

# LOAN AGREEMENT

ClearGrid Ltd.

THIS LOAN AGREEMENT (this “Agreement”) is made effective as of [●] (the “Effective Date”), by and between:

CLEARGRID LTD., a corporation incorporated under the laws of Canada, corporation number [insert], incorporated on [insert date of incorporation], having its registered office at [insert registered office address],

(the “Borrower”),

and

[Lender Name], [an individual/corporation] with an address at [Lender Address] (the “Lender”).

## RECITALS

WHEREAS, the Borrower desires to borrow and the Lender desires to lend capital in the amount of CAD \$10,000,000 (the “Loan”), subject to the terms and conditions set forth herein;

WHEREAS, the Loan shall be placed into a dedicated Interactive Brokers (“IBKR”) brokerage account denominated in CAD, maintained under the Borrower’s custody but subject at all times to trust conditions in favor of the Lender;

WHEREAS, a licensed third-party trust company (the “Trustee”) shall be appointed within seven (7) calendar days of execution of this contract to oversee compliance with the trust conditions, provide monthly reporting, and act as arbiter of drawdown and wind-down triggers;

WHEREAS, Borrower will utilize such funds exclusively as collateral for Gener8’s proprietary market-neutral trading strategy, without withdrawal of Base Capital;

NOW, THEREFORE, the parties agree as follows:

## ARTICLE 1 – DEFINITIONS

- **Base Capital / Principal:** The USD amount of the Loan, equal to the Lender's contribution in USD or the USD equivalent after FX conversion under Article 2.2. Base capital is the amount recorded on deployment date in USD
- **Deployment Date:** The date on which Base Capital is first credited into the IBKR Account under trust conditions.
- **Drawdown Event:** If the IBKR Account balance equals or falls below ninety percent (90%) of Base Capital.
- **Remediation Period:** Thirty (30) calendar days following a Drawdown Event for Borrower to restore Base Capital.
- **IBKR Account:** The dedicated brokerage account held in Borrower's name, maintained under trust conditions.
- **Term:** One (1), three (3), or five (5) years, as elected by the Lender.
- **Interest Rate:** The fixed rate set forth in Article 2.4.
- **p.a.:** Per annum.

## ARTICLE 2 – LOAN TERMS

Loan Amount: CAD \$10,000,000

### 2.1 Funding & Custody

The Lender shall fund the Loan by wire transfer in accordance with the Funding Plan (Schedule A-1). Borrower shall have custody of the IBKR Account solely for trading. All Base Capital remains subject to trust conditions. The Trustee shall deliver monthly reports directly to the Lender.

### 2.2 Currency & Conversion

- (a) **USD Denomination.** All IBKR Accounts are denominated in USD.
- (b) **Funding in Other Currency.** Contributions in currencies other than USD shall be converted to USD upon deposit by a trusted third-party currency conversion provider designated in the Funding Plan. The resulting USD amount shall be recorded as Base Capital.

(c) **Repayment.** At maturity, the Lender may elect repayment in

- (i) USD equal to Base Capital plus accrued interest, or
- (ii) the original funding currency, converted at the end of term completion date.

(c) **Conversion Costs.** All costs of conversion shall be borne by the Borrower.

## 2.3 Term

The Lender shall elect a one-year, three-year, or five-year Term. No early exit or withdrawal is permitted.

## 2.4 Interest

Interest shall accrue at the following rates (all expressed p.a.):

Term	Quarterly Payments	Annual Payments
1 Year	12%	16%
3 Year	14%	18%
5 Year	16%	20%

### Lender Selection:

- Term: ☐ 1 Year ☐ 3 Years ☐ 5 Years
- Payment Frequency: ☐ Quarterly ☐ Annual

## 2.5 Repayment of Principal

At maturity, the Trustee shall ensure the return of Base Capital to the Lender's appointed legal counsel in trust, or to the Lender directly if instructed.

## 2.6 Funding Mechanics Plan

Within seven (7) calendar days of execution of this contract, Borrower and Lender shall agree upon a Funding Plan (Schedule A-1), which shall be incorporated herein. Timely initiation of transfer under the Funding Plan constitutes fulfillment of the Lender's obligation, notwithstanding intermediary bank delays.

