

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM438909

| | | | |
|---|--|-------------------------|---------------------|
| SUBMISSION TYPE: | CORRECTIVE ASSIGNMENT | | |
| NATURE OF CONVEYANCE: | Corrective Assignment to correct the Assignee address previously recorded on Reel 006125 Frame 0001. Assignor(s) hereby confirms the Professional Shredding Corporation. | | |
| CONVEYING PARTY DATA | | | |
| Name | Formerly | Execution Date | Entity Type |
| Professional Shredding Corporation | | 07/28/2017 | Corporation: CANADA |
| RECEIVING PARTY DATA | | | |
| Name: | Bank of Montreal | | |
| Street Address: | 100 King Street West | | |
| Internal Address: | Mezzanine Level | | |
| City: | Toronto, Ontario | | |
| State/Country: | CANADA | | |
| Postal Code: | M5X 1A3 | | |
| Entity Type: | Corporation: CANADA | | |
| PROPERTY NUMBERS Total: 6 | | | |
| Property Type | Number | Word Mark | |
| Registration Number: | 1710461 | PROSHRED | |
| Registration Number: | 3337616 | PROSHRED SECURITY | |
| Registration Number: | 3397198 | RISC MANAGEMENT PROGRAM | |
| Registration Number: | 4548215 | PROSCAN SECURITY | |
| Registration Number: | 3345238 | RISC MANAGEMENT | |
| Registration Number: | 5165363 | PROSCAN SOLUTIONS | |
| CORRESPONDENCE DATA | | | |
| Fax Number: | 3134967912 | | |
| <i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i> | | | |
| Phone: | 3134967912 | | |
| Email: | berger@millercanfield.com | | |
| Correspondent Name: | Kimberly A. Berger | | |
| Address Line 1: | 150 West Jefferson | | |
| Address Line 2: | Suite 2500 | | |
| Address Line 4: | Detroit, MICHIGAN 48226 | | |
| NAME OF SUBMITTER: | Kimberly A. Berger | | |

CH \$165.00 1710461

| | |
|---|----------------------|
| SIGNATURE: | /Kimberly A. Berger/ |
| DATE SIGNED: | 08/11/2017 |
| Total Attachments: 20 source=Bank of Montreal1#page1.tif source=Bank of Montreal1#page2.tif source=Bank of Montreal1#page3.tif source=Bank of Montreal1#page4.tif source=Bank of Montreal1#page5.tif source=Bank of Montreal1#page6.tif source=Bank of Montreal1#page7.tif source=Bank of Montreal1#page8.tif source=Bank of Montreal1#page9.tif source=Bank of Montreal1#page10.tif source=Bank of Montreal1#page11.tif source=Bank of Montreal1#page12.tif source=Bank of Montreal1#page13.tif source=Bank of Montreal1#page14.tif source=Bank of Montreal1#page15.tif source=Bank of Montreal1#page16.tif source=Bank of Montreal1#page17.tif source=Bank of Montreal1#page18.tif source=Bank of Montreal1#page19.tif source=Bank of Montreal1#page20.tif | |

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Typesheet Version v1.2

ETAS ID: TM43716

| | |
|------------------------------|-------------------|
| SUBMISSION TYPE: | NEW ASSIGNMENT |
| NATURE OF CONVEYANCE: | SECURITY INTEREST |

CONVEYING PARTY DATA

| Name | Formerly | Execution Date | Entity Type |
|------------------------------------|----------|----------------|---------------------|
| Professional Shredding Corporation | | 07/28/2017 | Corporation: CANADA |

RECEIVING PARTY DATA

| | |
|--------------------------|----------------------|
| Name: | Bank of Montreal |
| Street Address: | 100 King Street West |
| Internal Address: | Mezzanine Level |
| City: | Toronto, Ontario |
| State/Country: | MICHIGAN |
| Postal Code: | M5X 1A3 |
| Entity Type: | Corporation: CANADA |

PROPERTY NUMBERS Total: 6

| Property Type | Number | Word Mark |
|----------------------|---------|-------------------------|
| Registration Number: | 1710461 | PROSHRED |
| Registration Number: | 3337616 | PROSHRED SECURITY |
| Registration Number: | 3397198 | RISC MANAGEMENT PROGRAM |
| Registration Number: | 4548215 | PROSCAN SECURITY |
| Registration Number: | 3345238 | RISC MANAGEMENT |
| Registration Number: | 5165363 | PROSCAN SOLUTIONS |

CORRESPONDENCE DATA

Fax Number: 3134968454

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

Phone: 3134967912

Email: berger@millercaanfield.com

Correspondent Name: Kimberly A. Berger

Address Line 1: 150 West Jefferson

Address Line 2: Suite 2500

Address Line 4: Detroit, MICHIGAN 48226

DOMESTIC REPRESENTATIVE

Name: Kimberly A. Berger

TRADE-MARK AND PATENT SECURITY AGREEMENT

TO: BANK OF MONTREAL (the "Lender")

DATE: July 28, 2017.

