or Termination by Vendors Upon Unfilled Condition**

If any conditions in Section 7.3 have not been fulfilled at or before the Closing Time or if any such condition is or becomes impossible to satisfy, other than as a result of the failure of the Vendors to comply with its obligations under this Agreement, then the Vendors in their sole discretion may, without limiting any rights or remedies available to the Vendors at law or in equity, either:

(a) terminate this Agreement by notice to the Purchaser, as provided in Section 10.1(c); or

(b) waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfilment of any other condition.

ARTICLE VIII
CLOSING PROCESS AND DELIVERABLES

8.1 **Date, Time and Place of Closing**

The closing of the Acquisition will occur at the Closing Time at the offices of the Purchaser's Counsel at 4500 Bankers Hall East, 855 – 2nd Street SW, Calgary, Alberta, T2P 4K7 or at such other place or in such other manner as the Parties may agree in writing (the "**Closing**"). The Closing will be effective as of the Closing Time.

8.2 **Closing Deliverables**

(a) At or before the Closing Time, the Vendors shall execute and deliver, or cause to be executed and delivered, to the Purchaser the following in form satisfactory to the Purchaser, acting reasonably:

(i) share certificates representing the Purchased Shares accompanied with duly executed share transfer forms or duly issued share certificates representing the Purchased Shares in the name of the Purchaser, in either case, together with security registers evidencing that the Purchaser is the sole holder of the Purchased Shares;

(ii) certified copies of: (A) the articles, by-laws and other constating documents of the Corporation; and (B) all necessary director and shareholder resolutions, authorizations and proceedings of the Vendors and the Corporation that are required to be taken or obtained to permit the valid transfer and registration of the Purchased Shares to and in the name of the Purchaser and the completion of such other transactions contemplated in this Agreement and the Ancillary Agreements, as applicable;

(iii) a certificate of status, compliance, good standing or like certificate with respect to the Corporation issued by the appropriate government official of the jurisdiction of its formation and of each jurisdiction in which the Corporation carries on business as set out in Section 3.1 of the Disclosure Letter;

(iv) the certificates referred to in Section 7.1(a) and Section 7.1(b);

(v) the executed Non-Competition

Agreements;

(vi) the executed Escrow Agreement;

(vii) a duly executed resignation of each of the directors of the Corporation as the Purchaser may specify in writing at least five Business Days before Closing;

(viii) a duly executed release of claims in favour of the Corporation from each of the Vendors;

(ix) discharges of all guarantees granted by the Corporation in respect of obligations of the Vendors or any of their Affiliates;

(x) confirmation, to the satisfaction of the Purchaser, that all amounts owing by the Vendors and any of their Affiliates to the Corporation have been paid in full; and

(xi) the minute book and corporate seal (if any) of the Corporation and all other books and records of, or documents relating to, the Corporation, its Assets and the Business including all accounting and Tax records, returns, forms and elections and relevant working papers and files and data in the possession of the Vendors or any other third party on behalf of the Corporation, Vendors that were not previously delivered to the Purchaser; and

(xii) such other documents or items that are customary in similar transactions to those described in this Agreement and that may be reasonably requested by Purchaser's Counsel.

(b) At or before the Closing Time, the Vendors shall use their best efforts to cause to be executed and delivered to the Purchaser the following in form satisfactory to the Purchaser, acting reasonably:

(i) evidence of discharge of all Encumbrances (other than Permitted Encumbrances) and/or payout letters in forms satisfactory to the Purchaser with respect to the amounts required to repay in full all Third Party Debt and Related Party Obligations, together with wire transfer instructions;

(ii) an estoppel certificate from each lessor under each of the Real Property Leases, if required, and copies of any non-disturbance agreements with mortgagees of the Leased Premises, as the Purchaser may require; and

(iii) such other documents or items that are customary in similar transactions to those described in this Agreement and that may be reasonably be requested by Purchaser's Counsel.

(c) At or before the Closing Time, the Purchaser shall deliver, or cause to be delivered to the Vendors the following in form satisfactory to the Vendors, acting reasonably:

(i) certified copies of resolutions of the directors of the Purchaser as may be required in order to authorize the execution, delivery and performance of this Agreement and the Ancillary Agreements, as applicable, by the Purchaser;

(ii) the certificates referred to in Section 7.3(a) and 7.3(b);

(iii) the executed Non-Competition Agreements;

(iv) the executed Escrow Agreement;

(v) the Purchase Price as contemplated by Sections 2.2 and 2.3; and

(vi) such other documents or items that are customary in similar transactions to those described in this Agreement and that may be reasonably requested by Vendors' Counsel.

ARTICLE IX
INDEMNIFICATION

9.1 **Indemnity by the Vendors**

(a) Each of the Vendors agrees to severally indemnify and hold harmless the Purchaser's Indemnified Parties from and against any Losses and Legal Proceedings incurred or suffered by the Purchaser's Indemnified Parties, directly or indirectly, as a result of, in respect of or arising out of:

(i) any breach or failure to perform or fulfill any covenant or obligation on the part of the Vendors (or any of them) contained in this Agreement or in any document given by them in order to carry out the transactions contemplated by this Agreement;

(ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Vendors contained in this Agreement or contained in any document or certificate given in order to carry out the transactions contemplated by this Agreement; and

(iii) all costs and expenses including legal fees, charges and incidental to or in respect of the foregoing.

(b) The obligations of indemnification by the Vendors pursuant to paragraph (a) of this Section will be subject to the following:

(i) the provisions of Section 5.1 with respect to the survival of the representations and warranties by the Vendors; and

(ii) the provisions of Sections 9.3, 9.4 and 9.5.

9.2 **Indemnity by the Purchaser**

(a) The Purchaser agrees to indemnify and hold harmless the Vendors' Indemnified Parties from and against any Losses and Legal Proceedings incurred or suffered by the Vendors' Indemnified Parties as a result of, in respect of or arising out of:

(i) any breach or failure to perform or fulfill any covenant or obligation on the part of the Purchaser contained in this Agreement or in any document given by the Purchaser in order to carry out the transactions contemplated by this Agreement;

(ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Purchaser contained in this Agreement or contained in any document or certificate given in order to carry out the transactions contemplated by this Agreement; and

(iii) all costs and expenses including legal fees, charges and incidental to or in respect of the foregoing.

(b) The obligations of indemnification by the Purchaser pursuant to paragraph (a) of this Section will be subject to the following:

(i) the provisions of Section 5.2 with respect to the survival of the representations and warranties by the Purchaser; and

(ii) the provisions of Sections 9.4 and 9.5.

9.3 **Limitations to Indemnity by the Vendors**

(a) Subject to Sections 9.3(b) and 9.3(c), no claim may be made pursuant to Section 9.1(a)(ii) against the Vendors and Purchaser's exclusive remedy for such claims shall be limited to claiming under the R&W Insurance Policy.

(b) Section 9.3(a) will not apply to limit any liability in respect of:

(i) any matters referenced in Section 9.4(c) hereof;

(ii) a breach of any of the Fundamental Representations and Warranties;

(iii) a breach of covenants under this Agreement;

(iv) a breach of any obligation under this Agreement other than Section 9.1(a)(ii);

(c) Notwithstanding anything herein to the contrary, Vendors' fraud, willful misconduct or intentional breach of any obligation or provision of this Agreement shall not be limited by any *de minimus* threshold or liability cap set out in this Agreement.

9.4 **Other Limitations on Liability**

(a) The Parties shall use commercially reasonable efforts to mitigate its Losses in respect of any Indemnity Claim hereunder, including by making insurance claims on insurance policies.

(b) Subject to Section 9.4(c):

(i) no Party shall have any liability to any Indemnified Party for any matter identified in Section 9.3(b) to the extent of any insurance proceeds (including insurance proceeds from commercial general liability insurance or the R&W Insurance Policy) actually received by such Indemnified Party with respect to such damages, net of any deductible and costs of collection and any increase in the annual insurance premium of said insurance policies for any subsequent period resulting from the filing and collection of such insurance claim;

(ii) no Party shall have any liability to any Indemnified Party for any matter identified in Section 9.3(b) to the extent of any net tax benefit actually obtained in the year the damages are incurred or in the immediately succeeding tax year by the Indemnified Party as a result of the damages giving rise to the claim hereunder;

(iii) no Party shall have any liability in favour of any Indemnified Party for claims constituting punitive damages or criminal or civil fines or penalties; provided, however, this exclusion shall not apply to (terms capitalized in this Section 9.4(b)(iii) but not otherwise defined in this Agreement shall have the meaning in the R&W Policy):

(A) the extent such damages or fines or penalties are insurable by applicable law of the Most Favorable Jurisdiction;

(B) the extent such damages or fines or penalties are awarded or assessed against the Insureds in connection with a Third Party Demand pursuant to:

(1) a final settlement consented to in writing by the Insurer (not to be unreasonably withheld, conditioned or delayed) in accordance with Section V of the R&W Policy; or

(2) a final non-appealable: (1) order of a governmental or regulatory authority; (2) judgment of a court of competent jurisdiction; or (3) award of an arbitrator, arbitration panel or similar adjudicative body; and

(C) related Defense Costs.

(iv) no claim may be made against the Vendors for any matter identified in Section 9.3(b) until the aggregate of all Qualifying Claims exceeds $2,600,000, in which event the Vendor shall be required to pay or be liable for the excess amount of such claims, only;

(v) the maximum, combined liability of the Vendors under this Agreement will be limited to $2,000,000; and

(vi) no claim may be made against the Vendors by the Purchaser in respect of product liability claims against the Corporation, resulting from a defect in or failure to perform or deliver any products, service or work, as more specifically described in Section 3.49(b) hereof, except to the extent that such product liability claims were known to the Corporation or the Vendors on the date hereof, but were not disclosed in

Section 3.49 of the Disclosure Letter; and regardless of whether any such product liability claim, that becomes known to the Corporation or the Vendors after the date hereof, arises before or after Closing.

(c) Notwithstanding anything herein to the contrary, each of the Vendors agrees to severally indemnify and hold harmless the Purchaser's Indemnified Parties from and against any Losses and Legal Proceedings, including attorneys' fees (except where noted), incurred or suffered by the Purchaser's Indemnified Parties, directly or indirectly, as a result of, in respect of or arising out of the following matters, which matters shall not be limited by any *de minimus* threshold, basket or liability cap set out in this Agreement:

(i) the Hovey Litigation;

(ii) any assessment for Taxes arising from:

(A) the transactions undertaken in relation to the 2016 Reorganization;

(B) the payments and reimbursements from CCI Partnership to EmployeeCo during the existence of the CCI Partnership;

(C) the re-characterization of any investment transactions carried on by EmployeeCo from capital to income; or

(iii) any penalties that may be assessed with respect to the BNAS 2011 Transaction by any Governmental Authority. For the avoidance of doubt, any attorneys' fees and expenses incurred as a result of the BNAS 2011 Transaction will be for the sole account of Purchaser;

(iv) any and all claims, fees, penalties and expenses related to the Corporations' termination of employment of the employees listed in Section 9.4(c)(iv)of the Disclosure Letter (the "**Aircraft Employees**") in connection with the Closing and related sale of the Aircraft.

9.5 Provisions Relating to Indemnity Claims

The following provisions will apply to any claim by the Indemnified Parties (or any of them) for indemnification pursuant to Section 9.1 or Section 9.2 (an "**Indemnity Claim**"):

(a) As soon as reasonably practicable after becoming aware of any matter that may give rise to an Indemnity Claim, the Indemnified Parties (or any of them) will provide to the Purchaser or the Vendors, as applicable (the "**Indemnifying Party**") written notice of the Indemnity Claim specifying (to the extent that information is available) the factual basis for the Indemnity Claim and the amount of the Indemnity Claim or, if an amount is not then determinable, an estimate of the amount of the Indemnity Claim if an estimate is feasible in the circumstances.

(b) If an Indemnity Claim relates to an alleged liability of the Corporation to any other Person (a **Third Party Claim**"), including any Governmental Authority, which is of a nature such that the Corporation is required by Law to make a payment to a Third Party before the relevant procedure for challenging the existence or quantum of the alleged liability can be implemented or completed, then the Indemnified Parties (or any of them) may, notwithstanding the provisions of paragraphs (c) and (d) of this Section, make such payment and immediately demand reimbursement for such payment from the Indemnifying Party in accordance with this Agreement. However, if the alleged liability to the Third Party, as finally determined upon completion of settlement negotiations or related legal proceedings, is less than the amount which is paid by the Indemnifying Party in respect of the related Indemnity Claim, then the Indemnified Parties (or any of them) shall, immediately following such final determination, pay to the Indemnifying Party the amount by which the amount of the liability as finally determined is less than the amount which is so paid by the Indemnifying Party.

(c) The Indemnified Parties shall not negotiate, settle, compromise or pay (except in the case of payment of a judgment) any Third Party Claim as to which it proposes to assert an Indemnity Claim, except with the prior consent of the Indemnifying Party (which consent must not be unreasonably withheld, delayed or conditioned), unless there is a reasonable possibility that such Third Party Claim may materially and adversely affect the Business, the Condition of the Corporation or the Indemnified Parties (or any of them), in which case the Indemnified Parties will have the right, after notifying the Indemnifying Party, as applicable, to negotiate, settle, compromise or pay such Third Party Claim without prejudice to their rights of indemnification under this Agreement.

(d) With respect to any Third Party Claim, if the Indemnifying Party first admits the right of the Indemnified Parties to indemnification for the amount of such Third Party Claim which may at any time be determined or settled, and except as contemplated by Section 9.5(f), then in any legal, administrative or other proceedings in connection with the matters forming the basis of the Third Party Claim, the following procedures will apply:

(i) except as contemplated by subparagraph (iii) of this paragraph, the Indemnifying Party will have the right to assume carriage of the negotiation, settlement or compromise of the Third Party Claim and the conduct of any related legal, administrative or other proceedings, but the Indemnified Parties will have the right and will be given the opportunity to participate in the defense of the Third Party Claim, to consult with the Indemnifying Party in the settlement of the Third Party Claim and the conduct of related legal, administrative and other proceedings (including consultation with counsel) and to disagree on reasonable grounds with the selection and retention of counsel, in which case the Indemnifying Party shall retain counsel satisfactory to the Indemnifying Party and the Indemnified Parties;

(ii) the Indemnifying Party will co-operate with the Indemnified Parties in relation to the Third Party Claim, will keep the Indemnified Parties fully advised with respect thereto, will provide the Indemnified Parties with copies of all relevant documentation as it becomes available, will provide the Indemnified Parties with access to all records and files relating to the defense of the Third Party Claim and will meet with representatives of the Indemnified Parties at all reasonable times to discuss the Third Party Claim; and

(iii) notwithstanding subparagraphs (i) and (ii) of this paragraph, the Indemnifying Party will not settle the Third Party Claim or conduct any legal, administrative or other proceedings in any manner which could, in the reasonable opinion of the Indemnified Parties (or any of them), have a Material Adverse Change on the Business, the Condition of the Corporation or the Indemnified Parties (or any of them), except with the prior written consent of the Indemnified Parties.

(e) If, with respect to any Third Party Claim, the Indemnifying Party does not admit the right of the Indemnified Parties to indemnification or declines to assume carriage of the negotiation, settlement or compromise of the Third Party Claim or of any legal, administrative or other proceedings relating to the Third Party Claim, then the following provisions will apply:

(i) the Indemnified Parties (or any of them), at their discretion, may assume carriage of the settlement or of any legal, administrative or other proceedings relating to the Third Party Claim and may defend or settle the Third Party Claim on such terms as the Indemnified Parties (or any of them), acting in good faith, consider advisable; and

(ii) any Losses incurred or suffered by the Indemnified Parties in connection with the settlement of such Third Party Claim or the conduct of any legal, administrative or other proceedings will be added to the amount of the Indemnity Claim.

(f) If, with respect to any Third Party Claim, the Indemnified Party is the Purchaser, the Indemnifying Party is one or more of the Vendors and the Third Party Claim involves any customer, supplier, subcontractor, dealer, agent or distributor of the Business, then the following provisions will apply:

(i) except as contemplated by subparagraph (iii) of this paragraph, the Purchaser will have the right to assume carriage of the compromise or settlement of the Third Party Claim and the conduct of any related legal, administrative or other proceedings, but the Vendors will have the right and will be given the opportunity to participate in the defense of the Third Party Claim, to consult with the Purchaser in the settlement of the Third Party Claim and the conduct of related legal, administrative and other proceedings (including consultation with counsel);

(ii) the Purchaser will co-operate with the Vendors in relation to the Third Party Claim, will keep the Vendors fully advised with respect thereto, will provide the Vendors with copies of all relevant documentation as it becomes available, will provide the Vendors with access to all records and files relating to the defense of the Third Party Claim and will meet with representatives of the Vendors at all reasonable times to discuss the Third Party Claim; and

(iii) notwithstanding subparagraphs (i) and (ii) of this paragraph, the Purchaser will not settle the Third Party Claim except with the prior written consent of the Vendors, such consent not to be unreasonably withheld, delayed or conditioned.

9.6 **Materiality**

Subject to the provisions of Sections 9.1 through 9.5, in the case of an Indemnity Claim under Section 9.1 for a breach by the Vendors of a representation or warranty that is qualified by materiality or the requirement for a Material Adverse Change to the

Corporation, the Purchaser will be entitled to claim the full amount of the Losses resulting from such breach without regard to the materiality or Material Adverse Change qualifier. However, for certainty, the determination of whether there has been a breach under Section 9.1 of a representation or warranty that is qualified by materiality or the requirement for a Material Adverse Change to the Corporation must be made having regard to the materiality or Material Adverse Change qualifier.

ARTICLE X
TERMINATION

10.1 Rights of Termination

This Agreement and the obligations of the Parties to complete the Acquisition may be terminated on or prior to Closing:

(a) by the mutual written consent of the Vendors and the Purchaser;

(b) by the Purchaser if:

(i) there has been a material breach of any representation, warranty, covenant or agreement made by the Vendors under this Agreement and such breach has not been waived by the Purchaser or cured by the Vendor within 10 days of Vendor's receipt of written notice of such breach from the Purchaser; or

(ii) any of the conditions set out in Section 7.1 have not been fulfilled by the Outside Date unless such failure is due to the Purchaser's failure to perform or comply with any of the covenants, agreements or conditions to be performed or complied with by it before the Closing Date;

(c) by the Vendors if:

(i) there has been a material breach of any representation, warranty, covenant or agreement made by the Purchasers under this Agreement and such breach has not been waived by the Vendors or cured by the Purchaser within 10 days of the Purchaser’s receipt of written notice of such breach from the Vendor; or

(ii) any of the conditions set out in Section 7.3 have not been fulfilled by the Outside Date unless such failure is due to the Vendors' failure to perform or comply with any of the covenants, agreements or conditions to be performed or complied with by them before the Closing Date;

(d) by the Vendors or Purchaser if:

(i) if any Governmental Authority of competent jurisdiction has threatened to issue or issued any Law, permanent injunction, order, decree, ruling or other action that prohibits or restrains the consummation of the transactions contemplated by this Agreement; or

(ii) the Closing has not occurred by the Outside Date, except however, the right to terminate this Agreement pursuant to this Section 10.1(d)(ii) will not be available to any Party if such Party's failure to fulfill any obligation under this Agreement causes or results in the Closing Date to not occur prior to the Outside Date.

10.2 Effect of Termination

If this Agreement is terminated pursuant to Section 10.1, all obligations of the Parties under this Agreement will terminate, except that each Party's obligations under Sections 2.4(b) (Deposit,) 6.7 (Transfer of Personal Information), 11.9 (Expenses), 11.10 (Successors and Assigns) and Article IX (Indemnification) will survive any termination of this Agreement.

Termination of this Agreement pursuant to Section 10.1 will not limit or impair any remedies and indemnities that any Party may have with respect to a breach, default or non-fulfillment by any other Party of its representations, warranties, covenants, conditions or obligations under this Agreement, except that if termination of this Agreement occurs in connection with Section 10.1(d)(ii) solely as a result of the Purchaser’s failure to obtain Financing, the Vendors’ sole and exclusive remedy against the Purchaser shall be the Deposit in accordance with Section 2.4(b)(i).

ARTICLE XI
GENERAL PROVISIONS

11.1 **Announcements**

No Party will issue a press release or make any other public announcement relating to this Agreement or the Acquisition unless the other Party provides its prior written approval of the content, timing and manner of such press release or public announcement (acting reasonably), or if required by Law. If a Party is required to publicly disclose the Acquisition or Agreement by Law (the "**Required Disclosure**"), then the Party making the Required Disclosure must consult with the other Party regarding the content of the Required Disclosure and provide the other Party no less than three Business Days to review and comment on the substance of the Required Disclosure prior to its publication or filing.

11.2 **Further Assurances**

At all times after the Closing Date, each Party, at its expense, shall promptly execute and deliver all such documents including additional conveyances, instruments, transfers, consents and other assurances, and do all such other acts and things as the other Parties, acting reasonably, may from time to time request be executed or done in order to better evidence, perfect or give effect to any provision of this Agreement or other document delivered pursuant to this Agreement or any of the respective obligations created or intended to be created by this Agreement.

11.3 **Dispute Resolution and Submission to Jurisdiction**

If any controversy or dispute (a "**Dispute**") arises with respect to this Agreement, the Ancillary Agreements (to the extent no choice of law is specified therein) or any transactions contemplated by this Agreement, the Dispute or Legal Proceeding must be brought in the Alberta Court of Queen's Bench in the City of Edmonton, and each Party irrevocably submits and agrees to attorn to the non-exclusive jurisdiction of that court. The Parties irrevocably and unconditionally waive any objection to the venue of any Dispute or Legal Proceeding in that court and irrevocably waive and agree not to plead or claim in that court that such Dispute or Legal Proceeding has been brought in an inconvenient forum.

11.4 **No Shop**

As and from the date hereof until the earlier of the November 30, 2017 and the Purchaser providing written notice to the Vendors that it does not intend to complete the Acquisition, none of the Vendors shall enter into negotiations with, accept or solicit any offer from or enter into any other agreement or understanding with any other Person relating to: the sale of any of the shares or Assets of the Corporation or its Business or any part thereof; the issue of any shares, options or securities in the capital of the Corporation; or the entering into of any joint venture, partnership, merger, arrangement or similar transaction.

11.5 **Time of the Essence**

Time is of the essence in the performance of the Parties' respective obligations under this Agreement.

11.6 **Remedies Cumulative**

Subject to the provisions of Sections 2.4(b)(i), 9.3 and 9.4 hereof, the rights and remedies of the Parties under this Agreement are cumulative and in addition and without prejudice to and not in substitution for any rights or remedies provided by Law. Any single or partial exercise by any Party of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

11.7 **Notices**

(a) **Mode of Giving Notice.** Any notice, consent, determination or other communication required or permitted to be given under this Agreement (a "**Notice**") must be in writing and sent in one of the following ways to the applicable address set out below:

(i) delivered personally to the applicable Party during normal business hours at the address set out below (a personally delivered Notice will be deemed to be received by the addressee when actually delivered);

(ii) if an email address or facsimile number is provided in Section 11.7(b), sent by electronic transmission to the email address or facsimile number to the applicable Party set out below (any Notice so given will be deemed to have been received on the day of transmission if it is a Business Day and the Notice was transmitted prior to 5:00 p.m. (recipient time) on such day, or if later, the following Business Day);

(iii) delivered by a prepaid courier service at the address set out below (such a Notice will be deemed to be

received by the addressee when actually delivered); or

(iv) sent by registered mail, postage prepaid, to the applicable Party (Notices so sent will be deemed to have been received by the addressee on the third Business Day following the date of mailing), except that in the event of an actual or threatened postal strike or other labour disruption that may affect the mail service in Alberta, Notices will not be mailed.

