

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM445092

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Eddyfi NDT Inc.		09/27/2017	Corporation: CANADA
RECEIVING PARTY DATA			
Name:	HSBC Bank Canada		
Street Address:	Suite 1340		
Internal Address:	2828, Laurier Boulevard		
City:	Quebec City		
State/Country:	CANADA		
Postal Code:	G1V 0B9		
Entity Type:	Corporation: CANADA		
PROPERTY NUMBERS Total: 7			
Property Type	Number	Word Mark	
Registration Number:	4407850	EDDYFI	
Registration Number:	4407853	EDDYFI	
Registration Number:	4415920	MAGNIFI	
Registration Number:	4461827	DEFHI	
Registration Number:	4471487	ECTANE	
Registration Number:	4931526	REDDY	
Registration Number:	5076895	LYFT	
CORRESPONDENCE DATA			
Fax Number:	4125666099		
<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:	412-566-6777		
Email:	ipmail@eckertseamans.com		
Correspondent Name:	David V. Radack		
Address Line 1:	Eckert Seamans Cherin & Mellott, LLC		
Address Line 2:	600 Grant Street, 44th Floor		
Address Line 4:	Pittsburgh, PENNSYLVANIA 15219		
NAME OF SUBMITTER:	David V. Radack		
SIGNATURE:	/David V. Radack/		

OP \$190.00 4407850

DATE SIGNED:

09/29/2017

Total Attachments: 19

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Security Agreement") dated as of September 21, 2017, by and among Eddyfi NDT Inc., incorporated and registered in Canada (the "Company"), and HSBC Bank Canada, a company incorporated in Canada under the Bank Act and its respective endorsees, transferees and assigns (collectively, the "Secured Party").

BACKGROUND

In connection with closing for a loan or establishment of one or more credit facilities to EDDYFI NDT Inc. (collectively, the "Loan") under a Credit Agreement, dated the date of this Security Agreement (the "Credit Agreement"), from the Lenders, as defined in the Credit Agreement, EDDYFI NDT Inc. ("Borrower") may from time to time hereafter obtain credit and other financial accommodations from the Lenders (one of which is Secured Party) and incur liabilities to the Lenders under the Credit Agreement and the documents and instruments executed and delivered by Borrower under the Credit Agreement (collectively, the "Credit Documents").

As a condition to extending credit to Borrower under the Credit Agreement, the Lenders have required, among other things, that Company guarantee the obligations of Borrower under the Credit Documents pursuant to a Guaranty executed and delivered to each Lender (each a "Guaranty") and to grant to Secured Party, subject to Article 13 of the Credit Agreement, a first priority security interest in certain Intellectual Property (defined below) of Company to secure the prompt payment, performance and discharge in full of all of Company's obligations under the Guaranty and exercise and discharge in full of Company's obligations.

Borrower is an affiliate of Company and Borrower provides Company with certain services and assistance which enables Company to conduct its business activities in an orderly and efficient manner in the ordinary course.

Company will benefit, directly or indirectly, from credit and other financial accommodations extended by each Lender to Borrower under the Credit Documents.

This Security Agreement is given and intended to provide additional security for the obligations owing by Borrower to the Lenders under the Loan (the "Guaranteed Obligations").

NOW, THEREFORE, in consideration of the agreements in this Security Agreement contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms. Unless otherwise defined in this Security Agreement the following terms shall have the following meanings:

(a) "Intellectual Property" means the Patents, Trademarks and Trademark Licenses.

(b) "Obligations" means all of the Company's obligations under this Security Agreement and the Guaranty, in each case, whether now or hereafter existing, voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later

decreased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from Secured Party as a preference, fraudulent transfer or otherwise as such obligations may be amended, supplemented, converted, extended or modified from time to time.

(c) "Patents" means all letters patent of the United States and all reissues and extensions thereof, including, without limitation, any thereof set forth on Schedule 1 attached to this Security Agreement, and all applications for letters patent of the United States and all divisions, continuations and continuations-in-part thereof, including, without limitation, any thereof set forth on Schedule 1 attached to this Security Agreement.

(d) "Security Agreement" means this Security Agreement.

(e) "Security Interest" has the meaning set forth in Section 2

(f) "Trademarks" means (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof, or otherwise, including, without limitation, any thereof referred to in Schedule 1 attached to this Security Agreement, and (ii) all reissues, extensions or renewals thereof.

