

# Canada Emergency Business Account Program

## ATTESTATION OF THE BORROWER

The undersigned hereby certifies to, and agrees with, National Bank of Canada and the Government of Canada, Export Development Canada and their respective agents and/or consultants (collectively, the "GOC") for and on behalf of the Borrower that:

1. I have the ability and authority to bind the Borrower.
2. The Borrower is an active operating business that is a sole proprietorship, partnership or a Canadian-controlled private corporation ("CCPC") that was in operation in Canada on March 1, 2020. The Borrower has not received any loan under the Canada Emergency Business Account Program (the "Program"). The Borrower's legal name on record with the Canada Revenue Agency ("CRA") is XXXXXX and its business, operating, or trade name (if different from its legal name) is XXXXXX. Please note that a sole proprietor's legal name is the individual's legal name as it is recorded in the CRA's Business Number (BN) registry. A CCPC's legal name must be written as it appears in its (federal or provincial) corporate registry. A partnership's legal name is the partnership's legal name as it is recorded in the CRA's Business Number (BN) registry.
3. The Borrower has an active CRA Business Number (BN) with an effective date of registration on or prior to March 1, 2020.
4. The following information is true and accurate (and the Borrower understands that the GOC will verify the accuracy of such information):
  - a) the Borrower's total employment income paid in the 2019 calendar year was Cdn.\$20,000 or less or the Borrower had no employment income paid in the 2019 calendar year;
  - b) the Borrower's CRA Business Number (BN) (9 digits), is: XXXXXXXXXX;
  - c) the Borrower has filed tax return(s) with the CRA with a tax year-end ending inc) calendar year 2019 (or if its tax returns for 2019 have not yet been submitted, 2018) and the following information is true and accurate:
    - (i) the Borrower has filed an income tax return with the CRA with a tax year ending in the following year (indicate 2019 or, if its tax return for 2019 has not yet been submitted, 2018):  
*[Note: Applicant selects 2018 or 2019]*
    - (ii) if the Borrower is a partnership, the legal name of the partner applying for the loan under the Program (as defined below) (which the Borrower understands will be used for identity confirmation purposes) is: XXXXXXXXXX;
    - (iii) for the year selected in (i) above, the Borrower's business income as reported on its tax return is as follows (as applicable, for the appropriate entity/business type):

*Note: For partnerships, input business income below as reported for the partner identified in (ii) above.*

- o if the Borrower is a corporation (i.e. incorporated business): Cdn.\$XXXXXXX; or

*Note: If the applicable tax return is a T2, the Borrower's business income would be reported on line 400. If the applicable tax return is a T2 short, the Borrower's business income would be reported on line 300.*

- o if the Borrower is an un-incorporated business, as reported on the following lines of the Borrower's T1, is as indicated below:

T1 Return: Self-Employment Income	Complete if latest T1 is 2018	Complete if latest T1 is 2019
Field name	2018 Tax Year Field Number and corresponding income, if any	2019 Tax Year Field Number and corresponding income, if any
Net Business income	135 (income: Cdn.\$XXX)	13500 (income: Cdn.\$XXX)
Net Professional income	137 (income: Cdn.\$XXX)	13700 (income: Cdn.\$XXX)
Net Commission income	139 (income: Cdn.\$XXX)	13900 (income: Cdn.\$XXX)
Net Farming income	141 (income: Cdn.\$XXX)	14100 (income: Cdn.\$XXX)
Net Fishing income	143 (income: Cdn.\$XXX)	14300 (income: Cdn.\$XXX)

- d) as at March 1, 2020, the total incurred and projected Eligible Non-Deferrable Expenses (as defined in Section 4 below) that the Borrower was or is legally or contractually obligated to pay in the 2020 calendar year (including such Eligible Non-Deferrable Expenses actually paid from and after January 1, 2020) are (i) more than Cdn.\$40,000 net of Excluded Benefits (as defined below), and (ii) less than Cdn.\$1,500,000 including Excluded Benefits (as defined below).