WHEREAS:

- A. Professional Shredding Corporation (the "**Corporation**") is indebted or liable, or may become indebted or liable, to the Lender pursuant to a commitment letter dated May 26, 2017 and revised May 31, 2017 in favour of Redishred Capital Corp., as amended, restated or supplemented from time to time (the "**Commitment**");
- B. To secure the payment and performance of all of the indebtedness, liabilities and obligations incurred by the Corporation, or to be incurred by the Corporation, to and in favour of the Lender, the Corporation has entered into, *inter alia*, a general security agreement in favour of the Lender dated with effect as of the date hereof (the "**General Security Agreement**"); and
- C. As additional security for the due payment and performance of all of the indebtedness, liabilities and obligations incurred by the Corporation, or to be incurred by the Corporation, to and in favour of the Lender, the Corporation has agreed to pledge, mortgage, hypothecate and grant a security interest in all of its right, title, interest and benefit in, to, under and in respect of the Trade-mark Collateral and Patent Collateral (as hereinafter defined) to the Lender, on the terms and conditions set forth below.

NOW THEREFORE, in consideration of the extension of credit by the Lender to the Corporation and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Corporation, the Corporation hereby agrees with and in favour of the Lender as follows:

1. **Defined Terms**

In this Agreement, the following terms shall have the following meanings:

- (a) "**Agreement**" means this Agreement, including the Schedules, as the same may be amended, varied, supplemented, restated, renewed or replaced at any time and from time to time;
- (b) "**Business Days**" shall have the same meaning ascribed thereto in the Commitment;
- (c) "**Commitment**" has the meaning specified in Recital A to this Agreement;
- (d) "**Event of Default**" shall have the same meanings ascribed to it in the Commitment and the Undertaking and to the term "**default**" in the General Security Agreements;

- (e) “**General Security Agreement**” has the meaning specified in Recital B to this Agreement;
- (f) “**Law**” shall have the same meaning ascribed thereto in the Undertaking;
- (g) “**Obligations**” means any and all of the debts, liabilities and obligations owing by the Corporation to the Lender;
- (h) “**Patent**” and “**Patents**” have the meanings specified in Section 2(b)(i) of this Agreement;
- (i) “**Patent Collateral**” has the meaning specified in Section 2(b) of this Agreement;
- (j) “**Permitted Liens**” shall have the same meaning ascribed thereto in the Undertaking;
- (k) “**Person**” shall have the same meaning ascribed thereto in the Undertaking;
- (l) “**Trade-mark**” and “**Trade-marks**” have the meanings specified in Section 2(a)(i) of this Agreement;
- (m) “**Trade-mark Collateral**” has the meaning specified in Section 2(a) of this Agreement; and
- (n) “**Undertaking**” means the undertaking and agreement dated the date hereof from the Corporation, Redishred Capital Corp., Proshred Charlotte Inc., Redishred Acquisition Inc., Proshred Franchising Corp. and Redishred Holdings U.S. Inc. in favour of the Lender.

2. **Grant of Security**

- (a) As general and continuing collateral security for the payment and performance of all Obligations, the Corporation hereby grants a general continuing collateral lien, charge and security interest in all of the world-wide right, title, benefit and interest in and in respect of the following property and assets now existing, owned or used or hereafter existing, owned, acquired, adopted or used by the Corporation or any of its successors or assigns or to which the Corporation or any of its successors or assigns is or may hereafter otherwise become entitled (collectively, the “**Trade-Mark Collateral**”):
 - (i) all trade-marks, trade names, corporate names, company names, business names, fictitious business names, trade dress, service marks, certification marks, collective marks, logos and other forms of business identifiers, and all prints and labels on which any of the foregoing have appeared or appear and designs (all of the foregoing items in this Section 2(a)(i) being hereinafter individually referred to as a “**Trade-mark**” and collectively referred to as the “**Trade-marks**”), all registrations and recordings thereof and all applications in connection therewith, whether pending or in

preparation for filing, including registrations, recordings and applications with the Canadian Trade-marks Office or in any office or agency of the United States of America or any foreign country, including those referred to in Schedule 1 hereto and all reissues, extensions or renewals thereof;

