



**INTELLECTUAL PROPERTY SECURITY AGREEMENT**

**THIS AGREEMENT** effective as of December 28, 2006 made by **LABSTAT INTERNATIONAL INC.**, a corporation continued under the laws of the Province of Alberta (together with its successors and assigns, the "**Grantor**") in favour of **THE BANK OF NOVA SCOTIA**, in its capacity as agent acting for and on behalf of itself and the Lenders (as defined below) (together with its successors and assigns, the "**Agent**").

**WHEREAS** the Grantor has agreed to execute and deliver an unlimited guarantee and assignment and postponement of debts and claims dated as of December 28, 2006 in favour of the Agent and the Lenders in respect of all debts, liabilities and obligations, whether present or future, direct or indirect, absolute or contingent, matured or unmatured, of Apex Acquisition ULC (the "**Borrower**") to the Agent and the Lenders (as amended, restated, supplemented, modified or replaced from time to time, the "**Guarantee**");

**AND WHEREAS** as general and continuing collateral security for the payment and fulfillment of the Secured Obligations, the Grantor has agreed, *inter alia*, to grant to the Agent, for and on behalf of and for the benefit of itself and the Lenders, a security interest in the Intellectual Property.

**NOW THEREFORE**, in consideration of each Lender, as applicable, agreeing to make available its Commitments in the Credit Facilities (as such terms are defined in the Credit Agreement) in favour of the Grantor and in order to induce each Lender, as applicable, to make the extension of credit under the Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Grantor, the Grantor agrees and covenants with the Secured Parties as follows:

1. **Definitions.** All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Credit Agreement. In addition, in this Agreement, unless the context otherwise requires, the following words and expressions shall have the meanings set forth below:
  - (a) "**Agreement**" means this agreement, including the recitals and any schedules, as amended, modified, supplemented, restated or replaced from time to time;
  - (b) "**Copyrights**" has the meaning set out in Section 2(a) of this Agreement;
  - (c) "**Credit Agreement**" means a credit agreement dated as of December 28, 2006 among, *inter alia*, the Borrower, as borrower, the Agent, as agent, The Bank of Nova Scotia, as lender, and any other lenders who may become parties thereto from time to time, as such agreement may be amended, supplemented, restated, modified, changed, renewed or replaced from time to time;
  - (d) "**Designs**" has the meaning set out in Section 2(e) of this Agreement;
  - (e) "**Intellectual Property**" has the meaning given to it in Section 2;
  - (f) "**Lenders**" means The Bank of Nova Scotia together with any other lender who may become a party to the Credit Agreement from time to time, and their respective successors and assigns;
  - (g) "**Patents**" has the meaning set out in Section 2(c) of this Agreement;

- (h) **“PPSA”** means the *Personal Property Security Act* (Ontario), as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation);
- (i) **“Secured Obligations”** means all indebtedness, liabilities and obligations of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Grantor to the Secured Parties or any of them including, without limitation, under the Credit Agreement, the Guarantee and any other Loan Document to which the Grantor is party and the payment of all reasonable costs and expenses incurred by the Secured Parties or any of them in enforcing any rights under this Agreement;
- (j) **“Secured Parties”** means the Agent and the Lenders and **“Secured Party”** means each of them; and
- (k) **“Trademarks”** has the meaning set out in Section 2(d) of this Agreement.

2. **Grant of Security Interest.** As general and continuing collateral security for the prompt and complete payment and performance of the Secured Obligations, the Grantor hereby grants to the Agent, for and on behalf of and for the benefit of itself and the Lenders, a security interest in all of the Grantor's registered and unregistered intellectual property (all of which shall collectively referred to as the **“Intellectual Property”**) including, without limitation, the following:

- (a) Any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter acquired or held including, without limitation, those set forth in Schedule “A” attached hereto (collectively, the **“Copyrights”**);
- (b) Any and all trade secrets, and any and all property rights in computer software and computer software products, including source code and object code, now or hereafter acquired or held. Software means all computer programs and databases and portions of each of the foregoing owned by the Grantor in whatever form and on whatever medium those programs or databases are expressed, fixed, embodied or stored from time to time, and the copyright including, without limitation, those set forth on Schedule “A” attached hereto. Software includes both the object code and the source code versions of each such program and portions thereof and all corrections, updates, enhancements, translations, modifications, adaptations and new versions thereof together with both the media upon or in which such programs, databases and portions thereof are expressed, fixed, embodied or stored (such as disks, diskettes, tapes and semiconductor chips) and all flow charts, manuals, instructions, documentation and other material relating thereto;
- (c) All patents, patent applications, like protections and inventions now or hereafter acquired or held including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same including, without limitation, the patents and patent applications listed in Schedule “B” attached hereto (collectively, the **“Patents”**);
- (d) Any trademark and service mark rights, slogans, trade dress, and tradenames, internet domain names, registered or not, applications to register and registrations of the same and like protections (excluding any intent to use filings) now or hereafter acquired or held,

and the entire goodwill of the business of the Grantor associated therewith including, without limitation, those listed in Schedule "C" attached hereto (collectively the "Trademarks");

- (e) Any and all industrial design rights which may be available to the Grantor now or hereafter acquired or held including, without limitation, those listed in Schedule "D" attached hereto (collectively, the "Designs");
- (f) All licenses or other rights to use any of the Copyrights, Patents, software, Designs, Trademarks, trade secrets, and all license fees and royalties due and/or payable to the Grantor arising from such use, to the extent permitted by such license or rights including, without limitation, those listed in Schedule "E" attached hereto;
- (g) Any and all claims for damages or compensation for past, present and future infringements of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;
- (h) All amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks, Patents or Designs; and
- (i) All proceeds and products of the foregoing including, without limitation, all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

3. **Exception Regarding Last Day.** The last day of the term of each license granted to the Grantor pursuant to any license agreement shall be excepted from this Agreement and shall not form part of the Intellectual Property. The Grantor shall stand possessed of that day in trust to assign and dispose of it as the Agent reasonably directs.

4. **Additional Security.** The security in respect of the Intellectual Property provided for hereunder is in addition to and not in substitution for any other security now or hereafter held by the Agent or any of the Lenders in relation to the Secured Obligations.

5. **Authorization and Request.** This Agreement has been executed and delivered by the Grantor for the purpose of recording the security interest of the Agent, for and on behalf of and for the benefit of itself and the Lenders, in the Intellectual Property with the Canadian Intellectual Property Office or any other comparable governmental office or agency in Canada or the United States of America. The Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this Agreement.

6. **Representations, Warranties and Covenants.** The Grantor represents, warrants, covenants and agrees as follows:

- (a) The Grantor is now the sole owner of the entire right, title and interest in the Intellectual Property necessary for the conduct of its business as currently conducted, except for: (i) non-exclusive licenses granted by the Grantor to its customers in the ordinary course of business, and (ii) those rights licensed from third parties;
- (b) Performance of this Agreement does not conflict with or result in a breach of any material agreement to which the Grantor is bound, except to the extent that certain

intellectual property agreements prohibit the assignment of the rights thereunder to a third party without the licensor's or other party's consent;