For greater certainty, the Borrower shall not be eligible under the Program (as defined below) in the event that its total Eligible Non-Deferrable Expenses (as defined below) *after* deducting Excluded Benefits (as defined below) is equal to or less than Cdn.\$40,000. For greater certainty, in the event that the Borrower has a total amount of Eligible Non-Deferrable Expenses of more than Cdn.\$1,500,000, the Borrower does not become eligible under the Program solely by virtue of excluding Excluded Benefits from that amount; and

- e) the Borrower has in its possession documents evidencing more than Cdn.\$40,000 of aggregate Eligible Non-Deferrable Expenses of the Borrower (e.g. a copy of the lease with the Borrower's landlord for the year 2020, copies of material contracts, etc.), excluding any Excluded Benefits (each such document and any amendments thereto, if applicable, an "Eligible Non-Deferrable Expense Document"). The Borrower has uploaded or will upload on <https://application-demande.ceba-cuec.ca/> (the "Web Page") each of the Eligible Non-Deferrable Expense Documents prior to being provided the loan under the Program by National Bank of Canada and understands that failure to upload the Eligible Non-Deferrable Expense Documents will disqualify the Borrower under the Program. Each Eligible Non-Deferrable Expense Document that has been or will be uploaded to the Web Page by the Borrower (i) is a true, complete and correct copy of the original document, and (ii) is in full force and effect under which the Borrower is legally obligated to make the payments provided for thereunder and the amounts payable under such documents are not disputed by the Borrower, in each case, as of the date of uploading.

**"Excluded Benefits"** referenced in this Part B means the aggregate amount of the benefits the Borrower has received, or is expecting to receive by December 31, 2020, in support or subsidies under any other Government of Canada COVID response program ("GOC COVID Response Programs") including the ones listed at the end of this Attestation. For clarity, while the Canada Emergency Commercial Rent Assistance ("CECRA") program is a GOC COVID Response Program, it is understood that: (i) if the Borrower is a commercial property owner, forgivable loan(s) received or to be received by such Borrower from the GOC pursuant to the CECRA program are not a benefit for the purpose of calculating the aggregate amount of Excluded Benefits; and (ii) if the Borrower is a commercial tenant, the aggregate reduction in such Borrower's rental payments resulting from a property owner's application for a forgivable loan pursuant to the CECRA program are a benefit for the purpose of calculating the aggregate amount of Excluded Benefits.

5. The Borrower can and shall demonstrate the above information by presenting applicable records (which shall include, for greater certainty, evidence of contractual obligations) if and when requested upon audit by the GOC,

and the Borrower shall cooperate with the GOC in conducting such audits including, without limitation, requesting or instructing third parties to provide information as may be necessary.

6. The Borrower consents to the GOC disclosing information requested in this Attestation to the Borrower's payees and/or contractual counterparties including, without limitation, its landlords, lessors, insurers, telephone, internet and utility providers, contractors, licensors (or other governing body), lenders, creditors, employees and other government organizations ("**Payees**") for the purposes of auditing and verifying the accuracy of any such information or records and documentation evidencing same. The Borrower further consents to each of the Payees cooperating with the GOC in respect of such audit and hereby requests and instructs each of the Payees to provide such information, records and documentation (which may, for greater certainty, may include personal information) as may be requested by the GOC for this purpose. The Borrower agrees to the GOC sharing this consent with the Payees as required and acknowledges that each of the Payees shall be entitled to rely upon the foregoing consent and instruction. The Borrower consents to National Bank of Canada providing to the GOC the data elements necessary to evidence electronic confirmation by the Borrower of this Attestation.
7. Per the requirements of the Program, as set out by the Government of Canada, the undersigned acknowledges that the funds from the loan(s) under the Program shall only be used by the Borrower to pay (i) Eligible Non-Deferrable Expenses (as defined below) of the Borrower, or (ii) other expenses of the type described in clauses (i) – (x) of the definition of Eligible Non-Deferrable Expenses of the Borrower incurred or to be incurred in 2021.