(g) "Trademark License" means any agreement, written or oral, providing for the grant by the Company of any right to use any Trademark, including, without limitation, any thereof referred to in Schedule 1 attached to this Security Agreement.

(h) "UCC" means the Delaware Uniform Commercial Code.

2. Grant of Security Interest. To secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Obligations, the Company hereby, unconditionally and irrevocably, pledges, grants and hypothecates to Secured Party, a continuing security interest in, a continuing lien (which shall be a first priority lien) upon, an unqualified right to possession and disposition of and a right of set-off against, in each case to the fullest extent permitted by law, all of the Company's right, title and interest of whatsoever kind and nature (including, without limitation, all of the Company's rights) in and to the Intellectual Property (the "Security Interest").

3. Representations and Warranties. The Company hereby represents and warrants, and covenants and agrees with, Secured Party as follows:

(a) The Company has the requisite corporate power and authority to enter into this Security Agreement and otherwise to carry out its obligations under this Security Agreement. The execution, delivery and performance by the Company of this Security Agreement and the filings contemplated in this Security Agreement have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company. This Security Agreement constitutes a legal, valid and binding obligation of the Company enforceable in accordance with its

terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditor's rights generally.

(b) The Company represents and warrants that it has no place of business or offices where its respective books of account and records are kept (other than temporarily at the offices of its attorneys or accountants) or places where the Intellectual Property is stored or located, except as set forth on Schedule 3(b) attached to this Security Agreement.

(c) The Company is the sole legal and beneficial owner of the Intellectual Property, and, as further described in Schedule 1 attached to this Security Agreement, is properly registered as such (except for non-exclusive licenses granted by the Company in the ordinary course of business), free and clear of any liens, security interests, encumbrances, rights or claims, and is fully authorized to grant the Security Interest in and to pledge the Intellectual Property. There is not on file in any governmental or regulatory authority, agency or recording office an effective financing statement, security agreement, license or transfer or any notice of any of the foregoing (other than those that have been filed in favor of Secured Party pursuant to this Security Agreement) covering or affecting any of the Intellectual Property. So long as this Security Agreement shall be in effect, the Company shall not execute and shall not knowingly permit to be on file in any such office or agency any such financing statement or other document or instrument (except to the extent filed or recorded in favor of Secured Party pursuant to the terms of this Security Agreement), except for a financing statement covering assets acquired by the Company after the date of this Security Agreement. The statements in this Section 3(c) are qualified by reference to the matters stated on Schedule 3(c).

(d) The Company shall at all times maintain its books of account and records relating to the Intellectual Property at its principal place of business and its Intellectual Property at the locations set forth on Schedule 3(b) attached to this Security Agreement and may not relocate such books of account and records unless it delivers to Secured Party at least 30 days prior to such relocation (i) written notice of such relocation and the new location thereof and (ii) evidence that the necessary documents have been filed and recorded and other steps have been taken to perfect the Security Interest to create in favor of Secured Party valid, perfected and continuing first priority liens in the Intellectual Property to the extent they can be perfected through such filings.

(e) This Security Agreement creates in favor of Secured Party a valid security interest in the Intellectual Property securing the payment and performance of the Obligations and, upon making the filings required under this Security Agreement, a perfected first priority security interest in such Intellectual Property (except as set forth in Schedule 3(c)) to the extent that it can be perfected through such filings.

(f) Upon request of Secured Party, the Company shall execute and deliver any and all agreements, instruments, documents, and papers as Secured Party may request to evidence Secured Party's security interest in the Intellectual Property and the goodwill and general intangibles of the Company relating thereto or represented thereby, and the Company hereby appoints Secured Party 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 fully satisfied and are paid in full.

(g) The execution, delivery and performance of this Security Agreement does not conflict with or cause a breach or default, or an event that with or without the passage of time or notice, shall constitute a breach or default, under any material agreement to which the Company is a party or by which the Company is bound. No consent (including, without limitation, from stock holders or creditors of the Company) is required for the Company to enter into and perform its obligations under this Security Agreement.