- (c) During the term of this Agreement, the Grantor will not transfer or otherwise encumber any interest in the Intellectual Property, except for non-exclusive licenses granted by the Grantor in the ordinary course of business or as set forth in this Agreement or as permitted pursuant to the Credit Agreement;
- (d) To its knowledge, each item of the Intellectual Property is valid and enforceable, and no part of the Intellectual Property has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Intellectual Property violates the rights of any third party except for claims the adverse determination of which would not reasonably be expected to have a Material Adverse Effect;
- (e) The Grantor shall advise the Agent of any material adverse change in the composition of the Intellectual Property within 60 days of the Grantor becoming aware of said material adverse change;
- (f) The Grantor shall promptly advise the Agent of any right, title or interest the Grantor acquires in or to any Trademark, Patent, Copyright or Design after the date hereof;
- (g) The Grantor shall (i) protect, defend and maintain the validity and enforceability of the material Trademarks, Patents, Copyrights, Designs and each material item of the Intellectual Property to the extent necessary to continue the conduct of the Grantor's ordinary course of business, and (ii) use its commercially reasonable efforts to detect infringements of the Trademarks, Patents, Copyrights or Designs thereof and promptly advise the Agent in writing of infringements detected;
- (h) The Grantor shall, from time to time, execute and file such other instruments, and take such further actions as the Agent or the Lenders may reasonably request from time to time to perfect or continue the perfection of the Agent's and the Lenders' security interests in the Intellectual Property;
- (i) This Agreement creates and, in the case of any of the Intellectual Property created, acquired or held by the Grantor after the date of this Agreement ("**After-Acquired Intellectual Property**"), this Agreement will create, at the time the Grantor first has rights in such After-Acquired Intellectual Property, in favour of the Agent, for and on behalf of and for the benefit of itself and the Lenders, a valid and perfected first priority security interest (subject to Permitted Encumbrances) in the Intellectual Property securing the payment and performance of the Secured Obligations (upon making the filings referred to in clause (j) below), and, within 60 days of the date of this Agreement or the date upon which the Grantor creates, acquires or holds the After-Acquired Intellectual Property, as the case may be, the Grantor shall file, or cause to be filed, any and all instruments necessary to perfect the Grantor's right, title and interest in the Intellectual Property, to execute and file, or cause to be executed and filed, any and all instruments necessary to perfect the Agent's and the Lenders' security interests therein;
- (j) To its knowledge, except for, and upon, the filing with the Canadian Intellectual Property Office and the United States Patent and Trademark Office with respect to the Patents, Trademarks and Designs and the Register of Copyrights with respect to the Copyrights necessary to perfect the security interest created hereunder and except as has been already

made or obtained, no authorization, approval or other action by, and no notice to or filing with, any U.S. or Canadian governmental authority or U.S. or Canadian regulatory body is required either: (i) for the grant by the Grantor of the security interest granted hereby, or for the execution, delivery or performance of this Agreement by the Grantor in the U.S. and Canada; or (ii) for the perfection in the U.S. and Canada or the exercise by the Agent and the Lenders of their rights and remedies thereunder;

- (k) All information heretofore or contemporaneously supplied to the Agent and the Lenders by or on behalf of the Grantor with respect to the Intellectual Property is true in all material respects as of the date hereof;
- (l) The Grantor shall not enter into any agreement that would materially impair or conflict with the Grantor's obligations hereunder without the Agent's prior written consent, which consent shall not be unreasonably withheld. The Grantor shall not permit the inclusion in any material contract to which it becomes a party of any provisions that could or might in any way prevent the creation of a security interest in favour of the Agent and the Lenders in the Grantor's rights and interest in any property included within the definition of the Intellectual Property acquired under such contracts;
- (m) Upon any executive officer of the Grantor obtaining actual knowledge thereof, the Grantor will promptly notify the Agent and the Lenders in writing of any event that materially adversely affects the value of any material Intellectual Property, the ability of the Grantor to dispose of any material Intellectual Property and the rights and remedies of the Agent the Lenders in relation thereto; and
- (n) this Agreement constitutes a security interest in the Intellectual Property.

7. **Agent's and Lenders' Rights.** The Agent and the Lenders shall have the right, but not the obligation, to take, at the Grantor's sole expense, any actions that the Grantor is required under this Agreement to take but which the Grantor fails to take, after fifteen (15) business days' notice by the Agent to the Grantor. The Grantor shall reimburse and indemnify the Agent and the Lenders for all reasonable out-of-pocket costs and expenses incurred in the reasonable exercise of its rights under this Section 7.

8. **License Agreements.** The security interest granted hereunder shall not extend or apply to any right, title or interest of the Grantor under any present or future license agreements pursuant to which the Grantor is a licensee, to the extent such license agreements prohibit such a security interest from being granted without the consent or approval of another person as specified in such agreement and the security interest or assignment granted hereunder shall only apply upon such consent or approval being obtained, but the Grantor shall hold its interest therein in trust for the benefit of the Agent and the Lenders and shall grant a security interest to the Agent and the Lenders forthwith upon obtaining the consent of the other party thereto.

9. **Inspection Rights.** The Grantor hereby grants to the Agent and the Lenders and each of their employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable written notice to the Grantor, any of the Grantor's plants and facilities that manufacture, install or store products (or that have done so during the prior six-month period) that are sold utilizing any of the Intellectual Property, and to inspect the products and quality control records relating thereto upon reasonable written notice to the Grantor and as often as may be reasonably requested; provided, however, nothing herein shall entitle the Agent and the Lenders access to the Grantor's trade secrets and other proprietary information.