- (ii) all Trade-mark licenses and other agreements providing the Corporation with the right to use and/or exploit any items of the type described in Section 2(a)(i) including each Trade-mark licence referred to in Schedule 1 hereto;
 - (iii) all of the goodwill of the business connected with the use of, and symbolized by, any Trade-mark described in Section 2(a)(i);
 - (iv) the right to sue third parties for past, present and future infringements of any Trade-mark Collateral described in Section 2(a)(i) and, to the extent applicable, Section 2(a)(ii); and
 - (v) all proceeds of, and rights associated with, the foregoing, including any claim by the Corporation against third parties for past, present or future infringement or dilution of any Trade-mark, Trade-mark registration or Trade-mark licence, including any Trade-mark, Trade-mark registration or Trade-mark licence referred to in Schedule 1 hereto, or for any injury to the goodwill associated with the use of any such Trade-mark or for breach or enforcement of any Trade-mark licence and all rights corresponding thereto throughout the world.
- (b) The Corporation hereby assigns, pledges, hypothecates, charges, mortgages, delivers, and transfers to the Secured Party, and hereby grants to the Secured Party, a continuing security interest in all of the following property, whether now or hereafter existing or acquired by the Corporation (the "**Patent Collateral**") as security for the Obligations:
- (i) all of its inventions and discoveries, whether patentable or not, all of its letters patent and applications for letters patent throughout the world, including all patent applications in preparation for filing and each patent and patent application referred to in Item A of Schedule 2 attached hereto;
 - (ii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and re-examinations of any of the items described in Section 2(b)(i);
 - (iii) all of its patent licenses, and other agreements providing the Corporation with the right to use any items of the type referred to in Sections 2(b)(i) and (ii) above, including each patent license referred to in Item B of Schedule 2 attached hereto; and
 - (iv) all proceeds of, and rights associated with, the foregoing (including licenses, royalties, payments, claims, damages and proceeds of

infringement suits), the right to sue third parties for past, present or future infringements of any patent or patent application, and for breach or enforcement of any patent license.

3. Agreement for Security Purposes

This Agreement has been executed and delivered by the Corporation for the purpose of recording the lien, charge and security interest of the Lender in the Trade-mark Collateral and Patent Collateral relating to the Trade-marks and Patents registered or pending in Canada and referred to in Schedules 1 and 2 with the Canadian Patents and Trade-marks Office and recording the lien, charge and security interest of the Lender in the Trade-Mark Collateral and Patent Collateral relating to the Trade-marks and Patents registered or pending in the United States and referred to in Schedules 1 and 2 with the United States Patent and Trade Marks Office, in each case, to the extent such lien, charge and security interest may be so recorded therein. The lien, charge and security interest granted hereby have been granted as a supplement to, and not in limitation of, the lien, charge and security interest granted to the Lender under the General Security Agreement and the US General Security Agreement (collectively the "**General Security Agreements**"). The General Security Agreements (and all rights and remedies of the Lender provided for therein) shall remain in full force and effect in accordance with their terms.

4. Attachment of Liens

The Corporation confirms that value has been given, that the Corporation has rights in the Trade-mark Collateral and Patent Collateral, and that the parties have not agreed to postpone the time for attachment of the lien, charge and security interest constituted hereby in any of the Trade-mark Collateral and Patent Collateral.

5. Limitations on Grant of Liens

If the grant of any lien, charge and security interest in respect of any Trade-mark licence hereunder would result in the termination or breach of such licence, then the applicable Trade-mark licence shall not be subject to any lien, charge or security interest hereunder but shall, to the fullest extent permitted thereby, be held in trust by the Corporation for the Lender and on exercise by the Lender of any of its rights under this Agreement following an Event of Default, assigned by the Corporation, as directed by the Lender.