(h) The Company shall at all times maintain the liens and Security Interest provided for under this Security Agreement as valid and perfected first priority liens and security interests in the Intellectual Property to the extent they can be perfected by filing in favor of Secured Party until this Security Agreement and the Security Interest under this Security Agreement shall terminate pursuant to Section 11. The Company hereby agrees to defend the same against any and all persons. The Company shall safeguard and protect all Intellectual Property for the account of Secured Party. Without limiting the generality of the foregoing, the Company shall pay all fees, taxes and other amounts necessary to maintain the Intellectual Property and the Security Interest under this Security Agreement, and the Company shall obtain and furnish to Secured Party from time to time, upon demand, such releases and/or subordinations of claims and liens which may be required to maintain the priority of the Security Interest under this Security Agreement.

(i) The Company will not transfer, pledge, hypothecate, encumber, license (except for non-exclusive licenses granted by the Company in the ordinary course of business), sell or otherwise dispose of any of the Intellectual Property without the prior written consent of Secured Party.

(j) The Company shall, within ten days of obtaining knowledge thereof, advise Secured Party promptly, in sufficient detail, of any substantial change in the Intellectual Property, and of the occurrence of any event which would have a material adverse effect on the value of the Intellectual Property or on Secured Party's security interest therein.

(k) The Company shall permit Secured Party and its representatives and agents to inspect the Intellectual Property at any time, and to make copies of records pertaining to the Intellectual Property as may be requested by Secured Party from time to time.

(l) The Company will take all steps reasonably necessary to diligently pursue and seek to preserve, enforce and collect any rights, claims, causes of action and accounts receivable in respect of the Intellectual Property.

(m) The Company shall promptly notify Secured Party in sufficient detail upon becoming aware of any attachment, garnishment, execution or other legal process levied against any Intellectual Property and of any other information received by the Company that may materially affect the value of the Intellectual Property, the Security Interest or the rights and remedies of Secured Party under this Security Agreement.

(n) All information heretofore, in this Security Agreement or hereafter supplied to Secured Party by or on behalf of the Company in writing with respect to the Intellectual Property is accurate and complete in all material respects as of the date furnished.

(o) Schedule 1 attached to this Security Agreement attached hereto includes all Trademarks and Trademark Licenses, if any, owned by the Company in its own name as of the date of this Security Agreement. To the best of the Company's knowledge, each Trademark is valid, subsisting, unexpired, enforceable and has not been abandoned. Except as set forth in Schedule 3(b), none of such Trademarks, is the subject of any licensing or franchise agreement. To the best of the Company's knowledge, no holding, decision or judgment has been rendered by any Governmental Body which would limit, cancel or question the validity of any Trademark. No action or proceeding is pending (i) seeking to limit, cancel or question the validity of any Trademark, or (ii) which, if adversely determined, would have a material adverse effect on the value of any Trademark. The Company has not given any third party permission to use any Trademark or consented to or permitted any unauthorized use (except for non-exclusive licenses granted by the Company in the ordinary course of business). The Company has used and will continue to use for the duration of this Security Agreement, proper statutory notice in connection with its use of the Trademarks and consistent standards of quality in products leased or sold under the Trademarks.

(p) With respect to any Intellectual Property:

(i) such Intellectual Property is subsisting and has not been adjudged invalid or unenforceable, in whole or in part;

(ii) such Intellectual Property is valid and enforceable;

(iii) the Company has timely made all necessary filings and recordations to protect its interest in such Intellectual Property and paid all fees related to such Intellectual Property, including, without limitation, recordations of all of its interests in Trademarks and Trademark Licenses in the United States Patent and Trademark Office and in corresponding offices throughout the world and no further fees are due within six months of the date of this Security Agreement;

(iv) other than as set forth in Schedule 1 attached to this Security Agreement, the Company is the exclusive owner of the entire and unencumbered right, title and interest in and to such Intellectual Property and no claim has been made or could be made that the use of such Intellectual Property infringes on the asserted rights of any third party; and

(v) the Company has performed and will continue to perform all acts and has paid all required fees and taxes to maintain each and every item of Intellectual Property in full force and effect throughout the world, as applicable.

(q) Except with respect to any Trademark that the Company reasonably determines is of negligible economic value to the Company, the Company will:

(i) maintain each Trademark in full force free from any claim of abandonment for non-use, maintain as in the past the quality of products and services offered under such Trademark; employ such Trademark with the appropriate notice of registration; not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless Secured Party shall obtain a perfected security interest in such mark pursuant to this Security Agreement; and not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any Trademark may become invalidated; and

(ii) notify Secured Party immediately if it knows, or has reason to know, that any application or registration relating to any Trademark may become abandoned, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, or any court or tribunal in any country) regarding its ownership of any Trademark or its right to register the same or to keep and maintain the same.