10. **Further Assurances; Attorney in Fact.**

- (a) On a continuing basis, but subject to Section 19, the Grantor will, subject to any prior licenses, encumbrances and restrictions and prospective licenses, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States and Canada, all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the Canadian Intellectual Property Office and the United States Patent and Trademarks Office and the Register of Copyrights and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by the Agent or any Lender, to perfect the Agent's and the Lenders' security interests in all Copyrights, Patents, Trademarks and Designs, and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to the Agent and the Lenders the grant or perfection of a security interest in the Intellectual Property.
- (b) The Grantor hereby irrevocably appoints the Agent as the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor, the Agent or otherwise upon the occurrence and during the continuance of an Event of Default, from time to time in the Agent's discretion, upon the Grantor's failure or inability to do so, to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including:
  - (i) To modify, in its sole discretion, this Agreement without first obtaining the Grantor's approval of or signature to such modification by amending Schedule "A", Schedule "B", Schedule "C", Schedule "D" and Schedule "E" hereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by the Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which the Grantor no longer has or claims any right, title or interest; and
  - (ii) To file, in its sole discretion, one or more financing, financing change or continuation statements and amendments thereto, relative to any of the Intellectual Property without the signature of the Grantor where permitted by law.

11. **Default.** The Granter shall be in default under this Agreement upon the occurrence of an Event of Default under the Credit Agreement.

12. **Remedies.** Upon the occurrence and during the continuance of an Event of Default, the Agent and the Lenders shall have the right to exercise all the remedies of a secured party under the PPSA including, without limitation, acceleration of the indebtedness, the right to require the Grantor to assemble the Intellectual Property and any tangible property in which the Agent and the Lenders have a security interest and to make it available to the Agent at a place designated by the Agent. The Grantor will pay any expenses (including reasonable legal and attorney's fees) incurred by the Agent and the Lenders in connection with the exercise of any of the Agent's and the Lenders' rights hereunder, including without limitation any expense incurred in disposing of the Intellectual Property. All of the Agent's and Lenders' rights and remedies with respect to the Intellectual Property shall be cumulative.

13. **Appointment of Receiver.** Upon the occurrence and during the continuance of an Event of Default, the Agent and the Lenders may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Agent and the Lenders or not, to be a receiver or receivers (hereinafter called a “Receiver”, which term when used herein shall include a receiver and manager) of the Intellectual Property (including any proceeds) and may remove any Receiver so appointed and appoint another in its stead. Any such Receiver shall, so far as concerns responsibility for its acts, be deemed the agent of the Grantor and not of the Agent or the Lenders, and the Agent and the Lenders shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any such Receiver, its servants, agents or employees. Subject to the provisions of the instrument appointing him, any such Receiver shall have power to take possession of the Intellectual Property, to preserve the Intellectual Property or its value and to sell, license or otherwise dispose of or concur in selling, licensing or other disposing of the Intellectual Property. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others including the Grantor, enter upon, use and occupy all premises owned or occupied by the Grantor wherein the Intellectual Property may be situated, maintain the Intellectual Property upon such premises, borrow money on a secured or unsecured basis and use the Intellectual Property as security for loans or advances, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by the Agent, all money received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Agent. Every such Receiver may, in the discretion of the Agent and the Lenders, be vested with all and any of the rights and powers of the Agent and a Lender.
14. **Exercise of Rights by Agent and the Lenders.** Upon the occurrence and during the continuance of an Event of Default, the Agent and the Lenders may, either directly or through its nominees, exercise any or all of the powers and rights given to a Receiver by virtue of Section 13.
15. **Taking Possession of Intellectual Property.** Upon the occurrence and during the continuance of an Event of Default, the Agent and the Lenders may take possession of, collect, demand, sue on, enforce, recover and receive the Intellectual Property and give valid and binding receipts and discharges therefor and in respect thereof, and, the Agent and the Lenders may sell, license or otherwise dispose of the Intellectual Property in such manner at such time or times and place or places, for such consideration and upon such terms and conditions as the Agent and the Lenders may deem reasonable.
16. **Rights and Remedies of Agent and the Lenders under the PPSA.** In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Grantor, the Agent and the Lenders and in addition to any other rights the Agent and the Lenders may have at law or in equity, the Agent and the Lenders shall have, after the occurrence and during the continuance of an Event of Default, all rights and remedies of a secured party under the PPSA provided always, that the Agent and the Lenders shall not be liable or accountable for any failure to exercise their remedies, take possession of, collect, enforce, realize, sell, license or otherwise dispose of the Intellectual Property or to institute any proceedings for such purposes. Furthermore, the Agent and the Lenders shall have no obligation to take any steps to preserve rights against prior parties to any Instrument (as defined in the PPSA) or Chattel Paper (as defined in the PPSA) whether the Intellectual Property or proceeds and whether or not in the Agent's and the Lenders' possession and shall not be liable or accountable for failure to do so.
17. **Cooperation of Grantor with respect to Taking Possession.** The Grantor acknowledges that upon the occurrence and during the continuance of an Event of Default, that the Agent or a Lender or any Receiver appointed by them may take possession of the Intellectual Property