(b) **Addresses for Notice**. The addresses of the Parties are as follows:

(i) in the case of the Vendors:

Camary Holdings Ltd.
210 Riviera Plaza
5324 Calgary Trail NW
Edmonton, AB, T6H 4J8

Attention:	Mr. Robert Manning
Title:	President
Email:	rmanning2626@gmail.co,
Facsimile number:	780.438.2632

Rocor Holdings Ltd.
5 Whitemud Place NW
Edmonton, AB, T6H 5X4

Attention:	Mr. Harold Roozen
Title:	President
Email:	hroozen@ccithermal.com
Facsimile number:	

and with a copy to:

Miller Thomson LLP
2700 Commerce Place
10155 – 102 Street NW
Edmonton, AB T5J 4G8

Attention:	Joseph W. Yurkovich, Q.C.
Email:	jyurkovich@millerthomson.com
Facsimile number:	780.424.5866

(ii) in the case of the Purchaser:

2071827 ALBERTA LTD.
c/o Thermon Group Holdings, Inc.
100 Thermon Drive
San Marcos, Texas 78666

Email: **sarah.alexander@thermon.com**

and with a copy to:

Bennett Jones LLP
4500, 855 – 2nd Street S.W.
Calgary, Alberta
T2P 4K7

Attention: Brad D. Markel
Email: markelb@bennettjones.com

(c) **Change of Address**. Any Party may from time to time change its address under this Section by giving notice to all other Parties in the manner provided by this Section.

11.8 **Counterparts**

This Agreement may be executed and delivered in counterparts and may be delivered in original or electronic form, each of which when so executed and delivered will be deemed to be an original and when taken together, will constitute one and the same Agreement.

11.9 **Expenses**

Each of the Parties shall be responsible for all expenses incurred by it in connection with this Agreement, including fees of its respective legal, accounting, broker and other professional fees and payments to directors, officers and employees, retention payments and other change-of-control or similar payments or bonuses payable solely as a result of the Acquisition (the "**Vendors' Transaction Expenses**" or the "**Purchaser's Transaction Expenses**," as applicable).

11.10 **Successors and Assigns**

This Agreement will be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns. The rights and obligations of the Vendors under this Agreement may not be assigned or transferred without the prior written consent of the Purchaser. The rights and obligations of the Purchaser under this Agreement may not be assigned or transferred prior to Closing without the prior written consent of the Vendors, except that the Purchaser may assign its rights and obligations under this Agreement to an Affiliate of the Purchaser, to a lender or lenders as security for obligations owed to a lender or lenders without the consent of the Vendors, or to any Person that acquires all or substantially all of the property and assets of the Purchaser or acquires a majority of the Purchaser's issued and outstanding voting securities, whether by way of amalgamation, merger or otherwise.

11.11 **Third-Party Beneficiaries**

Other than pursuant to Article IX, nothing in this Agreement, express or implied, is intended to confer upon any Person, other than the Parties and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement. The consent of an Indemnified Party is not required for any amendment or waiver of, or other modification to, this Agreement or any Ancillary Agreement, including any rights of indemnification to which such Person may be entitled, except to the extend such Indemnified Person is a party to such agreement.

11.12 **Entire Agreement**

This Agreement constitutes the entire agreement between the Parties and supersedes all other agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written or express or implied, with respect to the subject matter of this Agreement, including the Letter of Intent, as amended or extended to the date hereof, except that the Confidentiality Agreement will continue in full force and effect in accordance with its terms. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided in this Agreement.

11.13 **Waiver**

No waiver of any default, breach or non-compliance under this Agreement will be effective unless in writing and signed by the Party to be bound by the waiver. No waiver will be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by another Party. The waiver by a Party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

11.14 **Amendments**

No modification or amendment to this Agreement may be made unless agreed to by the Parties in writing.

11.15 **Severability**

If any arbitrator or court of competent jurisdiction determines any provision of this Agreement or portion thereof to be illegal, invalid or unenforceable that provision or portion thereof will be severed from this Agreement without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

11.16 **Non-Merger**

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties and other provisions contained in this Agreement will not merge on but will survive Closing. Closing will not prejudice any right of one Party against any other Party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first written above.

CAMARY HOLDINGS LTD.

Per: /s/ Cathy Roozen
Name: Cathy Roozen
Title: President

ROCOR HOLDINGS LTD.

Per: /s/ Harold A. Roozen
Name: Harold A. Roozen
Title: CEO & President

2071827 ALBERTA LTD.

Per: /s/ Bruce Thames
Name: Bruce Thames
Title: Director

THIS AGREEMENT made effective as of the 3rd day of October, 2017.

BETWEEN:

<<Shareholder>>, an individual residing in <<City>>, in the Province of <<Province>> (hereinafter referred to as the "**Vendor**")

- and -

2071827 ALBERTA LTD., a body corporate duly incorporated pursuant to the laws of the Province of Alberta (hereinafter referred to as the "**Purchaser**")

SHARE PURCHASE AGREEMENT

PREAMBLE

WHEREAS:

A. The Vendor is the registered and beneficial owner of the Subject Shares which, together with the remaining Employee Shares and Corporate Sellers' Shares, comprise all of the issued and outstanding Shares in the capital of the Corporation;

B. The Purchaser wishes to purchase the Subject Shares from the Vendor and the Vendor wishes to sell the Subject Shares, all on the terms and conditions herein contained (the "**Acquisition**");

C. Concurrently with the execution of this Agreement, the Purchaser has entered into the Corporate Seller SPA with the Corporate Sellers, for the purchase and sale of all of the Corporate Sellers' Shares; and

D. Concurrently with the execution of this Agreement, the Purchaser has entered into similar agreements with the remaining Employee Shareholders, for the purchase and sale of all of the remaining Employee Shares.

NOW THEREFORE in consideration of the mutual covenants herein contained, the Parties do hereby agree as follows:

ARTICLE1

1.1 Definitions

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

(a) "**Acquisition**" has the meaning set out in Recital B;

(b) "**Affiliate**" means any Person which, directly or indirectly, controls, is controlled by or is under common control with another Person, and for the purpose of this definition, "control" (including with correlative meanings, the terms "controlled by" or "under common control") means the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of voting securities, by contract or otherwise;

(c) "**Agreement**" means this Agreement as the same may be amended from time to time in accordance with the terms hereof, and the expressions "herein", "hereof", "hereto", "above", "below" and similar expressions if used in any subparagraph, paragraph, subsection, section or article of this Agreement refer and relate to the whole of this Agreement and not to that subparagraph, paragraph, subsection, section, or article only, unless otherwise expressly provided;

(d) "**Ancillary Agreements**" means, collectively, the Non-Competition Agreement and any other agreements entered into by any Party in respect of the Closing;

(e) "**Assets**" means all of the Corporation's property and assets of every nature and kind, wherever located;

(f) "**Authorization**" means, with respect to any Person, any order, approval, consent, waiver, license, permit, registration, clearance, qualifications or similar authorization of or by any Governmental Authority having jurisdiction over such Person;

(g) "**Business**" means the business of the development, design and production of heating and filtration solutions for industrial and hazardous area applications;

(h) "**Business Day**" means any day other than a day which is a Saturday, a Sunday or a day on which banks in Edmonton, Alberta or San Marcos, Texas are generally not open for business;

(i) "**Closing**" means the completion of the purchase and sale of the Subject Shares hereunder;

(j) "**Closing Date**" means (i) October 30, 2017 or such later date as may be determined pursuant to the terms of Corporate Seller SPA or (ii) such earlier or later date as the parties to the Corporate Seller SPA may agree upon in writing, but in no event later than November 30, 2017;

(k) "**Closing Time**" means 10:00 a.m. (Mountain Daylight Time) on the Closing Date;

(l) "**Contract**" means any legally binding oral or written contract, agreement, arrangement, indenture, transaction, lease, license, deed of trust, sales order, purchase order, instrument, understanding, undertaking or other commitment;

(m) "**Corporate Sellers**" mean Camary Holdings Ltd. and Rocor Holdings Ltd.;

(n) "**Corporate Seller Shares**" means the six million three hundred thirty-nine thousand sixteen (6,339,016) Class "A" Shares and ten thousand eight hundred eighty-nine (10,889) Class "D" Shares legally and beneficially owned by the Corporate Sellers;

(o) "**Corporate Seller SPA**" means the agreement dated the 3rd day of October, 2017 between the Corporate Sellers and the Purchaser for the purchase, as of the Effective Time, of the Corporate Seller Shares, representing all of the remaining Shares in the capital of the Corporation other than the Subject Shares;

(p) "**Corporation**" means CCI Thermal Technologies Inc., a body corporate incorporated under the laws of Alberta;

(q) "**Effective Time**" means the effective time of the Corporate Seller SPA, being 10:00 a.m. MDT on October 30, 2017 or such other date and time as may be agreed between the parties to the Corporate Seller SPA;

(r) "**Employee Shareholder**" means any of Eric Azinger, Michael Arbour-Neagoe, Tim Chambers, Chris Donnelly, Chris Duggan, Mike Fox, Alejandro Maldonado, Bernie Moore, Jarek Szynkarczuk, Dave Ten Eycke, Lorne Weran, Garth Wideman, Cathy Roozen and Harold Roozen, and "**Employee Shareholder**" means all of them;

(s) "**Employee Shares**" means five hundred ninety-nine thousand five hundred fifty (599,550) Class "B" Shares and one hundred fifty four thousand eight hundred twelve (154,812) Class "C" Shares in the capital of the Corporation, owned by the Employee Shareholders, which include the Subject Shares;

(t) "**Escrow Agent**" means Miller Thomson LLP, in its capacity as escrow agent pursuant to an escrow agreement entered into between Miller Thomson LLP, the Corporate Sellers and the Purchaser;

(u) "**Final Closing Statement**" has the meaning assigned to that term in Section 2.5 of the Corporate Seller SPA;

(v) "**Financial Adjustment Time**" means 11:59 p.m. on the day preceding the Closing Date;

(w) "**Governmental Authority**" means any: (a) multinational, federal, provincial, territorial, state, municipal, local or other government, governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (b) subdivision or authority of any of the foregoing; (c) stock-exchange; or (d) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

(x) "**Laws**" means the general principles of common law, civil law and equity, and all applicable: (a) laws, statutes, codes, ordinances, decrees, treaties, resolutions, rules, regulations and municipal by-laws; (b) regulatory judgments, orders, decisions, rulings or awards of any Governmental Authority; and (c) to the extent they have the force of law, any policies, guidelines and notices of any Governmental Authority, as from time to time in force and effect and whether binding on or affecting the Person referred to in the context in which the word is used;

(y) "**Legal Proceeding**" means any litigation, action, suit, prosecution, audit, investigation, hearing, inquiry, claim, demand, formal grievance, notice of non-compliance or defect, citation, directive, legal charge, arbitration proceeding or other legal notice or legal proceeding, judgment, order or decree, and includes any appeal or review and any application for appeal or review of any of the foregoing;

(z) "**Non-Competition Agreement**" means the non-competition and non-solicitation agreements to be entered into by the Vendor prior to Closing, in a form mutually acceptable to counsel for the Employee Shareholders and the Purchaser, for a term which in respect of each Employee Shareholder receiving proceeds from the sale of its portion of the Employee Shares in excess of One Hundred Fifty Thousand ($150,000.00) Dollars of three years from the date of termination of employment, and for a term of two years from the date of termination of employment for each other Employee Shareholder;

(aa) "**Parties**" mean the Vendor and the Purchaser;

(ab) "**Person**" includes any individual, corporation, limited liability company, unlimited liability company, body corporate, partnership, limited partnership, limited liability partnership, firm, joint venture, syndicate, association, capital venture fund, trust, trustee, executor, administrator, legal personal representative, estate, government, governmental authority and any other form of entity or organization, whether or not having legal status;

(ac) "**Purchase Price**" means the sum of <<Price>>, subject to adjustment in accordance with the further terms of this Agreement;

(ad) "**Share**" means a share of any class in the capital of the Corporation and **Shares**" means more than one Share;

(ae) "**Subject Shares**" means <<Shares>> Class "<<Class>>" Shares which are owned by the Vendor;

(af) "**Target Working Capital Amount**" means Thirty-Three Million, Eight Hundred Ninety-Seven Thousand, Six Hundred and Thirteen ($33,897,613.00) Dollars; and

(ag) "**Vendor Participation Fraction**" means <<Fraction>>.

Capitalized words and phrases not otherwise defined herein shall have the same meaning as is ascribed to them in the Corporate Seller SPA.

1.2 **Preamble**

The Parties hereby confirm and ratify the matters contained and referred to in the Preamble to this Agreement and agree that same are expressly incorporated into and form part of this Agreement.

1.3 **Governing Law**

This Agreement, and, to the extent no choice of law is specified therein, the Ancillary Agreements and any documents delivered in connection with this Agreement will be governed by and construed, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

1.4 **Currency**

Unless otherwise indicated, all dollar amounts referred to in this Agreement are stated in Canadian currency.

1.5 **Interpretation Not Affected by Headings or Party Drafting**

The division of this Agreement into Articles and Sections, and the insertion of headings are for convenience of reference only and are not to affect the construction or interpretation of this Agreement. The Parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

1.6 **Certain Phrases**

In this Agreement:

(a) the term "including", "includes" and "include" means "including (or includes or include) without limitation";

(b) any reference to a specific Article or Section number refers to the specified Article or Section in this Agreement; and

with respect to calculating a period of time, time periods "within" or "following" which any act is to be done will be calculated by excluding the day on which the period commences and including the day which ends the period, and by extending the period to the next Business Day if the last day of the period is not a Business Day.

1.7 **Number and Gender**

In this Agreement, unless the context otherwise requires, words importing the singular number include the plural and *vice versa*. Words importing the use of any gender includes all genders, including the neutral gender "it".

1.8 **Statutes**

Unless otherwise provided for in this Agreement, any reference to statutes or regulations in this Agreement refer to such statutes or regulations as amended or replaced from time to time.

ARTICLE2

2.1. Purchase and Sale

On the terms and subject to the fulfillment of the conditions in this Agreement, at the Closing Time the Vendor agrees to sell, assign and transfer the Subject Shares to the Purchaser, and the Purchaser agrees to purchase the Subject Shares from the Vendor, free and clear of all Encumbrances.

2.2. **Purchase Price**

The aggregate purchase price payable by the Purchaser to the Vendor for the sale of the Subject Shares and the performance by the Vendor of the Vendor's obligations under this Agreement shall be the Purchase Price, subject to the adjustments provided for in this Section 2.2:

a. the Purchase Price will be adjusted for every One ($1.00) Dollar of Working Capital differential, as follows (collectively, the "**Purchase Price Adjustments**"):

(i) decreased by an amount determined by multiplying the Vendor Participation Fraction by the amount, if any, by which the Corporation's Working Capital as at the Financial Adjustment Time is less than the Target Working Capital Amount; or

(ii) increased by an amount determined by multiplying the Vendor Participation Fraction by the amount, if any, by which the Corporation's Working Capital as at the Financial Adjustment Time is greater than the Target Working Capital Amount.; and

(iii) increased by an amount determined by multiplying the Vendor Participation Fraction by the amount of any net Tax refunds received by the Corporation and payable to the Vendor as an

adjustment to the Purchase Price in accordance with the terms of Section 2.11 of the Corporate Seller SPA; or

(iv) decreased by an amount determined by multiplying the Vendor Participation Fraction by the amount of any net Tax payable by the Corporation as an adjustment to the Purchase Price in accordance with the terms of Section 2.11 of the Corporate Seller SPA.

b. the Purchase Price payable at Closing by the Purchaser to the Vendor (the "**Estimated Purchase Price**") will be based on the foregoing Purchase Price Adjustments and from the best estimate of the consolidated balance sheet of the Corporation as at the Financial Adjustment Time (the "**Estimated Closing Statement**"). The Estimated Closing Statement will be prepared in accordance with generally accepted accounting principles and delivered in accordance with the term of the Corporate Seller SPA.

c. The Purchase Price will be further adjusted post-Closing in accordance with the terms of Section 2.6 of the Corporate Seller SPA (the amount as so adjusted being the "**Final Purchase Price**") on the basis of a Final Closing Statement, which shall be prepared and delivered within ninety (90) days of the Closing Date in accordance with Section 2.5 of the Corporate Seller SPA. The Vendor acknowledges the Vendor's obligation to reimburse the Corporate Sellers for an amount determined by multiplying the Vendor Participation Fraction by the amount of any Shortfall Amount identified in the determination of the Final Purchase Price, upon such amount being paid by the Corporate Sellers to the Purchaser on behalf of the Vendor in accordance with the terms of Section 2.6 of the Corporate Seller SPA.

2.3. **Deposit**

The Vendor acknowledges that contemporaneously with the execution and delivery of the Corporate Seller SPA the Purchaser has paid to the Escrow Agent on behalf of the Corporate Sellers, Five Million Canadian Dollars ($5,000,000.00) (the "**Deposit**") in escrow, as an earnest money deposit against the payment of the Purchase Price and the purchase price under the Corporate Seller SPA. The Deposit is to be dealt with as follows:

a. if Closing occurs the Deposit and the interest earned thereon while held by the Escrow Agent shall be paid to the Corporate Sellers in accordance with the terms of Section 2.4 of the Corporate Seller SPA and credited against the purchase price under that agreement; or

b. if Closing does not occur, and the Corporate Seller SPA is terminated by the Purchaser or the Corporate Sellers in consequence of Purchaser's failure to procure Financing in accordance with the terms of the Corporate Seller SPA:

   i. the Deposit and any interest earned thereon while held by the Escrow Agent shall be forfeited to and retained by the Employee Shareholders and Corporate Sellers for their own accounts absolutely as a genuine pre-estimate, by the Employee Shareholders, Corporate Sellers and Purchaser, of the Employee Shareholders' and Corporate Sellers' liquidated damages as a result of Closing not occurring; and payment of such liquidated damages by forfeiture of the Deposit and any interest thereon to the Employee Shareholders and Corporate Sellers shall be the Employee Shareholders and Corporate Sellers sole remedy in respect of Closing not occurring and upon such payment being made Purchaser shall be released from all further Liabilities under the Corporate Seller SPA or this Agreement; and

   ii. the Vendor Participation Fraction of the Deposit and the interest earned thereon shall be disbursed by the Escrow Agent in favour of the Vendor in consequence of the Vendor's ownership of the Subject Shares; or

c. if Closing does not occur and the Corporate Seller SPA is terminated in circumstances where Section 2.3(b) does not apply, the Deposit and the interest earned thereon while held by the Escrow Agent shall be paid by the Escrow Agent to Purchaser in accordance with the terms of the Corporate Seller SPA.

2.4. **Section 56.4 Election**

The Purchaser and the Vendor intend that the conditions set out in Subsection 56.4(7) of the *Income Tax Act* (Canada) (the "**Tax Act**") have been met such that Subsection 56.4(5) of the Tax Act applies to any "restrictive covenants" (as defined in Subsection 56.4(1) of the Tax Act) granted by any the Vendor pursuant to the Non-Competition Agreement (the " **Non-Competition Covenants**"). For greater certainty:

(a) for the purposes of paragraph 56.4(7)(d) of the Tax Act, no proceeds will be attributable, allocable, received or receivable by the Vendor for granting the Non-Competition Covenants;

(b) the Non-Competition Covenants are integral to this Agreement and have been granted to maintain or preserve the fair market value of the Subject Shares; and

(c) the Purchaser would not purchase the Subject Shares without having the benefit of the Non-Competition Covenants.

Notwithstanding the foregoing, nothing in this Section 2.4 will diminish, limit or derogate from the validity or enforceability of any of the Non-Competition Covenants and the Vendor is agree that they will not assert or claim that this Section 2.4 diminishes, limits or derogates from the validity or enforceability of such Non-Competition Covenants in any manner whatsoever. The Purchaser will, within five Business Days of a written request from the Vendor to do so, make jointly with the Vendor one or more elections pursuant to or in respect of Subsection 56.4(7) of the Tax Act in the required manner and using a form prescribed for such purposes (if applicable) and otherwise reasonably acceptable to their respective counsels, as will cause Subsection 56.4(5) of the Tax Act to apply to the Non-Competition Covenants granted

by the Vendor. Such election will reflect that the Parties have allocated no consideration to the restrictive covenant. Provided that the Purchaser complies with this Section 2.4, Purchaser will have no Liability to the Vendor or otherwise with respect to any consequences arising pursuant to the Tax Act associated with any such election.

ARTICLE3

3.1 Vendor's Representations and Warranties

The Vendor severally represents and warrants to the Purchaser as follows, as to the Vendor and the Vendor's Subject Shares, only, and acknowledges and confirms that the Purchaser is relying upon such representations and warranties in connection with the acquisition of the Subject Shares, all of which are material to the Purchaser in entering into this Agreement:

a. the Vendor is the registered and beneficial owner of the SubjectShares. The Vendor has the exclusive right to sell, assign and transfer such Subject Shares as provided in this Agreement free and clear of any Encumbrances except for the restrictions, if any, contained in securities Laws and the Corporation's articles, by-laws and other constating documents. Upon Closing of the transactions contemplated by this Agreement, the Purchaser will be the sole registered and beneficial owner of the Subject Shares, free and clear of all Encumbrances, except for the restrictions, if any, contained in securities Laws and the Corporation's articles, by-laws and other constating documents;

b. except for the Purchaser's right under this Agreement, no Person has any agreement or commitment (written or verbal), or any right or privilege capable of becoming an agreement or commitment for the acquisition of any of the Subject Shares from the Vendor and upon consummation of the transactions contemplated herein the Purchaser shall acquire the Subject Shares free and clear of any rights, interest or claim of the Vendor;

c. the Vendor is not a non-resident of Canada within the meaning of the Tax Act;

d. no notices, consents, authorizations, licenses, permits, approvals or orders of any person are required to permit the Vendor to participate in this Agreement; and

e. neither the entering into and the delivery of this Agreement, nor the Vendor's participation in the Closing to which these representations and warranties relate, will result in the breach, violation or acceleration of:
   i. any agreement or other instrument to which the Vendor is a party or by which the Vendor is bound; or
   ii. any order or judgment of any Governmental Authority or any applicable law;

f. this Agreement, and as of the Closing Time, each of the Ancillary Agreements to which the Vendor is a party in connection with the Acquisition have been duly executed and delivered by the Vendor, and each such agreement constitutes a legal, valid and binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms, subject only to any limitation under Laws relating to:
   i. bankruptcy, winding-up, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights; and
   ii. the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunctive relief;

g. the Vendor is an individual resident of Canada. The Vendor has good and sufficient right and authority to enter into all agreements and transactions to which the Vendor is a party in connection with the Acquisition and to perform all obligations under such agreements and transactions;

h. the Vendor has not retained any broker or finder or incurred any liabilities or obligations to pay any fees, commissions or other similar forms of compensation to any broker, finder, financial advisor, or agent with respect to the Acquisition.

3.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendor as follows, and acknowledges and confirms that the Vendor is relying upon such representations and warranties in connection with the sale of the Subject Shares:

a. the Purchaser is a corporation duly formed and existing under the laws of its jurisdiction of formation. The board of directors of the Purchaser have or will have by Closing taken all necessary corporate actions, steps and other proceedings to approve and authorize the Acquisition. The Corporation has good and sufficient right and authority to enter into this Agreement and all other agreements, including any of the Ancillary Agreements, to which it is a party in connection with the Acquisition and to perform all obligations under such agreements;

b. this Agreement, and as of the Closing Time, each of the Ancillary Agreements to which the Purchaser is a party and all other agreements to which the Purchaser is a party in connection with the Acquisition, have been duly executed and delivered by the Purchaser and each such agreement constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms, subject only to any limitation under Laws relating to:

i. bankruptcy, winding-up, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights; and
ii. the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunctive relief;

c. the execution, delivery and performance by the Purchaser of this Agreement, all other agreements to which it is a party in connection with the Acquisition, including each of the Ancillary Agreements and the completion of the transactions contemplated by this Agreement will not constitute or result in a violation or breach of, or conflict with:
i. any term or provision of the Purchaser's articles, by-laws or other constating documents;
ii. the terms of any Contract to which the Purchaser is a party or by which it is bound;
iii. any term or provision of any of the Authorizations of the Purchaser; or
iv. any order or judgment of any Governmental Authority or any Law;

d. there is no requirement for the Purchaser to obtain any Authorization from, make any filing with, or give notice to, any Governmental Authority in connection with, or as a condition to, the lawful completion of any of the transactions contemplated by this Agreement.