(r) Whenever the Company, either by itself or through any agent, employee, licensee or designee, filed an application for the registration of any Trademark with the United States Patent and Trademark Office, United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof or acquire rights to any new Trademark whether or not registered, report such filing to Secured Party within five business days after the last day of the fiscal quarter in which such filing occurs.

(s) The Company will take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark 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 Trademarks including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(t) If any Trademark included in the Intellectual Property is infringed, misappropriated or diluted by a third party, promptly notify Secured Party after it learns of the infringement, misappropriation or dilution and will, unless it reasonably determines that such Trademark is of negligible economic value to it, which determination it must be promptly report to Secured Party, promptly sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution, or take such other actions as it reasonably deems appropriate under the circumstances to protect such Trademark. If the Company lacks the financial resources to comply with this Section 3(t), the Company must so notify Secured Party and cooperate fully with any enforcement action undertaken by Secured Party on behalf of the Company.

4. Events of Default. Any of the following events or conditions will constitute an "Event of Default" under in this Security Agreement:

(a) nonpayment when due, whether by acceleration or otherwise, of principal of or interest on any Obligations, or default by Company in the performance of any obligation, term or condition of this Security Agreement or any other agreement between Company and Secured Party or between Borrower and Secured Party;

(b) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation, or the like of Company or Borrower, whether or not Company shall have notice or knowledge of any of the foregoing;

(c) the making of any general assignment by Company for the benefit of creditors; the appointment of a receiver or trustee for Company or for any assets of Company, including, without limitation, the appointment of or taking possession by a "custodian," as defined in the federal Bankruptcy Code; the making of any, or sending notice of any intended, bulk sale; or

the institution by or against Company of any other type of insolvency proceeding (under the federal Bankruptcy Code or otherwise) or of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of, Company;

(d) the sale, assignment, transfer or delivery of all or substantially all of the assets of Company; the cessation by Company as a going business concern; the entry of judgment against Company, other than a judgment for which Company is fully insured, if ten days thereafter such judgment is not satisfied, vacated, bonded or stayed pending appeal; or if Company is generally not paying Company's debts as such debts become due;

(e) the occurrence of any event described in Sections 4(b), 4(c) or 4(d) with respect to any indorser, guarantor or any other party liable for, or whose assets or any interest therein secures, payment of any Indebtedness ("Third Party"), or the occurrence of any such event with respect to any general partner of Company, if Company is a partnership;

(f) if any certificate, statement, representation, warranty or audit heretofore or hereafter furnished by or on behalf of Company or any Third Party, pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, representations and warranties contained in in this Security Agreement), or as an inducement to Secured Party to extend any credit to or to enter into this or any other agreement with Company, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or to have omitted any substantial contingent or unliquidated liability or claim against Company or any such Third Party; or, if upon the date of execution of this Security Agreement, there exists any materially adverse change in any of the facts disclosed by any such certificate, statement, representation, warranty or audit, which change is not disclosed in writing to Secured Party at or prior to the time of such execution;

(g) nonpayment by Company when due of any indebtedness for borrowed money owing to any third party, or the occurrence of any event which could result in acceleration of payment of any such indebtedness except if such indebtedness is challenged based upon legitimate reasons; or

(h) the reorganization, merger or consolidation of Company (or the making of any agreement therefor) without the prior written consent of Secured Party.

5. Duty To Hold In Trust. Upon the occurrence of any Event of Default and at any time thereafter, the Company must, upon receipt by it of any revenue, income or other sums subject to the Security Interest, whether payable pursuant to the Guaranty or otherwise, or of any check, draft, note, trade acceptance or other instrument evidencing an obligation to pay any such sum, hold the same in trust for Secured Party and shall forthwith endorse and transfer any such sums or instruments, or both, to Secured Party for application to the satisfaction of the Obligations, , subject to Article 13 of the Credit Agreement.