6. Enforcement; Remedies

If an Event of Default occurs, the Lender may exercise all rights and remedies granted to it in this Agreement, the General Security Agreements, the Commitment and the Undertaking, and all rights and remedies of a secured party provided at Law. Without limitation, the Corporation hereby acknowledges and affirms that certain rights and remedies given to the Lender with respect to the lien, charge and security interest in the Trade-mark Collateral and Patent Collateral granted hereby are set forth in the General Security Agreements, the terms and provisions of which (and all rights and remedies of the Lender provided for therein) are incorporated by reference herein as if fully set forth herein.

7. Representations and Warranties

The Corporation hereby represents and warrants to the Lender, and acknowledges that the Lender is relying thereon, notwithstanding any investigation by the Lender or otherwise, that:

- (a) **Title; No Other Liens.** Except for Permitted Liens, the Corporation owns all of the Trade-mark Collateral and Patent Collateral free and clear of any and all liens, charges and security interests of others (other than the liens, charges and security interests in favour of the Lender). No security agreement, financing statement or other current and valid like public notice with respect to all or any part of the Trade-mark Collateral and Patent Collateral is on file or on record in any public office, except such as may have been filed in respect of Permitted Liens.
- (b) **First Priority Liens.** The lien, charge and security interest granted by the Corporation to the Lender pursuant to this Agreement constitutes a first (subject to Permitted Liens) priority and fully perfected lien, charge and security interest in the Trade-mark Collateral and Patent Collateral.
- (c) **Power and Authority; Authorization.** The Corporation has the corporate power and authority and the legal right to execute and deliver, to perform its obligations under, and to grant the lien, charge and security interest in the Trade-mark Collateral and Patent Collateral pursuant to this Agreement, and the Corporation has taken all necessary corporate action to authorize its execution, delivery and performance of, and grant of the lien, charge and security interest in the Trade-mark Collateral and Patent Collateral pursuant to, this Agreement.
- (d) **Enforceability.** This Agreement constitutes a legal, valid and binding obligation of the Corporation enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.
- (e) **No Conflict.** The execution, delivery and performance of this Agreement will not violate any provision of any requirement of Law or contractual obligation of the Corporation and will not result in the creation or imposition of any lien, charge or security interest on any of the Trade-mark Collateral and Patent Collateral. No consent or authorization of, filing with, or other act by or in respect of, any arbitrator or governmental authority and no consent of any other Person (including any shareholder or Lender of the Corporation) is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement, except for such as have been obtained or made and are in full force and effect, and the terms of which have been disclosed to the Lender.
- (f) **Trade-mark Collateral.** With respect to the Trade-mark Collateral:
 - (i) the Trade-marks are valid, subsisting, unexpired, enforceable and have not been abandoned, adjudged invalid or unenforceable, in whole or in part;

- (ii) except as set forth in Schedule 1, no Trade-marks of the Corporation have been licensed or franchised to any other Person;
 - (iii) the Corporation has made all necessary filings and recordings in Canada or the United States of America, as applicable, to protect its interest in the Trade-mark Collateral, and in such other appropriate offices throughout the world;
 - (iv) the Corporation is the exclusive owner of the entire right, title and interest in and to such Trade-marks owned by the Corporation and is entitled to use the Trade-marks leased or licensed to the Corporation and, to the Corporation's knowledge, no claim has been made that the use of such Trade-marks does or may violate the asserted rights of any other Person; and
 - (v) no holding, decision or judgment has been rendered by any governmental authority in any litigation, action, investigation, or like proceeding to which the Corporation was or is a party which would limit, cancel or question the validity of any Trade-marks of the Corporation which has had or is likely to have, when aggregated with all other such holdings, decisions or judgments, a material adverse effect upon the Corporation's business, property or financial condition and the Corporation is not aware of any action or proceeding which would limit, cancel or question the validity of any Trade-marks of the Corporation which has had or is likely to have, when aggregated with all other such actions or proceedings, a material adverse effect upon the Corporation's business, property or financial condition.
- (g) **Patent Collateral.** With respect to the Patent Collateral:
- (i) to the best of the Corporation's knowledge, after due inquiry and investigation, such Patent Collateral is valid, subsisting, unexpired and enforceable and has not been abandoned or adjudged invalid or unenforceable, in whole or in part;
 - (ii) the Corporation is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to such Patent Collateral and no claim has been made that the use of such Patent Collateral does or may, conflict with, infringe, misappropriate, dilute, misuse or otherwise violate any of the rights of any third party;
 - (iii) the Patent Collateral described in Schedule 2 constitutes all of the registered Patents, pending Patent applications and Patent applications in preparation owned by the Corporation and all Patent licenses that have been granted to or by the Corporation as of the date hereof;
 - (iv) the Corporation has made all necessary filings and recordings to protect its interest in such Patent Collateral, including recordings of all of its interests

in the Canadian Intellectual Property Office and in corresponding offices throughout the world, and to the extent necessary, has used proper statutory notice in connection with its use of any material patent included in the Patent Collateral;