3.3 **Survival of Representations and Warranties**

The Parties acknowledge and agree that the representations and warranties of the Vendor and the Purchaser contained in Sections 3.1 and 3.2 hereof shall survive the effective date of this Agreement and shall continue and remain in full force and effect indefinitely.

ARTICLE4

4.1 Closing

The closing of the transaction contemplated herein will occur at the Closing Time at the offices of Bennett Jones LLP at 4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, Alberta, T2P 4K7 or at such other place or in such other manner as the Parties may agree in writing. The Closing will be effective as of the Closing Time.

4.2 **Closing Documents**

On the Closing Date:

a. the Vendor shall deliver to the Purchaser the certificate representing the Subject Shares, together with a duly signed transfer of such Subject Shares;
b. the Vendor shall deliver to the Purchaser an executed Non-Competition Agreement;
c. all necessary corporate actions and proceedings as are approved by counsel for the Corporation shall be taken so as to permit the due and valid transfer of the Subject Shares from the Vendor to the Purchaser;
d. the Purchaser shall deliver to the Vendor, in form satisfactory to counsel to the Corporate Sellers:
i. certified copies of the Resolutions of the Board of Directors of the Purchaser authorizing the execution, delivery and performance of this Agreement by the Purchaser;
ii. the executed Non-Competition Agreement; and
iii. such other documents as may be required by the terms of the Corporate Sellers' SPA; and
e. the Parties shall execute and deliver such other documents and instruments as counsel for the Corporate Sellers and the Purchaser may require, acting reasonably.

ARTICLE5

5.1 Announcements

No Party will issue a press release or make any other public announcement relating to this Agreement or the Acquisition unless the other Party provides its prior written approval of the content, timing and manner of such press release or public announcement (acting reasonably), or if required by Law. If a Party is required to publicly disclose the Acquisition or Agreement by Law (the "**Required Disclosure**"), then the Party making the Required Disclosure must consult with the other Party regarding the content of the Required Disclosure and provide the other Party no less than three Business Days to review and comment on the substance of the Required Disclosure prior to its publication or filing.

5.2 **Further Assurances**

At all times after the Closing Date, each Party, at its expense, shall promptly execute and deliver all such documents including additional conveyances, instruments, transfers, consents and other assurances, and do all such other acts and things as the other Parties, acting reasonably, may from time to time request be executed or done in order to better evidence, perfect or give effect to any provision of this Agreement or other document delivered pursuant to this Agreement or any of the respective obligations created or intended to be created by this Agreement.

5.3 **Dispute Resolution and Submission to Jurisdiction**

If any controversy or dispute (a "**Dispute**") arises with respect to this Agreement, the Ancillary Agreements (to the extent no choice of law is specified therein) or any transactions contemplated by this Agreement, the Dispute or Legal Proceeding must be brought in the Alberta Court of Queen's Bench in the City of Edmonton, and each Party irrevocably submits and agrees to attorn to the non-exclusive jurisdiction of that court. The Parties irrevocably and unconditionally waive any objection to the venue of any Dispute or Legal Proceeding in that court and irrevocably

waive and agree not to plead or claim in that court that such Dispute or Legal Proceeding has been brought in an inconvenient forum.

5.4 **Time of the Essence**

Time is of the essence in the performance of the Parties' respective obligations under this Agreement.

5.5 **Remedies Cumulative**

Subject to the provisions of Section 2.3(b)(i) hereof, the rights and remedies of the Parties under this Agreement are cumulative and in addition and without prejudice to and not in substitution for any rights or remedies provided by Law. Any single or partial exercise by any Party of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

5.6 **Counterparts**

This Agreement may be executed and delivered in counterparts and may be delivered in original or electronic form, each of which when so executed and delivered will be deemed to be an original and when taken together, will constitute one and the same Agreement.

5.7 **Expenses**

Each of the Parties shall be responsible for all expenses incurred by it in connection with this Agreement, including fees of its respective legal, accounting, broker and other professional fees and payments to directors, officers and employees, retention payments and other change-of-control or similar payments or bonuses payable solely as a result of the Acquisition.

5.8 **Successors and Assigns**

This Agreement will be binding upon and enure to the benefit of the Parties and their respective heirs, executors, administrators, successors and permitted assigns. The rights and obligations of the Vendor under this Agreement may not be assigned or transferred without the prior written consent of the Purchaser. The rights and obligations of the Purchaser under this Agreement may not be assigned or transferred prior to Closing without the prior written consent of the Vendor, except that the Purchaser may assign its rights and obligations under this Agreement to an Affiliate of the Purchaser, to a lender or lenders as security for obligations owed to a lender or lenders without the consent of the Vendor, or to any Person that acquires all or substantially all of the property and assets of the Purchaser or acquires a majority of the Purchaser's issued and outstanding voting securities, whether by way of amalgamation, merger or otherwise.

5.9 **Third-Party Beneficiaries**

Nothing in this Agreement, express or implied, is intended to confer upon any Person, other than the Parties and their respective heirs, executors, administrators, successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

5.10 **Entire Agreement**

This Agreement constitutes the entire agreement between the Parties and supersedes all other agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written or express or implied, with respect to the subject matter of this Agreement. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided in this Agreement.

5.11 **Waiver**

No waiver of any default, breach or non-compliance under this Agreement will be effective unless in writing and signed by the Party to be bound by the waiver. No waiver will be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by another Party. The waiver by a Party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

5.12 **Amendments**

No modification or amendment to this Agreement may be made unless agreed to by the Parties in writing.

5.13 **Severability**

If any arbitrator or court of competent jurisdiction determines any provision of this Agreement or portion thereof to be illegal, invalid or unenforceable that provision or portion thereof will be severed from this Agreement without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

5.14 **Non-Merger**

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties and other provisions contained in this Agreement will not merge on but will survive Closing. Closing will not prejudice any right of one Party against any other Party in respect of anything done or omitted under this Agreement or in respect of any right to

damages or other remedies.

[Execution Page follows.]

IN WITNESS WHEREOF the Parties have executed this Agreement effective the day and year first above written.

Witness

<<Shareholder>>

2071827 ALBERTA LTD.

Per: /s/ Bruce Thames

Bruce Thames, Director

Per: /s/ Jay Peterson

Jay Peterson, Director

Execution Version

CONFIDENTIAL
October 3, 2017

Thermon Industries, Inc.
100 Thermon Drive
San Marcos, Texas

Attention: Jay Peterson

Project Logan
Commitment Letter

Ladies and Gentlemen:

You have advised JPMorgan Chase Bank, N.A. ("JPMorgan", "we" or "us") that Thermon Industries, Inc. (the "Borrower" or "you") intends to acquire (the "Acquisition") CCI Thermal Technologies Inc. (the "Target") and consummate the other transactions described on Exhibit A hereto (the " Transaction Description"). Capitalized terms used but not defined in this commitment letter (this "Commitment Letter") will have the meanings assigned to them in the Term Sheets (as defined below).

1. Commitments and Engagements.

In connection with the Transactions, you have advised us that you wish us to provide a senior secured term loan "B" facility in an aggregate amount of $250 million (the "Term Facility") and a senior secured revolving credit facility in an aggregate amount of $60 million (the "Revolving Facility"; and together with the Term Facility, the "Facilities"), in each case on the terms set forth in the Summary of Principal Terms and Conditions attached hereto as Exhibit B (the "Facilities Term Sheet").

In connection with the Transactions, JPMorgan is pleased to advise you of JPMorgan's commitment to provide 100% of the principal amount of the Facilities subject only to the satisfaction of the conditions set forth in (a) the section entitled "Conditions Precedent to Initial Borrowings" in the Facilities Term Sheet, (b) the section entitled "Conditions Precedent to All Borrowings" in the Facilities Term Sheet and (c) the Summary of Additional Conditions Precedent attached hereto as Exhibit C (the "Conditions Exhibit"; and together with the Transaction Description and the Facilities Term Sheet, the "Term Sheets").

2. Titles and Roles.

You hereby appoint JPMorgan to act, and JPMorgan hereby agrees to act as lead left arranger and lead left bookrunner for the Facilities (JPMorgan in such capacities, the "Lead Arranger"), upon the terms and subject to the conditions set forth in this Commitment Letter and in the Term Sheets; provided that you agree that JPMorgan may perform its responsibilities hereunder through its affiliate, J.P. Morgan Securities LLC. You also hereby appoint JPMorgan to act, and JPMorgan hereby agrees to act, as sole and exclusive administrative agent for the Facilities upon the terms and subject to the conditions set forth in this Commitment Letter and in the Term Sheets (JPMorgan, in such capacities, the "Administrative Agent"); provided that you agree that JPMorgan may perform such responsibilities (or any portion thereof) through its affiliate, JPMorgan Chase Bank, N.A., Toronto Branch. JPMorgan, in such capacities, will perform the duties and exercise the authority customarily performed and exercised by it in such roles.

It is understood and agreed that (a) no additional agents, co-agents, arrangers, co-arrangers, managers, co-managers, bookrunners or co-bookrunners will be appointed and no other titles will be awarded in connection with the Facilities and (b) no compensation (other than as expressly contemplated by the Term Sheets or the Fee Letters referred to below) will be paid in connection with the Facilities, in each case unless you and we so agree in writing; provided, however, that, within 10 business days after the date hereof, you may appoint one financial institution reasonably satisfactory to JPMorgan as a lead arranger for the Facilities and award such financial institution additional agent, co-agent or joint bookrunner titles in a manner and with economics determined by you (it being understood that, to the extent you appoint any additional agent, co-agent or joint bookrunner in respect of the Facilities, such financial institution or one or more of its affiliates shall commit to providing a percentage of the aggregate principal amount of each of the Facilities (which commitment shall be ratable among the Term Facility and the Revolving Facility) at least commensurate with the economics and fees awarded to such financial institution or its affiliates, as applicable, and the commitment and economics of JPMorgan hereunder and under the Fee Letters in respect of the Facilities will be reduced by the amount of the commitments and economics of such appointed entity or its affiliates, as applicable, with respect to the Facilities upon the execution by such financial institution or such affiliate, as applicable, of customary joinder documentation); provided further, however, that in no event will JPMorgan's commitment in respect of each of the Term Facility and the Revolving Facility be less than 50% of the aggregate principal amount of the Term Facility and the Revolving Facility, respectively. It is further agreed that JPMorgan will have "left" placement on and will appear on the top left of any Information Materials (as defined below) and all other offering or marketing materials in respect of the Facilities, and JPMorgan will perform the roles and responsibilities conventionally understood to be associated with such "left" placement.

3. Syndication.

The Lead Arranger reserves the right, prior to or after the execution of definitive documentation for the Facilities (the "Facilities Documentation"), to syndicate all or a portion of its commitments hereunder in respect of each of the Facilities to one or more financial institutions reasonably satisfactory to you that will become parties to such definitive documentation pursuant to syndications to be managed by the Lead Arranger (the financial institutions becoming parties to such definitive documentation being collectively referred to herein as the "Lenders"); provided that (a) we agree not to syndicate or participate out our commitments to (i) competitors of you, the Target and your and its respective subsidiaries that have been specified to us by you in writing from time to time and (ii) in the case of clause (i), any of their affiliates that are (A) identified by you in writing from time to time (other than any such affiliate that is affiliated with a financial investor in such person and that is not itself an operating company or otherwise an affiliate of an operating company so long as such affiliate is a bona fide debt fund) or (B) clearly identifiable solely on the basis of the similarity of such affiliates' name with an entity specified pursuant to clause (i) (clauses (i) and (ii), "Disqualified Lenders"); provided that (x) in no event shall any designation of a Disqualified Lender retroactively disqualify any person who has already become a Lender or participant or entered into a trade to become a Lender or participant and (y) additions to the Disqualified Lender list shall not become effective until three business days after disclosure of such additions to us, and (b) notwithstanding the Lead Arranger's right to syndicate each of the Facilities and receive commitments with respect thereto, other than with respect to the commitments of any additional agent, co-agent or joint bookrunner appointed in accordance with the immediately preceding paragraph, (i) JPMorgan shall not be relieved, released or novated from its obligations hereunder in respect of the Facilities (including its obligation to fund the Facilities on the Closing Date) in connection with any syndication, assignment or participation of the Facilities, including its commitment in respect thereof, until after the initial funding under the Facilities on the Closing Date has occurred, (ii) no assignment or novation shall become effective with respect to all or any portion of JPMorgan's commitments in respect of the Facilities until after the initial funding under the Facilities on

the Closing Date has occurred and (iii) unless you otherwise agree in writing, JPMorgan shall retain exclusive control over all of its rights and obligations with respect to its commitments in respect of the Facilities, including all rights with respect to consents, modifications, supplements, waivers and amendments, until after the initial funding under the Facilities on the Closing Date has occurred. You understand that each of the Facilities may be separately syndicated.

Without limiting your obligations to assist with syndication efforts as set forth herein, it is understood that JPMorgan's commitments hereunder are not conditioned upon the syndication of, or receipt of commitments in respect of, the Facilities and in no event shall the commencement or successful completion of syndication of the Facilities constitute a condition to the availability of the Facilities on the Closing Date. The Lead Arranger may decide to commence syndication efforts promptly, and you agree, until the earlier of (x) the date upon which a Successful Syndication (as defined in the Arranger Fee Letter (as defined below)) is achieved and (y) the date that is 60 days after the Closing Date (such earlier date, the "Syndication Date"), to use commercially reasonable efforts to actively assist (and, to the extent not in contravention of the Purchase Agreement, to use your commercially reasonable efforts to cause the Target to actively assist) the Lead Arranger to complete a timely syndication that is reasonably satisfactory to us and you. Such assistance shall include (a) your using commercially reasonable efforts to ensure that the syndication efforts benefit from your existing banking relationships, (b) direct contact during the syndication efforts between your senior management, representatives and advisors, on the one hand, and the proposed Lenders, on the other hand (and, to the extent not in contravention of the Purchase Agreement, using your commercially reasonable efforts to ensure such contact between senior management of the Target, on the one hand, and the proposed Lenders, on the other hand), in all such cases at times and in a manner mutually agreed upon, (c) your assistance (including the use of commercially reasonable efforts to cause the Target to assist to the extent not in contravention of the Purchase Agreement) in the preparation of a Confidential Information Memorandum for each of the Facilities and other customary marketing materials to be used in connection with the syndications in a form customarily delivered in connection with senior secured credit facilities (collectively, the "Information Materials"), (d) the hosting, with the Lead Arranger, of one or more meetings of or telephone conference calls with prospective Lenders at times and locations to be mutually agreed upon, (e) your using commercially reasonable efforts to procure as soon as reasonably practicable, at your expense, ratings for the Term Facility from each of Standard & Poor's Financial Services LLC ("S&P"), and Moody's Investors Service, Inc. ("Moody's"), and a public corporate credit rating and a public corporate family rating in respect of Thermon Holding Corp. ("Holdings") after giving effect to the Transactions from each of S&P and Moody's, respectively, and (f) prior to the Syndication Date, there being no competing issues, offerings, placements or arrangements of debt securities or commercial bank or other credit facilities of you or your subsidiaries being issued, offered, placed or arranged (other than the Facilities, any indebtedness of the Target or its subsidiaries permitted to be incurred or issued pursuant to the Purchase Agreement and the indebtedness of the Borrowers and their subsidiaries under the revolving portion of the Existing Credit Agreement) without the consent of the Lead Arranger if such issuance, offering, placement or arrangement would reasonably be expected to materially impair the primary syndications of the Facilities (it being understood and agreed that the Holdings', Target's and their respective subsidiaries' deferred purchase price obligations, ordinary course working capital facilities and ordinary course capital lease, purchase money and equipment financings shall be permitted). For the avoidance of doubt, you will not be required to provide any information to the extent that the provision thereof would violate any attorney-client privilege, law, rule or regulation, or any obligation of confidentiality binding on you, the Target or your or its respective affiliates (in which case you agree to use commercially reasonable efforts to have any such confidentiality obligation waived, and otherwise in all instances, to the extent practicable and not prohibited by applicable law, rule or regulation, promptly notify us that information is being withheld pursuant to this sentence). Notwithstanding anything to the contrary contained in this Commitment Letter or the Fee Letters or any other letter agreement or undertaking concerning the financing of the Transactions to the contrary, none of the compliance with the foregoing

provisions of this paragraph or any syndications of the Facilities (including the obtaining of the ratings referenced above) shall constitute a condition to the commitments hereunder or the funding of the Facilities on the Closing Date.

It is understood and agreed that the Lead Arranger will, after consultation with and in a manner reasonably acceptable to you, manage all aspects of the syndications, including but not limited to selection of Lenders (which Lenders shall be reasonably satisfactory to you and shall exclude the Disqualified Lenders), the determination of when the Lead Arranger will approach potential Lenders and the time of acceptance of the Lenders' commitments (subject to your consent rights set forth in the first paragraph of Section 3 hereof and excluding Disqualified Lenders) and the final allocations of the commitments among the Lenders. You hereby acknowledge that the Lead Arranger will have no responsibility other than to arrange the syndications as set forth herein, the Lead Arranger is acting solely in the capacity of an arm's-length contractual counterparty to the Borrowers with respect to the arrangement of the Facilities (including in connection with determining the terms of the Facilities) and not as a financial advisor or a fiduciary to, or an agent of, the Borrowers or any other person.

You agree that you will not assert any claim against JPMorgan based on an alleged breach of fiduciary duty by JPMorgan in connection with this Commitment Letter and the transactions contemplated hereby. Additionally, you acknowledge and agree that JPMorgan is not advising you as to any legal, tax, investment, accounting, regulatory or other matters in any jurisdiction. You shall consult with your own advisors concerning such matters and shall be responsible for making your own independent investigation and appraisal of the transactions contemplated hereby, and JPMorgan shall have no responsibility or liability to you with respect thereto. Any review by JPMorgan of the Holdings, the Borrowers, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of JPMorgan and shall not be on your behalf.

To assist the Lead Arranger in its syndication efforts, you agree to promptly prepare and provide to the Lead Arranger (and use commercially reasonable efforts to cause, to the extent not in contravention of the Purchase Agreement, the Target to prepare and provide) all information with respect to you, the Target and your and its respective subsidiaries, the Transactions and the other transactions contemplated hereby, including financial information as the Lead Arranger may reasonably request in connection with the structuring, arrangement and syndications of the Facilities and (i) customary pro forma financial statements of Holdings and its subsidiaries after giving effect to the Transactions and (ii) customary forecasts of financial statements of Holdings and its subsidiaries for each year commencing with the first fiscal year following the Closing Date for the term of the Facilities (clauses (i) and (ii), collectively, the "Projections"). At the request of the Lead Arranger, you agree to assist the Lead Arranger in preparing an additional version of the Information Materials (the "Public Side Version") to be used by prospective Lenders' public-side employees and representatives ("Public-Siders") who do not wish to receive material non-public information (within the meaning of the United States Federal or State or applicable foreign securities laws) with respect to you, the Target, your and its respective affiliates and any of your or its respective securities (such material non-public information, "MNPI") and who may be engaged in investment and other market-related activities with respect to your, the Target's or your and its respective affiliates' securities or loans. Before distribution of any Information Materials, (a) you agree to execute and deliver to the Lead Arranger (i) a customary letter in which you authorize distribution of the Information Materials to a prospective Lender's employees willing to receive MNPI ("Private-Siders") and (ii) a separate customary letter in which you authorize distribution of the Public Side Version to Public-Siders and represent that no MNPI is contained therein, provided that in each case such letter shall exculpate you, the Target, your and its respective affiliates with respect to any liability related to the mis-use of the Information Materials or related offering and marketing materials by the recipients thereof and us and our respective affiliates with respect to any liability

related to the use or mis-use of the contents of the Information Materials or related offering and marketing materials by the recipients thereof and (b) you agree to identify that portion of the Information Materials that may be distributed to Public-Siders as not containing MNPI, which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof (and you agree that, by marking Information Materials as "PUBLIC", you shall be deemed to have authorized the Lead Arranger and the prospective Lenders to treat such Information Materials as not containing MNPI (it being understood that you shall not be under any obligation to mark the Information Materials as "PUBLIC")). You acknowledge that the Lead Arranger will make available the Information Materials on a confidential basis to the proposed syndicate of Lenders by posting such information on Intralinks, Debt X or SyndTrack Online or by similar electronic means. You agree that the following documents may be distributed to both Private-Siders and Public-Siders, unless you advise the Lead Arranger within a reasonable time after receipt of such materials for review that such materials should only be distributed to Private-Siders: (1) administrative materials prepared by the Lead Arranger for prospective Lenders (such as a lender meeting invitation, bank allocation, if any, and funding and closing memoranda), (2) the Term Sheets and notification of changes in terms and conditions of any Facility and (3) drafts and final versions of the Facilities Documentation. If you so advise the Lead Arranger that any of the foregoing should be distributed only to Private-Siders, then Public-Siders will not receive such materials without further discussions with you. You acknowledge that the Lead Arranger's public-side employees and representatives who are publishing debt analysts may participate in any meetings held pursuant to clause (d) of the third preceding paragraph; provided that such analysts shall not publish any information obtained from such meetings (i) until the syndication of the Facilities has been completed upon the making of allocations by the Lead Arranger freeing the Facilities to trade or (ii) in violation of any confidentiality agreement between you and any other party hereto.

Solely for the purposes described in this paragraph, you hereby authorize JPMorgan to download copies of your trademark logos from its website and post copies thereof on the IntraLinks site or similar workspace established by the Lead Arranger to syndicate the Facilities and use the logos on any confidential information memoranda, presentations and other marketing materials prepared in connection with the syndication of the Facilities or in any advertisements (to which you consent, such consent not to be unreasonably withheld) that we may place after the closing of the Facilities in financial and other newspapers, journals, the World Wide Web, home page or otherwise, at our own expense describing our services to the Borrowers hereunder.

4. Information.

You hereby represent and warrant (with respect to any information or data relating to the Target, the following representations and warranties shall be made solely to your knowledge) that (a) all written information and written data other than the Projections and other forward-looking information and other than information of a general economic or industry specific nature (such information and data, the "Information") that has been or will be made available to JPMorgan by or on behalf of you or your subsidiaries, or any of your representatives or affiliates, when taken as a whole, is or will be, when furnished, correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein (taken as a whole) not materially misleading in light of the circumstances under which such statements are made (giving effect to all supplements and updates provided thereto from time to time) and (b) the Projections that have been or will be made available to JPMorgan by or on behalf of you or your subsidiaries, or any of your representatives or affiliates, have been and will be prepared in good faith based upon assumptions that are believed by you to be reasonable at the time made (it being understood that (i) the Projections are as to future events and are not to be viewed as facts or a guarantee of performance or achievement of any particular results, (ii) the Projections are subject to significant uncertainties and contingencies, many of which are

beyond your control, (iii) no assurance can be given that any particular Projections will be realized and (iv) actual results during the period or periods covered by any such Projections may differ significantly from the projected results and such differences may be material). You agree that if at any time from and including the date hereof until the later of the Closing Date and the Syndication Date you become aware that the representation and warranty made by you with respect to the Information and Projections contained in the immediately preceding sentence would be incorrect in any material respect if the Information and Projections were being furnished, and such representations were being made, at such time, then you will (or with respect to Information and Projections relating to the Target, use commercially reasonable efforts to) promptly supplement the Information and the Projections so that (with respect to Information and Projections relating to the Target and its subsidiaries, to your knowledge) such representation and warranty would be correct, in all material respects, under those circumstances. In arranging the Facilities, including the syndications of the Facilities, JPMorgan (A) will be entitled to use and rely primarily on the Information and the Projections without responsibility for independent verification thereof and (B) does not assume responsibility for the accuracy or completeness of the Information or the Projections.

