

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF SOUTH CAROLINA**

In re:

Pelican International Inc., *et al.*,

Debtors in a Foreign Proceeding.<sup>1</sup>

Chapter 15

Case No. 25-01030

(Jointly Administered)

**MOTION FOR ENTRY OF AN ORDER (I) RECOGNIZING AND ENFORCING  
CANADIAN APPROVAL, VESTING AND ASSIGNMENT ORDER, (II) APPROVING  
SALE TRANSACTION FREE AND CLEAR OF LIENS, CLAIMS, AND  
ENCUMBRANCES, AND (III) GRANTING RELATED RELIEF**

FTI Consulting Canada Inc. in its capacity as the duly-appointed foreign representative (“FTI” or the “Foreign Representative”) for the above-captioned debtors (collectively, the “Debtors”), which are the subject of a proceeding (collectively, the “Canadian Proceeding”) pending before the Superior Court of Québec (Commercial Division) (the “Canadian Court”), initiated pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the “CCAA”), has commenced the above-captioned chapter 15 cases and moves (this “Motion”), pursuant to sections 105(a), 363, 365, 1507, 1521, 1525, and 1527 of 11 U.S.C. §§101-1532 (the “Bankruptcy Code”), for entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”):

- a. recognizing and enforcing the Canadian Court’s *Approval, Vesting and Assignment Order* when and as issued (the “AVO”) authorizing the execution by the Monitor (as defined below), for and on behalf of Pelican and Confluence (collectively, the “Sellers”), of an *Asset Purchase Agreement* dated April 23, 2025 (the “APA”) between Pelican and Confluence (the “Sellers”), as vendors, 9539-5893 Québec Inc. (the “Purchaser”), as purchaser, and Groupe Mach Acquisition Inc. as

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<sup>1</sup> The Debtors in these chapter 15 proceedings, together with the last four digits of their employment identification number, are: Pelican International Inc. (“Pelican”) (6357); Pelican US Topco LLC (“US Topco”) (8910); and Confluence Outdoor Inc. (“Confluence”) (7554). The location of the Debtors’ headquarters is 21 avenue Peronne, Montréal, Québec, Canada, H3S 1X7. The address of the Foreign Representative is 1000 Sherbrooke West, Suite 915, Montréal, Québec, Canada, H3A 3G4.

guarantor of the Purchaser, for the sale of the Purchased Assets (as defined below) (such transaction, the “Transaction”).

- b. approving the Transaction, including the sale of the Debtors’ right, title, and interest in and to the Purchased Assets, including Purchased Assets located within the territorial jurisdiction of the United States (the “U.S. Assets”), to the Purchaser, free and clear of all liens, claims, encumbrances and other interests under section 363 of the Bankruptcy Code and in accordance with the APA;
- c. approving the sale, assumption and assignment of the Assigned Contracts and Leases (defined below) to the Purchaser under sections 363 and 365 of the Bankruptcy Code in accordance with the APA;
- d. recognizing the Canadian Court’s stay *Order Extending the Stay of Proceeding* (the “Stay Extension Order”), extending the Stay Period through and including July 15, 2025; and
- e. granting related relief.

In support of this Motion, the Foreign Representative submits and incorporates by reference the *Verified Petition for (I) Recognition of Foreign Main Proceedings, (II) Recognition of Foreign Representative, (III) Recognition of Initial Order, Amended and Restated Initial Order, and SISP Order, and (IV) Related Relief* (the “Verified Petition”), [Docket No. 2] (the “Verified Petition”), the *Declaration of Martin Franco in Support of the Foreign Representative’s Verified Petition for (I) Recognition of Foreign Main Proceeding, (II) Recognition of Foreign Representative, (III) Recognition of Initial Order, Amended and Restated Initial Order, and SISP Order, and (IV) Related Relief* [Docket No. 3] (the “Franco Recognition Declaration”) and the *Declaration of Martin Franco in Support of the Motion for Entry of an Order (I) Recognizing and Enforcing Canadian Approval, Vesting and Assignment Order, (II) Approving Sale Transaction Free and*

*Clear of Liens, Claims, and Encumbrances, and (III) Granting Related Relief* (the “Franco Sale Declaration”)<sup>2</sup> and respectfully submits as follows:

### **JURISDICTION AND VENUE**

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Recognition of a foreign proceeding and other matters under chapter 15 of the Bankruptcy Code are core matters pursuant to 28 U.S.C. § 157(b)(2)(P).

2. These chapter 15 cases have been properly commenced pursuant to sections 1504 and 1509 of the Bankruptcy Code by the filing of the chapter 15 petitions filed for each of the Debtors as Docket No. 1 in their respective cases (the “Chapter 15 Petitions”) and the Verified Petition under section 1515 of the Bankruptcy Code

3. Venue is proper pursuant to 28 U.S.C. § 1410.

4. The bases for the relief requested herein are sections 105(a), 363, 365, 1507, 1521, 1525, and 1527 of the Bankruptcy Code and rule 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

### **PROCEDURAL BACKGROUND**

5. On March 18, 2025, National Bank of Canada (“NBC”), as administrative agent, collateral agent and hypothecary representative (in such capacity, the “Agent”), of a syndicated secure loan which includes NBC, Bank of Montreal, Fédération des Caisses Desjardins du Québec and Toronto Dominion Bank (collectively the “Lenders”) commenced the Canadian Proceeding under the CCAA in respect of the Debtors to initiate restructuring proceedings under the supervision of the Canadian Court. On March 19, 2025, the Canadian Court issued an initial order

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<sup>2</sup> Capitalized terms used but not defined herein shall the meaning ascribed to them in the Verified Petition, the Franco Recognition Declaration, the Franco Sale Declaration, the SISP Order (and SISP Procedures), or the AVO, as applicable.

(the “Initial Order”) enforcing a broad stay against the Debtors and their directors and officers, appointing FTI as monitor of the Debtors (in its capacity as such, the “Monitor”), and authorizing FTI to act as Foreign Representative of the Debtors.

6. On March 19, 2025 (the “Petition Date”), the Foreign Representative filed petitions on behalf of each of the Debtors (the “Chapter 15 Petitions”) under chapter 15 of the Bankruptcy Code and the Verified Petition for recognition of the Canadian Proceeding, thereby commencing the Debtors’ above-captioned chapter 15 cases (these “Chapter 15 Cases”).

7. Additional information about the Debtors’ business and operations, the events leading up to the filing of the Chapter 15 Petitions and the facts and circumstances surrounding the Canadian Proceeding and these Chapter 15 Cases can be found in the Franco Recognition Declaration.

8. On April 15, 2025, the Court entered the *Order (I) Recognizing Foreign Main Proceeding, (II) Recognizing Foreign Representative, (III) Recognizing Initial Order, Amended and Restated Initial Order, and SISP Order, and (IV) Granting Related Relief* [Docket No. 62] (the “Recognition Order”), which, among other things, recognized the Canadian Proceeding as a foreign main proceeding, recognized FTI as Foreign Representative of the Debtors, and recognized and gave full effect in the territorial jurisdiction of the United States to the Initial Order, the Amended and Restated Initial Order, and the SISP Order.

9. The Amended and Restated Initial Order, *inter alia*, appointed the Monitor as a “super monitor”, granting the Monitor certain powers beyond what is typically provided for in standard monitor appointments under the CCAA. *See* Amended and Restated Initial Order at ¶ 60. Accordingly, the Monitor executed the Going Concern SISP (defined below) and ultimately

entered into the APA on behalf of the Debtors. , in accordance with the Powers granted to the Monitor by the Canadian Court.

10. The SISP Order, *inter alia*, approved the initiation of a Sale and Investment Solicitation Process in respect of the Debtors' business and assets (the "Going Concern SISP") and its implementation in accordance with the Procedures for the Sale and Investment Solicitation Process annexed thereto as Schedule "A" (the "SISP Procedures"). The SISP Order also approved the engagement of FTI Capital Advisors – Canada ULC ("FTICA") to act as SISP advisor and to assist in the implementation of the Going Concern SISP.

11. On April 23, 2025, following conduct of the Going Concern SISP as discussed below, the Monitor submitted an application in the Canadian Proceeding requesting that the Canadian Court issue the AVO approving the sale of the business and certain assets of the Sellers to the successful bidder in the sale process conducted pursuant to the Going Concern SISP. The Monitor's proposed form of AVO is attached hereto as Exhibit B.<sup>3</sup>

### **THE SISP**

12. In accordance with the SISP Order and the SISP Procedures, definitive offers for the Debtors' business and assets were due by no later than April 10, 2025 at 5:00 p.m. (the "Bid Deadline").

13. Overall, FTICA contacted approximately 250 financial and strategic parties as potential targets in the context of the Going Concern SISP.

14. A confidential virtual data room (the "VDR") was made available to potential targets, provided that such potential targets execute a non-disclosure agreement ("NDA"). As a

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<sup>3</sup> To the extent the Canadian Court issues the AVO in the Canadian Proceeding, the Foreign Representative will file a copy of the as-issued AVO.

result, 53 potential targets executed NDAs and were thereafter granted access to the VDR. Two Related Party Notices (as defined in the SISP Procedures) were received in the context of the SISP.

15. On the Bid Deadline, four (4) Qualified Bidders submitted Binding Offers. Of the four (4) bids received, two (2) bids contemplated going concern bids for substantially all of the assets and operations of Pelican and Confluence, while the other two (2) bids were more limited in scope for select assets of the Debtors.

16. On April 13, 2025, after careful consideration of the bids received, and in consultation with FTICA and the Lenders, the Monitor wrote to the bidders that had submitted a going concern bid requesting that they submit revised and enhanced bids by no later than Monday, April 14, 2025, at 2:00 p.m. Both Related Bidders (as defined in the SISP Procedures) submitted revised offers. Thereafter, the Monitor, in consultation with FTICA and the Lenders, advised bidders that the deadline to determine one or more Successful Bid(s) had been extended to Wednesday, April 16, 2025, at 4:00 p.m.

17. In order to ensure price and closing certainty given the urgent need to proceed with closing in the fewest delays given the limited liquidity available to the Sellers, on April 15, 2025, the Monitor advised both Related Bidders in writing that final revised bids which, *inter alia*, did not include any working capital or other closing adjustments to the purchase price were being sought. The deadline to submit revised and final bids was set for 10:30 a.m. on April 16, 2025.

18. On April 16, 2025, the Monitor obtained revised bids from both Related Bidders. After carefully reviewing the bids, the Monitor, in consultation with FTICA and the Lenders, determined that it was in the best interest of all stakeholders to move forward and finalize the bid submitted by the Purchaser on April 16, 2025.

19. On or about April 16, 2025, the Monitor also received a liquidation bid for the assets of the Sellers in order to complete its analysis of the bids received pursuant to the SISP (the “Liquidation Bid”). The Liquidation Bid would entail the termination of all employees of the Sellers and the cessation of all going concern activities of the Sellers.

### **THE APA AND THE TRANSACTION**

20. The Transaction includes the purchase by the Purchaser from the Sellers of substantially all assets, property and undertaking in connection with the Sellers’ business, as more fully set out in the APA (the “Purchased Assets”), including, amongst others, the following:

- a. Inventory – all items that are owned by the Sellers for sale, license, rental, lease or other distribution in the ordinary course of business, or are being produced for sale, or are to be consumed, directly or indirectly, in the production of goods or services to be available for sale;
- b. Accounts Receivable – the Sellers’ accounts receivable;
- c. Fixed Assets and Equipment – machinery, equipment, furnishings, furniture, parts, computer hardware, supplies, accessories, office equipment and other tangible personal and moveable property (other than inventory) owned by the Sellers;
- d. Material Contracts – the rights, title and interest of the Sellers in and to the Contracts listed in Schedule D to the APA (the “Assumed Contracts”); and
- e. Intellectual Property – all Intellectual Property and rights in Intellectual Property owned by the Sellers, including all trademarks and trade names, such as “Pelican”.

21. Certain assets are excluded from the Transaction and will remain with the Sellers post-closing. Among other things, the Debtors’ interest in GSI Outdoors, LLC is not being sold in the Transaction.

22. The Purchaser will retain substantially all of the Sellers’ employees (the “Assumed Employees”).

23. Moreover, the Transaction contemplates the assumption of certain liabilities including, *inter alia*, any and all cure costs under the Assumed Contracts and all pre-closing accrued vacation and wages owing to the Assumed Employees, the whole as more fully set out in the APA.

24. The Parties intend to close the Transaction on April 29, 2025. Closing of the Transaction is not subject to any conditions including any financing condition, other than the issuance by the Canadian Court of the AVO. However, the Foreign Representative's request for recognition of the AVO by this Court is a post-closing covenant of the Sellers provided for under the APA and is required for the Transaction to be fully consummated.

25. The AVO provides for distributions by the Monitor of Net Proceeds (as defined in the AVO) to pay, on behalf of the Sellers, the amounts that may be owed under the CCAA Charges (as defined in the Amended and Restated Initial Order), including in particular any amount owing and secured under the KERP Charge and the Interim Lender Charge (as such terms are defined in the Amended and Restated Initial Order). The Monitor intends to return to the Canadian Court at a later date to obtain authorization to effect further distributions of proceeds.

26. The Purchaser is a "Related Bidder" under the SISP Procedures because one of the shareholders of the Purchaser is the former CEO of the Debtors and a current minority shareholder of Pelican. The Purchaser is not a related party of the Foreign Representative.

27. The public, redacted copy of the APA that the Monitor filed with the Canadian Court (excluding Schedule A thereto, which is the proposed AVO already attached as an exhibit to this Motion) is attached hereto as **Exhibit C**.<sup>4</sup>

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<sup>4</sup> A motion to seal limited provisions of the APA has been filed concurrently herewith.



**A. The AVO Releases**

28. In connection with the AVO, the Monitor is seeking approval by the Canadian court of certain releases in favor of third parties, which would be binding on all parties in interest. Specifically, paragraph 44 of the AVO provides (such provision, the “Release”):

**DECLARES** that effective upon the filing of the Certificate: (i) the Sellers, (ii) the present and former directors and officers of the Sellers; (iii) their respective legal counsel and advisors; (iv) the Purchaser, its directors and officers, and the legal counsel and advisors of the Purchaser; and (v) the Monitor and its legal counsel (the persons listed in (i), and (ii), (iii), (iv), and (v) being collectively, the “**Released Parties**”) shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including, without limitations, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the issuance of the Certificate and relating to the Transaction and any statutory obligations and liabilities relating to employees, payroll or tax under any Canadian law (collectively, the “**Released Claims**”), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, provided, for more clarity, that nothing in this paragraph shall waive, discharge, release, cancel or bar (i) any claim against any of the Released Parties for fraud, gross negligence, or willful misconduct, (ii) any claims against the directors and officers of each of the Debtors that is not permitted to be released pursuant to section 5.1(2) of the CCAA, and (iii) any present and future claims regarding the business relation, prior to the filing of this CCAA Proceedings, between the Debtors, the Agent and the Lenders, including regarding any representation or undertaking made in the context of the granting of any financing and regarding the granting of any security in favour of the Lenders by the Debtors and GSI Outdoors LLC.