6. Rights and Remedies Upon Default. Upon occurrence of any Event of Default and at any time thereafter, Secured Party shall have the right, subject to Article 13 of the Credit Agreement, to exercise all of the remedies conferred under this Security Agreement and under the Guaranty, and Secured Party shall have all the rights and remedies of a secured party under the UCC and/or any other applicable law (including the Uniform Commercial Code of any jurisdiction in

which any Intellectual Property is then located). Without limitation, Secured Party shall have the following rights and powers, subject to Article 13 of the Credit Agreement:

(a) Secured Party shall have the right to take possession of the Intellectual Property and, for that purpose, enter, with the aid and assistance of any person, any premises where the Intellectual Property, or any part thereof, is or may be placed and remove the same, and the Company shall assemble the Intellectual Property and make it available to Secured Party at places which Secured Party shall reasonably select, whether at the Company's premises or elsewhere, and make available to Secured Party, without rent, all of the Company's respective premises and facilities for the purpose of Secured Party taking possession of, removing or putting the Intellectual Property in saleable or disposable form.

(b) Secured Party shall have the right to operate the business of the Company using the Intellectual Property and shall have the right to assign, sell, lease or otherwise dispose of and deliver all or any part of the Intellectual Property, at public or private sale or otherwise, either with or without special conditions or stipulations, for cash or on credit or for future delivery, in such parcel or parcels and at such time or times and at such place or places, and upon such terms and conditions as Secured Party may deem commercially reasonable, all without (except as shall be required by applicable statute and cannot be waived) advertisement or demand upon or notice to the Company or right of redemption of the Company, which are hereby expressly waived. Upon each such sale, lease, assignment or other transfer of Intellectual Property, Secured Party may, unless prohibited by applicable law which cannot be waived, purchase all or any part of the Intellectual Property being sold, free from and discharged of all trusts, claims, right of redemption and equities of the Company, which are hereby waived and released.

7. Applications of Proceeds. The proceeds of any such sale, lease or other disposition of the Intellectual Property under this Security Agreement will, subject to Article 13 of the Credit Agreement, be applied first, to the expenses of retaking, holding, storing, processing and preparing for sale, selling, and the like (including, without limitation, any taxes, fees and other costs incurred in connection therewith) of the Intellectual Property, to the reasonable attorneys' fees and expenses incurred by Secured Party in enforcing its rights under this Security Agreement and in connection with collecting, storing and disposing of the Intellectual Property, reimbursing Secured Party for and fees, expenses or losses it has suffered by reason of a breach of this Security Agreement and then to satisfaction of the Obligations, and to the payment of any other amounts required by applicable law, after which Secured Party shall pay to the Company any surplus proceeds. If, upon the sale, license or other disposition of the Intellectual Property, the proceeds of the sale, license or other disposition are insufficient to pay all amounts to which Secured Party is legally entitled, the Company will be liable for the deficiency, together with interest thereon, at the rate of 15% per annum (the "Default Rate"), and the reasonable fees of any attorneys employed by Secured Party to collect such deficiency. To the extent permitted by applicable law, the Company waives all claims, damages and demands against Secured Party arising out of the repossession, removal, retention or sale of the Intellectual Property, unless due to the gross negligence or willful misconduct of Secured Party.

8. Costs and Expenses. The Company agrees to pay all out-of-pocket fees, costs and expenses incurred in connection with any filing required under this Security Agreement, including without limitation, any financing statements, continuation statements, partial releases and/or termination statements related thereto or any expenses of any searches reasonably required by Secured Party. The Company shall also pay all other claims and charges which in the reasonable

opinion of Secured Party might prejudice, imperil or otherwise affect the Intellectual Property or the Security Interest therein. The Company will also, upon demand, pay to Secured Party the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which Secured Party may incur in connection with (a) the enforcement of this Security Agreement as incurred by reason of a breach of this Security Agreement, (b) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Intellectual Property, or (c) the exercise or enforcement of any of the rights of Secured Party under the Guaranty. Until so paid, any fees payable under this Security Agreement shall be added to the principal amount of the Guaranty and shall bear interest at the Default Rate.

9. Responsibility for Intellectual Property. The Company assumes all liabilities and responsibility in connection with all Intellectual Property, and the obligations of the Company under this Security Agreement or under the Guaranty shall in no way be affected or diminished by reason of the loss, destruction, damage or theft of any of the Intellectual Property or its unavailability for any reason.