5. Fees.

As consideration for JPMorgan's commitments and agreements hereunder, you agree to pay to JPMorgan the fees as set forth in (i) the Arranger Fee Letter dated the date hereof and delivered herewith with respect to the Facilities (the "Arranger Fee Letter") and (ii) the Administrative Agent Fee Letter dated the date hereof and delivered herewith with respect to the Facilities (the "Administrative Agent Fee Letter"; and together with the Arranger Fee Letter, the "Fee Letters"), in each case if and to the extent due and payable. Once paid, except as expressly provided in the Fee Letters or as otherwise agreed in writing, such fees shall not be refundable under any circumstances.

6. Conditions Precedent.

JPMorgan's commitment hereunder to fund the Facilities on the Closing Date and the agreement of JPMorgan to perform the services described herein are subject solely to the conditions set forth in (a) the section entitled "Conditions Precedent to Initial Borrowings" in the Facilities Term Sheet, (b) the section entitled "Conditions Precedent to All Borrowings" in the Facilities Term Sheet and (c) the Conditions Exhibit, and upon satisfaction (or waiver by JPMorgan) of such conditions, the initial funding of the Facilities shall occur; it being understood and agreed that there are no other conditions (implied or otherwise) to the commitments hereunder, including compliance with the terms of this Commitment Letter, the Fee Letters or the Facilities Documentation.

Notwithstanding anything in this Commitment Letter, the Term Sheets, the Fee Letters, the Facilities Documentation or any other letter agreement or other undertaking concerning the financing of the Transactions to the contrary, (a) the only representations and warranties relating to you and your subsidiaries and the Target and its subsidiaries and their respective businesses the accuracy of which shall be a condition to the availability of the Facilities on the Closing Date shall be (i) such of the representations and warranties made by the Target with respect to the Target and/or its subsidiaries in the Purchase Agreement as are material to the interests of the Lenders, but only to the extent that you have (or an affiliate of yours has) the right to terminate your (or its) obligations under the Purchase Agreement or decline to consummate the Acquisition as a result of a breach of such representations and warranties in the Purchase Agreement (the "Specified Purchase Agreement Representations") and (ii) the Specified Representations (as defined below) made by you in the Facilities Documentation and (b) the terms of the Facilities Documentation shall be in a form such that they do not impair the availability or funding of the Facilities on the Closing Date if the conditions described in the immediately preceding paragraph are satisfied or waived by JPMorgan (it being understood

that, to the extent any security interest in any Collateral is not or cannot be provided and/or perfected on the Closing Date (other than the creation of and perfection (including by delivery of stock or other equity certificates, if any) of security interests (i) in the equity interests in the US Borrower, the Canadian Borrower or any of your material domestic subsidiaries (to the extent constituting Collateral under the Facilities Term Sheet and other than in respect of the subsidiaries of the Target, which shall be delivered to the extent made available by the Target on the Closing Date) and (ii) in other assets located in the United States or Canada with respect to which a lien may be perfected by the filing of a financing statement under the Uniform Commercial Code or Personal Property Security Act or by the filing of such other registration or recording evidencing a lien under other applicable personal property security legislation) after your use of commercially reasonable efforts to do so or without undue burden or expense, then the provision and/or perfection of a security interest in such Collateral shall not constitute a condition precedent to the availability and initial funding of the Facilities on the Closing Date, but instead shall be required to be provided or delivered after the Closing Date pursuant to arrangements and timing to be mutually agreed by the Administrative Agent and the US Borrower acting reasonably). For purposes hereof, "Specified Representations" means the representations and warranties of you relating to the Loan Parties set forth in the Facilities Documentation relating to organization and powers; authorization, due execution and delivery and enforceability, in each case, relating solely to the entering into and performance of the Facilities Documentation; no conflicts between the Facilities Documentation and your organizational documents immediately after giving effect to the Transactions; Patriot Act, OFAC, FCPA Special Economic Measures Act (Canada), Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada); solvency as of the Closing Date (after giving effect to the Transactions and with solvency being determined in a manner consistent with Annex I to the Conditions Exhibit) of you and your subsidiaries on a consolidated basis; the Investment Company Act of 1940; Federal Reserve margin regulations; and subject to the limitations in the immediately preceding sentence, creation, perfection and priority (subject to permitted liens) of security interests and hypothecs (if applicable) in the Collateral. This paragraph, and the provisions herein, shall be referred to as the "Limited Conditionality Provisions".

7. Indemnification; Expenses.

By executing this Commitment Letter, you agree (a) to indemnify and hold harmless JPMorgan, its affiliates and each of their respective Related Parties (as defined below) (each, an "indemnified person") from and against any and all losses, claims, damages, liabilities and reasonable and documented out-of-pocket expenses, joint or several, to which any such indemnified person may become subject to the extent arising out of or in connection with this Commitment Letter, the Term Sheets, the Fee Letters, the Transactions, the Facilities or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing (any of the foregoing, a "Proceeding"), regardless of whether any such indemnified person is a party thereto or whether a Proceeding is initiated by or on behalf of a third party or you or any of your affiliates, and to reimburse each such indemnified person upon demand for any reasonable and documented out-of-pocket legal expenses of one firm of counsel for all such indemnified persons, taken as a whole, and, if necessary, of a single firm of local counsel in each appropriate jurisdiction (which may include a single firm of special counsel acting in multiple jurisdictions) for all such indemnified persons, taken as a whole (and, solely in the case of an actual or perceived conflict of interest where the indemnified person affected by such conflict informs you of such conflict and thereafter retains its own counsel, of one additional counsel for such affected indemnified person and, if necessary, of a single firm of local counsel in each appropriate jurisdiction (which may include a single firm of special counsel acting in multiple jurisdictions) for such affected indemnified person) and other reasonable and documented out-of-pocket fees and expenses, in each case incurred in connection with investigating or defending any of the foregoing; provided that the foregoing indemnity will not, as to any indemnified person, apply to losses, claims, damages, liabilities or related expenses to the extent they (i) are found in a final and non-appealable judgment of a

court of competent jurisdiction to have resulted from the willful misconduct, bad faith or gross negligence of such indemnified person or any of such indemnified person's Controlled Related Parties (as defined below), (ii) result from a claim brought by you or any of your subsidiaries against such indemnified person or any of such indemnified person's Controlled Related Parties for material breach of any of its or their respective obligations hereunder if you or such subsidiary has obtained a final and non-appealable judgment in your or its favor on such claim as determined by a court of competent jurisdiction or (iii) result from a proceeding that does not involve an act or omission by you or any of your affiliates and that is brought by an indemnified person against any other indemnified person (other than claims against any arranger, bookrunner or agent in its capacity or in fulfilling its roles as an arranger, bookrunner or agent hereunder or any similar role with respect to the Facilities), and (b) to reimburse JPMorgan upon presentation of a summary statement for all reasonable and documented out-of-pocket expenses (including but not limited to the reasonable and documented expenses of JPMorgan's due diligence investigation, consultants' fees and expenses, syndication expenses, travel expenses and reasonable fees, disbursements and other charges of counsel (such charges and disbursements limited to one firm of counsel and, if necessary, one firm of local counsel in each appropriate jurisdiction)) incurred in connection with the Facilities and the preparation of this Commitment Letter, the Term Sheets, the Fee Letters, the Facilities Documentation and any guarantees and security documentation in connection therewith. As used herein, "Controlled Related Party" means, with respect to any person or entity, (1) any controlling person or controlled affiliate of such indemnified person, (2) the respective directors, officers or employees of such indemnified person or any of its controlling persons or controlled affiliates and (3) the respective agents, advisors and representatives of such indemnified person or any of its controlling persons or controlled affiliates, in the case of this clause (3), acting on behalf of, or at the instructions of, such indemnified person, controlling person or such controlled affiliate; provided that each reference to a controlling person, controlled affiliate, director, officer or employee in this sentence pertains to a controlling person, controlled affiliate, director, officer or employee involved in the structuring, arrangement, negotiation or syndication of this Commitment Letter and the Facilities. You shall not be liable for any settlement of any Proceeding effected without your prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), but if settled with your prior written consent or if there is a final and non-appealable judgment by a court of competent jurisdiction for the plaintiff in any such Proceeding, you agree to indemnify and hold harmless each indemnified person from and against any and all losses, claims, damages, penalties, liabilities and expenses by reason of such settlement or judgment in accordance with the other provisions of this paragraph. Notwithstanding any other provision of this Commitment Letter, (1) no indemnified person shall be liable for any damages directly or indirectly arising from the use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems (except to the extent that any such damages have resulted from the willful misconduct, bad faith or gross negligence of such indemnified person or any of such indemnified person's Controlled Related Parties (as determined by a court of competent jurisdiction in a final non-appealable judgment)) and (2) none of the indemnified persons, you or the Target or your or its respective subsidiaries or affiliates or the respective directors, officers, employees, advisors, agents or representatives of the foregoing shall be liable for any special, indirect, consequential or punitive damages (including, without limitation, any loss of profits, business or anticipated savings) in connection with this Commitment Letter, the Term Sheets, the Fee Letters, or the Transactions (including the Facilities and the use of proceeds thereof), or with respect to any activities related to the Facilities, including the preparation of the Commitment Letter, the Term Sheets, the Fee Letters and the Facility Documentation; provided that nothing contained in this paragraph shall limit your indemnity and reimbursement obligations to the extent set forth in this paragraph. For purposes hereof, "Related Parties" means, with respect to any person, the directors, officers, employees, agents, advisors, representatives and controlling persons of such person.

8. Sharing Information; Affiliate Activities.

You acknowledge that JPMorgan and its affiliates may be providing debt financing, equity capital or other services (including but not limited to financial advisory services) to other persons or companies in respect of which you may have conflicting interests regarding the transactions described herein and otherwise. Neither JPMorgan nor any of its affiliates will use confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter or their other relationships with you in connection with the performance by JPMorgan or its affiliates of services for other companies, and neither JPMorgan nor any of its affiliates will furnish any such information to other companies. You also acknowledge that JPMorgan has no obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you, the Target or your or their respective subsidiaries or representatives, confidential information obtained by JPMorgan from any other company or person.

You further acknowledge that JPMorgan is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, JPMorgan may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans) and other obligations of, you, the Target and other companies with which you or the Target may have commercial or other relationships. With respect to any securities and/or financial instruments so held by JPMorgan or any of its customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

You further acknowledge that JPMorgan may employ the services of their respective affiliates in providing certain services hereunder and, in connection with the provision of such services, may exchange with such affiliates information concerning you and the other companies that may be the subject of the transactions contemplated by this Commitment Letter, and, to the extent so employed, such affiliates shall be entitled to the benefits, and be subject to the obligations, of JPMorgan hereunder. JPMorgan shall be responsible for its affiliates' failure to comply with such obligations under this Commitment Letter.

9. Assignments; Amendments; Governing Law, Etc.

This Commitment Letter and the commitments hereunder shall not be assignable by any party hereto, and such party's obligations hereunder may not be delegated, without the prior written consent of each other party hereto (such consent not to be unreasonably withheld, conditioned or delayed), and any attempted assignment without such consent shall be null and void. This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by JPMorgan and you. This Commitment Letter may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile transmission or other electronic transmission (in "pdf" or "tif" format) shall be effective as delivery of a manually executed counterpart of this Commitment Letter. This Commitment Letter, the Term Sheets and the Fee Letters are the only agreements that have been entered into among us with respect to the Facilities and set forth the entire understanding of the parties with respect thereto.

This Commitment Letter, the Term Sheets and the Fee Letters supersede all prior understandings, whether written or oral, between us with respect to the Facilities. This Commitment Letter is intended to be solely for the benefit of the parties hereto and the indemnified persons and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto and the indemnified persons to the extent expressly set forth herein. THIS COMMITMENT LETTER AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT

OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS COMMITMENT LETTER AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK; PROVIDED, HOWEVER, THAT (A) THE DETERMINATION OF THE ACCURACY OF ANY SPECIFIED PURCHASE AGREEMENT REPRESENTATION AND WHETHER AS A RESULT OF ANY INACCURACY THEREOF YOU AND ANY OF YOUR AFFILIATES HAVE THE RIGHT TO TERMINATE YOUR OR ITS OBLIGATIONS THEREUNDER AND (B) THE DETERMINATION OF WHETHER THE ACQUISITION HAS BEEN CONSUMMATED IN ACCORDANCE WITH THE TERMS OF THE PURCHASE AGREEMENT AND THE SHARE PURCHASE AGREEMENTS SHALL, IN EACH CASE, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE GOVERNING LAW OF THE PURCHASE AGREEMENT OR THE APPLICABLE SHARE PURCHASE AGREEMENT, AS APPLICABLE, AS IN EFFECT ON THE DATE HEREOF.

Each of the parties hereto irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against any other party hereto or any of their respective affiliates or any of their respective officers, directors, employees, agents and controlling persons in any way relating to the Transactions, this Commitment Letter, the Term Sheets or the Fee Letters or the performance of services hereunder or thereunder, in any forum other than any New York State or Federal court sitting in the Borough of Manhattan in the City of New York or any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such Federal court. Each of the parties hereto hereby agrees that service of any process, summons, notice or document by registered mail addressed to such party shall be effective service of process for any suit, action or proceeding brought in any such court. Each party hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any such action, litigation or proceeding brought in any such court and any claim that any such action, litigation or proceeding has been brought in any inconvenient forum. Each party hereto hereby agrees that a final judgment in any such action, litigation or proceeding brought in any such court shall be conclusive and binding upon such party and may be enforced in any other courts to whose jurisdiction such party is or may be subject, by suit upon judgment.

10. WAIVER OF JURY TRIAL.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS COMMITMENT LETTER, THE TERM SHEETS, THE FEE LETTERS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY OR THE PERFORMANCE OF SERVICES HEREUNDER OR THEREUNDER (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO HERBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS COMMITMENT LETTER AND THE FEE LETTERS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS PARAGRAPH.

11. Binding Obligation.

Each of the parties hereto agrees that this Commitment Letter is a binding and enforceable agreement with respect to the subject matter contained herein, including an agreement to negotiate in good faith the Facilities Documentation by the parties hereto in a manner consistent with this Commitment Letter and the Term Sheets and as promptly as reasonably practicable, it being acknowledged and agreed that the commitments provided hereunder are subject to conditions precedent as provided herein.

12. Confidentiality.

You agree that you will not disclose, directly or indirectly, this Commitment Letter, the Term Sheets, the Fee Letters, the contents of any of the foregoing or the activities of JPMorgan pursuant hereto or thereto to any person without the prior approval of JPMorgan, except that you may disclose (a) this Commitment Letter, the Term Sheets, the Fee Letters and the contents hereof and thereof (i) to the Target and your and the Target's directors, officers, employees, attorneys, accountants, advisors, controlling persons or equity holders directly involved in the consideration of this matter on a confidential and need-to-know basis (provided that any disclosure of the Fee Letters or their terms or substance to the Target or its directors, officers, employees, attorneys, accountants, advisors, controlling persons or equity holders shall be redacted in a manner reasonably satisfactory to JPMorgan), (ii) pursuant to the order of any court or administrative agency or in any legal, judicial or administrative proceeding or other compulsory process or otherwise as required by applicable law, rule or regulations or as requested by a governmental and/or regulatory authority (in which case you shall promptly notify us, in advance, to the extent lawfully permitted to do so), (iii) in connection with the exercise of remedies to the extent relating to this Commitment Letter, the Term Sheets or the Fee Letters or the enforcement of rights hereunder and thereunder and (iv) to the extent this Commitment Letter, the Term Sheets, the Fee Letters or the contents hereof and thereof become publicly available other than by reason of disclosure by you in breach of this Commitment Letter, (b) this Commitment Letter, the Term Sheets and the contents hereof and thereof (but not the Fee Letters or the contents thereof) (i) to S&P and Moody's in connection with the Transactions and on a confidential and need-to-know basis and (ii) in any syndication or other marketing materials in connection with the Facilities (including the Information Materials) or, to the extent required by law, in connection with any public filing, (c) the aggregate fee amount contained in the Fee Letters as part of Projections, *pro forma* information or a generic disclosure of aggregate sources and uses related to fee amounts in connection with the Transactions in marketing materials for the Facilities or, to the extent required by applicable law, in any public filing, (d) the Term Sheets and the contents thereof to potential Lenders and (e) generally the existence and amount of commitments hereunder and the identity of JPMorgan.

JPMorgan shall use all non-public information received by it in connection with the Facilities and the Transactions solely for the purposes of providing the services that are the subject of this Commitment Letter, the Term Sheets and the Fee Letters and shall treat confidentially all such information and shall not disclose such information; provided, however, that nothing herein shall prevent JPMorgan from disclosing any such information (a) to ratings agencies on a confidential basis and in consultation with you, (b) to any Lender or participants or prospective Lenders or prospective participants, (c) pursuant to the order of any court or administrative agency or in any legal, judicial or administrative proceeding or other compulsory process or otherwise as required by applicable law or regulations (in which case, JPMorgan shall promptly notify you, in advance, to the extent lawfully permitted to do so), (d) upon the request or demand of any regulatory authority having jurisdiction over JPMorgan or any of its affiliates (in which case JPMorgan shall, except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority, promptly notify you, in advance, to the extent lawfully permitted to do so), (e) to the Related Parties of JPMorgan who are informed of the confidential nature of such information and are or have been advised of their obligation to keep all such information confidential or are otherwise under a professional or employment duty of confidentiality, and JPMorgan

shall be responsible for each such person's compliance with this paragraph, (f) to any of its affiliates (provided that any such affiliate is advised of its obligation to retain such information as confidential, and JPMorgan shall be responsible for its affiliates' compliance with this paragraph) solely in connection with the Transactions, (g) to the extent any such information becomes publicly available other than by reason of disclosure by JPMorgan, its affiliates or any of their respective Related Parties in breach of this Commitment Letter, (h) to the extent such information is received by JPMorgan from a third party that is not, to JPMorgan's knowledge, subject to a confidentiality obligation to you, the Target or any of your or its respective affiliates or related parties with respect to such information, (i) in connection with the exercise of remedies to the extent relating to this Commitment Letter, the Term Sheets or the Fee Letters and (j) pursuant to customary disclosure about the terms of the financings and amendments contemplated hereby in the ordinary course of business to market data collectors and similar service providers to the loan industry for league table purposes; provided that the disclosure of any such information to any Lenders or prospective Lenders or participants or prospective participants referred to above shall be made subject to the acknowledgment and acceptance by such Lender or prospective Lender or participant or prospective participant that such information is being disseminated on a confidential basis (on the terms set forth in this paragraph or as is otherwise reasonably acceptable to you) in accordance with the standard syndication processes of the Lead Arranger or customary market standards for dissemination of such type of information. The obligations of JPMorgan under this paragraph shall automatically terminate and be superseded by the confidentiality provisions of the Facilities Documentation upon the initial funding thereunder; provided that if not previously terminated, the provisions of this paragraph shall automatically terminate one year following the date of this Commitment Letter.

13. PATRIOT Act Notification.

We hereby notify you that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107 56 (signed into law October 26, 2001), as subsequently amended and reauthorized) (the "Patriot Act"), that JPMorgan and each of the Lenders may be required to obtain, verify and record information that identifies you, which information may include your name and address, the name and address of each of the Loan Parties and other information that will allow JPMorgan and each of the Lenders to identify you and each of the Loan Parties in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective for JPMorgan and each of the Lenders.

14. Acceptance and Termination.

Please indicate your acceptance of the terms hereof and of the Fee Letters by signing in the appropriate space below and in the Fee Letters and returning to JPMorgan (or its counsel) executed original copies (or facsimiles or other electronic copies in "pdf" or "tif" format thereof) of this Commitment Letter and the Fee Letters not later than 11:59 p.m., New York City time, on October 3, 2017. The commitments and agreements of JPMorgan hereunder will expire at such time in the event that JPMorgan has not received such executed original copies (or facsimiles or other electronic copies in "pdf" or "tif" format thereof) in accordance with the immediately preceding sentence. In the event that (i) the initial borrowing under the Facilities does not occur on or before the date that is two months after the date hereof, (ii) the Purchase Agreement or any Share Purchase Agreement is terminated without the closing of the Acquisition or (iii) the the Acquisition closes without the use of the Facilities, then this Commitment Letter and the commitments hereunder shall automatically terminate unless JPMorgan shall, in its sole discretion, agree to an extension. The syndication, compensation, reimbursement, indemnification, jurisdiction, governing law, waiver of jury trial, no fiduciary relationship and, except as expressly set forth above, confidentiality provisions contained herein and in the Fee Letters shall remain in full force and effect regardless of whether Facilities Documentation shall be executed and delivered and notwithstanding the termination of this Commitment

Letter or the commitments hereunder; provided that your obligations under this Commitment Letter (other than your obligations with respect to (a) assistance to be provided in connection with the syndication thereof (including supplementing and/or correcting Information and Projections) prior to the Syndication Date and (b) confidentiality) shall automatically terminate and be superseded (in respect of your indemnity obligations, to the extent covered thereby) by the provisions of the Facilities Documentation upon the initial funding thereunder, and you shall automatically be released from all liability in connection therewith at such time. You may terminate this Commitment Letter and/or JPMorgan's commitments with respect to the Facilities (or a portion thereof) at any time subject to the provisions of the immediately preceding sentence.

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We are pleased to have been given the opportunity to assist you in connection with this important financing.

Very truly yours,

JPMORGAN CHASE BANK, N.A.

By /s/ Cindy M. Matula
Name: Cindy M. Matula
Title: Managing Director Central Texas Region Manager

Accepted and agreed to as of
the date first above written:

THERMON INDUSTRIES, INC.

By: /s/ Jay Peterson

Name: Jay Peterson

Title: Chief Financial Officer

EXHIBIT A

Project Logan
Transaction Summary

Capitalized terms used but not defined in this Exhibit A shall have the meanings set forth in the Commitment Letter to which this Exhibit A is attached and in Exhibits B and C thereto.

Thermon Industries, Inc. (the "US Borrower") intends to acquire (the "Acquisition") 100% of CCI Thermal Technologies Inc. (the "Target") pursuant to (i) a share purchase agreement, among 2071827 Alberta Ltd., Camary Holdings Ltd. and Rocor Holdings Ltd. (together with all exhibits, schedules and disclosure letters thereto, the "Purchase Agreement"), and (ii) share purchase agreements, each between 20171827 Alberta Ltd. and an individual separately identified to the Lead Arranger (such share purchase agreements collectively, and together with all exhibits, schedules and disclosure letters thereto, the "Share Purchase Agreements"), which Share Purchase Agreements are entered into in respect of the 599,550 Class "B" Common Shares and 154,812 Class "C" Common Shares in the capital of the Target. In connection therewith, it is intended that:

(a) The US Borrower will obtain a senior secured term loan "B" facility (the "Term Facility") in an aggregate amount of $250 million and the Borrowers will obtain a senior secured revolving facility in an aggregate amount of $60 million (the "Revolving Facility"; and together with the Term Facilities, the "Facilities"), in each case as described in Exhibit B.

(b) The proceeds of the Term Facility will be applied as follows:

(i) to refinance certain existing indebtedness of the US Borrower and the Target,

(ii) a portion thereof will be on-lent to the Canadian Borrower (the "Intercompany Loan"), which Intercompany Loan shall be on terms reasonably satisfactory to the Lead Arranger,

(iii) to pay the fees and expenses incurred in connection with the Transactions (such fees and expenses, the "Transaction Costs") and

(iv) for general corporate purposes.

(c) The proceeds of the Intercompany Loan will be contributed in cash to a newly-formed wholly owned Canadian direct subsidiary of the Canadian Borrower ("Newco"), and Newco will use such proceeds to pay the cash consideration for the Acquisition and certain Transaction Costs. Immediately after giving effect to the Acquisition, Newco will be amalgamated with the Target. Newco will remain a wholly owned Canadian direct subsidiary of the Canadian Borrower.