wherever it may be located and by any method permitted by law and the Grantor agrees upon request from the Agent or a Lender or any such Receiver to assemble and deliver possession of the Intellectual Property at such place or places as directed.

18. **Costs.** The Grantor agrees to pay all out-of-pocket costs, charges and expenses reasonably incurred by the Agent or the Lenders or any Receiver appointed by them, whether directly or for services rendered (including reasonable legal counsels' and auditors' costs and other legal expenses and Receiver remuneration), in operating the Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, registering, licensing, preparing for disposition and disposing of the Intellectual Property and in enforcing or collecting the Secured Obligations and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Agent, the Lenders or any Receiver appointed by them, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of the Intellectual Property and shall be secured hereby.
19. **Notice of Sale.** The Agent will give the Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of the Intellectual Property is to be made, as may be required by the PPSA.
20. **Reassignment.** At such time as the Grantor shall completely satisfy all of the obligations secured under this Agreement or Section 29 shall apply, the Agent shall execute and deliver to the Grantor all deeds, assignments, and other instruments as may be necessary or proper to reinvest in the Grantor full title to the property assigned hereunder, subject to any disposition thereof which may have been made by the Agent pursuant hereto.
21. **Course of Dealing.** No course of dealing, nor any failure to exercise, nor any delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof.
22. **Amendments.** This Agreement may be amended only by a written instrument signed by both parties hereto.
23. **Survival and Reliance.** All representations and warranties of the Grantor made in this Agreement or in any certificate or other document delivered by or on behalf of the Grantor for the benefit of the Agent and the Lenders are material and shall continue without time limit. The Agent and each of the Lenders shall be deemed to have relied upon each such representation and warranty despite any investigation the Agent or the Lenders may have made.
24. **License/Assignment of Intellectual Property.** For the purpose of enabling the Agent and the Lenders or any Receiver to exercise the rights and remedies under Sections 12 and 13 (including, without limiting the terms of Sections 12 and 13, in order to take possession of, hold, preserve, process, assemble, prepare for sale, market for sale, sell or otherwise dispose of the Intellectual Property) at and for such time as the Agent and the Lenders shall be lawfully entitled to exercise such rights and remedies, the Grantor shall grant to the Agent, for the benefit of the Agent and the Lenders, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Grantor) to use, license or sublicense any of the Intellectual Property now owned or hereafter acquired by the Grantor, and wherever the same may be located, and included in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof. In addition, upon receiving written demand from the Agent after an Event of Default has occurred and is continuing, the Grantor shall assign the Intellectual Property to whomever the Agent directs, including to the Agent itself or any Lender.