10. Security Interest Absolute. All rights of Secured Party and all Obligations of the Company under this Security Agreement, shall be absolute and unconditional, irrespective of: (a) any lack of validity or enforceability of this Security Agreement, the Guaranty, the Guaranteed Obligations or any agreement entered into in connection with the foregoing, or any portion of this Security Agreement or thereof; (b) any change in the time, manner or place of payment or performance of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Guaranty, the Guaranteed Obligations or any other agreement entered into in connection with the foregoing; (c) any exchange, release or nonperfection of any of the Intellectual Property, or any release or amendment or waiver of or consent to departure from any other Intellectual Property for, or any guaranty, or any other security, for all or any of the Obligations; (d) any action by Secured Party to obtain, adjust, settle and cancel in its sole discretion any insurance claims or matters made or arising in connection with the Intellectual Property; or (e) any other circumstance that might otherwise constitute any legal or equitable defense available to the Company, or a discharge of all or any part of the Security Interest granted hereby. Until the Obligations shall have been indefeasibly paid and performed in full, the rights of Secured Party shall continue even if the Obligations are barred for any reason, including, without limitation, the running of the statute of limitations or bankruptcy. Company expressly waives presentment, protest, notice of protest, demand, notice of nonpayment and demand for performance. If at any time any transfer of any Intellectual Property or any payment received by Secured Party under this Security Agreement is deemed by final order of a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or is deemed to be otherwise due to any party other than Secured Party, then, in any such event, the Company's obligations under this Security Agreement will survive cancellation of this Security Agreement, and will not be discharged or satisfied by any prior payment thereof and/or cancellation of this Security Agreement, but will remain a valid and binding obligation enforceable in accordance with the terms and provisions of this Security Agreement. Company waives all right to require Secured Party to proceed against any other person or to apply any Intellectual Property which Secured Party may hold at any time, or to marshal assets, or to pursue any other remedy. Company waives any defense arising by reason of the application of the statute of limitations to any obligation secured hereby.

11. Term of Agreement. This Security Agreement and the Security Interest shall terminate on the date on which all payments under the Guaranty and the Guaranteed Obligations have been made in full and all other Obligations have been indefeasibly paid or discharged. Upon such termination, Secured Party, at the request and at the expense of the Company, will join in executing any termination statement with respect to any financing statement executed and filed pursuant to this Security Agreement.

12. Power of Attorney; Further Assurances.

(a) The Company authorizes Secured Party, and does hereby make, constitute and appoint it, and its respective officers, agents, successors or assigns with full power of substitution, as the Company's true and lawful attorney-in-fact, with power, in its own name or in the name of the Company, to, after the occurrence and during the continuance of an Event of Default, (i) endorse any notes, checks, drafts, money orders, or other instruments of payment (including payments payable under or in respect of any policy of insurance) in respect of the Intellectual Property that may come into possession of Secured Party; (ii) to sign and endorse any UCC financing statement or any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and other documents relating to the Intellectual Property; (iii) to pay or discharge taxes, liens, security interests or other encumbrances at any time levied or placed on or threatened against the Intellectual Property; (iv) to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Intellectual Property; (v) generally, to do, at the option of Secured Party, and at the Company's expense, at any time, or from time to time, all acts and things which Secured Party deems necessary to protect, preserve and realize upon the Intellectual Property and the Security Interest granted therein in order to effect the intent of this Security Agreement and the Guaranty and (vi) to perform any act required by the Company under this Security Agreement, which the Company has failed to perform, all as fully and effectually as the Company might or could do; and the Company hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue of this Security Agreement. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Security Agreement and thereafter as long as any of the Obligations shall be outstanding.

(b) On a continuing basis, the Company will make, execute, acknowledge, deliver, file and record, as the case may be, in the proper filing and recording places in any jurisdiction, including, without limitation, the jurisdictions indicated on Schedule 12(b) attached to this Security Agreement, all such instruments, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by Secured Party, to perfect the Security Interest granted under this Security Agreement and otherwise to carry out the intent and purposes of this Security Agreement, or for assuring and confirming to Secured Party the grant or perfection of a security interest in all the Intellectual Property.

(c) The Company hereby irrevocably appoints Secured Party as the Company's attorney-in-fact, with full authority in the place and stead of the Company and in the name of the Company, from time to time in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Security Agreement, including the filing, in its sole discretion, of one or more financing or continuation statements and amendments thereto, relative to any of the Intellectual Property without the signature of the Company where permitted by law.