**"Eligible Non-Deferrable Expenses"** means the following expenses (and only the following expenses) incurred or to be incurred in 2020 provided that they are not deferrable after 2020:

- i) wages and other employment expenses to independent (arm's length) third parties;
- ii) rent or lease payments for real estate used for business purposes;
- iii) rent or lease payments for capital equipment used for business purposes;
- iv) payments incurred for insurance related costs;
- v) payments incurred for property taxes;
- vi) payments incurred for business purposes for telephone and utilities in the form of gas, oil, electricity, water and internet;
- vii) payments for regularly scheduled debt service;
- viii) payments incurred under agreements with independent contractors and fees required in order to maintain licenses, authorizations or permissions necessary to conduct business by the Borrower;
- ix) payments incurred for materials consumed to produce a product ordinarily offered for sale by the Borrower; and
- x) any other expense in a category other than the above as may be indicated by GOC under the Web Page from time to time as being an Eligible Non-Deferrable Expense for the purpose of the Program.

For greater certainty, the following expenses are not Eligible Non-Deferrable Expenses and the Borrower cannot use the funds received under the Program to pay such expenses: any other payments or expenses such as prepayment/refinancing of existing indebtedness, payments of dividends, distributions, increases in management compensation and increases of the compensation of related parties, in each case except to the extent that such expense falls under clause (x) above.

8. The Borrower has an active business current account with National Bank of Canada. The Borrower has not previously used the Program and has not used the *COVID Indigenous SMEs Initiative* or the *Regional Relief and Recovery Fund* and will not apply for support under the Program at any other financial institution or for support under the *COVID Indigenous SMEs Initiative* or the *Regional Relief and Recovery Fund* (unless its application to the Program is declined, in which case the Borrower undertakes not to re-apply under the Program).

The Borrower certifies:

- i) that its business is facing ongoing financial hardship (including, for example, a continued decline in revenue or cash reserves, or an increase in operating costs) as a result of the COVID-19 pandemic;
- ii) that it intends to continue to operate its business or to resume operations; and
- iii) that in response to the COVID-19 pandemic it has made all reasonable efforts to reduce its costs and to otherwise adapt its business to improve its viability.

The Borrower will not use any loan received under the Program to make any payment or pay any expense other than Eligible Non-Deferrable Expenses. Specifically, the Borrower will not use any loan received under the Program to make any prepayment/refinancing of existing indebtedness, any payment of dividends, distributions or increases in management compensation or to increase the compensation of related parties.