(d) Newco will dividend to the Canadian Borrower the US assets that are acquired in the Acquisition. Such US assets will be divested from the Canadian Borrower to the US Borrower as repayment of a portion of the Intercompany Loan.

The transactions described above are collectively referred to herein as the "Transactions". For purposes of this Commitment Letter and the Fee Letters, "Closing Date" shall mean the date of the satisfaction or waiver of the conditions set forth in Exhibit C and the initial funding of the Facilities.

Project Logan
$310,000,000 Senior Secured Facilities
Summary of Principal Terms and Conditions

Set forth below is a summary of the principal terms and conditions of the Facilities (as defined below).

Borrowers:	The borrower under the Term Facility (as defined below) will be Thermon Industries, Inc., a Delaware corporation (the "US Borrower"). The borrower under the Revolving Facility (as defined below) will be the US Borrower and Thermon Canada Inc., a Nova Scotia company (the "Canadian Borrower"; and together with the US Borrower, the "Borrowers").
Administrative Agent:	JPMorgan Chase Bank, N.A. ("JPMorgan") will act as sole and exclusive administrative agent and collateral agent for the Facilities (in such capacities, the "Administrative Agent") for a syndicate of financial institutions (other than Disqualified Lenders) reasonably acceptable to the US Borrower and the Administrative Agent (the "Lenders") and will perform the duties customarily performed by persons acting in such capacities. JPMorgan Chase Bank, N.A., Toronto Branch will act as sole and exclusive Canadian administrative agent and Canadian collateral agent for the Revolving Facility (in such capacities, the "Canadian Administrative Agent") for the Lenders under the Revolving Facility (the "Revolving Lenders") and will perform the duties customarily performed by persons acting in such capacities.
Lead Left Arranger and Lead Left Bookrunner:	JPMorgan will act as lead left arranger and lead left bookrunner for the Facilities (in such capacities, the "Lead Arranger") and will manage the syndication of the Facilities.
Facilities:	(a) A senior secured term loan "B" facility in an aggregate principal amount equal to $250,000,000 (the "Term Facility"; and the loans under the Term Facility, the "Term Loans"). (b) A senior secured revolving credit facility with aggregate commitments in an amount equal to $60,000,000 (the "Revolving Facility"; and together with the Term Facility, the "Facilities"). All or a portion of the Revolving Facility shall be available in Canadian Dollars.

Incremental Facility:

The Facilities Documentation will permit the Borrowers (pursuant to procedures to be mutually agreed upon and set forth in the credit agreement with respect to the Facilities (the "Credit Agreement")) to add one or more incremental term loan facilities to the Facilities (each, an "Incremental Term Facility") and/or increase the commitments under the Revolving Facility (each such increase, a "Revolving Facility Increase" and, together with the Incremental Term Facilities, the "Incremental Facilities") in an aggregate principal amount not to exceed for all such increases and incremental facilities the greater of (x) $30,000,000 and (y) an unlimited additional amount of Incremental Facilities such that, in the case of this clause (y) only, after giving effect to the incurrence of any such Incremental Facility pursuant to this clause (y) (and after giving effect to any acquisition consummated concurrently therewith and any other acquisition, disposition, debt incurrence, debt retirement and other appropriate pro forma adjustment events, including any debt incurrence or retirement subsequent to the end of the applicable test period and on or prior to the date of such incurrence, all to be further defined in the Credit Agreement), on a pro forma basis (but excluding the cash proceeds of such incurrence and assuming, in the case of any Revolving Facility Increase, that the commitments in respect thereof are fully drawn) the Secured Leverage Ratio (to be defined) would not exceed 4.00 to 1.00; subject to the following terms and conditions: (a) no default or event of default exists or would exist after giving effect to such Incremental Facility (or if agreed by the lenders providing such Incremental Facility in connection with any Limited Condition Acquisition (as defined below), no payment or bankruptcy event of default), (b) no existing Lender shall be required to participate in any such Incremental Facility, (c) the representations and warranties in the Facilities Documentation shall be true and correct in all material respects on and as of the date of the incurrence of the Incremental Facilities (although any representations and warranties which expressly relate to a given date or period shall be required only to be true and correct in all material respects as of the respective date or for the respective period, as the case may be), subject to customary "Sungard" limitations to the extent the proceeds of any Incremental Facility are being used to finance a Limited Condition Acquisition, (d) all fees and expenses owing in respect of such Incremental Facility to the Administrative Agent have been paid and (e) the interest rate margins and, subject to clause (iii), amortization schedule applicable to any Incremental Facility shall be determined by the Borrowers and lenders thereunder; provided further that the loans under any Incremental Term Facility (i) will rank pari passu in right of payment and security with the other Facilities, (ii) will mature no earlier than the final maturity of the Term Facility and (iii) will (other than as required to achieve fungibility with the Term Facility, if applicable) have a weighted average life to maturity no shorter than the remaining weighted average life to maturity of the Term Facility. If any Incremental Term Facility is incurred during the first twelve (12) months after the Closing Date, in the event the "yield" (which, for this purpose, shall be deemed to include all upfront or similar fees or original issue discount payable to the lenders in respect of such Incremental Term Facility and any pricing "floor" applicable to such Incremental Term Facility but excluding customary arrangement, commitment, underwriting, structuring and/or amendment fees (regardless of whether any such fees are paid to or shared in whole or in part with any lender) applicable to any Incremental Term Facility exceeds the "yield" applicable to the Term Facility by more than 0.50%, then the interest rate spread applicable to the Term Facility shall be increased so that the "yield" on the Term Facility is equal to the "yield" applicable to such Incremental Term Facility less 0.50%. Any Incremental Term Facility will have terms and conditions substantially identical to the Term Facility (other than with respect to pricing, amortization and maturity) and will be otherwise on terms and subject to conditions reasonably satisfactory to the Administrative Agent (it being understood that no consent shall be required from the Administrative Agent for terms and conditions that are more restrictive than the Facilities Documentation if the Lenders under the Facilities receive the benefit of such terms or conditions through their addition to the Facilities Documentation).

The US Borrower will be permitted to utilize the above available incremental credit capacity in the form of (in addition to Incremental Term Facilities and Revolving Facility Increases) senior unsecured notes or loans or senior secured notes or loans that are secured by the Collateral, in the case of notes, on a pari passu or junior basis

or, in the case of loans, a junior basis ("Alternative Incremental Indebtedness"); provided that, in addition to the requirements with respect to the amount, incurrence and maturity of any such incremental credit extensions set forth above, (a) in the case of any such Alternative Incremental Indebtedness in the form of notes, such Alternative Incremental Indebtedness is not required to be repaid, prepaid, redeemed, repurchased or defeased, whether on one or more fixed dates, upon the occurrence of one or more events or at the option of any holder thereof (except, in each case, upon the occurrence of an event of default, a change in control, an event of loss or an asset disposition) prior to the date that is 91 days after the latest maturity date of the Term Facility, (b) if such Alternative Incremental Indebtedness is secured, (i) such indebtedness shall not be secured by any assets or property other than the Collateral and (ii) all security therefor shall be granted pursuant to documentation substantially similar to the applicable collateral documents, and the secured parties thereunder, or a trustee or collateral agent on their behalf, shall have become a party to a first lien intercreditor agreement or a junior lien intercreditor agreement, in each case in form and substance reasonably satisfactory to the Administrative Agent, (c) such Alternative Incremental Indebtedness is not guaranteed by any subsidiaries of Holdings other than the US Guarantors, (d) any Alternative Incremental Indebtedness does not have a shorter weighted average life than the remaining weighted average life of the Term Facility and (e) the other terms and conditions of such Alternative Incremental Indebtedness (excluding pricing) are no more favorable to the investors providing such Alternative Incremental Indebtedness than those applicable to the Term Facility (except for covenants or other provisions applicable only to periods after the latest final maturity date of the Term Facility existing under the Credit Agreement at the time of incurrence of such Alternative Incremental Indebtedness).

Refinancing Term Loans and Revolving Credit Commitments:	With the consent of the US Borrower, the Administrative Agent and the lenders providing the refinancing term loans or refinancing revolving commitments, one or more tranches of term loans or any revolving credit commitments can be refinanced from time to time, in whole or part, with one or more new tranches of term loans, senior secured notes (which may rank pari passu or junior in right of security to the Term Facility) or senior unsecured notes ("Refinancing Debt") or new revolving credit commitments ("Refinancing Commitments") ; provided that (i) any Refinancing Debt does not mature prior to the maturity date of, or have a shorter weighted average life than, the term loans being refinanced, (ii) any Refinancing Commitments do not mature prior to the maturity date of the revolving credit commitments being refinanced and (iii) the other terms and conditions of such Refinancing Debt or Refinancing Commitments (excluding pricing, call protection and optional prepayment or redemption terms) are no more favorable to the lenders or investors, as the case may be, providing such Refinancing Debt or Refinancing Commitments, as applicable, than those applicable to the term loans or revolving credit commitments being refinanced (except for covenants or other provisions applicable only to periods after the latest final maturity date of the Term Facility and revolving credit commitments existing under the Facilities Documentation at the time of such refinancing).
Purpose:	(a) The proceeds of the loans under the Term Facility will be used by the Borrowers on the Closing Date (i) to refinance all indebtedness under that certain Amended and Restated Credit Agreement, dated as of April 19, 2013 among the US Borrower, the Canadian Borrower, the other parties thereto designated as "Credit Parties", JPMorgan Chase Bank, N.A., as US revolving lender, a US term lender, the US swingline lender and a US l/c issuer, and as US agent, JPMorgan Chase Bank, N.A., Toronto Branch, as a Canadian lender, the Canadian swingline lender, a Canadian l/c issuer and as Canadian agent for all Canadian lenders and the other financial institutions party (as amended, the "Existing Credit Agreement"), (ii) certain existing indebtedness of the US Borrower and the Target, (iii) to pay the cash consideration for the Acquisition (it being understood that a portion of the loans under the Term Facility will be lent by the US Borrower to the Canadian Borrower, the Canadian Borrower shall contribute such proceeds to Newco, and Newco will pay the cash consideration for the Acquisition), (iv) to pay Transaction Costs and (v) for general corporate purposes. (b) The proceeds of loans under the Revolving Facility will be used by the Borrowers for working capital and other general corporate purposes (including, without limitation, permitted acquisitions and other permitted investments). (c) Letters of credit will be used to support obligations of the Borrowers and their subsidiaries incurred in the ordinary course of business. (d) The proceeds of loans under any Incremental Term Facility will be used by the Borrowers for working capital and other general corporate purposes (including, without limitation, permitted acquisitions and other permitted investments).

Availability:	(a) The Term Facility must be drawn in a single drawing on the Closing Date. Amounts borrowed under the Term Facility that are repaid or prepaid may not be reborrowed. (b) The Revolving Facility will be available on and after the Closing Date at any time prior to the final maturity of the Revolving Facility, in minimum principal amounts to be agreed; provided that up to a maximum of $10,000,000 of loans under the Revolving Facility ("Revolving Loans") may be drawn on the Closing Date. Amounts repaid under the Revolving Facility may be reborrowed.
Interest Rates and Fees:	As set forth on Annex I hereto.
Default Rate:	With respect to overdue principal, the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), the interest rate applicable to ABR loans (as defined in Annex I hereto) plus 2.00% per annum.

Letters of Credit:	A portion of the Revolving Facility not in excess of $25,000,000 shall be available for the issuance of letters of credit ("Letters of Credit") for the account of the US Borrower or the US Guarantors (any such Letter of Credit, a "US Letter of Credit") or the account of the Canadian Borrower or any Canadian Subsidiary Guarantor (any such Letter of Credit, a "Canadian Letter of Credit"), which Letters of Credit will be issued by JPMorgan or one of its affiliates and any other Lender under the Revolving Facility that is acceptable to the US Borrower or the Canadian Borrower, as applicable, and the Administrative Agent or the Canadian Administrative Agent, as applicable (each, an "Issuing Bank"). Each Letter of Credit shall expire not later than the earlier of (a) 12 months after the date of issuance and (b) the fifth business day prior to the final maturity of the Revolving Facility unless cash collateralized or backstopped in a manner reasonably acceptable to the Issuing Bank; provided that any Letter of Credit having a 12-month tenor may provide for the renewal of such Letter of Credit for additional 12-month periods (which shall, in no event, extend beyond the date referred to in clause (b) of this paragraph). Each drawing under any Letter of Credit shall be reimbursed by the applicable Borrower not later than one business day after such drawing. To the extent that the applicable Borrower does not reimburse the applicable Issuing Bank on such business day, the Revolving Lenders under the Revolving Facility shall be irrevocably obligated to reimburse such Issuing Bank pro rata based upon their respective Revolving Facility commitments. The issuance of all Letters of Credit shall be subject to the customary procedures of the applicable Issuing Bank. Letters of Credit issued for the benefit of the US Borrower or the US Guarantors shall be denominated in US dollars, Canadian dollars, Euros, British Pounds Sterling, Chinese Renminbi or other agreed foreign currencies. Letters of Credit issued for the benefit of the Canadian Borrower or the Canadian Subsidiary Guarantors shall be denominated in US dollars or Canadian dollars. If any Revolving Lender becomes a "defaulting Lender", then the letter of credit exposure of such defaulting Lender will automatically be reallocated among the non-defaulting Lenders pro rata in accordance with their commitments under the Revolving Facility up to an amount such that the revolving credit exposure of such non-defaulting Lender does not exceed its commitments. In the event that such reallocation does not fully cover the exposure of such defaulting Lender, the applicable Issuing Bank may require the Borrowers to cash collateralize such "uncovered" exposure in respect of each outstanding letter of credit and will have no obligation to issue new letters of credit, or to extend, renew or amend existing letters of credit to the extent letter of credit exposure would exceed the available commitments of the non-defaulting Revolving Lenders, unless such "uncovered" exposure is cash collateralized to the Issuing Bank's reasonable satisfaction.

Swing Line Loans:	A portion of the Revolving Facility not in excess of $10,000,000 shall be available for swing line loans in U.S. dollars (the "US Swing Line Loans") from the Administrative Agent (in such capacity, the "US Swing Line Lender") or swing line loans in Canadian dollars (the "Canadian Swing Line Loans"; and together with the US Swing Line Loans, the "Swing Line Loans") from the Canadian Administrative Agent (in such capacity, the "Canadian Swing Line Lender"; and together with the US Swing Line Lender, the "Swing Line Lenders"). The Swing Line Lenders, in their sole discretion, may create Swing Line Loans by advancing to the applicable Borrower, on behalf of the Lenders, floating rate Revolving Loans requested by such Borrower. Settlement of such Swing Line Loans will occur weekly. Any such Swing Line Loans will reduce availability under the Revolving Facility on a dollar-for-dollar basis. Each Lender under the Revolving Facility shall acquire, under certain circumstances, an irrevocable and unconditional pro rata participation in each Swing Line Loan.
Maturity and Amortization:	(a) The Term Facility will mature on the date that is seven years after the Closing Date and will amortize in equal quarterly installments in an aggregate annual amount equal to 1.00% per annum beginning with the first full fiscal quarter ended after the Closing Date, with the balance due at maturity. (b) The Revolving Facility will mature on the date that is five years after the Closing Date.

Guarantees:	All obligations of the US Borrower under the Facilities and all obligations of the US Borrower and the other US Guarantors (as defined below) under any interest rate protection or other hedging arrangements entered into with a US Lender (or an affiliate of a US Lender) and all obligations of the US Borrower and the other US Guarantors in respect of US banking services owed to a US Lender (or an affiliate of a US Lender) arising from commercial credit cards, stored value or purchasing cards, foreign currency exchange facilities and treasury management services provided to the US Borrower or any US Guarantor (collectively, the "US Obligations"), will be unconditionally guaranteed (the "Guarantees") by Thermon Holding Corp. ("Holdings") and each existing or subsequently acquired or organized wholly-owned material US subsidiary of the US Borrower (together with Holdings, the "US Guarantors"), subject to restrictions imposed by applicable law. All obligations of the Canadian Borrower under the Revolving Facility and all obligations of the Canadian Borrower and the Canadian Subsidiary Guarantors (as defined below) under any interest rate protection or other hedging arrangements entered into with a Lender to the Canadian Borrower ("Canadian Lender") (or an affiliate of a Canadian Lender) and all obligations of the Canadian Borrower and the Canadian Subsidiary Guarantors in respect of banking services owed to a Canadian Lender (or an affiliate of a Canadian Lender) arising from commercial credit cards, stored value or purchasing cards, foreign currency exchange facilities and treasury management services provided to the Canadian Borrower or any Canadian Subsidiary Guarantor (the "Canadian Obligations"), will be subject to Guarantees by Holdings, the US Guarantors, the US Borrower and each existing or subsequently acquired or organized wholly-owned material Canadian subsidiary of the Canadian Borrower (such subsidiaries, the "Canadian Subsidiary Guarantors"; and together with the US Guarantors, the "Guarantors"; and the Guarantors together with the Borrowers, the "Loan Parties"), subject to restrictions imposed by applicable law. Notwithstanding the foregoing, subsidiaries may be excluded from the guarantee requirements in circumstances where the applicable Borrower and the Administrative Agent or the Canadian Administrative Agent, as applicable, reasonably agree that the cost of providing such guarantee is excessive in relation to the value afforded thereby.

Security:

Subject to the limitations set forth herein, all US Obligations, all Canadian Obligations, and all Guarantees will be secured by substantially all the assets of the Borrowers and each other Guarantor (collectively, the "Collateral"), including but not limited to (a) a perfected first-priority pledge of all the capital stock of the Borrowers and all the capital stock held by the Borrowers or any other Guarantor of each existing or subsequently acquired or organized wholly-owned material subsidiary of Holdings (which pledge, in the case of stock of any first tier foreign subsidiary of Holdings that is securing obligations of the US Borrower or a US Guarantor, shall not include more than 65% of the voting stock of such foreign subsidiary to the extent such pledge would cause material adverse tax consequences) and (b) perfected first-priority security interests and hypothecs (if applicable) in substantially all tangible and intangible assets of the Borrowers and each other Guarantor (including but not limited to accounts, inventory, equipment, commercial tort claims, investment property, intellectual property, intercompany indebtedness, general intangibles, letter of credit rights and proceeds of the foregoing), subject to exceptions and thresholds to be mutually agreed upon; provided that no obligations of the US Borrower or the US Guarantors shall be secured by assets of the Canadian Borrower or the Canadian Subsidiary Guarantors.

Notwithstanding anything to the contrary, the Collateral shall exclude the following: (a) any real property; (b) any permit or license, any contractual obligation, healthcare insurance receivable or other general intangible, intellectual property or franchise (i) that prohibits or requires the consent of any person (other than a Loan Party or any of its subsidiaries) which has not been obtained as a condition to the creation by such Loan Party of a lien on such asset, (ii) to the extent that any law, rule or regulation applicable thereto prohibits the creation of a lien thereon, but only, with respect to the prohibition in (i) and (ii), to the extent, and for as long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by the UCC, PPSA, Civil Code of Quebec or any other law, rule or regulation or (iii) if the grant of a security interest or hypothec (if applicable) in such asset would reasonably be expected to result in the loss of rights thereon or create a default thereunder, (c) property that is subject to a purchase money lien or a capital lease permitted under the Facilities Documentation if the contractual obligation pursuant to which such lien is granted (or in the document providing for such capital lease) prohibits or requires the consent of any person (other than Holdings and its affiliates) which has not been obtained as a condition to the creation of any other lien on such equipment, (d) any "intent to use" trademark applications for which a statement of use has not been filed (but only until such statement is filed), (e) excluded accounts on terms consistent with the existing security documentation entered into in connection with the Existing Credit Agreement and (f) other exceptions to be agreed.

Notwithstanding anything to the contrary, the applicable Borrower and the Guarantors shall not be required, nor shall the Administrative Agent or Canadian Administrative Agent be authorized to (i) take any additional steps to perfect the above-described pledges, security interests and hypothecs by any means other than by (A) filings pursuant to the Uniform Commercial Code in the office of the secretary of state (or similar filing office) of the relevant States(s) or filings pursuant to the PPSA or the Civil Code of Quebec in the applicable filing office of the relevant Province(s), (B) filings in United States and Canadian government offices with respect to intellectual property as expressly required in the Facilities Documentation or (C) delivery to the Administrative Agent to be held in its possession of all Collateral consisting of material intercompany notes, stock certificates and other certificated equity ownership of the applicable Borrower and its subsidiaries and the Guarantors and their subsidiaries, in each case as expressly required in the Facilities Documentation, (ii) to take any action outside of the United States and Canada, with respect to any assets located outside of the United States or Canada (it being understood that there shall be no security agreements or pledge agreements under the laws of any non-U.S. jurisdiction other than Canada) or (iii) to enter into any deposit account control agreement or securities account control agreement with respect to any deposit account or securities account (other than deposit accounts holding cash collateral securing outstanding Letters of Credit or obligations owing to Issuing Banks or Swing Line Lenders arising from "uncovered

exposure" of a defaulting lender).

All the above-described pledges and security interests shall be created on terms, and pursuant to documentation, reasonably satisfactory to the Lenders and, subject to exceptions permitted under the Facilities Documentation, none of the Collateral shall be subject to any other pledges, security interests or mortgages (except permitted liens and other exceptions and baskets to be set forth in the Facilities Documentation).

Mandatory Prepayments:

Loans under the Term Facility shall be prepaid with:

(a) 100% of the net cash proceeds of all non-ordinary course asset sales or other dispositions of property (including casualty and condemnation) by Holdings, and its subsidiaries, subject to thresholds and reinvestment rights to be mutually agreed upon (with a reinvestment period equal to 12 months) and other exceptions to be mutually agreed upon;

(b) 100% of the net cash proceeds of issuances of equity and indebtedness of Holdings and its subsidiaries (other than indebtedness permitted under the Credit Agreement); and

(c) 50% (with stepdowns to (i) 25% when the Leverage Ratio (as defined in the Existing Credit Agreement, but with the debt component thereof to exclude undrawn letters of credit) is less than 4.00:1.00 but greater than or equal to 3.50:1.00 and (ii) 0% when the Leverage Ratio is less than 3.50:1.00) of annual Excess Cash Flow (to be defined in a manner to be agreed) of Holdings and its subsidiaries; provided that any voluntary prepayments of Term Loans during the applicable fiscal year and any voluntary prepayments of revolving loans under the Revolving Facility (with a corresponding permanent reduction in commitments of the Revolving Facility), other than prepayments funded with the proceeds of indebtedness, shall be credited against Excess Cash Flow prepayment obligations for such fiscal year on a dollar-for-dollar basis.

Notwithstanding the foregoing, each Lender of Term Loans ("Term Lender") shall have the right to reject its pro rata share of any mandatory prepayments described above, in which case the amounts so rejected may be retained by the US Borrower.

Notwithstanding the foregoing, mandatory prepayments pursuant to clauses (a) and (c), to the extent attributable to subsidiaries that are organized in a jurisdiction other than the United States, shall be (i) subject to permissibility under local law and (ii) limited to the extent that the US Borrower determines that such prepayments would result in material adverse tax consequences (including, without limitation, any withholding tax) related to the repatriation of funds in connection therewith; provided that the US Borrower and its subsidiaries shall take commercially reasonable actions to permit repatriation of the proceeds subject to such prepayments without violating local law or incurring material adverse tax consequences.

The above-described mandatory prepayments shall be applied to the remaining amortization payments under the Term Facility as follows: (a) in direct order of maturity to the amortization repayments occurring in the eight quarters following the date of such prepayment and (b) pro rata to the remaining amortization payments.

Revolving Loans will be required to be prepaid if the aggregate revolving credit exposure under the Revolving Facility exceeds the aggregate commitments thereunder.