**RELIEF REQUESTED**

29. Through this Motion, the Foreign Representative respectfully requests entry of the Proposed Order: (a) recognizing and enforcing the AVO, as issued by the Canadian Court, in the territorial jurisdiction of the United States; (b) approving the Transaction, including the sale of the Sellers’ U.S. Assets, to the Purchaser, free and clear free and clear of all liens, claims, encumbrances

and other interests under section 363 of the Bankruptcy Code and in accordance with the APA; (c) recognizing the Stay Extension Order; and (d) granting related relief.

### **BASIS FOR RELIEF**

#### **I. The Court Should Grant Recognition and Enforcement in the United States to the AVO**

##### **A. Recognition of the AVO is Authorized Pursuant to Sections 105, 1507, 1521, 1525, and 1527 of the Bankruptcy Code**

30. Pursuant to the Recognition Order, this Court has recognized the Canadian Proceeding as a foreign main proceeding. Where a foreign case is recognized as a foreign main proceeding, a bankruptcy court may grant “any appropriate relief” to “effectuate the purpose of [chapter 15] and to protect the assets of the debtor or the interests of the creditors.” 11 U.S.C. §1521(a). Pursuant to section 1522 of the Bankruptcy Code, the court may grant relief under section 1521 only if the interests of the creditors and other interested entities, including the debtor, are sufficiently protected. 11 U.S.C. § 1522; *see also In re Energy Coal S.P.A.*, 582 B.R. 619, 627 (LSS) (Bankr. D. Del. 2018). “The analysis under § 1522 is one of balancing the respective interests based on the relative harms and benefits in light of the circumstances presented.” *In re Better Place, Inc.*, Case No. 13-11814, 2018 Bankr. LEXIS 322 at \*19 (LSS) (Bankr. D. Del. Feb. 5, 2018) (citations omitted).

31. As a separate basis for recognition of foreign orders, section 1507(a) of the Bankruptcy Code also permits a court to “provide additional assistance to a foreign representative” provided such assistance is consistent with the principles of comity and satisfies the factors set forth in section 1507(b) of the Bankruptcy Code. 11 U.S.C. § 1507. In addition, section 1525(a) of the Bankruptcy Code provides that, “[c]onsistent with section 1501, the court shall cooperate to the maximum extent possible with a foreign court or a foreign representative.” 11 U.S.C. § 1525(a).

32. Likewise, section 105(a) of the Bankruptcy Code permits the court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).<sup>5</sup>

33. The Foreign Representative requests that this Court enforce and give full effect to the AVO as a form of “appropriate relief” under section 1521(a) of the Bankruptcy Code. Trustees, including debtors in possession, frequently obtain relief similar that which is contained in the AVO. Accordingly, enforcement of the AVO, when entered by the Canadian Court, grants relief that would generally otherwise be available to debtors in a bankruptcy case under chapter 11, and is “appropriate relief” under section 1521(a). Enforcing the AVO as appropriate relief satisfies the requirement under section 1522 of the Bankruptcy Code that the interests of creditors, the debtor, and other interested parties be “sufficiently protected.” 11 U.S.C. § 1522(a). Although the Bankruptcy Code does not define “sufficient protection,” it “requires a balancing of the interests of Debtors, creditors, and other interested parties.” *In re Petroforte Brasileiro de Petroleo Ltda.*, 542 B.R. 899, 909 (Bankr. S.D. Fla. 2015); *see also In re Better Place, Inc.*, 2018 Bankr. LEXIS 322 at \*19 (“The analysis under [section] 1522 is one of balancing the respective interests based on the relative harms and benefits in light of the circumstances presented.”) (internal quotation marks and citations omitted).

34. Here, granting the requested relief is appropriate because the interests of all parties in interest have been protected throughout the Canadian Proceeding. Creditors appearing on the Debtors’ service list, counterparties to those contracts and leases being assigned to the Purchaser, and other parties in interest were given notice of the hearing to consider entry of the AVO as required under applicable Canadian law and procedure, and will have an opportunity to object and

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<sup>5</sup> Section 105 of the Bankruptcy Code applies in cases under Chapter 15. 11 U.S.C. § 103(a).

be heard in the Canadian Proceeding with respect to the relief requested within the AVO. Moreover, the AVO will be subject to the consideration and scrutiny of the Canadian Court, which will consider whether the relief requested by the Monitor is proper in light of the facts and circumstances. Enforcement of, and giving full effect to, the AVO—as and to the extent issued by the Canadian Court—is appropriate and within the Court’s authority pursuant to section 1521 of the Bankruptcy Code because the relief requested herein will “assist in the efficient administration of [the] cross-border insolvency proceeding . . . [while] not harm[ing] the interest of the debtors or their creditors.” *In re Grant Forest Prods., Inc.*, 440 B.R. 616, 621 (Bankr. D. Del. 2010). Granting full force and effect to the AVO within the territorial jurisdiction of the United States will ensure the uniform and efficient administration of the Canadian Proceeding and these chapter 15 cases and uniform treatment of similarly situated creditors. In that regard, recognition of the AVO will provide the Debtors, the Monitor, the Purchaser, and parties in interest with certainty that the AVO will be enforceable not only in Canada, but also with respect to creditors beyond the jurisdiction of the Canadian Court and within the territorial jurisdiction of the United States. Therefore, enforcement of and giving full effect to the AVO will protect and prevent prejudice to creditors by ensuring uniform application of the AVO in Canada and the United States.

35. In addition, pursuant to section 1507(a), enforcement of, and giving full effect to, the AVO will also provide Canadian Court with assistance in administering the Canadian Proceedings. If the Canadian Court issues the AVO, it will have approved the Transaction—the capstone and ultimate purpose of the Canadian Proceeding. Recognition of the AVO ensures that the Canadian Court’s order is enforced and respected in the territorial jurisdiction of the United States, and that the Canadian Court’s order is uniformly carried out across borders. Accordingly,

recognizing and giving full effect to the AVO is consistent with the well-established principles of comity, which underpin Chapter 15 the Bankruptcy Code.

36. In addition to the above-cited authority, Section 1521(b) of the Bankruptcy Code provides, in pertinent part, that “[u]pon recognition of a foreign proceeding . . . the court may, at the request of the foreign representative, entrust the distribution of all or part of the debtor’s assets located in the United States to the foreign representative.” 11 U.S.C. § 1521(b). Further, sections 1525 and 1527 of the Bankruptcy Code direct the Court to “cooperate to the maximum extent possible” with the Canadian Court regarding the “coordination of the administration and supervision” of the Debtors’ assets and affairs. 11 U.S.C. §§ 1525, 1527(3); *see also In re Metcalfe & Mansfield Alt. Invs.*, 421 B.R. 685 (Bankr. S.D.N.Y. 2010) (generally recognizing, on the basis of the statutory provisions of chapter 15 and the principles of comity, orders entered in a CCAA proceeding). Indeed, a Bankruptcy Court is not required to “make an independent determination about the propriety of individual acts of a foreign court. The key determination required by [U.S. Bankruptcy Courts] is whether the procedures used in Canada meet our fundamental standards of fairness.” *Id.* at 697.

37. As noted above, the Canadian Court will have the opportunity to scrutinize the Transaction contemplated in the AVO, which is a result of the collective efforts of the Monitor and FTICA to maximize the value of the Debtors’ assets. After extensive marketing and consultation with the its advisors and the advisors of significant stakeholders in these cases, the Foreign Representative has determined that the Transaction provides the highest and best return on the Debtors’ assets.

38. Effective coordination and administration of the Canadian Proceedings and the chapter 15 cases can only be achieved through recognition of the AVO in the United States. The

extensive nature of the marketing process, carried out by the Monitor with assistance from its advisors, and overseen by the Canadian Court, ensures that a fair result is achieved. Accordingly, the Foreign Representative respectfully submits that the Court should recognize and give full effect and force under the laws of the United States to the findings, authorities, and provisions set forth in AVO as entered by the Canadian Court.

**B. Recognition and Enforcement of the AVO Is Not Manifestly Contrary to U.S. Public Policy**

39. Section 1506 of the Bankruptcy Code provides that “[n]othing in [Chapter 15] prevents the court from refusing to take an action governed by [Chapter 15] if the action would be manifestly contrary to the public policy of the United States.” 11 U.S.C. § 1506. Courts have emphasized that section 1506 of the Bankruptcy Code applies only in very narrow circumstances where the most fundamental policies of the United States are implicated. *See In re ABC Learning Ctrs. Ltd.*, 728 F.3d 301, 309 (3d Cir. 2013); *see In re Irish Bank Resolution Corp. Ltd.*, 538 B.R. 692, 698 (D. Del. 2015) (refusing to find a public policy exception where recognition did not “impinge severely a U.S. Constitutional or statutory right”) (quotations and citations omitted); *In re Rede Energia S.A.*, 515 B.R. 69, 92 (Bankr. S.D.N.Y. 2014) (“[T]he public policy exception is clearly drafted in narrow terms and the few reported cases that have analyzed section 1506 at length recognize that it is to be applied sparingly.”) (quotations and citations omitted). Indeed, “[a] U.S. bankruptcy court is not required to undertake an independent determination about the propriety of individual acts of a foreign court.” *In re Metcalfe*, 421 B.R.21 at 697; *see also In re PT Bakrie Telecom Tbk*, 601 B.R. 707, 724 (Bankr. S.D.N.Y. 2019).

40. The enforcement of, and giving full effect to, the AVO in the United States is not manifestly contrary to the public policy of the United States and, therefore, section 1506 of the Bankruptcy Code does not preclude the enforcement of the AVO. The Transaction is similar to

asset sales frequently utilized in chapter 11 cases that are preceded by a set of procedures intended to enhance competitive bidding consistent with the goal of maximizing the value received by the bankruptcy estate. Moreover, the Canadian Proceeding complied with fundamental standards of fairness and due process. Notably, recognition of vesting orders under the CCAA, similar to the AVO, is commonly granted by bankruptcy courts in chapter 15 cases. *See. e.g., In re Teal Jones Holdings LTD*, Case No. 24-10890 (TMH) (Bankr. D. Del. Apr. 17, 2025); *In re Bench Accounting Inc.*, Case No. 25-10463 (Bankr. D. Del. Apr. 9, 2025); *In re Sandvine Corporation*, Case No. 24-33617 (Bankr. N.D. Tex. Feb. 11, 2025).

***i. Approval of the Release***

41. In connection with the AVO, the Monitor is seeking the Canadian Court's approval of the Release, and the Foreign Representative similarly seeks recognition and enforcement of such releases by this Court to the extent granted by the Canadian Court.

***a) Application of the Purdue Ruling***

42. The Foreign Representative is fully cognizant of the Supreme Court's ruling in *Harrington v. Purdue Pharma L.P.*, 603 U.S. 204 (2004) ("Purdue"), which narrowly held that non-consensual third party releases in a chapter 11 plan were not authorized pursuant to section 1123 of the Bankruptcy Code. *See* 603 U.S. at 226-27. For the reasons discussed below, the *Purdue* ruling does not prohibit this Court, whether pursuant to section 1506's public policy exception or otherwise, from recognizing and giving effect in the U.S. to an AVO containing the Release.

43. By its own terms, the Supreme Court's holding in *Purdue* was limited to the narrow question presented there, and is inapplicable to the issue of whether this Court should recognize the Release in the Canadian Court's AVO in the context of a chapter 15 case. The *Purdue* Court

ruled, based on statutory interpretation of section 1123 of the Bankruptcy Code and not based on public policy, that non-consensual third-party releases in Chapter 11 plans are not authorized under the Bankruptcy Code. *Id.* The Supreme Court expressly addressed the limited scope of its holding:

As important as the question we decide today are ones we do not . . . Confining ourselves to the question presented, we hold only that the bankruptcy code does not authorize a release and injunction that, as part of a plan of reorganization under Chapter 11, effectively seeks to discharge claims against a nondebtor without the consent of affected claimants.

*Id.* at 226 (emphasis added). Given that limited scope, *Purdue* has no application to any aspect of Chapter 15 proceedings or to the recognition in the U.S. of a foreign court's orders. On this rationale alone, *Purdue* does not impact recognition of the AVO containing the Release.

44. The *Purdue* Court's narrow tailoring of its ruling makes sense in light of the underpinnings of the holding. The *Purdue* decision was based on the statutory construction of section 1123(b)(6) of the Bankruptcy Code (including the context and history of such provision), not on any broader holding that non-consensual third-party releases are manifestly contrary to the public policy of the United States. *Id.* at 215–24. In fact, the Supreme Court explicitly disregarded public policy arguments:

Both sides of this policy debate may have their points. But, in the end, **we are the wrong audience for them**. As the people's elected representatives, Members of Congress enjoy the power, consistent with the Constitution, to make policy judgments about the proper scope of a bankruptcy discharge. Someday, Congress may choose to add to the bankruptcy code special rules for opioid-related bankruptcies as it has for asbestos-related cases. Or it may choose not to do so. Either way, if a policy decision like that is to be made, it is for Congress to make.

*Id.* at 226 (emphasis added). This is a critical distinction. Had the Supreme Court found that creditor releases of non-debtors were generally offensive to U.S. public policy, then this Court may have been constrained to deny recognition of the Release under section 1506 of the Bankruptcy Code. Yet the narrow contours of *Purdue*, imposed by the Supreme Court itself, and



the fact that *Purdue* was premised on the Supreme Court’s interpretation of section 1123(b)(6), eliminate such a constraint.