- (v) to the Corporation's knowledge, no third party is infringing upon any Patent Collateral owned or used by the Corporation in any material respect, or any of its respective licensees;
- (vi) no settlement or consents, covenants not to sue, nonassertion assurances, or releases have been entered into by the Corporation or to which the Corporation is bound that adversely affects its rights to own or use any Patent Collateral except as would not result in a material impairment of any of the Patent Collateral, in any case individually or in the aggregate;
- (vii) the Corporation has not made any previous assignment, sale, transfer or agreement constituting a present or future assignment, sale or transfer of any Patent Collateral for purposes of granting a security interest or as Collateral that has not been terminated or released;
- (viii) the consummation of the transactions contemplated by the Loan Documents will not result in the termination or material impairment of any of the Patent Collateral; or
- (ix) the Corporation owns directly or is entitled to use by license or otherwise, all patents, licenses, technology, know-how, processes and rights with respect to any of the foregoing used in, necessary for or of importance to the conduct of the Corporation's business.

8. Covenants

The Corporation covenants and agrees with the Lender that:

- (a) **Further Documentation.** At any time and from time to time, upon the written request of the Lender, and at the sole expense of the Corporation, the Corporation will promptly and duly execute and deliver such further instruments and documents and take such further action as the Lender may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted. The Corporation agrees that the Lender will have the right to require that this Agreement be amended or supplemented (i) to reflect any changes in Laws, whether arising as a result of statutory amendments, court decisions or otherwise; (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions; or (iii) if the Corporation merges or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer upon the Lender the lien, charge and security interest intended to be created hereby.

- (b) **Payment of Expenses; Indemnification.** The Corporation agrees to pay, and to indemnify and save the Lender harmless from, any and all liabilities, costs and expenses (including legal fees and expenses on a solicitor and his own client basis): (i) incurred by the Lender in the preparation, registration, administration or enforcement of this Agreement; (ii) with respect to, or resulting from, any delay by the Corporation in paying any and all excise, sales, goods and services or other taxes which may be payable or determined to be payable with respect to any of the Trade-mark Collateral and Patent Collateral; (iii) with respect to, or resulting from, any delay by the Corporation in complying with any requirement of Law applicable to any of the Trade-mark Collateral and Patent Collateral; or (iv) incurred by the Lender in connection with any of the transactions contemplated by this Agreement. The amount of all such liabilities, costs and expenses shall be deemed to form part of the Obligations, shall be payable on demand by the Lender and the payment of all such liabilities, costs and expenses shall be secured hereby.
- (c) **Limitation on Liens on Trade-mark Collateral and Patent Collateral.** The Corporation shall not create, incur or permit to exist, shall defend the Trade-mark Collateral and Patent Collateral against, and shall take such other action as is necessary to remove, any lien, charge or security interest or claim on or to the Trade-mark Collateral and Patent Collateral other than Permitted Liens, and the Corporation shall defend the right, title, benefit and interest of the Lender in and to any of the Trade-mark Collateral and Patent Collateral against the claims and demands of all Persons.
- (d) **Limitations on Dispositions of Collateral.** The Corporation shall not sell, transfer, lease or otherwise dispose of any of the Trade-mark Collateral and Patent Collateral, or attempt, offer or contract to do so except as permitted in writing by the Lender.
- (e) **Trade-mark Collateral**
- (i) The Corporation shall, with respect to each of its Trade-marks: (A) maintain the quality of products and services offered under such Trade-marks; (B) employ such Trade-marks with the appropriate notice of registration sufficient to obtain the benefit of such notice; (C) as soon as practicable after the filing of a Trade-mark application for any mark which is confusingly similar or a colourable imitation of such Trade-marks, grant to the Lender and cause to be perfected a lien, charge and security interest in such Trade-marks pursuant to this Agreement; and (D) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any Trade-marks may become invalidated.
- (ii) The Corporation shall notify the Lender immediately if it knows, or has reason to know, that any application or registration relating to any Trade-mark may expire, become abandoned or dedicated to the public domain, or of any material adverse determination or development (including the

institution of, or any such determination or development in, any proceeding in the Canadian Trade-mark Office or any court or tribunal in any country) regarding the Corporation's ownership of the Trade-marks or its right to register the same or to keep and maintain the same.