Voluntary Prepayments/ Reductions in Commitments:	Voluntary prepayments of borrowings under the Facilities and voluntary reductions of the unutilized portion of the Revolving Facility commitments will be permitted at any time, in minimum principal amounts to be mutually agreed upon, without premium or penalty (except as described below), subject to reimbursement of the Lenders' redeployment or breakage costs in the case of a prepayment of Adjusted LIBOR or CDOR Rate borrowings other than on the last day of the relevant Interest Period (to be defined). Any (a) voluntary prepayment of the loans under the Term Facility that is made on or prior to the date that is six months after the Closing Date with the proceeds from a Repricing Transaction (as defined below) and (b) amendment or other modification of the Credit Agreement on or prior to the date that is six months after the Closing Date, the effect of which is a Repricing Transaction, in each case shall be accompanied by a prepayment premium equal to 1.00% of (i) the aggregate principal amount of the Term Loans so prepaid, in the case of a voluntary prepayment, and (ii) the aggregate principal amount of the Term Loans affected by such amendment or modification, in the case of an amendment or other modification of the Credit Agreement. "Repricing Transaction" means the prepayment or refinancing (other than in connection with a change of control or a transformative acquisition) of all or a portion of the loans under the Term Facility concurrently with the incurrence by a Loan Party of any long-term bank debt financing or any other financing similar to such loans, in each case having a lower all-in yield (taking into account any original issue discount and upfront fees in respect of such financing and any pricing "floor" applicable thereto but excluding customary arrangement, structuring, syndication and commitment fees paid to arrangers thereof) than the interest rate margin applicable to such loans. For the avoidance of doubt, a 1.00% premium on Term Loans assigned shall be paid to Term Lenders that are forced to assign Term Loans, on or prior to the date that is six months after the Closing Date, as a result of not consenting to a Repricing Transaction. All voluntary prepayments under the Term Facility shall be applied to the remaining amortization payments under the Term Facility as directed by the US Borrower.

Facilities Documentation:	The definitive documentation for the Facilities (the "Facilities Documentation") will be (a) consistent with this Exhibit B and Exhibit C and will contain only those conditions precedent, mandatory prepayments, representations and warranties, affirmative and negative covenants, financial covenants and events of default expressly set forth herein and in Exhibit C (subject only to the exercise of any "market flex" expressly provided in the Arranger Fee Letter) and otherwise be subject to the Limited Conditionality Provisions, and, to the extent such terms are not expressly set forth herein, such terms will be negotiated in good faith; provided that (subject to market updates) such representations and warranties, affirmative and negative covenants, financial covenants and events of default will be no more restrictive than those set forth in the Existing Credit Agreement, (b) drafted to give due regard to the operational and strategic requirements of the Borrowers and their subsidiaries (after giving effect to the Transactions) in light of their size, industries, practices, the Borrowers' business plan and matters disclosed in the Purchase Agreement and (c) negotiated in good faith by the US Borrower and the Lead Arranger to finalize such documentation, giving effect to the Limited Conditionality Provisions, as promptly as practicable after the acceptance of this Commitment Letter.
Representations and Warranties:	Limited to the following (to be applicable to Holdings and its subsidiaries) and subject to the Limited Conditionality Provisions: organization and powers; authorization, due execution and delivery and enforceability of the Facilities Documentation; governmental approvals; no conflicts (including no creation of liens); accuracy of financial statements; no material adverse change; ownership of properties; intellectual property; absence of actions, suits or proceedings; environmental matters; compliance with laws; compliance with anti-terrorism and sanctions laws and regulations; Investment Company Act of 1940; Federal Reserve regulations; payment of taxes; compliance with Canadian Benefit Plans, Canadian Pension Plans and ERISA; accuracy of information; subsidiaries; insurance; labor matters; solvency; no Loan Party is an EEA Financial Institution (to be defined in a customary manner); Holdings (or, upon the merger of the U.S. Borrower into Holdings, Thermon Group Holdings, Inc.) is a passive entity; and validity, perfection and priority of security interests in the Collateral (subject to permitted liens), in each case subject to customary qualifications and exceptions to be mutually agreed upon.
Conditions Precedent to Initial Borrowing:	Limited to those set forth in the Conditions Exhibit and those under the heading "Conditions Precedent to All Borrowings" below.
Conditions Precedent to All Borrowings:	The making of each extension of credit shall be conditioned upon (a) the accuracy in all material respects (or, if already qualified by materiality, in all respects) of all representations and warranties (which, for purposes of the initial extensions of credit on the Closing Date and, in the case of any extension of credit under any Incremental Facility in connection with any acquisition or investment permitted under the Credit Agreement, if agreed by the lenders providing such Incremental Facility, shall be limited to the Specified Representations and the Specified Purchase Agreement Representations), (b) solely for extensions of credit after the Closing Date, there being no default or event of default in existence at the time of, or immediately after giving effect to the making of, such extension of credit (or, in the case of any extension of credit under any Incremental Facility in connection with any Limited Condition Acquisition, if agreed by the lenders providing such Incremental Facility, no payment or bankruptcy event of default) and (c) the delivery of a borrowing notice.

Affirmative Covenants: Limited to the following (to be applicable to Holdings and its subsidiaries): delivery of audited annual consolidated financial statements for Holdings, unaudited quarterly consolidated financial statements for Holdings and other financial information and other information; delivery of notices of default, litigation, material adverse change and other material matters; maintenance of corporate existence and rights and conduct of business; payment of obligations; maintenance of properties; maintenance of customary insurance; maintenance and inspection by the Administrative Agent of property and books and records; compliance with laws (including environmental laws); Canadian Benefit Plans, Canadian Pension Plans and ERISA; use of proceeds and letters of credit; commercially reasonable efforts to maintain ratings; compliance with anti-terrorism and sanctions laws and regulations; additional subsidiaries; depositary banks; and further assurances, in each case subject to customary qualifications and exceptions to be mutually agreed upon.

Negative Covenants: Limited to the following (to be applicable to Holdings and its subsidiaries):

(a) limitations on indebtedness (including guarantees);

(b) limitations on liens;

(c) limitations on asset sales;

(d) limitations on mergers, consolidations and fundamental changes; provided that the US Borrower shall be permitted to merge into Holdings so long as Holdings assumes all obligations of the US Borrower under the Credit Agreement and the other loan documents and the stock of Holdings is pledged by Thermon Group Holdings, Inc.;

(e) limitations on investments;

(f) limitations on restricted payments;

(g) limitations on sale leasebacks;

(h) limitations on changes in lines of business;

(i) limitations on transactions with affiliates;

(j) limitations on restrictions on liens and other restrictive agreements;

(k) limitation on changes in the fiscal year, in each case subject to customary qualifications and exceptions to be mutually agreed upon; and

(l) use of proceeds (as to anti-corruption and sanctions laws and regulations).

The negative covenants will be subject, in the case of each of the foregoing covenants, to exceptions, qualifications and “baskets” to be set forth in the Facilities Documentation and such exceptions, qualifications and “baskets” will be no less restrictive than those set forth in the Existing Credit Agreement.

Financial Covenants:

(a) Term Facility: None.

(b) Revolving Facility: Limited to:

(i) Leverage Ratio Covenant. Holdings and its subsidiaries, on a consolidated basis, shall not allow the Leverage Ratio for the four fiscal quarter period ending on the last day of each fiscal quarter to exceed 5.50:1.00, with step downs to 3.75:1.00 to be agreed.

(ii) Fixed Charge Coverage Ratio Covenant. Holdings and its subsidiaries, on a consolidated basis, shall maintain, for the four fiscal quarter period ending on the last day of each fiscal quarter, a Fixed Charge Coverage Ratio (to be defined as set forth in the Existing Credit Agreement) of not less than 1.25 to 1.00.

Limited Condition Acquisitions:

In the case of the incurrence of any indebtedness (excluding, for the avoidance of doubt, indebtedness under the Revolving Facility but including any Incremental Facilities) or liens or the making of any permitted acquisitions or other investments, restricted payments, prepayments of indebtedness or asset sales in connection with a Limited Condition Acquisition (as defined below), at the Borrowers' option, the relevant ratios and baskets shall be determined, and any default or event of default blocker shall be tested, as of the date the definitive acquisition agreements for such Limited Condition Acquisition are entered into and calculated as if the acquisition and other pro forma events in connection therewith were consummated on such date; provided that if the Borrowers have made such an election, in connection with the calculation of any ratio (other than for purposes of calculating compliance with the Financial Covenants) or basket with respect to the incurrence of any debt (including any Incremental Facilities) or liens, or the making of any permitted acquisitions or other investments, restricted payments, prepayments of indebtedness or asset sales on or following such date and prior to the earlier of the date on which such Limited Condition Acquisition is consummated or the definitive agreement for such Limited Condition Acquisition is terminated, any such ratio shall be calculated on a pro forma basis assuming such Limited Condition Acquisition and other pro forma events in connection therewith (including any incurrence of indebtedness) have been consummated except that EBITDA of any target of a Limited Condition Acquisition shall not be used in the determination of the relevant ratios and baskets for any purpose other than the incurrence test under which such Limited Condition Acquisition is being made and such Indebtedness is being incurred unless and until such acquisition has closed.

As used herein, "Limited Condition Acquisition" means any acquisition by the Borrower or one or more of their subsidiaries permitted pursuant to the Facilities Documentation whose consummation is not conditioned on the availability of, or on obtaining, third party financing.

Events of Default:	Limited to the following (to be applicable to Holdings and its subsidiaries): nonpayment of principal, interest, fees or other amounts; inaccuracy of representations and warranties in any material respect; violation of covenants (provided that with respect to the financial maintenance covenants described under the heading "Financial Covenants" above, a breach thereof shall only result in an event of default under the Term Facility after the Requisite Revolving Lenders (as defined below) have terminated the Revolving Facility and accelerated any loans outstanding thereunder); cross default and cross acceleration to indebtedness in excess of $10,000,000; voluntary and involuntary bankruptcy or insolvency proceedings; inability to pay debts as they become due; material judgments; Canadian Benefit Plans, Canadian Pension Plans and ERISA events; actual invalidity (or asserted invalidity by a Loan Party or a subsidiary thereof) of the Guarantees, the documentation in respect of the Collateral or the Credit Agreement; and Change in Control (to be defined in a manner to be mutually agreed upon), in each case with customary grace periods, qualifications and exceptions to be mutually agreed upon.
Voting:	Amendments and waivers of the Credit Agreement and the other Facilities Documentation will require the approval of Lenders holding more than 50% of the aggregate amount of the extensions of credit and unused commitments under the Facilities, except that (a) the consent of each Lender directly and adversely affected thereby shall be required with respect to, among other things, (i) increases in commitments, (ii) reductions of principal (it being understood that a waiver of any condition precedent or the waiver of any default, event of default or mandatory prepayment shall not constitute a reduction in principal), interest (other than a waiver of default interest) or fees and (iii) extensions of scheduled amortization, final maturity or reimbursement dates or postponement of any payment dates and (b) the consent of 100% of the Lenders shall be required with respect to (i) modifications to any of the voting percentages, (ii) releases of all or substantially all the Collateral and (iii) releases of all or substantially all the value of the guarantees provided by the Guarantors. Notwithstanding the foregoing, Lenders holding more than 50% of the aggregate amount of the commitments under the Revolving Facility (excluding the commitments of defaulting Lenders, the "Requisite Revolving Lenders") may amend the definitions as they relate to the financial maintenance covenants, amend or waive the terms of such financial maintenance covenants and waive, amend, terminate or otherwise modify such financial maintenance covenants with respect to the occurrence of an event of default. Term Lenders shall not have any voting rights with respect to such amendments, waivers, terminations or other modifications. The Credit Agreement will contain customary amend and extend and "yank-a-bank" provisions to be mutually agreed upon.
Cost and Yield Protection:	Usual for facilities and transactions of this type (it being agreed that the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives promulgated thereunder or issued in connection therewith, and all requests, rules, guidelines or directives promulgated by the Bank for International Settlement, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States of America or foreign regulatory authorities, in each case pursuant to Basel III, in each case will be deemed to be a "change in law", regardless of the date enacted, adopted, promulgated or issued, for purposes of such cost and yield protections).

Assignments and Participations:

The Lenders will be permitted to assign all or a portion of their Loans and commitments (other than to a natural person, a Disqualified Lender or a defaulting lender) with the consent of (a) the US Borrower (unless a payment or bankruptcy event of default has occurred and is continuing or such assignment is to a Lender (other than a defaulting lender), an affiliate of a Lender or an Approved Fund (to be defined in a manner to be mutually agreed upon)); provided that the US Borrower shall be deemed to have consented to a proposed assignment of loans or commitments if the US Borrower has not responded to such proposal within ten business days after the US Borrower has received notice thereof, (b) the Administrative Agent (unless such assignment is an assignment of a Term Loan to a Lender, an affiliate of a Lender or an Approved Fund) and (c) the Swing Line Lenders and each Issuing Bank (unless such assignment is an assignment of a Term Loan), in each case which consent shall not be unreasonably withheld. Each assignment (except to other Lenders or their affiliates) will be in a minimum amount of (a) $5,000,000 in respect of loans and commitments under the Revolving Facility and (b) $1,000,000 in respect of loans and commitments under the Term Facility, unless otherwise agreed by the US Borrower (unless a payment or bankruptcy event of default has occurred and is continuing) and the Administrative Agent. The Administrative Agent will receive a processing and recordation fee of $3,500, payable by the assignor and/or the assignee, with each such assignment. Assignments will be by novation and will not be required to be pro rata among the Facilities.

Assignments of Term Loans to the US Borrower and its subsidiaries shall be permitted so long as:

(i) any offer to purchase or take by assignment any loans under the Term Facility by the US Borrower and its subsidiaries shall have been made to all Term Lenders pro rata (with buyback mechanics to be mutually agreed upon);

(ii) no default or event of default has occurred and is continuing or would result therefrom;

(iii) the loans purchased are immediately canceled (with customary restrictions on increasing EBITDA by any non-cash gains associated with such cancellation of debt); and

(iv) no proceeds from any loan under the Revolving Facility shall be used to fund such assignments.

The Lenders will be permitted to sell participations in loans and commitments without restriction; provided that participations shall not be permitted to be sold to natural persons, defaulting lenders or Disqualified Lenders. Participants shall have the same benefits as the Lenders with respect to yield protection and increased cost provisions. Voting rights of participants shall be limited to matters that require the consent of all Lenders or all affected Lenders.

The list of Disqualified Lenders shall be posted to the Lenders and no update to the list of Disqualified Lenders shall be effective until three business days after posting thereof to the Lenders. The Administrative Agent shall be expressly exculpated from any duty to ascertain, monitor or enforce compliance with the list of Disqualified Lenders.

Notwithstanding the foregoing trades with Disqualified Lenders shall not be null and void; provided that (i) the Disqualified Lenders may be required to assign the loan and (ii) Disqualified Lenders shall not have voting or information rights.

Pledges of loans in accordance with applicable law shall be permitted without restriction. Promissory notes shall be issued under the Facilities only upon request.

Expenses and Indemnification:

All reasonable and documented out-of-pocket expenses of the Administrative Agent, the Canadian Administrative Agent, the Lead Arranger and their respective affiliates (including, without limitation, the reasonable fees, charges and disbursements of counsel for any of the foregoing) associated with the structuring, arrangement and syndication of the Facilities and the preparation, negotiation, execution, delivery and administration of the Credit Agreement and the other Facilities Documentation and any amendments, modifications and waivers thereof (which, in the case of preparation, negotiation, execution, delivery and administration of the Credit Agreement and other Facilities Documentation shall be limited to a single counsel for such persons and one local counsel in each jurisdiction as the Administrative Agent shall deem advisable in connection with the creation and perfection of security interests in the Collateral), as well as all reasonable and documented out-of-pocket expenses incurred by the Issuing Banks in connection with the issuance, amendment, renewal or extension of Letters of Credit or any demand for payment thereunder, are to be paid by the Borrowers. In addition, all out-of-pocket expenses of the Administrative Agent, the Canadian Administrative Agent, the Issuing Banks and the Lenders (including, without limitation, the fees, charges and disbursements of counsel for any of the foregoing) for enforcement costs associated with the Facilities are to be paid by the Borrowers.

	Each Borrower will indemnify the Lead Arranger, the Administrative Agent, the Canadian Administrative Agent, the Issuing Banks, the Lenders and their respective affiliates and each of their respective Related Parties (each, an "indemnified person") and hold them harmless from and against all losses, claims, damages, liabilities and related expenses (including, without limitation, the fees, charges and disbursements of one firm of counsel for all such indemnified persons, taken as a whole, and, if necessary, of a single firm of local counsel in each appropriate jurisdiction (which may include a single firm of special counsel acting in multiple jurisdictions) for all such indemnified persons, taken as a whole (and, in the case of an actual or perceived conflict of interest where the indemnified person affected by such conflict informs the US Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected indemnified person and, if necessary, of a single firm of local counsel in each appropriate jurisdiction (which may include a single firm of special counsel acting in multiple jurisdictions) for such affected indemnified person)) of any such indemnified person arising out of, in connection with or as a result of the Transactions, including, without limitation, the financings contemplated thereby, or any transactions connected therewith or any claim, litigation, investigation or proceeding (regardless of whether any such indemnified person is a party thereto and regardless of whether such claim, litigation, investigation or proceeding is brought by a third party or by Holdings or any of its subsidiaries) that relate to any of the foregoing; provided that the foregoing indemnity will not, as to any indemnified person, apply to losses, claims, damages, liabilities and related expenses to the extent they (a) are found in a final and non-appealable judgment of a court of competent jurisdiction to have resulted from the willful misconduct, bad faith or gross negligence of such indemnified person or any of its controlled affiliates or controlling persons, (b) a material breach in bad faith of the Facilities Documentation by any such person or one of its controlled affiliates or (c) result from a proceeding that does not involve an act or omission by the US Borrower or any of its affiliates and that is brought by an indemnified person against any other indemnified person (other than claims against any arranger, bookrunner or agent in its capacity or in fulfilling its roles as an arranger, bookrunner or agent hereunder or any similar role with respect to the Facilities). "Related Parties" means, with respect to any person, the directors, officers, employees, agents, advisors, representatives and controlling persons of such person.
Defaulting Lenders:	The Credit Agreement shall contain customary provisions relating to "defaulting" Lenders (including, without limitation, provisions relating to providing cash collateral to support Letters of Credit and Swing Line Loans, the suspension of voting rights and rights to receive interest and fees, and assignment of commitments or loans of such Lenders).
EU Bail-in Provisions:	The Credit Agreement shall contain customary EU bail-in provisions.
Governing Law and Forum:	New York.
Counsel to Administrative Agent, Canadian Administrative Agent and Lead Arranger:	Simpson Thacher & Bartlett LLP.

Interest Rates:

The interest rates under the Facilities will be as follows:

Revolving Facility:

At the option of the applicable Borrower, loans denominated in US dollars shall bear interest at a per annum rate of Adjusted LIBOR plus 3.25% or ABR plus 2.25%, which rate shall adjust on a quarterly basis, commencing one full fiscal quarter after the Closing Date, in accordance with the pricing grid attached as Annex I-A. All US Swing Line Loans shall bear interest based upon the ABR.

At the option of the Canadian Borrower, loans denominated in Canadian dollars shall bear interest at a rate per annum equal to (a) the Canadian Prime Rate plus 2.25% or (b) the CDOR Rate (such loans herein referred to as "CDOR Rate Loans") plus 3.25%, which rate shall adjust on a quarterly basis, commencing one full fiscal quarter after the Closing Date, in accordance with the pricing grid attached as Annex I-A. All Canadian Swing Line Loans shall bear interest based upon the Canadian Prime Rate.

Term Facility:

At the option of the US Borrower, a per annum rate of Adjusted Libor 4.25% or ABR plus 3.25%.

Calculation of interest shall be on the basis of actual days elapsed in a year of 360 days (or 365 or 366 days, as applicable, in the case of ABR loans based on the Prime Rate) and interest shall be payable at the end of each interest period and, in any event, at least every 3 months. All interest on advances in Canadian dollars will be calculated on the basis of the actual number of days elapsed in a year of 365/366 days. For purposes of the *Interest Act* (Canada), the yearly rate of interest to which any rate or fee is specified to be computed on the basis of 360 days (or any other period of time less than a calendar year) is equivalent to the stated rate multiplied by the actual number of days in the year and divided by 360 or such other period of time, respectively.

ABR is the Alternate Base Rate, which is the highest of (i) JPMorgan's Prime Rate, (ii) the NYFRB Rate (as defined below) plus ½ of 1.00% and (iii) the Adjusted LIBOR for a one-month interest period plus 1.00% .

"NYFRB Rate" means for any day, the greater of (a) the federal funds effective rate (which if less than zero shall be deemed zero) in effect on such day and (b) the Overnight Bank Funding Rate (as defined below) in effect on such day (or for any day that is not a business day, for the immediately preceding business day); provided that if none of such rates are published for any day that is a business day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a Federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to be zero.

"Overnight Bank Funding Rate" means, for any day, the rate comprised of both overnight federal funds and overnight Eurocurrency borrowings by U.S. managed banking offices of depository institutions (as such composite rate shall be determined by the Federal Reserve Bank of New York as set forth on its public website from time to time) and published on the next succeeding business day by the Federal Reserve Bank of New York as an overnight bank funding rate (from and after such date as the Federal Reserve Bank of New York shall commence to publish such composite rate).

"Adjusted LIBOR" means the rate of interest determined by the ICE Benchmark Administration for a period equal to one, two, three or six months or, to the extent available to the applicable Lenders, 12 months (as selected by the applicable Borrower) appearing on the LIBOR01 Page published by Reuters (or an interpolated rate if such screen rate is not available) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such interest period, as the rate for US dollar deposits with a maturity comparable to such interest period. Adjusted LIBOR will at all times include statutory reserves and will not, in any event, be less than (i) 0.0% with respect to the Revolving Facility and (ii) 1.0% with respect to the Term Facility.

"Canadian Prime Rate" means, on any day, the rate per annum determined by the Administrative Agent to be the higher of (a) the rate equal to the PRIMCAN Index rate that appears on the Bloomberg screen at 10:15 a.m. Toronto time on such day (or, in the event that the PRIMCAN Index is not published by Bloomberg, any other information services that publishes such index from time to time, as selected by the Canadian Administrative Agent in its reasonable discretion) and (b) the CDOR Rate for 30 day Canadian dollar bankers' acceptances plus 1.0% per annum; provided, that if any the above rates shall be less than zero, such rate shall be deemed to be zero. Any change in the Canadian Prime Rate due to a change in the PRIMCAN Index or the CDOR Rate shall be effective from and including the effective date of such change in the PRIMCAN Index or CDOR Rate, respectively.

"CDOR Rate" means, for an interest period equal to one, two, or three months (as selected by the Canadian Borrower), the Canadian dollar offered rate which, in turn means on any day, the rate equal to the sum of (a) the annual rate of interest determined with reference to the arithmetic average of the discount rate quotations of all institutions listed in respect of the relevant interest period for Canadian dollar-denominated bankers' acceptances displayed and identified as such on the "CDOR Page" (or any display substituted therefore) of Reuters Monitor Money Rates Service Reuters Screen, or, in the event such rate does not appear on such page or screen, on any successor or substitute page or screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time, as selected by the Administrative Agent in its reasonable discretion (the "CDOR Screen Rate"), at or about 10:15 a.m. Toronto local time on the first day of the applicable interest period and, if such day is not a business day, then on the immediately preceding business day (as adjusted by the Canadian Administrative Agent after 10:15 a.m. Toronto local time to reflect any error in the posted rate of interest or in the posted average annual rate of interest) plus (b) 0.10% per annum; provided that (x) if the CDOR Screen Rate shall be less than zero, such rate shall be deemed to be zero and (y) if the CDOR Screen Rate is not available on the Reuters Screen CDOR Page on any particular day, then the Canadian dollar offered rate component of such rate on that day shall be calculated as determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) in accordance with procedures to be outlined in the Credit Agreement.