## **2.7 Trustee Appointment**

Within seven (7) calendar days of execution of this contract, Borrower and Lender shall jointly appoint a licensed Trustee (Schedule A-2). Borrower shall bear all Trustee fees and expenses.

## **2.8 Renewability.**

(a) **Option to Renew.** The Lender shall have the option to renew this Agreement one (1) time only, for the same Term and on the same Interest Rate and Payment Frequency as originally elected, by delivering written notice of renewal to the Borrower and Trustee not less than sixty (60) calendar days prior to the scheduled Maturity Date.

(b) **Effect of Renewal.** Upon renewal,

(i) the Term shall be extended for the applicable additional period,

(ii) all provisions of this Agreement shall remain in full force and effect, and

(iii) the Deployment Date for purposes of calculating the renewed Term shall be the first day following the original Maturity Date.

(c) **Non-Renewal.** If the Lender does not deliver timely notice of renewal, the Loan shall mature on the scheduled Maturity Date and the Borrower shall ensure that all Base Capital and accrued interest are returned in accordance with Article 2.5.

(d) **Limitations.** The Loan may only be renewed once under this Agreement. Any further extension shall require the execution of a new written agreement between the parties.

# **ARTICLE 3 – COLLATERAL, TRUST CONDITIONS & SURPLUS PROFITS**

## **3.1 Use of Funds**

Base Capital shall not be withdrawn or encumbered. Borrower may access the IBKR Account.

## **3.2 Trustee Oversight**

Trustee shall monitor compliance, issue monthly reports, and enforce drawdown and wind-down provisions.

## **3.3 Surplus Profits**

All Surplus Profits shall be the exclusive property of Borrower. Lender acknowledges no entitlement beyond Base Capital and interest.

## **ARTICLE 4 – DRAWDOWN PROTECTION**

- 1. Early Warning.** If IBKR Account falls below ninety-five percent (95%) of Base Capital, Trustee shall notify Borrower and Lender in writing.
- 2. Drawdown Event.** If IBKR Account equals or falls below ninety percent (90%) of Base Capital, a Drawdown Event occurs.
- 3. Remediation.**
  - Borrower must deliver a written Remediation Plan within five (5) business days.
  - Borrower must restore Base Capital within thirty (30) calendar days.
  - Borrower shall not commence a new trading session after the then-current session ends until Base Capital is fully restored.
- 4. Trustee Powers.** During the Remediation Period, Trustee shall monitor daily and report weekly. If uncured, Trustee shall not permit Borrower to withdraw Surplus Profits and shall require Lender consent for liquidation at the end of the session.
- 5. Lender Rights.** Lender may declare an Event of Default if Base Capital is not restored within the Remediation Period. Borrower remains liable for all deficiencies.
- 6. Base Capital Measurement** Occurs at deployment date. Compared to original balance at end of each trading cycle (approximately 30 days in length)

## **ARTICLE 5 – WIND-DOWN**

### **Triggers:**

- Uncured Drawdown Event.
- Illegality or regulatory prohibition.
- Force majeure persisting more than fifteen (15) consecutive days.
- Event of Default under Article 7.

### **Process:**

1. Trustee issues Wind-Down Notice.
2. Trading continues until end of current session (typically thirty (30) days).
3. Positions liquidated under best-execution standards within ten (10) business days thereafter.
4. Priority of proceeds:
  - (i) Trustee/Admin Costs
  - (ii) Capital Returned to Lender
  - (iii) Accrued Interest to Lender
  - (iv) Surplus Profits to Borrower

## **ARTICLE 6 – REPRESENTATIONS & WARRANTIES**

### **6.1 Borrower**

Borrower represents and warrants as of the Effective Date and Deployment Date:

- Valid incorporation, authority, and capacity.
- Due authorization and binding obligation.
- No conflict with law, charter, or contracts.
- No pending or threatened litigation.
- Solvent, no insolvency proceedings.

- Compliance with laws including AML/ATF and sanctions.
- Good title to IBKR Account and collateral.
- Accuracy of all information furnished.
- Ensure trustee is appointed

**Notification Duty.** Borrower shall promptly notify Lender and Trustee if any representation becomes untrue or misleading during the Term.

## **6.2 Lender**

Lender represents and warrants:

- Authority and capacity.
- Accredited or sophisticated investor in local jurisdiction
- Funds are lawful, unencumbered, and AML compliant.
- Independent assessment; no reliance beyond express terms.