- (iii) Whenever the Corporation, either by itself or through any agent, employee, licensee or designee, will file an application for the registration of any Trade-mark with the Canadian Trade-mark Office or any similar office or agency in any other country or any political subdivision thereof or any similar office or agency in any other country or any political subdivision thereof, the Corporation shall report such filing to the Lender within three (3) Business Days after such filing occurs. Upon request of the Lender, the Corporation will execute and deliver any and all agreements, instruments, documents, and papers as the Lender may request to evidence the Lender's lien, charge and security interest in any Trade-mark and the goodwill of the business symbolized thereby of the Corporation connected with the use of and symbolized by the Trade-marks, and the Corporation hereby constitutes the Lender its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Obligations have been indefeasibly paid and performed in full. Notwithstanding anything herein to the contrary, unless an Event of Default will have occurred, the Lender will from time to time execute and deliver, upon the reasonable written request of the Corporation, any and all instruments, certificates or other documents, in a form reasonably acceptable to the Lender, necessary or appropriate in the reasonable judgment of the Corporation for the Corporation to continue to exploit, licence, use, enjoy and protect the Trade-marks; provided, however, that any such instrument, certificate or other document will, in the reasonable judgment of the Lender, in no way impair, adversely alter, or otherwise adversely affect the lien, charge and security interest in the Trade-mark Collateral granted hereby.
- (iv) The Corporation shall take all reasonable and necessary steps, to the extent reasonably practicable, including, without limitation, in any proceeding before the Canadian Trade-mark Office, or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the Trade-marks, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability. If any Trade-marks included in the Trade-mark Collateral are infringed, misappropriated or diluted by a third party in any manner which would have a material adverse effect and would materially impair such Trade-mark Collateral, the Corporation shall promptly notify the Lender after it learns of such infringement, misappropriation or dilution and the Corporation shall promptly take such

action (including entering into licences or covenants not to sue) as is appropriate under the circumstances to protect such Trade-mark.

(f) **Patent Collateral**

- (i) the Corporation shall pursue the registration and maintenance of each material patent now or hereinafter included in the Patent Collateral, including the payment of required fees and taxes, the filing of responses to office actions issued by the Canadian Intellectual Property Office or other governmental authorities, the filing of applications for renewal or extension, the filing of divisional, continuation, continuation-in-part, reissue and renewal applications or extensions, the payment of maintenance fees and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings;
- (ii) the Corporation shall not, without the written consent of the Secured Party, discontinue use of or otherwise abandon any Patent Collateral, or abandon any right to file an application for patent unless the Corporation shall have previously determined that such use or the pursuit or maintenance of such Patent Collateral is no longer desirable in the conduct of the Corporation's business and that the loss thereof is of negligible economic value to the Corporation, and to the extent necessary, the Corporation shall use proper statutory notice in connection with its use of any material patent constituting a part of any of the Patent Collateral;
- (iii) Upon obtaining rights to any new registered Patents, pending Patent applications, Patent applications in preparation or upon granting rights to or being granted rights under any Patent licenses, the Corporation shall provide to the Secured Party an updated Schedule 2 including such new Patent Collateral;
- (iv) the Corporation will not do or fail to perform any act whereby any of the Patent Collateral may lapse or become abandoned or dedicated to the public or unenforceable unless, at any time other than following the occurrence and during the continuance of an Event of Default, the Corporation shall reasonably and in good faith determines that any of such Patent Collateral is of negligible economic value to the Corporation;
- (v) the Corporation shall promptly notify the Secured Party if it knows, or has reason to know, that any application or registration relating to any material item of the Patent Collateral may become abandoned or dedicated to the public or placed in the public domain or invalid or unenforceable, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the Canadian Intellectual Property Office or any foreign counterpart thereof or any court) regarding the Corporation's ownership of any of the Patent

Collateral, its right to register the same or to keep and maintain and enforce the same;