Letter of Credit Fees:	A per annum fee equal to the spread over Adjusted LIBOR under the Revolving Facility will accrue on the aggregate face amount of outstanding letters of credit under the Revolving Facility, payable in arrears at the end of each quarter and upon the termination of the Revolving Facility, in each case for the actual number of days elapsed over a 360-day year. Such fees shall be distributed to the Lenders participating in the Revolving Facility pro rata in accordance with the amount of each such Lender's Revolving Facility commitment. In addition, the Borrower shall pay to each Issuing Bank, for its own account, (a) a fronting fee of 0.125% per annum on the aggregate face amount of outstanding letters of credit issued by such Issuing Bank, payable in arrears at the end of each quarter and upon the termination of the Revolving Facility, in each case for the actual number of days elapsed over a 360-day year, and (b) customary issuance and administration fees.
Commitment Fees:	0.50% per annum on the undrawn portion of the commitments in respect of the Revolving Facility, commencing to accrue on the Closing Date and payable quarterly in arrears after the Closing Date; provided that the commitment fee rate shall adjust on a quarterly basis, commencing one full fiscal quarter after the Closing Date, in accordance with the pricing grid attached as Annex I-A. For purposes of calculating the commitment fee, outstanding Swing Line Loans will be deemed not to utilize the Revolving Facility commitments.

Project Logan

Level	Leverage Ratio	Drawn Margin				Commitment Fee
		Adjusted LIBOR	ABR	Canadian Prime Rate	CDOR	
Level I	≥ 4.00:1.00	3.25%	2.25%	2.25%	3.25%	0.50%
Level II	< 4.00:1.00 but ≥ 3.50:1.00	3.00%	2.00%	2.00%	3.00%	0.50%
Level III	< 3.50:1.00 but ≥ 3.00:1.00	2.75%	1.75%	1.75%	2.75%	0.45%
Level IV	< 3.00:1.00 but ≥ 2.50:1.00	2.50%	1.50%	1.50%	2.50%	0.40%
Level V	< 2.50:1.00	2.25%	1.25%	1.25%	2.25%	0.35%

Revolving Facility Pricing Term Sheet

EXHIBIT C

Project Logan
$310,000,000 Senior Secured Facilities
Summary of Additional Conditions Precedent

The borrowings under the Facilities on the Closing Date shall be subject to the following conditions precedent:

1. The terms of (i) the Purchase Agreement (including all exhibits, schedules, annexes and other attachments thereto and other agreements related thereto) and (ii) the Share Purchase Agreements (including all exhibits, schedules, annexes and other attachments thereto and other agreements related thereto), and, in each case, all related documents shall be reasonably satisfactory to the Lead Arranger. The Acquisition shall be consummated prior to or substantially simultaneously with the closing of the Facilities in accordance with applicable law, the Purchase Agreement and the Share Purchase Agreements and all other related documentation (without giving effect to any amendments, consents or waivers to or of such documents that are materially adverse to the Lenders and not consented to by the Lead Arranger (such consent not to be unreasonably withheld, delayed or conditioned)) (it being understood and agreed that any decrease in the cash consideration in respect of the Acquisition of less than 10% shall not be deemed to be a modification which is materially adverse to the Lenders, but any such reduction in the cash consideration shall be applied to a dollar-for-dollar reduction to the Term Facility). The Specified Purchase Agreement Representations shall be true and correct in all respects and the Specified Representations shall be true and correct in all material respects.

2. Since December 31, 2016, there shall not have been any occurrence, event, change, effect or development that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Target.

3. The term facility outstanding under the Existing Credit Agreement shall have been repaid in full (or shall be repaid in full substantially simultaneously with the closing of the Facilities), the existing material indebtedness of the Target shall have been repaid in full (or shall be repaid in full substantially simultaneously with the closing of the Facilities) and Holdings and its subsidiaries (including the Target and its subsidiaries) shall have no other material debt for borrowed money other than the Facilities.

4. The Lenders shall have received (a) audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of Holdings for the three most recently completed fiscal years ended at least 90 days prior to the Closing Date and (b) unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of Holdings for each subsequent fiscal quarter ended at least 45 days before the Closing Date (and comparable periods for the prior fiscal year); provided that the filing of the required financial statements on Form 10-K and Form 10-Q within such time periods by Holdings will satisfy the requirements of this paragraph 4.

5. The Lenders shall have received (a) audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Target for the three most recently completed fiscal years ended at least 90 days prior to the Closing Date and (b) unaudited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Target for each subsequent fiscal quarter ended at least 45 days before the Closing Date (and comparable periods for the prior fiscal year).

6. The Lenders shall have received a pro forma consolidated balance sheet of Holdings and its subsidiaries as of the last day of the most recent fiscal period for which financial statements were delivered under paragraph 4 above, prepared after giving effect to the Transactions and the other transactions contemplated hereby.

7. The Lenders shall have received a certificate from the chief financial officer of Holdings in substantially the form of Annex II hereto confirming the solvency of Holdings and its subsidiaries on a consolidated basis after giving effect to the Transactions and the other transactions contemplated hereby.

8. The Administrative Agent shall have received, at least five business days prior to the Closing Date, all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the Patriot Act, in each case requested at least 10 business days prior to the Closing Date.

9. All fees required to be paid by the US Borrower on the Closing Date pursuant to the Fee Letters and reasonable and documented out-of-pocket expenses required to be reimbursed by the US Borrower on the Closing Date pursuant to the Commitment Letter shall, upon the initial borrowing under the Facilities, have been paid (which amounts may be offset against the proceeds of the Facilities), to the extent invoiced at least three business days prior to the Closing Date (or such later date as reasonably agreed by the US Borrower).

10. The Administrative Agent shall have received (a) copies of the Facilities Documentation executed by the Borrowers and all documents and instruments required to create or perfect the Administrative Agent's security interest, or the Canadian Administrative Agent's security interest or hypothec (if any), as applicable, on behalf of the Lenders and the other Secured Parties (to be defined in a manner to be mutually agreed upon), in the Collateral (in proper form for filing), which shall, in each case, be consistent with the Commitment Letter and the Term Sheets and subject to the Limited Conditionality Provisions and (b) customary legal opinions, customary evidence of authorization, customary officer's and secretary's certificates, good standing certificates (to the extent applicable) and customary lien searches.

11. The Lead Arranger (a) shall have received one or more customary confidential information memoranda and other marketing material customarily used for the syndication of the Facilities and (b) shall have been afforded a reasonable period of time to syndicate the Facilities, which in no event shall be less than 15 consecutive business days from the date of delivery of the confidential information memorandum to the Lenders, which period shall, if not ended on or prior to August 18, 2017, not commence until on or after September 5, 2017.

The Intercompany Loan shall be on terms and conditions reasonably satisfactory to the Lead Arranger.

Annex I to EXHIBIT C

Form of Solvency Certificate

Date: _____, 2017

To the Administrative Agent and each of the Lenders party to the Credit Agreement referred to below:

I, the undersigned, the Chief Financial Officer of Thermon Holding Corp. ("Holdings"), in that capacity only and not in my individual capacity (and without personal liability), do hereby certify as of the date hereof, and based upon facts and circumstances as they exist as of the date hereof (and disclaiming any responsibility for changes in such facts and circumstances after the date hereof), that:

1. This certificate is furnished to the Administrative Agent and the Lenders pursuant to Section [●] of the Credit Agreement, dated as of [●], 2017 (as the same may be amended, supplemented, amended and restated or otherwise modified from time to time, the "Credit Agreement"), among [●]. Unless otherwise defined herein, capitalized terms used in this certificate shall have the meanings set forth in the Credit Agreement.

2. For purposes of this certificate, the terms below shall have the following definitions:

(a) "Fair Value"

The amount at which the assets (both tangible and intangible), in their entirety, of Holdings and its Subsidiaries taken as a whole would change hands between a willing buyer and a willing seller, within a commercially reasonable period of time, each having reasonable knowledge of the relevant facts, with neither being under any compulsion to act.

(b) "Present Fair Salable Value"

The amount that could be obtained by an independent willing seller from an independent willing buyer if the assets (both tangible and intangible) of Holdings and its Subsidiaries taken as a whole are sold on a going concern basis with reasonable promptness in an arm's-length transaction under present conditions for the sale of comparable business enterprises insofar as such conditions can be reasonably evaluated.

(c) "Stated Liabilities"

The recorded liabilities (including contingent liabilities that would be recorded in accordance with GAAP) of Holdings and its Subsidiaries taken as a whole, as of the date hereof after giving effect to the consummation of the Transactions (including the execution and delivery of the Credit Agreement, the making of the Loans and the use of proceeds of such Loans on the date hereof), determined in accordance with GAAP consistently applied.

(d) "Identified Contingent Liabilities"

The maximum estimated amount of liabilities reasonably likely to result from pending litigation, asserted claims and assessments, guaranties, uninsured risks and other contingent liabilities of

Holdings and its Subsidiaries taken as a whole after giving effect to the Transactions (including the execution and delivery of the Credit Agreement, the making of the Loans and the use of proceeds of such Loans on the date hereof) (including all fees and expenses related thereto but exclusive of such contingent liabilities to the extent reflected in Stated Liabilities), as identified and explained in terms of their nature and estimated magnitude by responsible officers of Holdings.

(e) "Can pay their Stated Liabilities and Identified Contingent Liabilities as they mature"

Holdings and its Subsidiaries taken as a whole after giving effect to the Transactions (including the execution and delivery of the Credit Agreement, the making of the Loans and the use of proceeds of such Loans on the date hereof) have sufficient assets and cash flow to pay their respective Stated Liabilities and Identified Contingent Liabilities as those liabilities mature or (in the case of contingent liabilities) otherwise become payable.

(f) "Do not have Unreasonably Small Capital"

Holdings and its Subsidiaries taken as a whole after giving effect to the Transactions (including the execution and delivery of the Credit Agreement, the making of the Loans and the use of proceeds of such Loans on the date hereof) have sufficient capital to ensure that it is a going concern.

3. For purposes of this certificate, I, or officers of Holdings under my direction and supervision, have performed the following procedures as of and for the periods set forth below.

(a) I have reviewed the financial statements (including the pro forma financial statements) referred to in Section [●] of the Credit Agreement.

(b) I have knowledge of and have reviewed to my satisfaction the Credit Agreement.

(c) As chief financial officer of Holdings, I am familiar with the financial condition of Holdings and its Subsidiaries.

4. Based on and subject to the foregoing, I hereby certify on behalf of Holdings that after giving effect to the consummation of the Transactions (including the execution and delivery of the Credit Agreement, the making of the Loans and the use of proceeds of such Loans on the date hereof), it is my opinion that (i) each of the Fair Value and the Present Fair Salable Value of the assets of Holdings and its Subsidiaries taken as a whole exceed their Stated Liabilities and Identified Contingent Liabilities; (ii) Holdings and its Subsidiaries taken as a whole do not have Unreasonably Small Capital; and (iii) Holdings and its Subsidiaries taken as a whole can pay their Stated Liabilities and Identified Contingent Liabilities as they mature.

IN WITNESS WHEREOF, Holdings has caused this certificate to be executed on its behalf by the Chief Financial Officer as of the date first written above.

THERMON HOLDINGS CORP.

By: /s/ Jay Peterson

Name: Jay Peterson

Title: Chief Financial Officer

Thermon Announces Strategic Acquisition of CCI Thermal Technologies Inc. for CAD $258 Million

October 4, 2017

Thermon Group Holdings, Inc. (NYSE: THR) (“Thermon”) today announced the execution of a definitive agreement to acquire 100% of the equity interests of CCI Thermal Technologies Inc. (“CCI”) and certain related real estate assets in an all-cash transaction valued at CAD $258 million.

CCI is a leader in the development and production of engineered heating and filtration solutions for industrial and hazardous area applications. CCI markets its products through several diverse brands known for high quality, safety and reliability, and serves clients in the energy, petrochemical, electrical distribution, power, transit and industrial end markets globally.

The acquisition of CCI supports Thermon’s vision to be the world’s leader in industrial process heating solutions by diversifying its product portfolio and end market exposure. The acquisition will also strengthen Thermon’s financial profile and provide a platform for future growth and consolidation in an adjacent, fragmented $800 million market. The current management team, led by President Bernie Moore, will continue to operate CCI from its Edmonton, Alberta headquarters, building upon its track record of profitability and growth.

Bruce Thames, President and Chief Executive Officer of Thermon said: “Thermon’s growth strategy is based, in part, on highly-complementary acquisitions that contribute proven technologies, products, enhanced scale and access to attractive new end-markets. These durable attributes make CCI an ideal strategic and financial fit and will greatly enhance the value Thermon is able to bring to its customer base. CCI is a well-run company that significantly expands our addressable market. Together with CCI’s management team, we will continue to prudently build the company for sustained growth and profitability. Strong cash flows generated by the combined company will create the financial strength to comfortably operate the business and enable de-levering of the balance sheet going forward. We believe this transaction will differentiate Thermon in the marketplace and deliver clear, long-term financial benefits for our shareholders.”

Harold Roozen, Executive Chairman of CCI added, “We believe that Thermon is the perfect partner to help us build on our strong brands and long-standing customer relationships. The opportunity to leverage Thermon’s global footprint to expand CCI’s business into new geographies is exciting. The combination of the two companies will truly create a world leader in process heating solutions.”

Ciscan Industries was founded in 1964 in Edmonton, Alberta and formed CCI Thermal Technologies Inc. following the acquisition of DriQuik in 2000. CCI’s current management team has been involved with the business since 1992. CCI has approximately 375 employees that support manufacturing and fabrication at five facilities in Canada and the United States. For its fiscal year ended July 31, 2017, CCI generated approximately CAD $95 million in total revenue, net income of CAD $15.9 million and Adjusted EBITDA of CAD $22.5 million, after adjusting for certain payments to related parties and other expenses that are not anticipated to continue after closing.

Transaction Details and Financing

Under the terms of the agreement and plan of merger, Thermon has formed an acquisition subsidiary that will acquire CCI and certain related real estate assets for CAD $258 million, which will be financed with cash on hand as well as a new senior secured debt facility. Thermon expects to realize annualized run-rate cost synergies of approximately CAD $2.4 million during the fiscal year ending March 31, 2019 (“Fiscal 2019”). One-time transaction related costs during the fiscal year ending March 31, 2018 are estimated to be approximately USD $5.5 million, excluding financing fees. At closing, we expect net leverage to be approximately 3.4x. The acquisition is expected to be accretive to operating margins, free cash flow and GAAP EPS in Fiscal 2019.

Financing for the transaction has been committed by JP Morgan Chase Bank, N.A. The new debt will be structured as a senior secured term loan facility of USD $250 million, and will also include a senior secured revolving credit facility of USD $60 million. Proceeds of the term loan facility will be used to fund the acquisition, certain fees and expenses associated with the transaction, and to repay Thermon’s existing term loan.

Wells Fargo Securities acted as exclusive financial advisor to Thermon in connection with the transaction. Deloitte Corporate Finance Inc. acted as exclusive financial advisor to CCI.

Special Conference Call

Thermon's senior management team, including Bruce Thames, President and Chief Executive Officer, Jay Peterson, Chief Financial Officer and Jim Pribble, Senior Vice President, Corporate Development, will host a live conference call today, October 4, 2017, at 7:30 a.m. (Central Time). The conference call and accompanying slideshow presentation will be simultaneously webcast on Thermon's investor relations website at http://ir.thermon.com. Investment community professionals interested in participating in the question-and-answer session may access the call by dialing (877) 312 5421 from within the United States and Canada and (253) 237 1121 from outside of the United States/Canada. A replay of the webcast and a copy of the slideshow presentation will be available on Thermon's investor relations website beginning two hours after the conclusion of the call.

About CCI Thermal Technologies

CCI is a worldwide leader in development and production of advanced heating and filtration solutions for industrial and hazardous area applications. CCI's business to date has been focused on serving customers' heating and filtration solutions for industrial and hazardous area applications primarily in North America. CCI is headquartered in Edmonton, Alberta, Canada with five fabrication facilities in North America. For more information, please visit www.ccithermal.com.

About Thermon

Through its global network, Thermon provides highly engineered thermal solutions, known as heat tracing, for process industries, including energy, chemical processing and power generation. Thermon's products provide an external heat source to pipes, vessels and instruments for the purposes of freeze protection, temperature maintenance, environmental monitoring and surface snow and ice melting. Thermon is headquartered in San Marcos, Texas. For more information, please visit www.thermon.com.

Cautionary Note Regarding Forward-Looking Statements

This press release and related investor conference call and accompanying slideshow deck contain "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 concerning Thermon, CCI, the proposed acquisition and other matters. All statements other than statements of historical fact are forward-looking statements, including, among others, statements we make regarding the intended acquisition of CCI, future revenues, future earnings, future cash flows, target leverage ratios, acquisition synergies, regulatory developments, market developments, new products and growth strategies, and the effects of any of the foregoing on our future results of operations or financial conditions. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "believe," "project," "estimate," "expect," "may," "should," "will" and similar references to future periods.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of the control of Thermon and CCI. Some of these expectations may be based upon assumptions, data or judgments that prove to be incorrect and our actual results and financial condition may differ materially from the views expressed today. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: (i) risks related to the acquisition of CCI, including integration risks and failure to achieve the anticipated benefits of the acquisition; (ii) changes in laws and regulations applicable to our business model; and (iii) changes in market conditions and receptivity to services and offerings; (iv) general economic conditions and cyclicality in the markets we serve; (v) future growth of energy and chemical processing capital investments; (vi) our ability to deliver existing orders within our backlog; (iv) our ability to bid and win new contracts; (vii) competition from various other sources providing similar products and services, or alternative technologies, to customers; (viii) changes in relevant currency exchange rates; (ix) potential liability related to our products as well as the delivery of products and services; (x) our ability to comply with the complex and dynamic system of laws and regulations applicable to international operations; (xi) our ability to protect data and thwart potential cyber attacks; (xii) a material disruption at any of our manufacturing facilities; (xiii) our dependence on subcontractors and suppliers; (xiv) our ability to attract and retain qualified management and employees,

particularly in our overseas markets; (xv) our ability to continue to generate sufficient cash flow to satisfy our liquidity needs; (xvi) the extent to which federal, state, local and foreign governmental regulation of energy, chemical processing and power generation products and services limits or prohibits the operation of our business; and (xvii) other factors discussed in more detail under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2017, filed with the Securities and Exchange Commission on May 30, 2017. Any one of these factors or a combination of these factors could materially affect our financial condition, results of operations and cash flows and could influence whether any forward-looking statements contained in this release ultimately prove to be accurate.

Any forward-looking statement made by us in this press release and in the related conference call is based only on information currently available to us and speaks only as of the date on which it is made. Our forward-looking statements are not guarantees of future performance and we undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise, unless we are required to do so under applicable securities laws.

Non-GAAP Financial Measures

Disclosure in this release of "Adjusted EBITDA" and other "non-GAAP financial measures" as defined under the rules of the Securities and Exchange Commission (the "SEC"), are intended as supplemental measures of our financial performance that are not required by, or presented in accordance with, U.S. generally accepted accounting principles ("GAAP"). We believe these non-GAAP financial measures are meaningful to our investors to enhance their understanding of our financial performance and are frequently used by securities analysts, investors and other interested parties. These non-GAAP financial measures should be considered in addition to, not as substitutes for measures of financial performance reported in accordance with GAAP. For a description of how such non-GAAP financial measures reconcile to the most comparable GAAP measure, please see the table below.

($CAD in Millions)	Fiscal Year ending July 31,				LTM
	2014 Actual	2015 Actual	2016 Actual	2017 Actual	Aug 31, 2017
Reported Net Earnings in Accordance with GAAP	$ 31.4	$ 33.8	$ 8.4	$ 15.9	$ 16.4
Loss on sales of property and equipment	0.3	0	0	0	0
Income tax expense	0.2	1.4	0.2	0	0.1
Interest expense	0	0	0	0	0
Interest income	0	0	0	0	0
Reported EBIT	$ 31.9	$ 35.2	$ 8.6	$ 15.9	$ 16.5
Depreciation- Cost of sales	1.1	1.2	1.2	1.2	1.2
Depreciation- Operating	0.3	0.2	0.3	0.3	0.3
Depreciation- Aircraft	0.5	0.6	0.5	0.3	0.4
Amortization of intangible assets	1.6	1.6	1.5	0.8	0.7
Reported EBITDA	$ 35.4	$ 38.8	$ 12.1	$ 18.5	$ 19.1
Adjustments					
Travel (aircraft) -actual	0.9	1.0	1.0	0.8	0.8
Travel (aircraft) -fair market value	0	0	0	0	0
Related party rent - actual	2.7	2.8	2.8	2.8	2.7
Discontinued operations - Indiana	0.3	0	0	0	0
Donations	0.1	0.1	0.1	0.1	0.1
Relocation expenses	0	0	0.1	0	0
Edmonton renovation expenses	0	0.1	0	0	0
Hovey acquisition expenses	0	0	0	0.1	0.1
Other non recurring expense	0	0	0	0.1	0.1
Oakville expansion cancellation costs	0	0	0	0.1	0.1
Adjusted EBITDA	$ 39.4	$ 42.8	$ 16.1	$ 22.5	$ 23.0


THERMON
Thermon Announces
Acquisition of CCI Thermal
October 4th, 2017

Disclaimer

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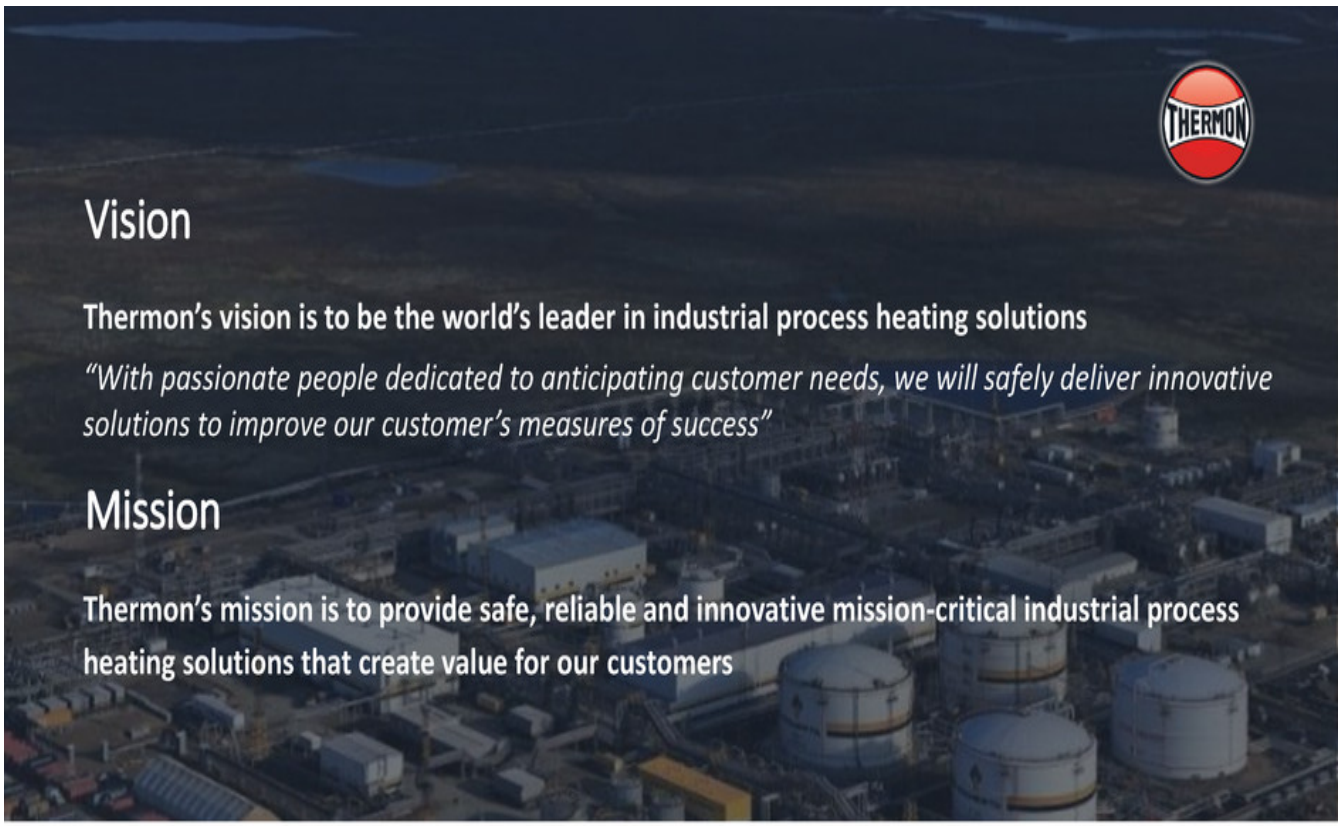