13. Notices. All notices, requests, demands and other communications under this Security Agreement shall be in writing, with copies to all the other parties hereto, and shall be deemed to have been duly given when (a) if delivered by hand, upon receipt, (b) if sent by facsimile, upon receipt of proof of sending thereof, (c) if sent by nationally recognized overnight delivery service (receipt requested), the next business day or (d) if mailed by first-class registered or certified mail, return receipt requested, postage prepaid, four days after posting in the mails, in each case if delivered to the following addresses:

If to the Company: Eddyfi NDT Inc.
Suite 100
2800, rue Louis-Lumière
Québec city, Quebec G1P0A4
Telecopier: (418) 780-2354
Attention: Louis-Georges Gauvin, CFO

With copies to: DS Lawyers Canada LLP
891 Charest West Boulevard
Québec, Québec, G1N 2C9
Attention: Isabelle Giroux
Telephone: (418)-780-4321
Facsimile: (418)-353-1791
E-mail: igiroux@dsavocats.ca

If to Secured Party: HSBC Bank Canada
Suite 1340
2828, Laurier Blvd.
Québec City, Québec G1V 0B9
Telecopier: 418.657.6562
Attention: François Gosselin-Biron, Senior Account
Manager

With a copy to: Lavery, de Billy LLP
Suite 500
925, Grande Allée Ouest
Québec City, Quebec G1S 1C1
Telecopier: 418.688.3458
Attention: Mtre Jean-Simon Deschênes

14. Other Security. To the extent that the Obligations are now or hereafter secured by property other than the Intellectual Property or by the guarantee, endorsement or property of any other person, firm, corporation or other entity, then Secured Party shall have the right, in its sole discretion, to pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of Secured Party's rights and remedies under this Security Agreement.

15. Representations, Warranties and Covenants Regarding Liens.

(a) Notwithstanding any other provision of this Security Agreement to the

contrary, the Company represents and warrants to Secured Party that the security interest granted to Secured Party by this Security Agreement constitutes a valid, first priority Lien and security interest only in the United States in and to all of the Intellectual Property securing the Obligations on which a security interest can attach, subject only to Permitted Liens

(b) "Permitted Lien" means (i) any Lien for taxes, assessments or other governmental charges not yet due and payable, (ii) statutory Liens of landlords, carriers, warehousemen, mechanics, materialmen and other similar Liens imposed by law, which are incurred in the ordinary course of Company's business for sums that are not delinquent, (iii) Liens and security interests in favor of Secured Party, (iv) Liens explicitly identified in any Credit Document as a "permitted lien" and (v) Liens in favor of National Bank of Canada and Investissement Quebec.

(c) "Lien" means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property to secure payment of a debt or performance of an obligation or other priority or preferential arrangement of any kind or nature whatsoever.

(d) Company will not create or suffer to exist any Lien on any of its assets anywhere in the world, except those in favor of Secured Party and Permitted Liens. Company and Secured Party will promptly notify the other party upon learning of the existence of any Lien on any of its assets anywhere in the world, except those in favor of Secured Party and Permitted Liens. It will be an Event of Default if Company fails to satisfy or discharge any Lien identified in a notice within 30 days of any such notice.

16. Miscellaneous.

(a) No course of dealing between the Company and Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of Secured Party, any right, power or privilege under this Security Agreement or under the Guaranty shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Security Agreement or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) All of the rights and remedies of Secured Party with respect to the Intellectual Property, whether established hereby or by the Guaranty or by any other agreements, instruments or documents or by law shall be cumulative and may be exercised singly or concurrently.

(c) This Security Agreement constitute the entire agreement of the parties with respect to the subject matter of this Security Agreement and is intended to supersede all prior negotiations, understandings and agreements with respect thereto. Except as specifically set forth in this Security Agreement, no provision of this Security Agreement may be modified or amended except by a written agreement specifically referring to this Security Agreement and signed by the parties hereto.

(d) In the event that any provision of this Security Agreement is held to be invalid, prohibited or unenforceable in any jurisdiction for any reason, unless such provision is narrowed by judicial construction, this Security Agreement shall, as to such jurisdiction, be

construed as if such invalid, prohibited or unenforceable provision had been more narrowly drawn so as not to be invalid, prohibited or unenforceable. If, notwithstanding the foregoing, any provision of this Security Agreement is held to be invalid, prohibited or unenforceable in any jurisdiction, such provision, as to such jurisdiction, shall be ineffective to the extent of such invalidity, prohibition or unenforceability without invalidating the remaining portion of such provision or the other provisions of this Security Agreement and without affecting the validity or enforceability of such provision or the other provisions of this Security Agreement in any other jurisdiction.