- (vi) in no event will the Corporation or any of its agents, employees, designees or licensees file an application for the registration of any Patent Collateral with the Canadian Intellectual Property Office or any similar office or agency in any other country or any political subdivision thereof, unless it promptly informs the Secured Party, and upon request of the Secured Party, executes and delivers all agreements, instruments and documents as the Secured Party may request to evidence the Secured Party's security interest in such Patent Collateral; and
- (vii) the Corporation will take all necessary steps, including in any proceeding before the Canadian Intellectual Property Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue any application (and to obtain the relevant registration) filed with respect to, and to maintain any registration of, the Patent Collateral, including the filing of applications for renewal, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings and the payment of fees and taxes (except to the extent that dedication, abandonment or invalidation is permitted under the foregoing clause (a) or (b)).

9. Lender's Appointment as Attorney-in-Fact

- (a) The Corporation hereby irrevocably constitutes and appoints the Lender and any officer or agent of the Lender, with full power of substitution from time to time, as the Corporation's true and lawful attorney-in-fact, with full irrevocable and unconditional power and authority in the place and stead of the Corporation and in the name of the Corporation or in its own name, to do on the Corporation's behalf anything which can lawfully be done by an attorney in connection with the security interest granted herein and, without limitation, to execute any and all documents and instruments and do any assignments, transfers, registrations, agreements, licenses, assurances and things which may be necessary or desirable to accomplish the purposes of this Agreement, under the covenants and provisions contained in this Agreement, the General Security Agreements, the Commitment and the Undertaking and to use the name of the Corporation in the exercise of all or any of the powers hereby conferred on the Lender and the Corporation declares this to be a general power of attorney in the widest respect. The Corporation hereby ratifies all that said attorneys will lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and will be irrevocable until the Obligations have been indefeasibly paid and performed in full.
- (b) The Corporation also authorizes the Lender, at any time and from time to time, to execute any endorsements, assignments or other instruments of conveyance or transfer with respect to the Trade-mark Collateral in connection with any sale

provided for herein or pursuant to the General Security Agreements, the Commitment or the Undertaking.

10. Termination of this Agreement

Upon indefeasible payment and performance in full of all of the Obligations, this Agreement shall be and become fully ended and terminated and all right, title, benefit and interest in and in respect of the Trade-mark Collateral and Patent Collateral pledged, mortgaged, hypothecated and secured by the Corporation hereunder shall be released and all covenants and agreements of the Corporation hereunder shall be at an end and the Lender shall, upon the written request of the Corporation and at the expense of the Corporation, execute such instruments and other documents and give such notifications or assurances as may be necessary to fully release, cancel and discharge this Agreement in the circumstances.

11. Performance by Lender of Corporation's Obligations

If the Corporation fails to perform or comply with any of its agreements contained herein and the Lender, as provided for by the terms of this Agreement, will itself perform or comply, or otherwise cause performance or compliance, with any such agreements, the expenses of the Lender incurred in connection with such performance or compliance shall be payable by the Corporation to the Lender on demand, shall be added to the Obligations and secured hereby.

12. Severability

If any covenant, obligation or agreement contained in this Agreement, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such covenant, obligation or agreement to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each covenant, obligation and agreement contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by Law.

13. Interpretation

The paragraph headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof. When used in this Agreement, the word "including" means "including without limitation". Any reference in this Agreement to any statute will include all regulations made thereunder from time to time, and will include such statute as the same may be amended, supplemented or replaced from time to time.

14. No Waiver

The Lender shall not by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Lender, any right, power or privilege hereunder will operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Lender of

any right or remedy hereunder on any one occasion will not be construed as a bar to any right or remedy which the Lender would otherwise have on any future occasion. Without limiting the generality of the forgoing, this Agreement may not be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Corporation and the Lender.

15. Rights and Remedies Cumulative

The rights or remedies given to the Lender hereunder are in addition to and not in substitution for any other rights or remedies to which the Lender may be entitled and may be exercised whether or not any Lender has pursued or is then pursuing any other such rights and remedies.

16. Time of Essence

Time shall be of the essence of this Agreement.

17. Dealings by Lender

The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Corporation or any third party having dealings with the Corporation, and with the Trade-mark Collateral and Patent Collateral or any part thereof, and with other security and sureties, as the Lender may see fit, all without prejudice to the Obligations or to the rights of the Lender under this Agreement. The powers conferred on the Lender hereunder are solely to protect the interests of the Lender in the Trade-mark Collateral and Patent Collateral and will not impose any duty upon the Lender to exercise any such powers. The Lender will be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees, advisors or agents will be responsible to the Corporation for any act or failure to act hereunder, except for its or their own gross negligence or wilful misconduct.