Vision

Thermon's vision is to be the world's leader in industrial process heating solutions

"With passionate people dedicated to anticipating customer needs, we will safely deliver innovative solutions to improve our customer's measures of success"

Mission

Thermon's mission is to provide safe, reliable and innovative mission-critical industrial process heating solutions that create value for our customers

LEADERSHIP	EXPANSION	INNOVATION	CUSTOMERS	PEOPLE
Continue providing global industry leadership in our core competency areas, and establish this leadership position in new markets as we grow	Expand our core businesses through providing complete solutions, while exploring new business opportunities in adjacent markets that leverage our core competencies	Feed the Thermon innovation pipeline, investing in ideas and technologies that differentiate our offerings and best serve our customers	Partner with our customers to learn their business, anticipate their needs, and provide solutions that solve their most challenging problems	Our people have always come first at Thermon. We strive to attract, develop and retain our people and continue to feed their passion for excellence, reward hard work, and ensure their safety

Transaction Highlights

TRANSACTION HIGHLIGHTS

This acquisition creates the **leading industrial process heating platform** in attractive $800 million adjacent market

Expanded product line with enhanced engineering and technology capabilities that delivers a broader range of solutions to meet customer needs

Provides end market, product mix, and geographic diversification to better position Thermon to capitalize on future growth opportunities

MRO/UE sales at approximately 90% of revenues

CAD $95 million FY17 sales with **24% EBITDA margin**

Both cash and GAAP accretive in the first 12 months; ROIC to exceed WACC in year 3

Transaction Summary

Deal Considerations

- Thermon to acquire CCI Thermal for CAD$ 258 million in cash on a cash-free, debt-free basis
- Implied FY2018E TEV/EBITDA multiple of 8.2x including synergies
- Approximately ~$2mm run-rate cost synergies

Timing & Approvals

- Unanimously approved by the boards of directors of both companies
- No regulatory approvals required
- Financing fully underwritten by JP Morgan
- Expect to close FY Q3 2018

Financing Considerations

- Funded with a $250 million 7-year senior secured term loan B
- Pro forma net leverage at close of 3.4x
- High cash-generating business will allow THR to comfortably operate the business while rapidly de-levering

Compelling Strategic and Financial Benefit

Expands markets and solutions for customers

- CCI Thermal will strengthen our industrial process heating business, providing a platform for expansion and growth
- Strong brands in new product categories with complementary blue chip industrial customer base
- Diversifies end market exposure shifting mix toward natural gas and adding rail, nuclear, transit

Platform for growth

- Provides high quality, reliable products with best-in-class customer service model
- Introduces CCI Thermal's products to new geographies through Thermon global channels
- Diversifies Thermon end markets through increasing natural gas and power exposure, and introducing transit and rail to our product mix

Enhances profitability and financial profile

- Added scale with additional CAD$95 million FY17 sales
- Strong LTM Adj. EBITDA margin of ~24%
- Like Thermon, CCI is characterized by low capital intensity and high margins; this acquisition improves free cash flow and cash flow conversion

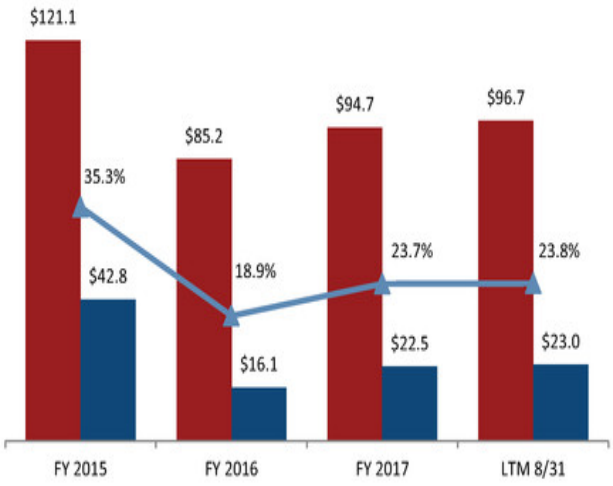
CCI Thermal – Company Overview

CCI Thermal is a platform business well-positioned to consolidate a highly fragmented $800mm market

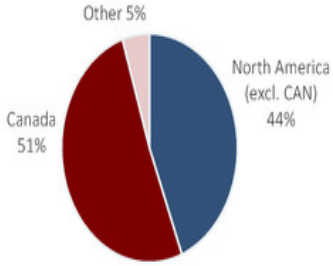
Highlights:

- CCI Thermal develops, designs, and manufactures advanced industrial heating and filtration solutions that serve clients around the world
- Strong competitive advantage based on:
  - Ability to deliver high-quality, reliable products – including products servicing hazardous areas / classified locations
  - Best in-class customer service
  - Strong brand equity and large installed base

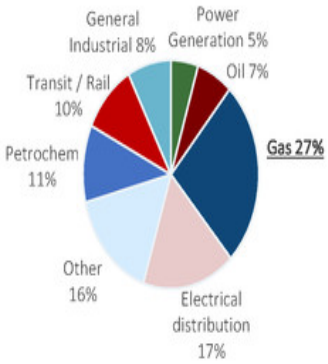
Historical Performance (CAD$ millions)



Revenue by Geography[1]



Revenue by End Market[2]



Note: Based on FY ended July 31
[1] Based on FY2016
[2] Based on FY2017

Leadership Position in Attractive, Fragmented Niche Market

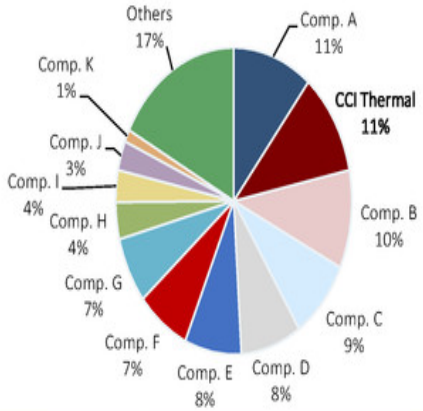
North America Focused Footprint

Manufacturing location	Size (sq ft)
Edmonton, Canada	113,850
Oakville, Canada	99,281
Orillia, Canada	99,982
Denver	28,360
Houston	16,900
Total	**358,373**

North America footprint with and 2 facilities in the U.S. and 3 facilities in Canada

[1] Edmonton serves as headquarters and a manufacturing location

Tier I Player in Highly Fragmented Heavy Industrial Heating Market

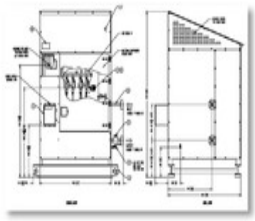


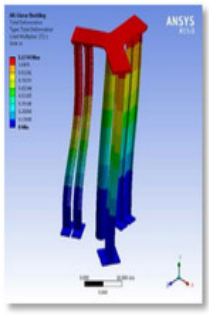
Longstanding Relationships with Diverse Customers

FLUOR
UNION PACIFIC
ONTARIO POWER GENERATION
UOP
OUELLET
CSX TRANSPORTATION
APEX
PROPAK
Reimers ELECTRA STEAM, INC.
MRC Global
EECOL ELECTRIC
SIEMENS
ENGINEERED AIR

Highly Differentiated and Defensible Market Position

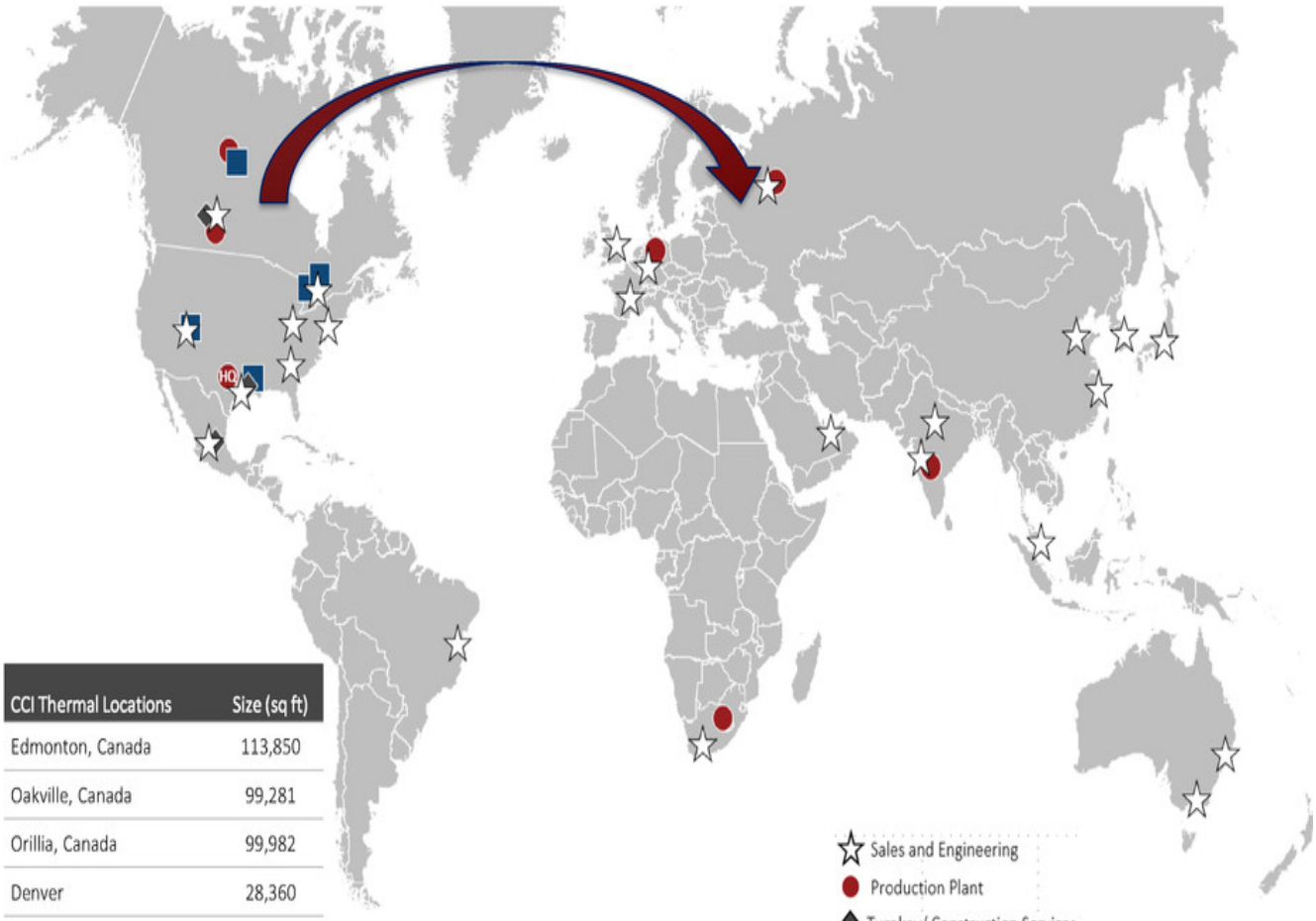
- Extensive IP portfolio with 25 patents + 10 pending
- Extensive portfolio of proprietary designs and 20 registered professional engineers
- Numerous global certifications that will allow for immediate expansion into foreign markets
- Industry-leading analysis and design competencies
- In-house machining, blasting and painting, NDE testing, pressure and performance testing
- High barrier to entry, high margin products





CCI Thermal has the resources and experience to design and fabricate the most complex, customized heat products – which in turn supports the Company's gross margin profile and market position

Access to Thermon's Foreign Sales Channels will Provide Significant Uplift to CCI Thermal's Business



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Orillia, Canada	99,982
Denver	28,360
Houston	16,900
Total	**358,373**

Thermon's global footprint provides a platform to significantly increase CCI Thermal's sales internationally

Leading North American Brands

Cata-Dyne

Market leading brand of high efficiency explosion-proof gas catalytic heaters.

Explosion-Proof Gas Catalytic Heater

Infrared Gas Catalytic Heater

Compressed gas scrubbing systems

Ruffneck Norseman

Unit and convection heaters designed for rugged industrial applications

Explosion-Proof Electric Air Heater

Explosion-Proof Forced Air Heater

Explosion-Proof Natural Convection Heater

Caloritech

Electric heaters engineered for industrial processes and environments

Immersion Heater

Corrosion-Resistant Washdown Heater

Liquid Heat Transfer System

3L Filters

Provides a wide variety of advanced gas and liquid filtration systems

Fuel Gas Conditioning System

Liquid Filter Separator

Vapor Recovery Dryer

Fastrax

Highly efficient heat transfer for rail track and switch equipment

Gas Fired Blower

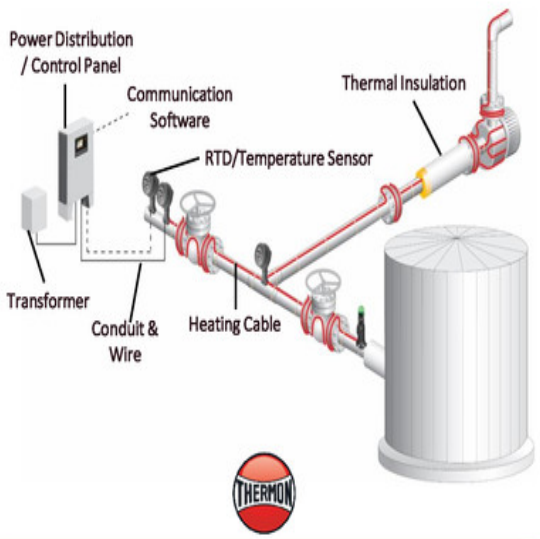
Snow Sensors

Electric Hot Air Blower

CCI Thermal is known throughout the process heating industry for the fastest delivery of high quality, reliable products and best-in-class services

Capabilities Complement Our Process Heating Portfolio

Thermon Heat Tracing Systems



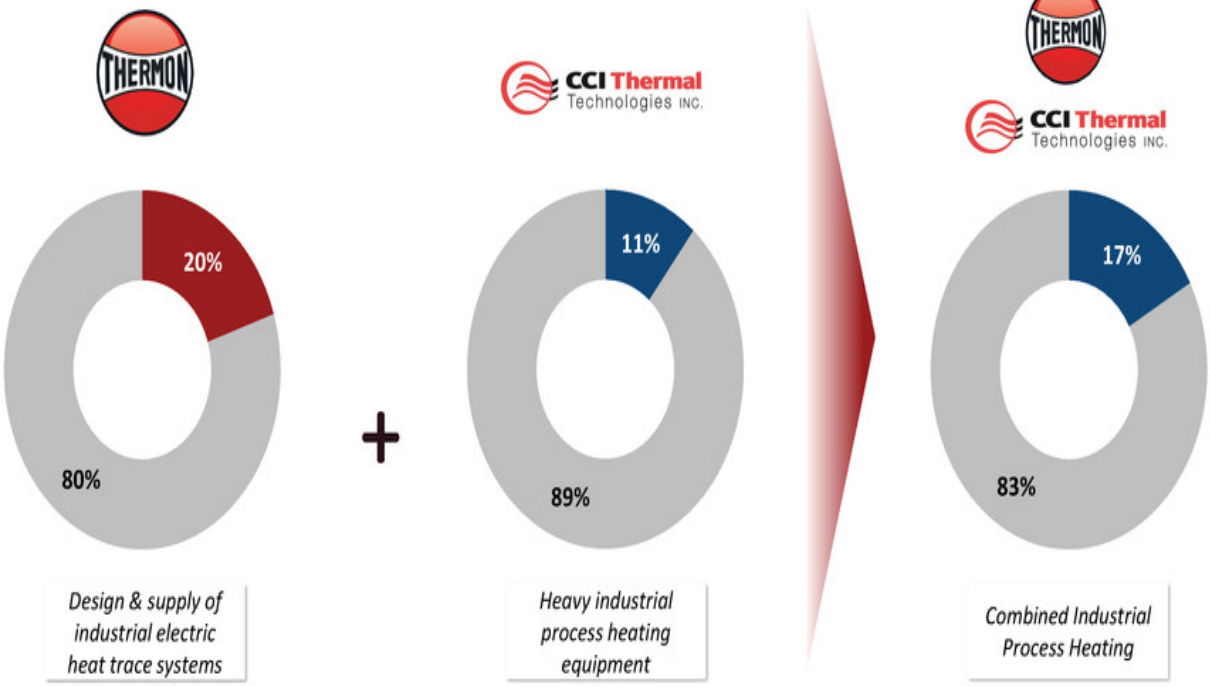
Thermon heat tracing uses advanced controls and communications platforms to heat external transfer lines to maintain process fluid temperature within specified ranges and then communicates that information back to the operator…

CCI Thermal Process Heating Systems

…while CCI Thermal's advanced heating products provide heat to process fluids at others stages in the process – and in other areas within a facility. This serves to broaden Thermon's scope through a providing a broader set of solutions to the customer

Thermon's increased capabilities and global footprint will broaden our ability to deliver complete industrial process heating & thermal management solutions to our customers

Combination Expands Market with Leading Platform



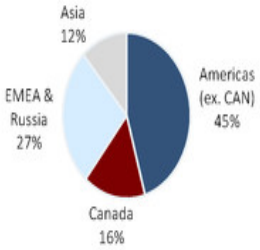
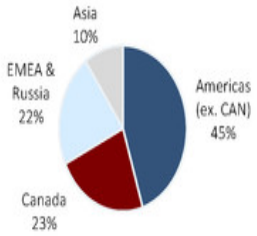
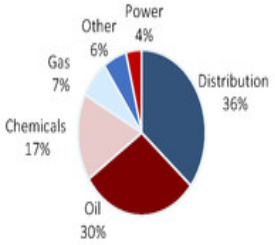
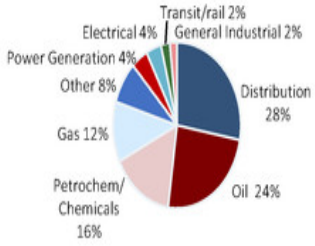
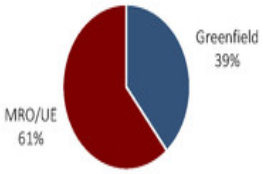
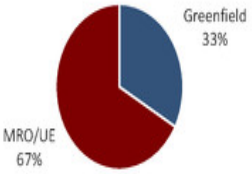
Addressable market

$1.5 billion	+	$800 million	=	$2.3 billion

The addition of CCI Thermal expands Thermon's addressable market by over 50%

Note: Represents Thermon internal estimates

Combination Creates a Stronger Thermon

	Today	Pro Forma
Geography		
End market		
MRO / UE vs. Greenfield		

Note: Based on results for the fiscal year ended March 31, 2017

Transaction Valuation Multiples

Key Valuation Metrics

Merger Consideration

(CAD$ in Millions)

Transaction Consideration	$258.0

EBITDA Valuation Metrics

Standalone - Excluding Synergies

LTM 8/31/17A Adj. EBITDA	$23.0
EV / LTM 8/31/17A Adj. EBITDA	11.2x
FY2018B Adj. EBITDA	$29.3
EV / FY2018B Adj. EBITDA	8.8x

Pro Forma - Including Synergies

LTM 8/31/17A Synergized Adj. EBITDA [1]	$25.1
EV / LTM 8/31/17A Synergized Adj. EBITDA [1]	10.3x
FY2018B Synergized Adj. EBITDA [1]	$31.4
EV / FY2018B Synergized Adj. EBITDA [1]	8.2x

Source: Agreement, Logan management and Thunder management
Note: Fiscal year ending 7/31

[1] Synergized EBITDA reflects pro forma run-rate cost synergies of $2.0 million

Key Financial Terms and Leverage At Close

Key Financing Metrics

- CCI top line growth of 12% in FY'17 and 16% on TTM Basis
- 7 year average EBITDA to revenue of 29.4%, 5% higher than Thermon's performance
- JPM Chase is providing fully committed financing with a term loan B for $250M plus a $60M revolver
- Thermon's annual debt service to decrease by 20% from $23M to $16M

As of 6/30/2017	Thermon	PF Combined
Total debt	$76M	$250M
Net debt	($12M)	$210M
Net debt/LTM EBITDA	NM	3.4x
Cash	$88M	$40M

Strong cash flows from the combined businesses will create the financial capability to comfortably operate the business and associated debt levels while concurrently de-levering our business

How CCI Helps Achieve Our Objectives

Our Values & Goals	How CCI Thermal Fits:
Leadership	Becomes a Thermon platform for #1 market position in industrial process heating
Expansion	Positions Thermon in a consolidator role for an adjacent, fragmented $800m market
Innovation	Adds technology, engineering, manufacturing capabilities, and significant IP
Customers	Outstanding brands and long-standing, blue-chip customer relationships
People	Great cultural fit with long-tenured workforce
Improves Financial Profile	$2m run-rate synergies and accretive to margins, FCF, and EPS
Accelerates Growth	Opportunity to sell CCI products into new end markets through Thermon's global footprint


THERMON

CCI Thermal Adjusted EBITDA Reconciliation

Reconciliation of Reported Net Earnings to Adjusted EBITDA

($CAD in Millions)	Fiscal year ending July 31,				LTM
	2014A	2015A	2016A	2017A	8/31/17
Reported Net Earnings (In accordance with GAAP)	**$31.4**	**$33.8**	**$8.4**	**$15.9**	**$16.4**
(Gain)/loss on sale of property and equipment	0.3	-	(0.0)	-	-
Income tax expense	0.2	1.4	0.2	0.0	0.0
Interest expense	0.0	0.0	0.0	0.0	0.0
Interest income	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Reported EBIT	**$31.9**	**$35.2**	**$8.6**	**$15.9**	**$16.5**
Depreciation - Cost of sales	1.1	1.2	1.2	1.2	1.2
Depreciation - Operating	0.2	0.2	0.3	0.3	0.3
Depreciation - Aircraft	0.5	0.6	0.4	0.3	0.3
Amortization of intangible assets	1.6	1.6	1.5	0.8	0.7
Reported EBITDA	**$35.4**	**$38.8**	**$12.1**	**$18.5**	**$19.1**
Adjustments					
1: Travel (aircraft) - actual	0.9	1.0	1.1	0.8	0.8
1: Travel (aircraft) - fair market value	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
2: Related party rent - actual	2.7	2.8	2.8	2.8	2.8
3: Discontinued operations - Indiana	0.3	-	-	-	-
4: Donations	0.1	0.1	0.1	0.1	0.1
5: Relocation expenses	-	0.0	0.1	-	-
6: Edmonton renovation expenses	-	0.1	-	-	-
7: Hovey acquisition expenses	-	-	-	0.1	0.1
8: Other non-recurring expenses	-	-	-	0.1	0.1
9: Oakville expansion cancellation costs	-	-	-	0.1	0.1
Adjusted EBITDA	**$39.4**	**$42.8**	**$16.1**	**$22.5**	**$23.0**

Source: Financial Statements

Note: Adj. EBITDA defined as earnings before interest, taxes, depreciation and amortization, adjusted to exclude non-recurring items and related-party rent expense given Thunder's acquisition of the Canadian Real Property