45. This is especially significant in light of the fact that section 1506 is sparingly applied by courts. Section 1506 “requires a narrow reading” and “does not create an exception for any action under Chapter 15 that may conflict with public policy, but only an action that is ‘manifestly contrary.’” *Morning Mist Holdings Ltd. v. Krys (In re Fairfield Sentry Ltd.)*, 714 F.3d 127, 139 (2d Cir. 2013) (emphasis original). The public policy exception in section 1506 ought to be invoked by courts only “‘where the procedural fairness of the foreign proceeding is in doubt or cannot be cured by the adoption of additional protections’ or where recognition ‘would impinge severely a U.S. constitutional or statutory right.’” *In re ABC Learning Centers*, 728 F.3d at 309 (quoting *In re Qimonda AG Bankr. Litig.*, 433 B.R. 537, 570 (E.D. Va. 2010)); accord *Fairfield Sentry*, 714 F.3d at 139 (ruling that section 1506 applies only to actions that offend “‘the most fundamental policies of the United States’” and is “invoked only ‘under exceptional circumstances concerning matters of fundamental importance [to the United States].’”) (quoting H.R. Rep. No. 109-31, pt. 1, at 109 (2005) (emphasis added by court) and Guide to Enactment of the UNCITRAL Model Law on Cross-Border Insolvency at ¶ 89)); *In re Crédito Real, S.A.B. de C.V., SOFOM E.N.R.*, Case No. 25-10208 (TMH), 2025 Bankr. LEXIS 751, at \*16 (Bankr. D. Del. Apr. 1, 2025) (“Refusing to take an action under Bankruptcy Code section 1506 is an extraordinary act. That section should be narrowly interpreted, as the word manifestly in international usage restricts the public policy exception to the most fundamental policies of the United States. As a consequence, that authority rarely is exercised.”) (internal citations and quotation marks omitted) (collecting cases discussing the narrow construction of section 1506). Accordingly, merely because certain relief would not be available under the U.S. bankruptcy code, does not make it “manifestly”

contrary to U.S. public policy or within the ambit of section 1506. *See, e.g., id.* at \*17 (“Relief that is granted in a foreign proceeding does not have to be identical to relief that might be available in a U.S. proceeding.”); *In re Qimonda*, 433 B.R. at 570 (“The mere fact of conflict between foreign law and U.S. law, absent other considerations, is insufficient to support the invocation of the public policy exception.”). For these reasons, *Purdue* does not render the Release manifestly contrary to public policy under section 1506.

46. Because the Release is not manifestly contrary to U.S. public policy, principles of comity favor recognizing the Release to the extent granted by the Canadian Court. Section 1501’s statement regarding the purpose of Chapter 15 “highlights that the Court should be guided by the main policy goals of chapter 15—cooperation and comity with foreign courts and deference to those courts within the confines established by chapter 15.” *In re Crédito Real* 2025 LEXIS 751, at 13. Here, if the Release is granted by the Canadian Court, but not given full force and effect in the United States, U.S. creditors would have an advantage over Canadian creditors with respect to any claims against Released Parties (as defined in the AVO), undermining the relief the Canadian Court would be granting in the AVO. Under principles of international comity, the Court should recognize the Release to the extent approved by the Canadian Court.

b) *Crédito Real and Recognition of Third Party Releases in Chapter 15 Post-Purdue*

47. In *Crédito Real*, the U.S. Bankruptcy Court for the District of Delaware recognized and enforced in the United States a Mexican plan of reorganization containing non-consensual third-party releases. *See generally In re Crédito Real* 2025 LEXIS 751. In granting recognition, the Court explained why the Supreme Court’s ruling in *Purdue* did not prohibit the bankruptcy court from recognizing a foreign plan’s non-consensual third-party releases pursuant to sections 1521(a)(7) and 1507(a) of the Bankruptcy Code. *See generally id.; In re Nexii Building Solutions*

*Inc.*, Case No. 24-10026 (JKS) Docket No. 66 (Bankr. D. Del. July 22, 2024) (granting, on an uncontested basis, recognition of an “Ancillary Order” in a CCAA proceeding that included certain third party releases, after considering briefing by the foreign representative that affirmatively raised and addressed why such relief is permissible even in light of *Purdue*); *see also In re Sandvine Corporation*, Case No. 24-33617 (SGJ) (Bankr. N.D. Tex. Feb. 12, 2025) (recognizing an approval and vesting order entered in a CCAA proceeding that contained certain third party releases); *In re Canadian Overseas Petroleum Limited*, Case No. 24-10376 (JTD) (Bankr. D. Del. Dec. 6, 2024) (recognizing an order terminating CCAA proceedings that contained certain third party releases).

48. The *Crédito Real* Court’s ruling first addressed the argument that the “catchall” provisions of sections 1521(a)(7) and 1507(a) should be interpreted the same way that the *Purdue* Court interpreted the catchall of section 1123(b)(6). Judge Horan rejected this analogy based on the differing statutory constructions of the Code sections. In comparing section 1521(a)(7) against section 1123(b)(6), through the lens of *Purdue*, Judge Horan explained:

[I]n section 1123(b), rather than provide specific prohibited relief, Congress directs courts to look to the whole of the Bankruptcy Code to determine if the requested provision is consistent with it. In *Purdue*, the Supreme Court framed this section as one that “set[s] out a detailed list of powers, followed by a catchall.” It explained, “Congress could have said in [section 1123(b)](6) that ‘everything not expressly prohibited is permitted[]’” but instead limited it to “any other appropriate provision not inconsistent with the applicable provisions of this title.” In comparison, in section 1521(a)(7), Congress did expressly enumerate what it wanted to prohibit; in a chapter 15 case, a court cannot grant relief under sections 522, 544, 545, 547, 548, 550, and 724(a). By specifically enumerating relief that the court cannot grant under section 1521, Congress more concretely defined the outer bounds of what the court can grant, thus also more concretely defining what is included in what the court can grant, bearing in mind the guiding principles of comity and cooperation.

*Id.*, at \*25-26 (quoting *Purdue*, 603 U.S. at 218). Simply put, “[b]y establishing a list of relief that courts should not grant under section 1521(a)(7), the section implies that other forms of relief not

expressly prohibited are permitted. Therefore, enforcing foreign orders providing for nonconsensual third-party releases is within the scope of authority that section 1521(a) provides.” *Id.* at \*26.

49. Likewise, regarding section 1507 the Court in *Crédito Real* observed that section 1507 has express limitations to the power it grants, requiring a court to look to the remainder of “this chapter” (*i.e.* Chapter 15) for such limits. *Id.*, at \*27. This differs from section 1123(b) in two key respects. First, section 1507 “differs from section 1123(b)(6)’s instruction to look at subsections (1)–(5) to contextualize appropriate relief because chapter 15 covers a broader array of topics than section 1123(b)(1)–(5), which is limited to matters concerning and connected to the debtor.” *Id.* Second, while section 1123(b)(6) prohibits relief inconsistent with applicable provisions of “this title” (*i.e.* the Bankruptcy Code), section 1507 references Chapter 15 specifically, which has as its purpose the promotion of comity and international cooperation. *See id.* “Accordingly, relief that is appropriate subject to limitations in chapter 15 must be different than relief that is not inconsistent with the applicable provisions of the Bankruptcy Code.” *Id.*, at \*28. Moreover, Judge Horan observed that section 1507(b) explicitly provides a list of factors for a court to consider, when analyzing whether to provide “additional assistance.” Thus “section 1507 . . . differs from section 1123(b) because section 1123(b) does not expressly establish specific boundaries; instead, it directs courts to look to the rest of the Bankruptcy Code to determine whether a provision is appropriate.” *Id.* at \*29.

50. Judge Horan additionally rejected the argument that recognizing the Mexican plan’s releases were manifestly contrary to U.S. policy, noting that section 1506’s public policy exception is to be narrowly applied. *Id.*, at \*32-39. The Court observed that non-consensual third party releases are explicitly provided for in asbestos cases under section 524(g). *Id.* at \*37.

Moreover, the Court emphasized that the *Purdue* Court explicitly ruled that Congress had not, but *could*, authorize non-consensual third-party releases in Chapter 11—if this would infringe on a constitutional right, the Supreme Court would not have suggested Congress could allow it. *Id.*, at \*38. In sum “[l]ack of specific availability in U.S. courts does not equate to manifest contrariness to U.S. public policy, especially where, as here, the contested relief is available in other contexts and could be made available more broadly by a simple act of Congress.” *Id.*

51. The *Crédito Real* Court’s reasoning applies with equal force here. Just as the enforcement of the third-party releases in the plan in *Crédito Real* was within the ambit of relief available under section 1521(a) and 1507(a), the enforcement of the Release here is permissible under those sections and not prohibited by *Purdue*. Specifically in connection with section 1507(a), recognition of the Release is in line with the considerations set forth in section 1507(b). Recognizing the Release ensures just treatment of all claimholders across borders, and failing to recognize the Release would give creditors in the U.S. an advantage over Canadian Creditors. Placing all creditors on equal footing does not prejudice U.S. creditors, lead to preferential or fraudulent dispositions of the Debtors’ property, or otherwise impede a fair distribution of assets of the Debtors or proceeds of the SISF. Likewise, for the reasons argued above, recognition of such releases in CCAA proceedings is not manifestly contrary to U.S. public policy.

52. For the foregoing reasons, the Foreign Representative respectfully requests the Court to enter an order giving full force and effect to the AVO in the United States. Doing so is consistent with long standing principles of international comity and cooperation and is warranted under sections 1507, 1521, 1525, and 1527 of the Bankruptcy Code, and recognition of the AVO—including the Release—is not manifestly contrary to U.S. public policy, even in a post-*Purdue* landscape.

## **II. Approval of the Transaction Pursuant to Sections 363 and 1520 of the Bankruptcy Code is Appropriate**

53. Pursuant to section 1520 of the Bankruptcy Code, section 363 is applicable “[u]pon recognition of a foreign proceeding that is a foreign main proceeding . . . to a transfer of an interest of the debtor in property that is within the territorial jurisdiction of the United States.” 11 U.S.C. § 1520(a)(2).

54. Section 363(b)(1) of the Bankruptcy Code, which is incorporated by section 1520 of the Bankruptcy Code, provides, in relevant part, that a debtor “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Courts require that the decision to sell assets outside the ordinary course of business be based upon the proponent’s sound business judgment. *See Myers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996); *In re Schipper*, 933 F.2d 513, 515 (7th Cir. 1991) (“Under Section 363, the debtor in possession can sell property of the estate outside the ordinary course of business if: he has an articulated business justification . . . he provides adequate notice to all creditors, and a hearing is held on the sale.”) (internal citation and quotation marks omitted); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983); *Dai-Ichi Kangyo Bank Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147,153 (D. Del. 1999); *Off. Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 656 (S.D.N.Y. 1992); *In re Sharif*, No. 09-05868, 2022 Bankr. LEXIS 2226, at \*5 (Bankr. N.D. Ill. Aug. 9, 2022) (“Bankruptcy courts apply the so-called ‘business judgment’ test to determine whether to approve a proposed sale under § 363(b).”); *In re Daufuskie Island Props., LLC*, No. 09-00389-jw, 2011 Bankr. LEXIS 3265, at \*13 (Bankr. D.S.C. June 17, 2011) (“For authorization of the sale under § 363(b), the Trustee must show that

the sale is supported by a sound business reason and is based on a sound exercise of business judgment.”)

55. Courts consider a variety of factors in determining whether a debtor has justified the sale of property under section 363(b), including: (a) a “sound business purpose” justifies the sale of assets outside the ordinary course of business; (b) adequate and reasonable notice has been provided to interested persons; (c) the trustee or debtor-in-possession has obtained a fair and reasonable price; and (d) good faith exists. *See In re Del. & Hudson Ry. Co.*, 124 B.R. 169, 175-76 (D. Del. 1991); *Montgomery Ward*, 242 B.R. at 153; *see also In re Daufuskie Island Props.*, 2011 Bankr. LEXIS 3265, at \*13; *Titusville Country Club v. Pennbank (In re Titusville Country Club)*, 128 B.R. 396, 399 (Bankr. W.D. Pa. 1991); *In re Sovereign Estates, Ltd.*, 104 B.R. 702, 704 (Bankr. E.D. Pa. 1989). Once a debtor articulates a good business reason for the sale of estate property outside the ordinary course of business, it is presumed that the debtor’s decision to move forward with the sale was made “on an informed basis, in good faith and in the honest belief that the [transaction] was in the best interests of the [debtor] company.” *In re Integrated Res., Inc.*, 147 B.R. at 656. The Foreign Representative contends that the Transaction should be approved as a sound exercise of its business judgment.

**A. A Sound Business Purpose Justifies the Transaction**

56. The Foreign Representative submits that ample business justification for the Transaction exists. The Monitor, on behalf of the Debtors, and FTICA, in good faith, ran a comprehensive and thorough sale process that was approved by the Canadian Court. Pursuant to the Recognition Order, the Foreign Representative was entrusted to administer and realize the Debtors’ assets within the territorial jurisdiction of the United States pursuant to section 1521(a)(5). As such, after extensive marketing efforts, the Foreign Representative believes the

Transaction represents the highest and best offer for the Purchased Assets to maximize the benefits to the Debtors and their creditors.

**B. The Foreign Representative Has Provided Adequate and Reasonable Notice**

57. In addition to the notice of the AVO and the Transaction that the Monitor already provided to parties in the Canadian Proceeding, the Foreign Representative is providing notice of this Motion on the Notice Parties, as defined in the *Order (A) Scheduling Hearing on Recognition of Chapter 15 Hearing and (B) Specifying Form and Manner of Service of Notice* [Docket No. 29] (the “Notice Order”). The Foreign Representative intends to serve the Notice Parties with addresses in the United States via first class mail, postage pre-paid, and Notice Parties with addresses outside of the United States via email, where it has email addresses, and otherwise via first class mail, postage pre-paid. The Foreign Representative is providing at least 21 days’ notice of the Motion, in accordance with Bankruptcy Rule 2002(a)(2).

58. In addition, the Monitor has posted copies of all orders entered by the Canadian Court and its Reports to the Court, as well as all pleadings filed in these chapter 15 cases, including this Motion, on the Monitor’s webpage at <https://cfcanada.fticonsulting.com/Pelican/>, which has been maintained in connection with the Canadian Proceeding.

59. In light of the above, the Foreign Representative submits that notice of the AVO and Transaction and the hearing on approval thereof is sufficient and appropriate.

**C. The Debtors Have Obtained a Fair and Reasonable Price in the Transaction**

60. Ultimately, the offer submitted by the Purchaser constituted the best bid received by the Monitor in the context of the SISP, and, as such, the Transaction contemplated by the APA represents the best outcome for the Debtors and their stakeholders under the circumstances. Indeed, the market was canvassed through a fair and transparent process conducted after the commencement of the Canadian Proceeding, with the Transaction provided for in the APA



representing the best transaction and outcome resulting from the SISP for the benefit of the Debtors' stakeholders as a whole. The fairness and reasonableness of the consideration to be received by the Debtors is validated by that extensive "market test." *See In re Champion Enterprises, Inc.*, No. 09-14019 KG, 2012 Bankr. LEXIS 4009, at \*93-94 (Bankr. D. Del. Aug. 30, 2012) ("A market test is the best evidence of a company's value at a given point in time."). The Transaction represents the best opportunity for the Debtors to maximize the value of the assets being sold and enables the Sellers to continue operating as a going concern and continue to retain their employees, as opposed to a liquidation and termination of employment.