9. The Borrower understands that (a) any attempt to have more than a total maximum loan amount of Cdn\$60,000 under the Program or any attempt to obtain a loan under the Program from more than one financial institution may result in default under the loan(s) under the Program, prosecution or other enforcement measures available at law or otherwise, and (b) receiving support under the *COVID Indigenous SMEs Initiative* or under the *Regional Relief and Recovery Fund* disqualifies the Borrower under the Program and may result in default under the loan(s), prosecution or other enforcement measures available at law or otherwise.
10. The Borrower agrees to participate in post-funding surveys conducted by GOC and agrees that relevant contact information of the Borrower can be shared with the GOC for that purpose.
11. The Borrower acknowledges and agrees that clerical errors in this Attestation may be corrected by the GOC on the basis of validation of information obtained from the CRA, the Borrower, National Bank of Canada or other sources of information that the GOC determines to be reliable, acting reasonably. Any information provided to National Bank of Canada or the GOC by the Borrower verbally or in writing at any time is true and correct as if provided under this Attestation.
12. Per the requirements of the Program, as set out by the Government of Canada, the Borrower confirms that:
  - a) it is not a government organization or body, or an entity wholly owned by a government organization or body;
  - b) it is not a non-profit organization, registered charity, union, or a fraternal benefit society or order, or an entity owned by such an organization, unless the entity is actively carrying on a business in Canada (including a related business in the case of a registered charity) that earns revenue from the regular supply of property/goods or services;
  - c) it is not an entity owned by any Federal Member of the Parliament of Canada or Senator of the Parliament of Canada; and
  - d) it does not promote violence, incite hatred or discriminate on the basis of sex, gender identity or expression, sexual orientation, colour, race, ethnic or national origin, religion, age or mental or physical disability, contrary to applicable laws.
13. The Borrower acknowledges that National Bank of Canada, and the GOC, will rely upon the accuracy of this Attestation and associated documentation (including copies of Eligible Non-Deferrable Expense Documents) in making loans and advances to the Borrower pursuant to the Program and acknowledges and agrees that an audit or investigation may be conducted by National Bank of Canada or by the GOC to ascertain the veracity of this Attestation and such information and documentation and the eligibility of the Borrower under the Program. The Borrower also consents to the sharing between National Bank of Canada and the GOC of information relating to the outcome of any such audit or investigation, and any related information and documentation.
14. The Borrower acknowledges that any breach of or inaccuracy in any statement or information provided to National Bank of Canada or the GOC including under this Attestation or in any associated documentation shall result in the Borrower's ineligibility under the Program, trigger an immediate obligation to repay to National Bank of Canada any loan(s) made to the Borrower under the Program, and could result in the criminal prosecution of the individual making this Attestation, the Borrower, and other individuals involved in the provision of inaccurate information on behalf of the Borrower. **Knowingly submitting inaccurate information or documentation as part of this Attestation could result in criminal penalties of up to 14 years' imprisonment, as well as significant fines, and the court-ordered repayment of any monies advanced.**
15. The Borrower understands and agrees that all information (including, for greater certainty, any personal information or taxpayer information as defined under s. 241 of the *Income Tax Act*) obtained or maintained by

National Bank of Canada or the GOC in connection with the Program, including the information included in this Attestation, obtained from the CRA and other documentation, can be shared between National Bank of Canada and the GOC including for the purposes of administering, monitoring and auditing the Program and/or for research and statistical purposes relating to the Program. The Borrower hereby consents to National Bank of Canada and the GOC collecting and using such information for these purposes and sharing same with each other.

16. For the purposes of verifying the Borrower’s eligibility for this Program, the Borrower hereby authorizes the CRA to share its business income and expenses, business number, legal name and address in respect of the 2018 and/or 2019 and/or 2020 tax years with the GOC and National Bank of Canada, and further authorizes Export Development Canada and its agents to act as the Borrower’s representative with the CRA in order to share such required information in respect of the Borrower.
17. The Borrower consents to the GOC publicly releasing its name by way of posting on a government website and/or tabling in a Parliamentary report or publication, as may be required for the Government of Canada to satisfy public accountability requirements.
18. The Borrower acknowledges and agrees that neither the GOC nor National Bank of Canada shall be liable for any damages arising from the use by others of information or other materials (including the Eligible Non-Deferrable Expense Documents) obtained through electronic, telecommunications or other information transmission systems (including the Web Page) except to the extent such information or other materials have been obtained by others as a result of the actions of the GOC or National Bank of Canada, respectively, which would constitute the wilful misconduct or gross negligence of the GOC or National Bank of Canada.

Current list of GOC COVID Response Programs: *Canada Emergency Wage Subsidy, 10% Temporary Wage Subsidy, Canada Emergency Commercial Rent Assistance, Regional Relief and Recovery Fund, Futurpreneur Canada, Northern Business Relief Fund, Fish Harvester Grant, relief measures for Indigenous businesses, \$250 million COVID-19 IRAP (Industrial Research Assistance Program) Subsidy Program and Canada Emergency Rent Subsidy.*

## Electronic communications

I authorize National Bank to transmit any communication related to this application electronically and securely to the email address provided in this application or to the email address registered in the Business file.

## TERMS AND CONDITIONS

National Bank of Canada (the “Bank”) is pleased to present you the terms and conditions of the term loan according to the Canada Emergency Business Account Program.