25. **Grantor Remains Liable.** Notwithstanding any other provision in this Agreement, the Grantor shall remain liable under all license agreements under which the Grantor is a licensor. The Grantor shall perform all of its duties and obligations thereunder just as if this Agreement had not been executed. The Grantor shall not be released from any of its duties or obligations under such license agreements by the exercise of any rights by the Agent or the Lenders. The Agent or the Lenders shall not have any obligation or liability under such license agreements by reason of this Agreement, nor shall the Agent or the Lenders be obliged to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder. The rights and powers conferred upon the Agent or the Lenders hereunder are solely to protect their interest in the Intellectual Property and shall not impose any duty upon it to exercise any such powers.
26. **Electronic Transmission.** This Agreement, to the extent signed and delivered by means of electronic transmission (including, without limitation, facsimile and Internet transmissions), shall be treated in all manner and respects as an original agreement and should be considered to have the same binding legal effect as if it were the original signed version thereof delivered in Person. Delivery of this Agreement by electronic transmission shall be deemed to constitute valid execution and effective delivery. The Grantor shall deliver the original executed copy of this Agreement to the Agent forthwith upon delivery of the electronic copy.
27. **Governing Law; Attornment.** This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and will be treated, in all respects, as an Ontario contract. The Grantor submits and attorns to the non-exclusive jurisdiction of the courts of Ontario. To the extent permitted by Applicable Law, the Grantor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in courts of such Province.
28. **Confidentiality.** All information (other than periodic reports filed by the Grantor with any securities commission or regulatory authority) disclosed by the Grantor to the Agent or any Lender in writing or through inspection pursuant to this Agreement. The Agent and the Lenders agree to use the same degree of care to safeguard and prevent disclosure of such confidential information as the Agent and the Lenders use with their own confidential information, but in any event no less than a reasonable degree of care. The Agent and the Lenders shall not disclose such information to any third party (other than the Agent's and the Lenders' attorneys, counsel, governmental regulators, and auditors, or to the Agent's and the Lenders' subsidiaries and affiliates for the purposes of evaluating the Agent's and the Lenders' rights, subject to the same confidentiality obligation set forth herein) and shall use such information only for purposes of evaluation of its investment in the Grantor and the exercise of the Agent's and the Lenders' rights and the enforcement of its remedies and this Agreement and the other Loan Documents. The obligations of confidentiality shall not apply to any information that (a) was known to the public prior to disclosure by the Grantor under this Agreement, (b) becomes known to the public through no fault of the Agent and the Lenders, (c) is disclosed to the Agent and the Lenders by a third party having a legal right to make such disclosure, or (d) is independently developed by the Agent and the Lenders. Notwithstanding the foregoing, the Agent's and the Lenders' agreement of confidentiality shall not apply if the Agent or Lenders have acquired indefeasible title to any Collateral or in connection with any enforcement or exercise of the Agent's and the Lenders' rights and remedies under this Agreement following the occurrence and continuation of an Event of Default, including the enforcement of the Agent's and the Lenders' security interest in the Intellectual Property.

29. **Termination.** Upon payment and satisfaction in full of the Secured Obligations, the cancellation of all credit facilities and the termination of all obligations of the Agent and each Lender under the Credit Agreement and the Loan Documents, the Grantor may request in writing that this Agreement be released, discharged and terminated, and if this occurs the Agent and the Lenders will, at the expense of the Grantor, execute and deliver to the Grantor a release and discharge of this Agreement.
30. **Amalgamation, Reorganization, etc. with a Person.** Except as permitted in writing by the Agent or as otherwise provided for in the Credit Agreement, the Grantor acknowledges and agrees that if it merges, amalgamates, continues, reorganizes or consolidates with any other Person, it is the intention of the parties hereto that the Security Interest (i) shall extend to Intellectual Property owned by such Person(s) and the resultant Person at the time of merger, amalgamation, reorganization or consolidation and to any Intellectual Property thereafter owned or acquired by the resultant Person, such that the term the "Grantor" when used herein will apply to each of the amalgamating, merging, reorganizing or consolidating Persons and the resultant Person, and (ii) shall secure the Secured Obligations of each of the merging, amalgamating, reorganizing or consolidating Persons and the resultant Person to the Agent and the Lenders, at the time of merger, amalgamation or reorganization and any of the Secured Obligations of the resultant Person to the Agent and the Lenders, thereafter arising. The security interest shall attach to the additional Intellectual Property at the time of amalgamation, merger or reorganization and to any Intellectual Property thereafter owned or acquired by the resultant Person when such Intellectual Property is acquired by such Person.
31. **Attachment.** The Security Interest created hereby is intended to attach when this Agreement is signed by the Grantor and delivered to the Agent.
32. **Receipt of Loan Documents.** The Grantor acknowledges that this Agreement is executed pursuant to the terms and conditions of the Credit Agreement and shall (unless otherwise expressly indicated herein) be administered and applied in accordance with the terms and provisions of the Credit Agreement and the other Loan Documents. The Grantor acknowledges that it has received a copy of the Credit Agreement and any other Loan Documents to which it is party.
33. **Registration of Agreement.** The Grantor hereby acknowledges that the Agent and the Lenders may register a copy of this Agreement or notice thereof. The Grantor shall cooperate with and assist the Agent and the Lenders, as reasonably requested by the Agent, with respect to any registrations or notice registrations of or relating to this Agreement which the Agent and the Lenders deem appropriate.
34. **Severability of Provisions.** If any term, covenant, obligation or agreement contained in this Agreement, or the application of any such term, covenant, obligation or agreement to any Person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant, obligation or agreement to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such invalidity or unenforceability and each term, covenant, obligation or agreement contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.
35. **Successors and Assigns.** This Agreement will enure to the benefit of, and be binding on, the Grantor and its successors and permitted assigns, and will enure to the benefit of, and be binding on, the Agent and the Lenders and their respective successors and assigns. The Grantor may not