**D. Good Faith Exists and the Court Should Afford the Purchaser All Protections under Sections 363(m) and (n) of the Bankruptcy Code as a Good Faith Purchaser**

61. The Foreign Representative submits that the Transaction is a product of good faith dealing, both as a factor in favor of the Foreign Representative's business judgment, but also in support of the Court granting the Purchaser the protections of sections 363(m) and (n), for the reasons set forth below.

62. Section 363(m) of the Bankruptcy Code provides, in pertinent part:

[t]he reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m).

63. Section 363(m) thus protects the Purchaser of assets sold pursuant to section 363 of the Bankruptcy Code from the risk that it will lose its interest in the purchased assets if the order allowing the sale is reversed on appeal so long as such purchaser leased or purchased the assets in "good faith."

64. Such relief is appropriate as the Transaction was the result of the SISP, which consisted of an extensive marketing process, and parties in interest were provided with the opportunity to review and object to the Transaction both in the Canadian Court and in this Court. *See Esposito v. Title Ins. Co. of Pa. (In re Fernwood Mkts.)*, 73 B.R. 616, 620 (Bankr. E.D. Pa. 1987) (good faith purchasers are protected under section 363(m) where notice is provided to lienholders). Courts generally conclude that a purchaser has acted in good faith as long as the consideration is adequate and reasonable, and the terms of the transaction are fully disclosed. *See, e.g., In re Abbotts Dairies of Pennsylvania, Inc.*, 788 F.2d 143, 149-50 (3d Cir. 1986).

65. Here, the Debtors' assets and business were subjected to a solicitation and competitive bidding process (*i.e.*, the SISP) conducted by the Monitor with the assistance of experienced professional advisors FTICA, and with the oversight of the Canadian Court. The Foreign Representative believes that the APA is fair and reasonable in the circumstances, and is beneficial to the Debtors' stakeholders as a whole.

66. The Foreign Representative is not aware of any indication of any "fraud, collusion between the Purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders" or similar conduct that would cause or permit the Transaction to be avoided under section 363(n) of the Bankruptcy Code. *See id.* at 147 (describing types of misconduct that negate a purchaser's good faith status (quoting *In re Rock Indus. Mach. Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978))); *R-Group Invs., Inc. v. Noddah, LLC*, No. 14 C 9717, 2015 U.S. Dist. LEXIS 132282, at \*15 (N.D. Ill. Sep. 30, 2015) ("A purchase is not made in good faith if 'there was collusion, fraud, or the sale otherwise manifested bad faith.' . . . Bad faith in the context of Section 363(m) also occurs when there is 'an attempt to take grossly unfair advantage of other bidders.'") (quoting *Hower v. Molding Sys. Eng'g Corp.*, 445 F.3d 935, 938 (7th Cir. 2006)

and *In re Rock Indus.*, 572 F.2d at 1198) (internal citation omitted); *In re Daufuskie Island Props.*, 2011 Bankr. LEXIS 3265, at \*27 (considering “active competitive bidding” and the fact that “prospective buyers were acting independently and without collusion” as evidence to support a good faith finding under section 363(m)). The Transaction is the result of a marketing process designed to obtain the highest or otherwise best offer in respect of the Sellers’ assets, and is the product of extensive negotiations between the parties to the APA.

67. Accordingly, the Foreign Representative seeks a finding that the Purchaser is a good faith purchaser under section 363(m) of the Bankruptcy Code and has not violated section 363(n) of the Bankruptcy Code.

**E. The Court Should Authorize and Approve the Transaction “Free and Clear” under Section 363(f) of the Bankruptcy Code**

68. Bankruptcy Code Section 363(f) permits a debtor to sell property free and clear of another party’s interest in the property if: (1) applicable non-bankruptcy law permits such a free and clear sale; (2) the holder of the interest consents; (3) the interest is a lien and the sale price of the property exceeds the value of all liens on the property; (4) the interest is the subject of a bona fide dispute; or (5) the holder of the interest could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of its interest. *See* 11 U.S.C. § 363(f).

69. Section 363(f) is drafted in the disjunctive. Thus, satisfaction of any of the requirements enumerated therein will suffice to warrant the approval of the sale of the U.S. Assets free and clear of all interests (*i.e.*, all liens, claims, rights, interests, charges or encumbrances), except with respect to any interests that may be assumed or preserved under the APA. *See In re Kellstrom Indus., Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002) (“Section 363(f) is written in the disjunctive, not the conjunctive, and if any of the five conditions are met, the debtor has the authority to conduct the sale free and clear of all liens.”) (citing *In re Elliot*, 94 B.R. 343, 345 (E.D.

Pa. 1988)). Here, the Foreign Representative understands that the Lenders, which represent the Debtors' senior secured lenders, are consenting to the Transaction. Such consent satisfies section 363(f)(2).

70. Further, the Court's approval of the Transaction free and clear of all liens, claims, encumbrances, and other interests (other than those permitted under the APA) is consistent with the best interests of the Debtors and their creditors, as well as consistent with the AVO. Pursuing a sale other than one that is "free and clear" would yield substantially less value (if any) for the Debtors and their creditors, as the Purchaser has indicated it would not pursue such a sale other than through the structure approved in the AVO. Therefore, a sale free and clear of all liens, claims encumbrances and interests is in the best interests of the selling Debtors, their creditors, and other parties in interest.

### **III. The Court Should Approve the Assumption and Assignment of the Real Property Leases and Assumed Contracts that are U.S. Assets**

71. In the Canadian Proceeding, the AVO approves the assumption and assignment of Real Property Leases and Assumed Contracts (as defined in the APA), including those that are U.S. Assets (such Assumed Contracts and Real Property Leases, collectively, the "Assigned Contracts and Leases" and each an "Assigned Contract" or an "Assigned Lease"). In connection with this Court's recognition of the AVO, the Foreign Representative requests this Court recognize and approve the assumption and assignment to the Purchaser of Assigned Contracts and Leases pursuant to section 365 of the Bankruptcy Code. The list of Real Property Leases and the list of Assumed Contracts are attached to the AVO as Schedule B and Schedule C.

72. Section 365 of the Bankruptcy Code does not automatically apply in Chapter 15 cases upon their recognition. *See* 11 U.S.C. § 1520 (relief automatically applicable on recognition). Section 1521 of the Bankruptcy Code, however, provides in relevant part that "[u]pon recognition

of a foreign proceeding, whether main or non-main, where necessary to effectuate the purpose of [chapter 15] and to protect the assets of the debtor or the interests of the creditors, the court may, at the request of the foreign representative, grant any appropriate relief, including granting any . . . relief that may be available to a trustee, except for relief available under sections 522, 544, 545, 547, 548, 550, and 724(a) [of the Bankruptcy Code].” 11 U.S.C. § 1521(a)(7). Section 1507 of the Bankruptcy Code provides that “[s]ubject to specific limitations stated elsewhere in [chapter 15] the court, if recognition is granted, may provide additional assistance to a foreign representative under [chapter 15] or under other laws of the United States.” *Id.* § 1507(a).

73. The assumption and assignment of the Assigned Contracts and Leases as part of the Transaction is based on the Foreign Representative’s sound business judgment and is in the best interests of the Debtors and their creditors. The Sellers intend to sell substantially all of their assets in connection with the Transaction and will have no further use for the Assigned Contracts and Leases. Moreover, the Assigned Contracts and Leases are critical to the Sellers’ business operations and their assumption and assignment maximizes the value of the Debtors’ estate for the benefit of all stakeholders.

74. Further, all of the requirements of section 365 of the Bankruptcy Code are met. The Purchaser is assuming any liabilities with respect to the Assigned Contracts and Leases and counterparties to such Assigned Contracts and Assigned Leases have been given notice of the proposed assumption and assignment, including payment of Cure Costs as determined in the Canadian Proceeding.

#### **IV. The Court Should Recognize the Canadian Court’s Stay Extension Order**

75. In connection with their application for the AVO in the Canadian Proceeding, the Monitor has also requested that the Canadian Court issue the Stay Extension Order, extending the Stay Period through and including July 15, 2025. The Foreign Representative likewise requests

that this Court recognize the Stay Extension Order if and as issued by the Canadian Court. A copy of the Monitor's proposed Stay Extension Order is attached hereto as **Exhibit D**.<sup>6</sup>

76. The Stay Extension Order provides the Debtors the continued protection offered by the Stay Period as it takes final steps to close the Transaction without interruption and pursue the restructuring efforts with respect to the remaining assets of the Debtors. Recognition of the Canadian Court's Stay Extension Order by this Court would grant assistance to the Canadian Court in its efforts to pursue the Canadian Proceeding and ultimately facilitate an orderly close to the Debtors' Canadian Proceeding. Such recognition is consistent with the principles of comity and the underlying purpose of chapter 15.

#### **WAIVER OF RULE 6004(h)**

77. Bankruptcy Rule 6004(h) provides that an "order authorizing the use, sale or lease of property . . . is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." FED. R. BANKR. P. 6004(h). Any delay in completing the closing could jeopardize the Debtors' realization of the full benefits of the Transaction to the detriment of the Debtors and their stakeholders. Accordingly, the Foreign Representative respectfully requests that the Court waive the 14-day stay imposed by Bankruptcy Rule 6004(h).

#### **NOTICE**

78. The Foreign Representative will provide notice of this Motion to the Notice Parties as defined in the Notice Order. The Foreign Representative respectfully requests that, in light of the nature of the relief requested, no other or further notice of the Motion need be given.

#### **CONCLUSION**

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<sup>6</sup> To the extent the Canadian Court issues the Stay Extension Order in the Canadian Proceeding, the Foreign Representative will file a copy of the as-issued Stay Extension Order.

**WHEREFORE** the Foreign Representative respectfully requests that this Court enter the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as may be just and proper.

Dated: April 24, 2025  
Columbia, South Carolina

Respectfully Submitted,

/s/ Mary M. Caskey

**HAYNSWORTH SINKLER BOYD, P.A.**

Mary M. Caskey, District ID No. 10120  
Stanley H. McGuffin, District ID No. 2833  
1201 Main Street, 22<sup>nd</sup> Floor  
Columbia, SC 29201  
Telephone: (803) 779-3080  
Email: mcaskey@hsblawfirm.com  
smcguffin@hsblawfirm.com

-and-

**TROUTMAN PEPPER LOCKE LLP**

David M. Fournier (admitted *pro hac vice*)  
Evelyn J. Meltzer (admitted *pro hac vice*)  
Kenneth A. Listwak (admitted *pro hac vice*)  
Hercules Plaza  
1313 N. Market Street, Suite 1000  
Wilmington, DE 19801  
Telephone: (302) 777-6500  
Email: david.fournier@troutman.com  
evelyn.meltzer@troutman.com  
ken.listwak@troutman.com

*Counsel to the Foreign Representative*

**EXHIBIT A**

**Proposed Order**



**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF SOUTH CAROLINA**

In re:

Pelican International Inc., *et al.*,

Debtors in a Foreign Proceeding.<sup>1</sup>

Chapter 15

Case No. 25-01030

(Jointly Administered)

**ORDER (I) RECOGNIZING AND ENFORCING THE APPROVAL, VESTING AND  
ASSIGNMENT ORDER, (II) APPROVING THE SALE TRANSACTION FREE AND  
CLEAR OF LIENS, CLAIMS, AND ENCUMBRANCES, AND (III) GRANTING  
RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of FTI Consulting Canada Inc. (“FTI” or the “Foreign Representative”), in its capacity as the duly appointed foreign representative for the above-captioned debtors (collectively, the “Debtors”), for entry of an order (a) recognizing and enforcing the AVO, as issued by the Canadian Court, in the territorial jurisdiction of the United States; (b) approving the Transaction, including the sale of the Sellers’ U.S. Assets, to the Purchaser, free and clear free and clear of all liens, claims, encumbrances and other interests under section 363 of the Bankruptcy Code and in accordance with the APA; (c) granting related relief; and the Court finding that the relief granted herein is necessary and appropriate, is in the interest of the public, promotes international comity, is consistent with the public policies of the United States, is warranted pursuant to sections 105(a), 363, 365, 1501, 1507, 1520, 1521, 1525, and 1527 of the Bankruptcy

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<sup>1</sup> The Debtors in these chapter 15 proceedings, together with the last four digits of their employment identification number, are: Pelican International Inc. (“Pelican”) (6357); Pelican US Topco LLC (“US Topco”) (8910); and Confluence Outdoor Inc. (“Confluence”) (7554). The location of the Debtors’ headquarters is 21 avenue Peronne, Montréal, Québec, Canada, H3S 1X7. The address of the Foreign Representative is 1000 Sherbrooke West, Suite 915, Montréal, Québec, Canada, H3A 3G4.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Motion.

Code; and the Court having found that the interests of the Debtors' creditors in the United States are sufficiently protected; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY FOUND AND DETERMINED THAT:**

(a) This Court previously entered an order [Docket No. 62] (the "Recognition Order"), incorporated herein by reference, finding that the Debtors had satisfied the requirements of, among others, sections 101(23) and (24), 1502(4), 1504, 1515, 1517, 1520, and 1522 of the Bankruptcy Code, recognizing the Canadian Proceeding as a foreign main proceeding, recognizing and enforcing and giving full effect within the territorial jurisdiction of the United States the Amended and Restated Initial Order and the SISP Order entered by the Canadian Court in the Canadian proceeding.

(b) The Recognition Order shall continue in effect in all respects except to the extent this Order directly modifies or directly contradicts such Recognition Order, and provided, among other things, that the Foreign Representative remains entrusted with the administration or realization of all or part of the Debtors' assets within the territorial jurisdiction of the United States pursuant to section 1521(a)(5) of the Bankruptcy Code.

(c) On \_\_\_\_\_, 2025, the Canadian Court issued the AVO, approving, among other things, the Transaction pursuant to the APA.

(d) Based on the affidavits of service filed with this Court: (i) notice of the Motion, the Hearing, and the AVO were proper, timely, adequate, and sufficient under the circumstances of these chapter 15 cases and these proceedings and complied with the applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, and the local rules of this Court; and (ii) no other or further notice of the Motion, the Hearing, the AVO, or the entry of this Order is necessary or shall be required.

(e) This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a).