### Term loan – \$60,000

Purpose	Finance day-to-day operations of the Borrower
End of the term	December 31, 2022
Automatic renewal	Automatically renewed until December 31, 2025
Interest rate	Fixed rate of 0% per annum until December 31, 2022 Fixed rate of 5% per annum from January 1, 2023 until the end of the term
Disbursement	Single
Payment of interests	Monthly, started January 2023
Repayment	No payment is required before the end of the term.

	If an amount of \$40,000 is repaid before December 31, 2022, the loan balance will be brought to zero and deemed to be repaid in full.
Security	No security required.  If securities or guarantees have already been granted to the Bank to secure obligations towards the Bank, they do not secure this loan.

## Conditions applicable to the term loan

Repayment before the end of the term	The Borrower may repay the amounts disbursed before the end of the term, without any fees or penalties. Partial repayments will be applied to the final payment of principal and/or interest or any other amount owed by the Borrower, at the Bank's discretion.
Application of payments	The Bank may, at its discretion, apply any payment first to the interest and then to the principal or any other amount owed by the Borrower.

## Covenants

The Borrower undertakes to :

Continuation of the company	Maintain the existence of its company and not modify its corporate structure.
Purpose of financing	Use the term loan for the purposes set out herein.
Information and documents	Provide the Bank with any information or document that the Bank may reasonably request and ensure that this information or these documents, regardless of the medium (paper, electronic, verbal or other) and whether or not they are signed by a representative, be accurate so that the Bank may deem them to be validly issued without further formality.
Visit and access	At all times, give the Bank's representatives or mandataries/agents the right to visit and access its establishments, the right to examine its books of accounts and other records, and take excerpts therefrom or make copies thereof.
Insurance	Maintain insurance coverage on its property against loss or damages caused by fire and any other risk as is customarily maintained by the same type of company.
Survival of representations and warranties	Ensure that each representation and warranty set out herein remain true and accurate at all times.
Events of default	Notify the Bank, without delay, of any event of default or any other event which, following notice or the expiry of a time period, may constitute an event of default.

## Default and remedies

Events of default	The occurrence of one or more of the following events will constitute an event of default : <ol style="list-style-type: none"> <li>1. The Borrower fails to pay any amount owed to the Bank;</li> <li>2. The Borrower has made a false representation or warranty, including the representations in the Attestation (Schedule A) attached to the present;</li> <li>3. The Borrower did not comply with its commitments and obligations towards the Bank hereunder or under the terms of any agreement with the Bank;</li> <li>4. The Borrower becomes insolvent or is declared bankrupted;</li> </ol>
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	<ol style="list-style-type: none"> <li>5. The Borrower avails itself of a law governing its bankruptcy, restructuring, reorganization, dissolution, winding-up, arrangement, or a third party initiates proceedings towards the Borrower under said law;</li> <li>6. A receiver, interim receiver or trustee is appointed with respect to the Borrower or its property;</li> <li>7. The property of the Borrower is subject to a seizure/foreclosure proceeding, prior notice of the exercise of a hypothecary right, notice to withdraw authorization to collect claims or any other remedy exercised under laws governing security interests;</li> <li>8. A material unfavourable change occurs. A material unfavorable change is a change, situation or event producing an effect deemed unfavourable by the Bank on (1) the inherent risk in the financing (2) the situation (financial or other), operations, property or company of the Borrower (3) the capacity of the Borrower to meet its obligations to the Bank (4) the rights and remedies of the Bank hereunder and any related document.</li> </ol>
<b>Rights and remedies of the Bank</b>	<p>In the event of a default, the Bank may exercise the following remedies:</p> <ol style="list-style-type: none"> <li>1. Terminate the term loan, declare liquid and payable all the Borrower's monetary obligations not yet due at that time and claim immediate payment of all amounts owing without further notice or demand;</li> <li>2. Withhold any amount collected or received and apply it to any portion of the Borrower's indebtedness to the Bank;</li> <li>3. Rights and remedies conferred by law and the documents related hereto.</li> </ol> <p>The rights and remedies are cumulative and not alternative. By omitting to exercise a remedy or notifying the Borrower of the occurrence of an event of default, the Bank does not waive its right to avail itself at a later date of this remedy or event of default</p>