assign this Agreement, or any of its rights or obligations under this Agreement, without the prior written consent of the Agent. The Agent may assign this Agreement and any and all benefits hereunder in accordance with the assignment provisions applicable to the Credit Agreement.

36. **Agent and Lenders.** The Grantor hereby acknowledges that the Agent acts for itself and on behalf of each of the Lenders as administrative agent in connection with the Credit Agreement and the assignments, transfers, pledges, hypothecations and other security interests granted in favour of the Agent and the Lenders hereunder are and shall be held by the Agent for the benefit of itself and the Lenders.

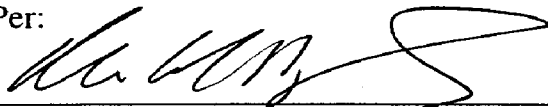
37. **Conflict.** In the event that there is any conflict or inconsistency between the provisions contained in this Agreement and the provisions contained in the Credit Agreement, then the provisions of the Credit Agreement shall have priority over and shall govern to the extent of such conflict or inconsistency. Provided, however, that the existence of a particular representation, warranty, covenant or other provision in this Agreement which is not contained in the Credit Agreement shall not be deemed to be a conflict or inconsistency, and that particular representation, warranty, covenant or other provision shall continue to apply.

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IN WITNESS WHEREOF the Grantor has executed this Agreement as of the day and year first written above.

LABSTAT INTERNATIONAL INC.

Per:



Name: Michael Beauregard

Title: Vice-President, Treasurer and  
Assistant Secretary

I have the authority to bind the Corporation.

**SCHEDULE "A"**

**COPYRIGHTS**

None.

**TRADEMARK**

**REEL: 003501 FRAME: 0750**

**SCHEDULE "B"**

**PATENTS**

None.

**TRADEMARK**

**REEL: 003501 FRAME: 0751**

**SCHEDULE "C"**

**TRADEMARKS**

1. List of Trademarks:

<b>Trademark</b>	<b>Jurisdiction</b>	<b>Registration No.</b>	<b>Renewal Date</b>	<b>Application Date</b>	<b>Application Serial Number</b>
LABSTAT	Canada	TMA548905	July 30, 2016	October 4, 1999	1030976
LABSTAT	Japan	445867	March 9, 2011	April 4, 2000	2000-034082
LABSTAT	United States	2665113	December 24, 2012	December 24, 2002	76016986
LABSTAT	Brazil	822119609	March 28, 2016	April 14, 2000	4746430

2. List of Registered Domain Names:

- (i) labstat.com
- (ii) labstat.net
- (iii) labstat.org
- (iv) labstat.ca
- (v) labstat.eu
- (vi) labstatinternational.com



**SCHEDULE "D"**

**DESIGNS**

None.

**TRADEMARK**

**REEL: 003501 FRAME: 0753**

**SCHEDULE "E"**  
**LICENSES GRANTED**

None.

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