(f) The relief granted herein is necessary and appropriate, is in the public interest, promotes international comity, is consistent with the public policies of the United States, is warranted, as applicable, under sections 105(a), 363(b), (f), (m) and (n), 365, 1501, 1507, 1520, 1521, 1525, and 1527 of the Bankruptcy Code.

(g) Based on information contained in the Motion, the Franco Sale Declaration and the Franco Recognition Declaration, and the record made at the Hearing, if applicable, the SISP was conducted to solicit interest in the assets and business of the Debtors in accordance with the terms of the SISP Order, and such process was non-collusive, duly noticed, and provided a reasonable opportunity to prospective bidders to make an offer to purchase the assets and business of the selling Debtors, including the U.S. Assets. The Monitor has recommended and supported the Transaction pursuant to the APA, and it is appropriate that any Purchased Assets that also are U.S. Assets be sold subject to the terms and conditions set forth in the APA.

(h) The Foreign Representative's (on behalf of the Debtors) entry into and performance under the APA and related agreements: (i) constitute a sound and reasonable exercise of the Foreign Representative's business judgment; (ii) provide value and are beneficial to the Debtors, and are in the best interests of the Debtors, their estates, and their stakeholders; and (iii) are reasonable and appropriate under the circumstances. The consideration provided by the Purchaser for the Purchased Assets (including the U.S. Assets) under the APA constitutes fair consideration and reasonably equivalent value for such assets under the Bankruptcy Code and other laws of the United States, any state, territory, possession thereof, or the District of Columbia.

(i) The Purchaser is not, and shall not be deemed to be, a mere continuation, and is not holding itself out as a mere continuation, of any of the Debtors and there is no continuity between the Purchaser and the Debtors. The Transaction does not amount to a consolidation, merger, or *de facto* merger of the Purchaser and any of the Debtors.

(j) Time is of the essence in fully consummating the Transaction. To maximize the value of the Debtors' assets, it is essential that the Transaction occur and be recognized and enforced in the United States promptly. The Foreign Representative, on behalf of the Debtors, has demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the immediate approval and consummation of the Transaction as contemplated by the APA. Accordingly, there is cause to waive the stay that would otherwise be applicable under Bankruptcy Rules 6004(a) and 6004(h).

(k) Based upon information contained in the Motion, the Franco Sale Declaration, the other pleadings filed in these chapter 15 cases, and the record made at the Hearing, if applicable, the APA and each of the transactions contemplated therein were negotiated, proposed, and entered into by the Monitor (on behalf of the Sellers) and the Purchaser in good faith, without collusion, and from arm's-length bargaining positions. The Purchaser is a "good faith purchaser" within the meaning of section 363(m) of the Bankruptcy Code and, as such, is entitled to all the protections afforded thereby. Neither the Debtors, the Foreign Representative, the Monitor, nor the Purchaser have engaged in any conduct that would cause or permit the APA or the consummation of the Transaction to be avoided or costs and damages to be imposed under section 363(n) of the Bankruptcy Code.

(l) The APA was not entered into for the purpose of hindering, delaying, or defrauding any present or future creditors of the Debtors.

(m) The Debtors (or the Monitor on their behalf) may sell their assets, including the U.S. Assets, free and clear of all liens, claims (as defined in section 101(5) of the Bankruptcy Code), rights, liabilities, encumbrances and other interests of any kind or nature whatsoever against the Debtors, whether arising prior to or subsequent to the commencement of the Canadian Proceeding and these chapter 15 cases, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, legal, equitable, possessory or otherwise, actual or threatened civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, complaint, suit, investigation, dispute, petition or proceeding by or before any governmental authority or Person at law or in equity, whether imposed by agreement, understanding, law, equity or otherwise, and any claim or demand resulting therefrom, other than the Permitted Encumbrances and Assumed Liabilities (as each are defined in the APA), because with respect to each creditor asserting any liens, claims, encumbrances, and other interests, one or more of the standards set forth in section 363(f)(1)–(5) of the Bankruptcy Code has been satisfied. Each creditor that did not object to the Motion is deemed to have consented to the Transaction free and clear of all liens, claims, encumbrances, and other interests (other than the Permitted Encumbrances and Assumed Liabilities) pursuant to section 363(f)(2) of the Bankruptcy Code.

(n) The total consideration to be provided under the APA reflects the Purchaser's reliance on this Order to provide it, pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, with title to and possession of the Purchased Assets (including the U.S. Assets) free and clear of all liens, claims, encumbrances, and other interests, other than the Permitted Encumbrances and Assumed Liabilities.

(o) The Transaction will be a legal, valid, and effective sale of the Purchased Assets (including the U.S. Assets) and will vest the Purchaser with all rights, title, and interests of the

Debtors in and to the Purchased Assets (including the U.S. Assets), free and clear of all liens, claims, encumbrances, and other interests, other than the Permitted Encumbrances and Assumed Liabilities.

(p) The Debtors (or the Monitor on their behalf, as authorized pursuant to the Amended and Restated Initial Order): (i) have full power and authority to execute the APA and all other documents contemplated thereby; and (ii) have all the power and authority necessary to consummate the transactions contemplated by the APA and consistent therewith, subject to the terms therein.

(q) The APA is a valid and binding contract between the Debtors and the Purchaser and shall be enforceable pursuant to its terms. The APA, the Transaction, and the consummation thereof shall be specifically enforceable against and binding upon (without posting any bond) the Debtors in these chapter 15 cases and any trustee that may be appointed in any chapter 7 or chapter 11 successor cases, and shall not be subject to rejection or avoidance by the foregoing parties or any other person.

(r) The Purchaser would not have entered into the APA and would not fully consummate the purchase of the Purchased Assets (including the U.S. Assets) and the related transactions, thus adversely affecting the Debtors, their estates, and their creditors, and other parties in interest, if the Transaction was not free and clear of all liens, claims, encumbrances, and other interests (other than the Permitted Encumbrances and Assumed Liabilities), or if the Purchaser would, or in the future could, be liable on account of any such lien, claim, encumbrance, or any other interest, including, as applicable, certain liabilities related to the Purchased Assets (including the U.S. Assets) that will not be assumed by the Purchaser, as described in the APA.

(s) A sale of the Purchased Assets (including the U.S. Assets) other than free and clear of all liens, claims, encumbrances, and other interests (other than the Permitted Encumbrances and Assumed Liabilities) would yield less value than the Transaction pursuant to the APA; thus, the Transaction free and clear of all liens, claims, encumbrances, and other interests (other than the Permitted Encumbrances and Assumed Liabilities), in addition to all of the relief provided herein, is in the best interests of the Debtors, their creditors, and other parties in interest.

(t) All requirements of section 365 of the Bankruptcy Code for the assumption and assignment to the Purchaser of all Assigned Contracts and Leases have been satisfied.

(u) The interests of the Debtors' creditors in the United States are sufficiently protected. The relief granted herein is necessary and appropriate, in the interests of the public and international comity, consistent with the public policies of the United States, and warranted pursuant to sections 1521(b) and 1522 of the Bankruptcy Code.

(v) The legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein.

(w) Any and all findings of fact and conclusions of law announced by this Court at the Hearing are incorporated herein.

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted in its entirety, and all objections, if any, to the Motion or the relief requested therein that have not been withdrawn, waived, or settled by stipulation filed with this Court, and all reservations of rights included therein, are hereby overruled on the merits.

2. The AVO, as filed at Docket No. \_\_\_, and all of its respective terms, including any immaterial or administrative amendments thereto, including those necessary to give effect to the

substance of such order, either pursuant to the terms therein or as approved by the Canadian Court, are fully recognized and given full force and effect in the territorial jurisdiction of United States.

3. The APA and the Transaction, including, for the avoidance of doubt, the sale of the Purchased Assets (including the U.S. Assets) and the transfer of the Purchased Assets (including the U.S. Assets), on the terms set forth in the (i) APA, (ii) the AVO, including all transactions contemplated thereunder, (iii) this Order, including all transactions contemplated hereunder, and (iv) all of the terms and conditions of each of the foregoing (i) through (iii) are hereby approved and authorized pursuant to sections 105, 363, 1501, 1520, 1521, 1525, and 1527 of the Bankruptcy Code. The failure specifically to include any particular provision of the APA in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the APA and the Transaction be authorized and approved in its entirety.

4. Pursuant to sections 105, 363, 1501, 1520, 1521, 1525, and 1527 of the Bankruptcy Code, the AVO, and this Order, the Debtors, the Purchaser, and the Monitor (as well as their respective officers, employees, and agents) are authorized to take any and all actions necessary or appropriate to: (a) consummate the Transaction in accordance with the APA, the AVO, and this Order; and (b) perform, consummate, implement, and close fully the Transaction, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the APA and the Transaction and to take such additional steps and all further actions as may be necessary or appropriate to the performance of the obligations contemplated by the APA, all without further order of the Court, and are hereby authorized and empowered to cause to be executed and filed such statements, instruments, releases, and other documents on behalf of such person with respect to the Purchased Assets (including the U.S. Assets) that are necessary or appropriate to effectuate the Transaction, any related agreements, the AVO, and this Order,



including amended and restated certificates or articles of incorporation and by-laws or certificates or articles of amendment, and all such other actions, filings, or recordings as may be required under appropriate provisions of the applicable laws of all applicable governmental units or as any of the officers of the Debtors or the Purchaser may determine are necessary or appropriate, and are hereby authorized and empowered to cause to be filed, registered, or otherwise recorded a certified copy of the AVO, this Order or the APA, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all liens, claims, encumbrances, and other interests against the Purchased Assets (including the U.S. Assets). The AVO and this Order are deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, or local government agency, department, or office.

5. All Persons (as defined in section 101(41) of the Bankruptcy Code) that are currently in possession of some or all of the U.S. Assets or that are otherwise subject to the jurisdiction of this Court are hereby directed to surrender possession of such U.S. Assets to the Purchaser on the Closing Date.

6. Notwithstanding anything to the contrary in this Order, the AVO, or any other document, this Court shall retain exclusive jurisdiction to hear and determine all disputes which are in any forum or court within the territorial United States involving the existence, nature, scope, or enforcement of any releases granted in the AVO or recognized by this Order.

7. The AVO is expressly recognized by this Court and given full force and effect in the United States.

8. Notwithstanding anything to the contrary in this Order, the AVO, or any other document, this Court shall retain exclusive jurisdiction to hear and determine all disputes which are in any forum or court within the territorial United States involving the existence, nature, scope,

or enforcement of any exculpations, discharges, injunctions, and releases granted in the AVO or recognized by this Order.

**Sale Free and Clear**

9. Pursuant to sections 105(a), 363, 365, 1501, 1507, 1520, 1521, 1525, and 1527 of the Bankruptcy Code, on the Closing Date, all rights, title, and interests of the Debtors in the Purchased Assets (including the U.S. Assets) shall be transferred and absolutely vest in the Purchaser, without further instrument of transfer or assignment, and such transfer shall: (a) be a legal, valid, binding, and effective transfer of the Purchased Assets (including the U.S. Assets) to the Purchaser; (b) vest the Purchaser with all rights, title, and interests of the Debtors in the Purchased Assets (including the U.S. Assets), and (c) be free and clear of all liens, claims, encumbrances, and other interests (other than the Permitted Encumbrances and Assumed Liabilities).

10. Pursuant to sections 105(a), 363(f), 1501, 1507, 1520, 1521, 1525 and 1527 of the Bankruptcy Code, upon the closing of the Transaction and except with respect to solely Permitted Encumbrances and Assumed Liabilities: (a) no holder of a lien, claim, encumbrance, or other interest shall interfere, and each and every holder of a lien, claim, encumbrance, or other interest is enjoined from interfering, with the Purchaser's rights and title to or use and enjoyment of the Purchased Assets (including the U.S. Assets); and (b) the Transaction, the APA, and any instruments contemplated thereby shall be enforceable against and binding upon, and not subject to rejection or avoidance by, the Debtors or any successor thereof. All Persons holding a lien, claim, encumbrance, or other interest (other than the Permitted Encumbrances and Assumed Liabilities) are forever barred and enjoined from asserting such lien, claim, encumbrance, or other interest (other than the Permitted Encumbrances and Assumed Liabilities) against the Purchased

Assets (including the U.S. Assets), the Purchaser or its affiliates and their respective officers, directors, employees, managers, partners, members, financial advisors, attorneys, agents, and representatives, and their respective affiliates, successors, and assigns from and after closing of the Transaction.

11. Each and every federal, state, and local governmental agency or department is authorized and directed to accept (and not impose any fee, charge, or tax in connection therewith) any and all documents and instruments necessary or appropriate to consummate the Transaction to the Purchaser and the Transaction generally. Effective as of the Closing Date, the AVO and this Order shall constitute for any and all purposes a full and complete conveyance and transfer of the Debtors' interests in the Purchased Assets (including the U.S. Assets) to the Purchaser free and clear of all liens, claims, encumbrances, and other interests (other than the Permitted Encumbrances and Assumed Liabilities, as set forth in the AVO.

12. This Order (a) shall be effective as a determination that, as of the Closing Date, all liens, claims, encumbrances, and other interests, other than the Permitted Encumbrances and Assumed Liabilities, have been unconditionally released, discharged, and terminated as to the Purchaser and the Purchased Assets (including the U.S. Assets), and that the conveyances and transfers described herein have been effected, and (b) is and shall be binding upon and govern the acts of all persons, including all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal and local officials, and all other persons who may be required by operation of law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease. Each of the foregoing persons is hereby directed

to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the APA and effect the discharge of all liens, claims, encumbrances, and other interests (other than the Permitted Encumbrances and Assumed Liabilities) pursuant to this Order and the AVO and not impose any fee, charge, or tax in connection therewith.

13. The Purchaser is not and shall not be deemed to: (a) be a legal successor, or otherwise be deemed a successor, to any of the Debtors; (b) have, de facto or otherwise, merged with or into any or all Debtors; or (c) be a mere continuation or substantial continuation of any or all Debtors or the enterprise or operations of any or all Debtors.

14. The Transaction, including the purchase of the Purchased Assets (including the U.S. Assets), is undertaken by the Purchaser in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorizations provided herein shall neither affect the validity of the Transaction nor the transfer of the Purchased Assets (including the U.S. Assets) to the Purchaser free and clear of all liens, claims, encumbrances, and other interests (other than Permitted Encumbrances and Assumed Liabilities), unless such authorization is duly stayed before the closing of the Transaction pending such appeal.

15. Neither the Debtors nor the Purchaser have engaged in any conduct that would cause or permit the APA to be avoided or costs and damages to be imposed under section 363(n) of the Bankruptcy Code.

16. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004(a) and the local rules of this Court are satisfied by such notice.