## **ARTICLE 7 – EVENTS OF DEFAULT**

The following constitute “Events of Default”:

1. Non-payment of interest or principal when due, subject to three (3) business days’ grace for administrative error.
2. Uncured Drawdown Event (Base Capital not restored within thirty (30) calendar days).
3. Breach of any covenant or obligation not cured within fifteen (15) calendar days of notice.
4. Breach of any representation or warranty.
5. Insolvency, bankruptcy, liquidation, or similar proceeding of Borrower.
6. Misrepresentation, fraud, or willful misconduct.

**Remedies:** Upon an Event of Default, Lender may

- (i) declare all obligations immediately due and payable at end of current trading session
- (ii) direct Trustee to liquidate account at end of session

(iii) exercise all rights under law.

**Default Interest:** Overdue amounts shall accrue interest at the applicable contractual rate plus two percent (2%) p.a.

## ARTICLE 8 – MISCELLANEOUS

- **Confidentiality.** Parties shall keep information confidential except as required by law or enforcement.
- **Indemnification.** Borrower indemnifies Lender for all losses, liabilities, and expenses arising from breach, negligence, or misconduct, including enforcement and collection costs.
- **Costs and Expenses.** Borrower shall pay all reasonable and documented legal fees and expenses of Lender in connection with execution.
- **Trustee Fees.** Borrower shall pay all Trustee fees, costs, and expenses.
- **FX Provider.** All conversions performed by third-party provider named in Funding Plan; costs borne by Borrower.
- **Notices.** All notices must be in writing and delivered personally, by courier, or email with confirmation.
- **Assignment.** Lender may assign to affiliates, managed funds, or institutional lenders upon notice. Borrower consent required (not unreasonably withheld) for others; Borrower may withhold consent for competitors or distressed-debt funds. Borrower may not assign without Lender consent.
- **Amendments and Waivers.** In writing only by mutual consent.
- **Severability.** Invalid provisions do not affect remainder.
- **Entire Agreement.** This Agreement and Schedules constitute the entire agreement.
- **Force Majeure.** Neither party liable for failure due to events beyond control.
- **Counterparts and Electronic Signatures.** Permitted.
- **Headings.** For convenience only.
- **Time of the Essence.** Time is of the essence.

IN WITNESS WHEREOF, the parties execute this Loan Agreement as of the Effective Date.



**Borrower:** Gener8.VC Ltd.

By: \_\_\_\_\_

Name: Kurtis Menzies

Title: Director

**Lender:** [Lender Name]

By: \_\_\_\_\_

Name: \_\_\_\_\_

# Schedule A-1 – Funding Plan

*(Appended to Loan Agreement between ClearGrid Ltd. and 10190268 Canada Inc. and [Lender Name])*

## **Funding Plan (per Section 2.7 of the Loan Agreement):**

### **1. Funding Date:**

- ☐ [Insert agreed funding date]

### **2. Funding Method:**

- ☐ SWIFT Wire Transfer (International)
- ☐ Fedwire (Domestic)
- ☐ SHIFT (FX Exchange & International Transfer)
- ☐ Other (specify): \_\_\_\_\_

### **3. Lender's Sending Details (Lender or Solicitor's Trust Account):**

- ☐ Account Name: **ClearGrid Ltd. – IBKR Account (under trust conditions)**
- ☐ Account Number: [Insert IBKR Account #]
- ☐ Bank: [Insert Correspondent Bank]
- ☐ Bank Address: [Insert]
- ☐ SWIFT/BIC: [Insert]
- ☐ Routing/ABA (if applicable): [Insert]

### **4. Borrower's Receiving Details:**

- ☐ Account Name: **Gener8.VC Ltd. – IBKR Account (under trust conditions)**
- ☐ Account Number: [Insert IBKR Account #]
- ☐ Bank: [Insert Correspondent Bank]
- ☐ Bank Address: [Insert]
- ☐ SWIFT/BIC: [Insert]
- ☐ Routing/ABA (if applicable): [Insert]

**5. Beneficiary Details (IBKR Account under Trust Conditions):**

- ☐ Account Name: **Gener8.VC Ltd. – IBKR Account (under trust conditions)**
- ☐ Account Number: [Insert IBKR Account #]
- ☐ Bank: [Insert Correspondent Bank]
- ☐ Bank Address: [Insert]
- ☐ SWIFT/BIC: [Insert]
- ☐ Routing/ABA (if applicable): [Insert]

**6. Currency of Funding:**

- ☐ USD
- ☐ Other: \_\_\_\_\_
- ☐ If “Other,” funds will be converted to USD during transfer or upon deposit; converted USD value will be recorded as Base Capital.