**Interest**

<b>Calculation of interest and arrears</b>	<ol style="list-style-type: none"> <li>1. Any interest is calculated on the daily balance and not in advance, on the basis of a 365-day year (366 days in a leap year). For the purposes of the <i>Interest Act</i> (Canada), the annual rate corresponding to the rate calculated on this basis is equal to the rate thus calculated multiplied by the actual number of days included in the year concerned and divided by 365 days (366 days in a leap year).</li> <li>2. Unless otherwise stipulated, the interest is payable monthly, on the 26th day of each month. However, the interest payable (or any amount considered interest under the law) can never exceed the maximum interest amount permitted by law. If this maximum were to be reached, the interest amount would be reduced as to not exceed this maximum. If a payment is payable on a non-business day, the payment will be made on the next business day.</li> <li>3. Any amount that is not paid at the end of term will bear interest at the rate of the term loan. The interest on arrears will be compounded monthly and payable on demand.</li> </ol>
<b>Post-default interest</b>	<p>Any amount disbursed by the Bank to realize, maintain or preserve any right or security will bear interest until payment at the Bank's Canadian prime rate plus 3% per annum.</p>

**Miscellaneous provisions**

<b>Assignment</b>	<p>The bank may assign or transfer all or part of its rights and obligations hereunder (or grant participations), without notifying the Borrower.</p>
<b>Additional costs</b>	<p>If a statute, regulation, administrative policy or order results in an increase in the cost of the credit for the Bank (namely as a result of the imposition of reserves, taxes or capital adequacy requirements for the Bank), the Borrower undertakes to pay the Bank, on demand, the amount of the resulting additional cost.</p>

Currency of payments	The Borrower must pay all amounts due hereunder to the Bank in Canadian dollars.
Set-off	In addition to its other rights, the Bank may offset any amount owed by the Borrower to the Bank with any amount owed by the Bank to the Borrower, even if this amount is not due or is payable in another currency. To proceed with this set-off, the Bank may debit any account held by the Borrower with the Bank.
Indemnification	<p>The Borrower must indemnify the Bank (including its officers, directors, employees and agents) against any damages and costs suffered or incurred by the Bank and claims brought against the Bank resulting from or related to, directly or indirectly, these presents.</p> <p>This obligation will survive the full and final payment of any amount owing by the Borrower to the Bank.</p>
Notices	The Borrower must submit any notice intended for the Bank in writing to its mailing address : 600 de la Gauchetière Street West, Level A, Montreal, Quebec, H3B 4L2.
Records	<p>The Bank will keep records evidencing the transactions performed. These records are presumed to provide evidence as to the indebtedness of the Borrower towards the Bank.</p> <p>Any change in the name or number of the term loan will not result in the novation of the term loan or the Borrower's indebtedness towards the Bank.</p>
Collection, use and disclosure of information	<p>The Borrower, as well as its representatives authorize the Bank and its affiliates to:</p> <ol style="list-style-type: none"> <li>1. Use the necessary information it holds or could hold about them for the purposes of granting credit and insurance products (where permitted by law);</li> <li>2. Disclose this information to its affiliates and subsidiaries for this same purpose;</li> <li>3. Disclose this information to Exportation Development Canada and to the Government of Canada or its agent as part of the administration of the loan;</li> <li>4. Obtain personal information pertaining to them from any party likely to have such information in order to verify the accuracy of all information provided to the Bank from time to time and to ensure the solvency of the Borrower and its representative.</li> </ol>
Governing law and jurisdiction	<p>This contract will be construed and interpreted in accordance with the laws of the province where the Bank branch is located, as indicated in this contract.</p> <p>The courts of this province will have jurisdiction over any dispute related to this contract and the exercise of any resulting remedy.</p>