17. The terms and provisions of the APA, the AVO, and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, the Purchaser, the Monitor, the Debtors' creditors, and all other parties in interest, and any successors of the Debtors, the Purchaser, the Monitor, and the Debtors' creditors, including any foreign representative(s) of the Debtors, trustee(s), examiner(s), or receiver(s) appointed in any proceeding, including, without limitation, any proceeding under any chapter of the Bankruptcy Code, the CCAA, or any other law, and all such terms and provisions shall likewise be binding on such foreign representative(s), trustee(s), examiner(s), or receiver(s) and shall not be subject to rejection or avoidance by the Debtors, their creditors, or any trustee(s), examiner(s), or receiver(s).

18. Subject to the terms and conditions of the AVO, the APA, and any related agreements, documents, or other instruments, may be modified, amended, or supplemented by the parties thereto, in a writing signed by each party, and in accordance with the terms thereof, without further order of this Court; provided that any such modification, amendment, or supplement does not materially change the terms of the Transaction, the APA, or any related agreements, documents, or other instruments and is otherwise in accordance with the terms of the AVO.

19. The provisions of this Order and the APA are non-severable and mutually dependent. To the extent that there are any inconsistencies between the terms of this Order and the AVO, on the one hand, and the APA, on the other, this Order and the AVO shall govern.

20. Nothing in this Order shall be deemed to waive, release, extinguish, or estop the Debtors or the Monitor from asserting, or otherwise impair or diminish, any right (including, without limitation, any right of recoupment), claim, cause of action, defense, offset, or counterclaim in respect of any asset or interest apart from the Purchased Assets (including the U.S. Assets).

21. All Persons subject to the jurisdiction of the United States are permanently enjoined and restrained from taking any actions inconsistent with, or interfering with, the enforcement and implementation of the AVO or any documents incorporated by the foregoing,

22. Pursuant to sections 105(a), 363, 365, and 1521, of the Bankruptcy Code, and subject to the occurrence of the Closing, and in recognition and enforcement of the AVO, the Debtors' assumption of the Assigned Contracts and Leases and their assignment and transfer to the Purchaser free and clear of all liens, claims, encumbrances, or other interests is hereby authorized and approved, subject to the terms of this Order.

23. As of the Closing Date, other than the payment or reservation referred to in the preceding paragraph, neither the Debtors nor the Purchaser shall have any liabilities or obligations to the non-Debtor counterparties to the Assigned Contracts and Leases, and the non-Debtor counterparties to the Assigned Contracts and Leases shall be forever barred and estopped from seeking any additional amounts from, or asserting claims against, the Debtors, their estates, the Purchaser, or their respective properties (including the Purchased Assets) that arose, accrued, or were incurred at any time on or prior to the Closing Date.

24. To the extent that any provision in any Assigned Contract or Assigned Lease (including, without limitation, any "change of control" provision) (a) prohibits, restricts, or conditions (or purports to prohibit, restrict, or condition) such assumption and/or assignment or (b) is modified, breached, or terminated (or deemed modified, breached, or terminated) by (i) the commencement of these chapter 15 cases, (ii) the Debtors' insolvency or financial condition, (iii) the Debtors' assumption and/or assignment of such Assigned Contract or Assigned Lease, or (iv) the consummation of the Transaction, including, without limitation, any provision that purports to allow the non-Debtor counterparty to terminate or modify such Assigned Contract or Assigned

Lease, impose any penalty thereunder, condition any renewal or extension thereof, impose any rent acceleration or assignment fee, or increase or otherwise impose any other fees or other charges in connection therewith, such provision shall constitute an unenforceable anti-assignment provision that is void ab initio and of no force and effect with respect to the Transaction.

25. Upon the Closing Date, in accordance with section 365 of the Bankruptcy Code, the Purchaser shall be fully and irrevocably vested with all of the Debtors' right, title, and interest in and under the Assigned Contracts and Leases free and clear of any all liens, claims, encumbrances, or other interests, and each Assigned Contract and Assigned Lease shall be fully enforceable by the Purchaser in accordance with its terms and conditions. Upon and as of the Closing Date, the Purchaser shall be deemed to be substituted for the applicable Debtor counterparty to each Assigned Contract and Assigned Lease and, accordingly, the Debtors shall be relieved, pursuant to section 365(k) of the Bankruptcy Code, from any further liability under the Assigned Contracts and Leases. The Purchaser shall have no liability arising or accruing under the Assigned Contracts and Lease on or prior to the Closing Date except as otherwise expressly provided in the APA or this Order.

26. The Purchaser shall be deemed to have provided adequate assurance of future performance under each Assigned Contract and Assigned Lease within the meaning of sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code to the extent that any such assurance is required and not waived by the non-Debtor counterparty. The non-Debtor counterparties to the Assigned Contracts and Leases are barred from challenging, objecting to, or denying the validity and finality of the adequate assurance of future performance by the Purchaser.

27. Except as expressly otherwise provided in this Order, as of the Closing Date, the Purchaser shall enjoy all of the Debtors' rights, benefits, and privileges under each Assigned

Contracts and Leases without the necessity to obtain any person's or entity's consent to the assumption or assignment thereof.

28. Nothing in this Order, the Motion, or in any notice or any other document is or shall be deemed an admission by the Foreign Representative that any Assigned Contract is an executory contract or unexpired lease within contemplation of section 365 of the Bankruptcy Code.

29. The Stay Extension Order, as filed at Docket No. \_\_\_, and all of its respective terms, including any immaterial or administrative amendments thereto, including those necessary to give effect to the substance of such order, either pursuant to the terms therein or as approved by the Canadian Court, are fully recognized and given full force and effect in the territorial jurisdiction of United States.

30. The Foreign Representative is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion, the AVO, and the APA.

31. Notwithstanding any provisions in the Bankruptcy Rules to the contrary, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

32. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

33. This Order shall constitute a final order within the meaning of 28 U.S.C. § 158(a).



**EXHIBIT B**

**Proposed AVO**

**SUPERIOR COURT  
(Commercial Division)**

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

No.: 500-11-065405-256

DATE: April 28, 2025

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**PRESIDING: THE HONOURABLE ANDRES C. GARIN, J.S.C.**

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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC  
1985, C C-36 OF:**

**PELICAN INTERNATIONAL INC.**

-and-

**PELICAN US TOPCO LLC**

-and-

**CONFLUENCE OUTDOOR INC.**  
Debtors

-and-

**FTI CONSULTING CANADA INC.**  
Monitor/Applicant

-and-

**9539-5893 QUÉBEC INC**  
Impleaded Party (Purchaser)

-and-

**GROUPE MACH ACQUISITION INC.**  
Guarantor

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**APPROVAL, VESTING AND ASSIGNMENT ORDER**

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- [1] **ON READING** the *Application for the Issuance of an Approval, Vesting and Assignment Order and Ancillary Relief* (the “**Application**”) filed by FTI Consulting Canada Inc. (the “**Monitor**”), the affidavit and the exhibits filed in support of the Application, as well as the Third Report of the Monitor in support thereof (the “**Report**”);
- [2] **CONSIDERING** the service of the Application;
- [3] **CONSIDERING** the relevant provisions of the *Companies’ Creditors Arrangement Act*, RSC, 1985, c C-36, as amended (the “**CCAA**”);
- [4] **CONSIDERING** the Report, the testimony of the representative of the Monitor, and the submissions of the lawyers present;
- [5] **CONSIDERING** that it is appropriate to issue an order approving the transaction (the “**Transaction**”) contemplated by the agreement entitled *Asset Purchase Agreement* dated April 22, 2025 (the “**APA**”) between Pelican International Inc. and Confluence Outdoor Inc. (collectively, the “**Sellers**” and, together with Pelican Us Topco LLC, the “**Debtors**”), as vendors, and 9539-5893 Québec Inc (the “**Purchaser**”), as purchaser, with Groupe Mach Acquisition Inc. being the guarantor of the Purchaser, for the sale of the Purchased Assets (as defined and described in the APA), a redacted copy of which was filed as **Exhibit P-2A** and a public copy of which was filed as **Exhibit P-2B** in support of the Application, and vesting in the Purchaser the Purchased Assets;
- [6] **CONSIDERING** the Initial Order issued by this Court on March 19, 2025 (the “**FDIO**”);
- [7] **CONSIDERING** that the FDIO was amended and restated on March 28, 2025, pursuant to an Amended and Restated Initial Order (the “**ARIO**”);

**WHEREFORE THE COURT:**

- [8] **GRANTS** the Application.

**DEFINITIONS**

- [9] **DECLARES** that unless otherwise defined, all capitalized terms in this Order shall have the meaning ascribed thereto in the APA.

### **SERVICE**

- [10] **ORDERS** that any prior delay for the presentation of this Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.
- [11] **PERMITS** service of this Order at any time and place and by any means whatsoever.

### **TRANSACTION APPROVAL**

- [12] **AUTHORIZES** and **APPROVES** the Transaction, the entering into and execution by the FTI Consulting Canada Inc. (Martin Franco, CPA, CIRP, LIT), in its capacity as Court-appointed Monitor and not in its personal or corporate capacity, for and on behalf of the Sellers, which is hereby authorized, ratified and approved, *nunc pro tunc*, of the APA and any ancillary documents, with such minor alterations, changes, amendments, deletions or additions thereto as may be agreed to by Sellers and Purchaser with the consent of the Monitor and the Lenders.

### **EXECUTION OF DOCUMENTATION**

- [13] **AUTHORIZES** the Sellers and the Monitor (in such case, in its capacity as Monitor or for and on behalf of the Sellers) to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in the APA and to take such additional steps and execute or deliver any other ancillary document which could be required or useful to give full and complete effect thereto, including the Transaction.

### **AUTHORIZATION**

- [14] **ORDERS** and **DECLARES** that this Order shall constitute the only authorization required by the Sellers to proceed with the Transaction and that no shareholder, manager, member, partner, director or similar or regulatory approval, if applicable, shall be required in connection therewith.

### **VESTING OF PURCHASED ASSETS**

- [15] **ORDERS** and **DECLARES** that upon the issuance of the Monitor's certificate substantially in the form appended as **Schedule "A"** hereto (the "**Certificate**", and the date of issuance thereof, the "**Effective Date**"), all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear of and from any and all claims, liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, mortgages, pledges, deemed trusts, assignments, judgments,

executions, writs of seizure or execution, notices of sale, options, adverse claims, levies, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, taxes or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”), including, without limiting the generality of the foregoing, all encumbrances created by order of this Court, all charges or security evidenced by registration, publication or filing pursuant to the *Civil Code of Québec*, or any other applicable legislation providing for a security interest in personal or movable property (all of which are collectively referred to as the “**Encumbrances**”).

- [16] For greater certainty, **ORDERS** that the relevant Encumbrances be reduced such that any Encumbrances affecting or relating to the Purchased Assets be cancelled as against the Purchased Assets only, in each case effective as of the applicable time and date of the Certificate.
- [17] **ORDERS** and **DIRECTS** the Monitor to issue the Certificate immediately upon the occurrence of “**Closing**” (as defined in the APA) and to file with the Court a copy of the Certificate, forthwith after issuance thereof.
- [18] **ORDERS** that for the purposes of determining the nature and priority of Claims and Encumbrances, the net proceeds from the sale of the Purchased Assets (“**Net Proceeds**”), shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Certificate all Claims and Encumbrances, other than the Assumed Liabilities and Permitted Encumbrances, shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the Person having that possession or control immediately prior to the sale.

#### **DISTRIBUTION**

- [19] **ORDERS** that the Net Proceeds shall be remitted to the Monitor and shall be distributed in accordance with this Order, the ARIO, and any future order of the Court.
- [20] **AUTHORIZES** and **ORDERS** the Monitor, on or following the Effective Date, to make distributions from the Net Proceeds (the “**Distributions**”) to pay, on behalf of the Sellers, the amounts that may be owed under the CCAA Charges (as defined in the ARIO), including in particular any amount owing and secured under the KERP Charge and the Interim Lender Charge (as such terms are defined in the ARIO).
- [21] **ORDERS** and **DECLARES** that the payment of the Distributions in accordance with this Order is hereby authorized and approved and that this Order shall

constitute the only authorization or approval required by the Monitor to proceed with the Distributions in accordance with this Order or otherwise.

- [22] **ORDERS** that any portion of the Net Proceeds which does not form part of the Distributions, in accordance with this Order, shall, subject to paragraphs 3.1(b) and 3.3(c) of the APA, be held by the Monitor to be used, *inter alia*, to fund the continued administration of these CCAA Proceedings and the U.S. Proceedings, including the ongoing sale and investment solicitation process in respect of GSI Outdoors LLC (including, for clarity, Pelican US Topco LLC's equity interest in GSI Outdoors LLC), until further Order of this Court.
- [23] **ORDERS** that the Monitor shall not incur any liability in respect of any Distributions made by it and the Monitor is hereby forever released, remised and discharged from any claims against it at law, arising in respect of or as a result of Distributions made by it in accordance with this Order and any Claims of this nature are hereby forever barred.

#### **ASSIGNMENT OF CONTRACTS AND LEASES**

- [24] **ORDERS** and **DECLARES** that upon the issuance of the Certificate, the rights and obligations of the Debtors under the agreements listed in **Schedule "B"** hereto, as they may have been amended or restated from time to time (collectively, the "**Assumed Contracts**" and each individually, an "**Assumed Contract**"), as well as the rights and obligations of the Debtors under the leases listed in **Schedule "C"** hereto (collectively, the "**Assigned Leases**" and each individually, an "**Assigned Lease**"), are automatically and irrevocably assigned to the Purchaser, free and clear of all Claims and Encumbrances, subject to the payment of all amounts required to be paid in respect of the respective Assumed Contract or Assigned Lease pursuant to section 11.3(4) of the CCAA (collectively, the "**Cure Costs**"), which excludes amounts arising by reason only of (i) the insolvency of the Debtors, (ii) the commencement of proceedings under the CCAA, or (iii) the failure to perform any non-monetary obligation (each, a "**Specified Matter**"). Failing the Purchaser's payment of the Cure Costs with respect to any Assumed Contract or Assigned Lease, such Assumed Contract or Assigned Lease will not be assigned to/purchased by the Purchaser, unless otherwise agreed in writing between the Purchaser and the relevant contractual counterparty.
- [25] **ORDERS** that Cure Costs in relation to an Assumed Contract and indicated in **Schedule "B"** hereto and Cure Costs in relation to an Assigned Lease and indicated in **Schedule "C"** shall be paid by the Purchaser no later than ten (10) days following issuance of the Monitor's Certificate failing which, such Assumed Contract or Assigned Lease is not assigned to the Purchaser hereunder.
- [26] **ORDERS** and **DECLARES** that subject to paragraphs [24] and [25] nothing in this Order shall affect the rights and remedies of a Landlord against the Purchaser that may arise under or in respect of an Assigned Lease.