18. Successors and Assigns

This Agreement shall be binding upon the Corporation and its successors and permitted assigns and shall enure to the benefit of the Lender and its successors and assigns. The Corporation may not assign any of its rights and obligations under this Agreement without the prior written consent of the Lender. The Lender may assign this Agreement, in whole or in part.

19. Communication

Any communication required or permitted to be given under this Agreement will be in writing and will be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of the Corporation or Creditor set out in this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a business day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following business day. Any communication sent by mail will be

deemed to have been given and to have been received on the fifth business day following mailing, provided that no disruption of postal service is in effect. The Corporation and the Creditor may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

20. Non-Exclusivity of Remedies

This Agreement and the lien, charge and security interests arising hereunder are in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of the Corporation, the Obligations or the Trade-mark Collateral and Patent Collateral. No remedy for the enforcement of the rights of the Lender hereunder will be exclusive of or dependent on any other such remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

21. Release of Information

The Corporation hereby authorizes the Lender to provide a copy of this Agreement and such other information as may be requested of the Lender by Persons entitled thereto pursuant to any applicable legislation.

22. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, the Corporation hereby irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario for the purposes of this Agreement.

23. Miscellaneous Provisions

This Agreement is in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of any of the property or undertakings of the Corporation.

24. Survival of Representations and Warranties

All agreements, representations, warranties and covenants made by or on behalf of the Corporation herein are material, will be considered to have been relied upon by the Lender and shall survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Lender and any disposition or payment of the Obligations until indefeasible payment and satisfaction in full thereof.

25. Acknowledgement of Receipt

The Corporation hereby acknowledges receipt of an executed copy of this Agreement.

DATED as of the date first written above.

PROFESSIONAL SHREDDING CORPORATION

Per: 

Name: Jeffrey Hasham

Title: Chief Executive Officer

Per: 

Name: Kasia Pawluk

Title: Chief Financial Officer

We have authority to bind the corporation.

**SCHEDULE 1
TRADE-MARKS**

Canadian Trade-marks

| Trademark | TMA Registration No. | Renewal Date | Registration Date | Application Serial No. |
|----------------------------|-------------------------------------|-------------------------|-----------------------------------|-----------------------------------|
| PROSHRED | TMA946855 | | August 19, 2016 | 1705788 |
| PRESHRED SECURITY & Design | not registered | | Filed on September 20, 2016 | 1801081 |
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US Trademarks

| Trademark | TMA Registration No. | Renewal Date | Registration Date | Application Serial No. |
|-----------------------------|-------------------------------------|-------------------------|--------------------------|-----------------------------------|
| PROSHRED | 1,710,461 | | August 25, 1992 | |
| PROSHRED SECURITY (logo) | 3,337,616 | | November 20, 2007 | |
| RISC MANAGEMENT PROGRAM | 3,397,198 | | March 18, 2008 | |
| PROSCAN SECURITY | 4,548,215 | | June 20, 2014 | |
| RISC MANAGEMENT | 3,345,238 | | November 27, 2007 | |
| PROSCAN SOLUTIONS | 5,165,363 | | March 21, 2017 | |

**SCHEDULE 2
PATENTS**

ITEM A - PATENTS

Issued Patents

| Country | Patent No. | Issue Date | Inventor(s) | Title |
|----------------|-------------------|-------------------|--------------------|--------------|
| NIL | | | | |
| | | | | |
| | | | | |

Pending Patent Applications

| Country | Serial No. | Filing Date | Inventor(s) | Title |
|----------------|-------------------|--------------------|--------------------|--------------|
| NIL | | | | |
| | | | | |
| | | | | |

Patent Applications in Preparation

| Country | Docket No. | Expected Filing Date | Inventor(s) | Title |
|----------------|-------------------|-----------------------------|--------------------|--------------|
| NIL | | | | |
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ITEM B - PATENT LICENSES

| Country or Territory | Licensor | Licensee | Effective Date | Expiration Date | Subject Matter |
|-----------------------------|-----------------|-----------------|-----------------------|------------------------|-----------------------|
| NIL | | | | | |
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