**7. Settlement Window:**

- ☐ Expected clearing time: [Insert, e.g., “1–3 business days”]
- ☐ Grace period for bank delays: [Insert, e.g., “Up to 5 business days”]

**8. Special Instructions:**

- ☐ [Insert any agreed compliance or transfer agent details; optional]

**Acknowledged and Agreed:**

**Borrower:** ClearGrid Ltd. and 10190268 Canada Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Lender:** [Lender Name]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



# Schedule A-2 – Trustee Appointment & Definitions of Trust Conditions

*(Appended to Loan Agreement between ClearGrid Ltd. and 10190268 Canada Inc. and [Lender Name])*

## **Trustee Appointment (per Section 2.8 of the Loan Agreement):**

### **1. Trustee Name:**

- [Insert licensed trust company name]

### **2. Trustee Address:**

- [Insert registered office address of Trustee]

### **3. Trustee Contact:**

- Name: [Insert contact person / title]
- Email: [Insert]
- Phone: [Insert]

### **4. Duties of Trustee (summary, consistent with Article 3):**

- Monitor IBKR Account activity and balances.
- Provide monthly account reports directly to Lender.
- Notify parties of any Drawdown Threshold being reached.
- Oversee Wind-Down and capital return if triggered.
- Act impartially to enforce trust conditions.

### **5. Effective Date of Appointment:**

- [Insert date]

### **6. Definitions of Trust Conditions:**

- 1. Custody Restriction:** All Base Capital must remain in the IBKR Account and may not be withdrawn, pledged, or encumbered, except as expressly permitted by this Agreement.

2. **Source of Funds:** All Loan proceeds must originate from the Lender's solicitor's trust account or equivalent (e.g., Miller Thomson LLP), or such other account as approved by the Trustee.
3. **Use of Funds:** Base Capital may be used solely for Gener8's proprietary trading strategy, executed via API access.
4. **Withdrawal Restriction:** Gener8 shall not use its API connection to withdraw Base Capital, change account ownership, or access administrative functions of the IBKR Account.
5. **Surplus Profits Exception:** Gener8 may withdraw Surplus Profits from the IBKR Account, provided such withdrawals do not reduce the Account below Base Capital plus accrued interest obligations.
6. **Capital Return:** At maturity or upon Wind-Down, all Base Capital and accrued interest must be returned through the Trustee to the Lender's solicitor's trust account (same place funds originated).
7. **Trustee Oversight:** Trustee is authorized and obligated to monitor compliance, report monthly, and intervene in the event of a Drawdown Event, Event of Default, or Wind-Down.

**Acknowledged and Agreed:**

**Borrower:** ClearGrid Ltd. and 10190268 Canada Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Lender:** [Lender Name]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Trustee:** [Trustee Name]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## Schedule B – Surplus Profits Acknowledgment

*(Appended to Loan Agreement between ClearGrid Ltd. and 10190268 Canada Inc. and [Lender Name])*

### **Surplus Profits Acknowledgment (per Article 3.3 of the Loan Agreement):**

The Lender acknowledges and agrees that:

1. Any profits, revenues, or other amounts generated in the IBKR Account under trust conditions, in excess of the Base Capital and the Borrower's obligations to pay interest under this Agreement ("Surplus Profits"), shall be the sole and exclusive property of the Borrower.
2. The Borrower may withdraw, reinvest, retain, or otherwise utilize such Surplus Profits at its sole discretion, without restriction.
3. The Lender has no right, title, or interest in any Surplus Profits, and the Lender's sole entitlement under this Agreement is limited to:
  - Repayment of the Base Capital, and
  - Payment of interest in accordance with Article 2.4.

### **Acknowledged and Agreed:**

**Borrower:** Gener8.VC Ltd.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Lender:** [Lender Name]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_