- [27] **ORDERS** that nothing in this Order shall amend or vary, or be deemed to amend or vary, the terms of an Assigned Lease.
- [28] **DECLARES** that the Purchaser shall be entitled to notify the Monitor in writing, no later than thirty (30) days following the Closing Time, that it seeks the post-Closing assignment to the Purchaser of the rights, benefits, obligations and interests of any of the Sellers under one or more contracts or agreements to which one or more of the Sellers are party to and which do not form part of the Assumed Contracts (the “**Proposed Post-Closing Assignment(s)**”, and each such agreement a “**Proposed Post-Closing Assigned/Assumed Contract(s)**”) **AND FURTHER DECLARES** that until the expiry of such thirty (30) day period, Sellers shall not assign, disclaim or otherwise cancel any such contracts or agreements, it being understood that the Sellers can send notices of conditional disclaimer or resiliation to the counterparties to such contracts or agreements providing that such contracts or agreements will be disclaimed or resiliated effective 30 days after Closing Date unless they become Post-Closing Assigned/Assumed Contracts as provided herein.
- [29] **ORDERS** the Monitor, within five (5) days of the receipt from the Purchaser of a notice of a Proposed Post-Closing Assignment, to review such proposed assignment, and:
- (a) If the Monitor approves the Proposed Post-Closing Assignment, to send one or more notices of the Proposed Post-Closing Assignment to the parties to the Proposed Post-Closing Assigned/Assumed Contracts substantially in the form of the draft notice of assignment attached hereto as **Schedule “D”** (the “**Notice of Assignment**”); or
  - (b) If the Monitor does not approve the Proposed Post-Closing Assignment, to inform the Purchaser in writing of its decision (the “**Monitor’s Notice**”).
- [30] **DECLARES** that:
- (a) if a party to a Proposed Post-Closing Assigned/Assumed Contract has notified the Monitor of its opposition to the Proposed Post-Closing Assignment within fifteen (15) days of the receipt of the Notice of Assignment; or
  - (b) if the Monitor has issued the Monitor’s Notice, the Monitor or the Purchaser shall be entitled to apply to this Court to seek the assignment of such Proposed Post-Closing Assignment Contract.
- [31] **ORDERS** that, if no party to a Proposed Post-Closing Assigned/Assumed Contract has notified the Monitor of an opposition to the Proposed Post-Closing Assignment within fifteen (15) days of the receipt of the Notice of Assignment, the Monitor shall issue forthwith and file with the Court a certificate substantially

in the form appended as **Schedule “E”** hereto (a “**Post-Closing Assignment Certificate**”).

- [32] **ORDERS** and **DECLARES** that upon the issuance of a Post-Closing Assignment Certificate by the Monitor, the rights, benefits, obligations and interests of the Sellers under the Proposed Post-Closing Assigned/Assumed Contract referenced in such Post-Closing Assignment Certificate (the “**Post-Closing Assigned/Assumed Contract(s)**”) shall be automatically and irrevocably assigned to the Purchaser free and clear of all Claims and Encumbrances, without any further consents or approvals of this Court, subject to paragraph [32] hereof.
- [33] **ORDERS** the Monitor to issue a certificate substantially in the form appended as **Schedule “F”** hereto (the “**Post-Closing Certificate**”) on the earlier of:
- (a) the date on which the Monitor is advised in writing by the Purchaser that no further Proposed Post-Closing Assignments are required;
  - (b) the 31st day following Closing Time, unless on that day any application referred to at paragraph [28] has not been finally determined; or
  - (c) on the first day on which all applications referred to at paragraph [28] shall have been withdrawn or finally determined, if on the 31st day following Closing Time any such application had not been finally determined.
- [34] **ORDERS** that all monetary defaults of the Sellers in relation to any Post-Closing Assigned/Assumed Contract (other than those arising by reason only of the insolvency of the Debtors, the commencement of proceedings under the CCAA or the failure to perform non-monetary obligations) shall be remedied on or before thirty (30) days following the date of the applicable Post-Closing Assignment Certificate, or as the Purchaser and the relevant counterparty may agree in writing, failing which such Post-Closing Assigned/Assumed Contract will not be assigned to the Purchaser.
- [35] **DECLARES** that subject to the Purchaser’s obligations relating to the monetary defaults set forth in paragraph [32], the counterparties to any Post-Closing Assigned/Assumed Contract have no right to claim or effect compensation or set-off between:
- (a) the amounts that are currently owing or which may become owing by such counterparties to the Purchaser in connection with the Post-Closing Assigned/Assumed Contract, as and from the effective date of the assignment; and
  - (b) any amounts owed, or allegedly owed, by the Sellers to such counterparties, whether related or not to the Post-Closing Assigned/Assumed Contract.



- [36] **ORDERS** that any anti-assignment, consent-to-assignment or any other provisions restricting or affecting the assignment by either Seller in any of the Assumed Contracts or any of the Post-Closing Assigned/Assumed Contracts shall not restrict, limit, impair, prohibit or otherwise affect the assignment of any Assumed Contracts or of any Post-Closing Assigned/Assumed Contracts provided by this Order, and the counterparties to the Assumed Contracts or any Post-Closing Assigned/Assumed Contracts are forever prohibited from exercising any right or remedy under such Assumed Contract or Post-Closing Assigned/Assumed Contract, and shall be forever barred from taking any action (including, without limitation, any right of set off against the Purchaser) solely by reason of, any Specified Matter or the assignment of the Assumed Contract or the Post-Closing Assigned/Assumed Contract under s. 11.3 of the CCAA and this Order, and any default under any such Assumed Contract or Post-Closing Assigned/Assumed Contract arising therefrom is deemed to have been waived.
- [37] **ORDERS** that the Assumed Contracts and the Post-Closing Assigned/Assumed Contracts shall be valid and binding and in full force and effect and enforceable by the Purchaser in accordance with their terms for the benefit of the Purchaser.
- [38] **ORDERS** and **DIRECTS** the Monitor to notify a copy of this Order to each of the counterparties to the Assumed Contracts and the Post-Closing Assigned/Assumed Contracts, if any.
- [39] **AUTHORIZES** the Debtors, the Purchaser and the Monitor to perform all acts, sign all documents and take any other action that could be required or useful to give full effect to the assignment of the Assumed Contracts to the Purchaser in accordance with this Order.

#### **CANCELLATION OF SECURITY REGISTRATIONS**

- [40] **ORDERS** that upon issuance of the Certificate, Monitor and the Purchaser shall be authorized to take all such steps as may be necessary to effect the reduction of the Encumbrances such that any Encumbrances registered against the Purchased Assets only be cancelled, including filing of voluntary reductions in the *Québec Personal and Movable Real Rights Registrar* or any other personal property registry, as may be necessary, from any registration filed against the Sellers in the *Québec Personal and Movable Real Rights Registrar* or any other personal property registry, provided that the Monitor shall not be authorized to effect any discharge that would have the effect of releasing any collateral other than the Purchased Assets, and the Monitor shall be authorized to take any further steps by way of further application to this Court.

#### **PROTECTION OF PERSONAL INFORMATION**

- [41] **ORDERS** that, pursuant to subsection 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5 or any similar provision

of any applicable provincial legislation (collectively, the “**Applicable Privacy Laws**”), the Sellers and the Monitor (in such case, in its capacity as Monitor or for and on behalf of the Sellers) are authorized and permitted to disclose and transfer to the Purchaser the personal information in the custody or control of the Sellers as set out in the APA (the “**Disclosed Personal Information**”). The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Sellers and in accordance with applicable law.

[42] **ORDERS** that the Purchaser shall:

- (a) maintain and protect the Disclosed Personal Information with security safeguards appropriate to the Disclosed Personal Information and as may otherwise be required by Applicable Privacy Laws;
- (b) use and disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was collected by the Sellers and as may otherwise be permitted by Applicable Privacy Laws; and
- (c) give effect to any withdrawals of consent of the individuals to whom the Disclosed Personal Information relates.

#### **VALIDITY OF THE TRANSACTION**

[43] **ORDERS** that notwithstanding:

- (a) the pendency of these proceedings;
- (b) any petition for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (“**BIA**”) and any order issued pursuant to any such petition; or
- (c) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets contemplated in this Order, as well as the execution of the APA authorized by this Order, and the payments, distributions and disbursements made pursuant to or in connection with this Order are to be binding on any Trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Debtors, the Purchaser or the Monitor.

#### **RELEASES**

- [44] **DECLARES** that effective upon the filing of the Certificate: (i) the Sellers, (ii) the present and former directors and officers of the Sellers; (iii) their respective legal counsel and advisors; (iv) the Purchaser, its directors and officers, and the legal counsel and advisors of the Purchaser; and (v) the Monitor and its legal counsel (the persons listed in (i), and (ii), (iii), (iv), and (v) being collectively, the “**Released Parties**”) shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including, without limitations, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the issuance of the Certificate and relating to the Transaction and any statutory obligations and liabilities relating to employees, payroll or tax under any Canadian law (collectively, the “**Released Claims**”), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, provided, for more clarity, that nothing in this paragraph shall waive, discharge, release, cancel or bar (i) any claim against any of the Released Parties for fraud, gross negligence, or willful misconduct, (ii) any claims against the directors and officers of each of the Debtors that is not permitted to be released pursuant to section 5.1(2) of the CCAA, and (iii) any present and future claims regarding the business relation, prior to the filing of this CCAA Proceedings, between the Debtors, the Agent and the Lenders, including regarding any representation or undertaking made in the context of the granting of any financing and regarding the granting of any security in favour of the Lenders by the Debtors and GSI Outdoors LLC.

#### **THE MONITOR**

- [45] **DECLARES** that nothing herein contained shall require the Monitor to occupy or to take control, or to otherwise manage all or any part of the Purchased Assets. The Monitor shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the CCAA.
- [46] **ORDERS** and **DECLARES** that no provision of this Order is intended to appoint the Monitor as an officer, director or employee of any of the Debtors, de facto or otherwise, or to create a fiduciary duty to any party, including any creditor or shareholder of the Debtors. Additionally, nothing in this Order shall constitute or be deemed to constitute the Monitor as a receiver, assignee, liquidator, or

receiver and manager of any of the Debtors and any distribution made to the creditors of the Debtors will be deemed to have been made by the Debtors.

- [47] **DECLARES** that no action or other proceeding lies against the Monitor by reason of this Order or the performance of any act authorized hereunder, except with leave of the Court. The entities related to the Monitor or belonging to the same group as the Monitor shall benefit from the protection arising under the present paragraph and paragraph [30] of this Order.

### **SEALING**

- [48] **ORDERS** that the complete copy of the APA, Exhibit P-2B, and appendix [●] to the Report shall be filed under seal and kept confidential until further order of this Court.

### **GENERAL**

- [49] **ORDERS** that the Sellers, the Monitor or the Purchaser, as the case may be, shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.
- [50] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.
- [51] **DECLARES** that the Monitor may, from time to time, apply to this Court for directions concerning the exercise of its respective powers, duties and rights hereunder or in respect of the proper execution of this Order on notice only to the Purchaser.
- [52] **DECLARES** that the Monitor shall be entitled to seek leave to vary this Order upon such terms and such notice as this Court deems just.
- [53] **REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body in any Province of Canada and any Canadian federal court or in the United States of America, and any court or administrative body elsewhere, to give effect to this Order, and to assist the Monitor and its respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor as may be necessary or desirable to give effect to this Order in any foreign proceeding, to assist the Monitor and its respective agents in carrying out this Order.
- [54] **DECLARES** that the Monitor, as foreign representative, for and on behalf of the Debtors, shall be authorized to apply, before the United States Bankruptcy Court for the District of South Carolina, for an order recognizing this Order and any further relief that may be required in respect of the Debtors under Chapter 15 of the United States Bankruptcy Code.

[55] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

**THE WHOLE WITHOUT LEGAL COSTS.**

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ANDRES C. GARIN, J.S.C.

MTRE SANDRA ABITAN  
MTRE ILIA KRAVTSOV  
MTRE SOPHIE COURVILLE-LE BOUYONNEC  
(OSLER, HOSKIN & HARCOURT LLP)  
Attorneys for the Monitor

Hearing date: April 28, 2025

**SCHEDULE "A"**  
**CERTIFICATE OF THE MONITOR**

**CANADA**

**PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT**  
Commercial Division

**No.: 500-11-065405-256**

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**IN THE MATTER OF THE COMPROMISE  
OR ARRANGEMENT OF:**

**PELICAN INTERNATIONAL INC.**

-and-

**PELICAN US TOPCO LLC**

-and-

**CONFLUENCE OUTDOOR INC.**

Debtors

-and-

**FTI CONSULTING CANADA INC.**

Monitor

**CERTIFICATE OF THE MONITOR**

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**RECITALS:**

**WHEREAS** on March 19, 2025, the Superior Court of Québec (the "**Court**") issued an initial order (as amended and restated the "**Initial Order**") under the *Companies' Creditors Arrangement Act* ("**CCAA**") in respect of Pelican International Inc., Pelican Us Topco LLC and Confluence Outdoor Inc. (the "**Debtors**");

**WHEREAS** pursuant to the Initial Order, *inter alia*, FTI Consulting Canada Inc. was appointed as monitor of the Debtors (in such capacity, the "**Monitor**");

**WHEREAS** on April 28, 2025, the Court issued an Approval, Vesting and Assignment Order (the "**AVO**") thereby, *inter alia*, authorizing and approving (i) the execution of an

agreement entitled *Asset Purchase Agreement* dated April ●, 2025 (the “**APA**”) between Pelican International Inc. and Confluence Outdoor Inc. (collectively, the “**Sellers**”), as vendors, and 9539-5893 Québec Inc (the “**Purchaser**”), as purchaser, with Groupe Mach Acquisition Inc. being the guarantor of the Purchaser, a redacted copy of which was filed as **Exhibit P-2A** and a complete copy of which was filed as **Exhibit P-2B** in the Court record, and (ii) the sales and all other transactions described therein and contemplated thereby (collectively, the “**Transaction**”) with such minor alterations, changes, amendments, deletions or additions thereto, as may be agreed to by the Sellers and Purchaser with the consent of the Monitor and the Lenders;

**WHEREAS** all capitalized terms not otherwise defined herein have the meanings ascribed thereto in the APA; and

**WHEREAS** the AVO contemplates the issuance of this Certificate of the Monitor once Closing has occurred.

The Monitor hereby certifies that Closing has occurred and accordingly issues this Certificate.