(e) No waiver of any breach or default or any right under this Security Agreement shall be considered valid unless in writing and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any subsequent breach or default or right, whether of the same or similar nature or otherwise.

(f) This Security Agreement shall be binding upon and inure to the benefit of each party hereto and its successors and assigns.

(g) Each party shall take such further action and execute and deliver such further documents as may be necessary or appropriate in order to carry out the provisions and purposes of this Security Agreement.

(h) This Security Agreement shall be construed in accordance with the laws of the State of Delaware, except to the extent the validity, perfection or enforcement of a security interest under this Security Agreement in respect of any particular Intellectual Property which are governed by a jurisdiction other than the State of Delaware in which case such law shall govern. Each of the parties hereto irrevocably submit to the exclusive jurisdiction of any Delaware State or United States Federal court sitting in New Castle County over any action or proceeding arising out of or relating to this Security Agreement, and the parties hereto hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such Delaware State or Federal court. The parties hereto agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. The parties hereto further waive any objection to venue in the State of Delaware and any objection to an action or proceeding in the State of Delaware on the basis of forum non conveniens.

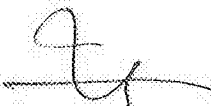
(i) EACH PARTY WAIVES ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS SECURITY AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS SECURITY AGREEMENT, INCLUDING WITHOUT LIMITATION CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR EACH PARTY TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH PARTY HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS SECURITY AGREEMENT AND THAT EACH PARTY WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY HAS KNOWINGLY AND VOLUNTARILY WAIVES ITS RIGHTS TO A JURY TRIAL FOLLOWING SUCH CONSULTATION. THIS WAIVER IS IRREVOCABLE, MEANING THAT, NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IT MAY NOT BE MODIFIED

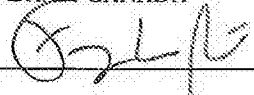
EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS AND SUPPLEMENTS OR MODIFICATIONS TO THIS SECURITY AGREEMENT. IN THE EVENT OF A LITIGATION, THIS SECURITY AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.


(j) This Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

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IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed on the day and year first above written.

Eddyfi NDT Inc. 
By: _____
Name: Martin Thériault
Title: President

HSBC BANK CANADA
By: 
Name: François Gosselin-Biron
Title: Account Manager

By: 
Name: Dominic Duval
Title: Assistant Vice-President and Director

SCHEDULE 1

United States Intellectual Property of
Eddyfi NDT Inc.

I. Trademarks

<u>Mark</u>	<u>Reg. No.</u>	<u>Reg. Date</u>
EDDYFI	4,407,850	September 24, 2013
EDDYFI and Design	4,407,853	September 24, 2013
MAGNIFI	4,415,920	October 8, 2013
DEFHI	4,461,827	January 7, 2014
ECTANE	4,471,487	January 21, 2014
REDDY	4,931,526	April 5, 2016
LYFT	5,076,895	November 8, 2016

II. Patents

A. Issued Patents

<u>Title</u>	<u>Patent No.</u>	<u>Issue Date</u>
Adaptive Electromagnetic Probe for Twisted Tube Heat Exchanger	9,389,201	July 12, 2016

B. Pending Applications

<u>Title</u>	<u>Serial No.</u>	<u>Filing Date</u>
1. Ultrasonic Transmitter Circuit With Matched Impedance	14/409,011	December 28, 2014
2. Eddy Current Array Probe With Independent Transmitters	15/303,292	October 11, 2016
3. Pulsed Eddy Current Testing With Dual-Purpose Coils	15/378,611	December 14, 2016

SCHEDULE 3(b)

Principal Place of Business of the Company:

Suite 100, 2800, rue Louis-Lumière, Québec city, Quebec G1P0A4

Locations Where Intellectual Property is Located or Stored:

Not applicable.

SCHEDULE 3(c)

Pari Passu security interest in favor of:

- ♦ National Bank of Canada

Subordinate security interest in favor of:

- ♦ Investissement Quebec

SCHEDULE 12(b)

Jurisdictions:

United States Patent and Trademark Office.

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