This Certificate was issued by the Monitor at \_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**FTI Consulting Canada Inc.** in its capacity as Monitor to the Debtors, and not in its personal or corporate capacity.

**Per:** \_\_\_\_\_

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

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

**SCHEDULE "B"**  
**ASSUMED CONTRACTS**

<b>Company</b>	<b>Vendor</b>	<b>Service Type</b>	<b>Cure costs</b>	<b>Currency</b>
Confluence	<b>Segra</b>	Technology / Systems	1 733 \$	USD
Confluence	<b>Kaseya</b>	Technology / Systems	20 710 \$	USD
Confluence	<b>Mitel</b>	Technology / Systems	- \$	
Confluence	<b>CYBERSCIENCE</b>	Technology / Systems	7 704 \$	USD
Confluence	<b>Autodesk</b>	Technology / Systems	- \$	
Confluence	<b>QAD</b>	Technology / Systems	20 868 \$	USD
Confluence	<b>Hexagon Mfg Intelligence</b>	Technology / Systems	- \$	
Confluence	<b>SPS Commerce</b>	Technology / Systems	3 497 \$	USD
Confluence	<b>Assured</b>	Technology / Systems	14 074 \$	USD
Confluence	<b>Trimble</b>	Technology / Systems	- \$	
Pelican	<b>Addeco China</b>	Quality	- \$	
Pelican	<b>Calgah</b>	Technology / Systems	13 800 \$	CAD
Pelican	<b>Calgah</b>	Technology / Systems	9 143 \$	CAD
Pelican	<b>Calgah</b>	Technology / Systems	43 868 \$	CAD
Pelican	<b>Calgah</b>	Technology / Systems	6 639 \$	CAD
Pelican	<b>Dialogue Technologies de la Santé Inc.</b>	Telehealth	7 937 \$	CAD
Pelican	<b>Isovision</b>	Technology / Systems	10 344 \$	CAD
Pelican	<b>Isovision</b>	Technology / Systems		
Pelican	<b>Shopify</b>	E-commerce	- \$	
Pelican	<b>Shopify</b>	E-commerce	- \$	
Pelican	<b>UKG</b>	Technology / Systems	11 770 \$	CAD
Pelican	<b>UKG</b>	Technology / Systems		



<b>Company</b>	<b>Vendor</b>	<b>Service Type</b>	<b>Cure costs</b>	<b>Currency</b>
Pelican	<b>Nethris Fresh Service</b>	Technology / Systems	- \$	
Confluence	<b>Kaseya</b>	Technology / Systems	20 710 \$	USD
	<b>Gerald B. - IT</b>		6 899 \$	CAD
Pelican	<b>Emploi-Québec Entente 904923-1</b>		- \$	
Pelican	<b>Academy Sports</b>		- \$	
Pelican	<b>Dunhams Sports</b>		- \$	
Pelican and Confluence	<b>Dunhams Sports</b>		- \$	
Confluence	<b>TSC</b>		- \$	
Confluence	<b>TSC</b>		- \$	
Pelican	<b>Dick's Sporting Goods</b>		- \$	
Confluence	<b>REI Co-Op</b>		- \$	
Confluence	<b>REI Co-Op</b>		- \$	
Confluence	<b>Dick's Sporting Goods</b>		- \$	
Pelican	<b>Costco</b>		- \$	
Pelican and Confluence	<b>Dunhams Sports</b>		- \$	
Pelican	<b>REI Co-Op</b>		- \$	
Confluence	<b>REI Co-Op</b>		- \$	
Pelican	<b>WalMart</b>		- \$	
Pelican	<b>WalMart</b>		- \$	
Pelican	<b>CTC</b>		- \$	
Confluence	<b>Amazon</b>		- \$	
Confluence	<b>Amazon</b>		- \$	
Confluence	<b>Amazon</b>		- \$	
Confluence	<b>Amazon CA</b>		- \$	
Confluence	<b>Amazon CA</b>		- \$	
Confluence	<b>Amazon CA</b>		- \$	
Pelican	<b>Amazon CA</b>		- \$	
Pelican	<b>Amazon CA</b>		- \$	
Pelican	<b>Amazon CA</b>		- \$	
Pelican	<b>BMR</b>		- \$	
Pelican	<b>Co-Op</b>		- \$	
Pelican	<b>Blain Supply</b>		- \$	
Pelican	<b>Murdoch</b>		- \$	
Pelican	<b>BAHAG Baus / Manheim</b>		- \$	

<b>Company</b>	<b>Vendor</b>	<b>Service Type</b>	<b>Cure costs</b>	<b>Currency</b>
Pelican	<b>BAHAG Baus / Manheim</b>		- \$	
Pelican	<b>FGL Sports (Sport Check / Marks)</b>		- \$	
Pelican	<b>Northwoods Outlet</b>		- \$	
Pelican	<b>Rural King</b>		- \$	
Pelican	<b>Sail</b>		- \$	
Pelican	<b>Scheels</b>		- \$	
Pelican	<b>Sporting Life</b>		- \$	
Pelican	<b>Kautex Machines</b>		- \$	
Pelican	<b>Hobie Cat Company II LLC</b>		- \$	
Confluence	<b>Palm Equipment</b>		- \$	
Confluence	<b>Gaybo</b>		- \$	
Advanced Elements	<b>OutEquip</b>		- \$	

**SCHEDULE "C"**  
**ASSIGNED LEASES**

<b>Location ID</b>	<b>Location Name</b>	<b>Address</b>	<b>Landlord</b>	<b>Cure Costs</b>
SC1	Greenville Manufacturing Centre	575 Mauldin Rd, Greenville, South Caroline, 29607, United States	Mauldin Road LLC	USD \$34,694.99

**SCHEDULE D**

**DRAFT NOTICE OF A PROPOSED POST-CLOSING ASSIGNMENT**

Date: ●

To: ● (“you”)

**Re: Superior Court, District of Montreal, No. 500-11-065405-256**

We act as the Monitor of Pelican International Inc., Pelican Us Topco LLC and Confluence Outdoor Inc. (collectively, the “**Debtors**”) under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”).

We refer to:

- the attached *Approval, Vesting and Assignment Order* dated ● rendered by the Superior Court of Québec, District of Montreal in Court File No. 500-11-065405-256 (the “**Order**”), which approved the sale transaction between Pelican International Inc. and Confluence Outdoor Inc. (collectively, the “**Sellers**”), and 9539-5893 Québec Inc. (the “**Purchaser**”), with Groupe Mach Acquisition Inc. being the guarantor of the Purchaser; and
- the following agreement(s) (the “**Agreement**”) to which you and the Sellers are parties: ●.

We have been notified by the Purchaser that it seeks the post-closing assignment of the rights, benefits, obligations and interests of the Sellers under the Agreement to the Purchaser, and we have approved such assignment as the Monitor of the Debtors (the “**Proposed Post-Closing Assignment**”).

If you oppose the Proposed Post-Closing Assignment, you must inform the Monitor in writing of your grounds for opposition at the latest 15 days after the receipt of this notice, failing which the rights, benefits, obligations and interests of the Sellers under the Agreement shall be automatically and irrevocably assigned to the Purchaser, without any further consents or approvals.

If you agree with the Proposed Post-Closing Assignment you have nothing to do. The rights, benefits, obligations and interests of the Sellers under the Agreement will be

automatically and irrevocably assigned to the Purchaser after 15 days of the receipt of this notice.

More information can be obtained on the restructuring of the Debtors at:  
<https://cfcanada.fticonsulting.com/Pelican/>

FTI Consulting Canada Inc.

**SCHEDULE “E”**

**DRAFT POST-CLOSING ASSIGNMENT CERTIFICATE**

**CANADA**

**PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT**  
Commercial Division

**No.: 500-11-065405-256**

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**IN THE MATTER OF THE COMPROMISE  
OR ARRANGEMENT OF:**

**PELICAN INTERNATIONAL INC.**

-and-

**PELICAN US TOPCO LLC**

-and-

**CONFLUENCE OUTDOOR INC.**

Debtors

-and-

**FTI CONSULTING CANADA INC.**

Monitor

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**POST-CLOSING ASSIGNMENT CERTIFICATE**

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**RECITALS:**

**WHEREAS** on March 19, 2025, the Superior Court of Québec (the “**Court**”) issued an initial order (as amended and restated the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act* (“**CCAA**”) in respect of Pelican International Inc., Pelican Us Topco LLC and Confluence Outdoor Inc. (the “**Debtors**”);

**WHEREAS** pursuant to the Initial Order, *inter alia*, FTI Consulting Canada Inc. was appointed as monitor of the Debtors (in such capacity, the “**Monitor**”);

**WHEREAS** on April 28, 2025, the Court issued an Approval, Vesting and Assignment Order (the “**AVO**”) thereby, *inter alia*, authorizing and approving (i) the execution of an agreement entitled *Asset Purchase Agreement* dated April ●, 2025 (the “**APA**”)

between Pelican International Inc. and Confluence Outdoor Inc. (collectively, the “**Sellers**”), as vendors, and 9539-5893 Québec Inc (the “**Purchaser**”), as purchaser, with Groupe Mach Acquisition Inc. being the guarantor of the Purchaser, a redacted copy of which was filed as **Exhibit P-2A** and a complete copy of which was filed as **Exhibit P-2B** in the Court record, and (ii) the sales and all other transactions described therein and contemplated thereby (collectively, the “**Transaction**”) with such minor alterations, changes, amendments, deletions or additions thereto, as may be agreed to by the Sellers and Purchaser with the consent of the Monitor and the Lenders; and

**WHEREAS** the AVO contemplates the issuance and filing by the Monitor of this Post-Closing Assignment Certificate.

Unless otherwise defined, all capitalized terms used herein shall have the meanings ascribed to them in the AVO.

**THE MONITOR CERTIFIES THE FOLLOWING:**

- (a) The Monitor has received a notice in writing from the Purchaser, within 30 days of Closing Time, that it seeks the post-closing assignment to the Purchaser of the rights, benefits, obligations and interests of the Sellers under the following Agreements to which one or more of the Sellers are party to: • (the “**Proposed Post-Closing Assignment**” and the “**Proposed Post-Closing Assigned/Retained Contracts**”).
- (b) The Monitor has reviewed and approved the Proposed Post-Closing Assignment.
- (c) The Monitor has sent one or more Notices of Assignment to the parties to the Proposed Post-Closing Assigned/Retained Contracts.
- (d) No party to the Proposed Post-Closing Assigned/Retained Contracts has notified it of an opposition to the Proposed Post-Closing Assignment within 15 days of the receipt of the Notice of Assignment.

This Post-Closing Assignment Certificate was issued by the Monitor at \_\_\_\_ **[TIME]** on \_\_\_\_\_ **[DATE]**.

**FTI Consulting Canada Inc.** in its capacity as Monitor  
to the Debtors, and not in its personal or corporate  
capacity.

**Per:** \_\_\_\_\_

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

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



**SCHEDULE “F”**

**DRAFT POST-CLOSING CERTIFICATE**

**CANADA**

**PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL**

**SUPERIOR COURT**  
Commercial Division

**No.: 500-11-065405-256**

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**IN THE MATTER OF THE COMPROMISE  
OR ARRANGEMENT OF:**

**PELICAN INTERNATIONAL INC.**

-and-

**PELICAN US TOPCO LLC**

-and-

**CONFLUENCE OUTDOOR INC.**

Debtors

-and-

**FTI CONSULTING CANADA INC.**

Monitor

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**POST-CLOSING CERTIFICATE**

**RECITALS:**

**WHEREAS** on March 19, 2025, the Superior Court of Québec (the “**Court**”) issued an initial order (as amended and restated the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act* (“**CCAA**”) in respect of Pelican International Inc., Pelican Us Topco LLC and Confluence Outdoor Inc. (the “**Debtors**”);

**WHEREAS** pursuant to the Initial Order, *inter alia*, FTI Consulting Canada Inc. was appointed as monitor of the Debtors (in such capacity, the “**Monitor**”);

**WHEREAS** on April 28, 2025, the Court issued an Approval, Vesting and Assignment Order (the “**AVO**”) thereby, *inter alia*, authorizing and approving (i) the execution of an agreement entitled *Asset Purchase Agreement* dated April ●, 2025 (the “**APA**”)

between Pelican International Inc. and Confluence Outdoor Inc. (collectively, the “**Sellers**”), as vendors, and 9539-5893 Québec Inc (the “**Purchaser**”), as purchaser, with Groupe Mach Acquisition Inc. being the guarantor of the Purchaser, a redacted copy of which was filed as **Exhibit P-2A** and a complete copy of which was filed as **Exhibit P-2B** in the Court record, and (ii) the sales and all other transactions described therein and contemplated thereby (collectively, the “**Transaction**”) with such minor alterations, changes, amendments, deletions or additions thereto, as may be agreed to by the Sellers and Purchaser with the consent of the Monitor and the Lenders; and

**WHEREAS** the AVO contemplates the issuance and filing by the Monitor of this Post-Closing Certificate.

Unless otherwise defined, all capitalized terms used herein shall have the meanings ascribed to them in the AVO.

**THE MONITOR ISSUES THE POST-CLOSING CERTIFICATE PURSUANT TO THE AVO.**

This Post-Closing Assignment Certificate was issued by the Monitor at \_\_\_\_ **[TIME]** on  
\_\_\_\_\_ **[DATE]**.

**FTI Consulting Canada Inc.** in its capacity as Monitor to the Debtors, and not in its personal or corporate capacity.

**Per:** \_\_\_\_\_

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

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

**EXHIBIT C**

**APA**

**EXECUTION VERSION**

**ASSET PURCHASE AGREEMENT**

**By and Among**

**PELICAN INTERNATIONAL INC.**

**- and -**

**CONFLUENCE OUTDOOR INC.**

**as Sellers**

**- and -**

**9539-5893 QUÉBEC INC.**

**as Buyer**

**- and -**

**GROUPE MACH ACQUISITION INC.**

**as Guarantor**

**April 23, 2025**

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**THIS ASSET PURCHASE AGREEMENT** is made as of the 23<sup>rd</sup> day of April, 2025.

**BY AND AMONG:**

**PELICAN INTERNATIONAL INC.**, a legal person having its registered office at 21 Peronne Avenue, Montréal (Québec) H3S 1X7 Canada.

-and-

**CONFLUENCE OUTDOOR INC.**, a legal person having its registered office at 251 Little Falls Drive, Wilmington, Delaware, 19808 United States of America.

(hereinafter collectively referred to as “**Pelican Group**” or “**Sellers**”)

-and-

**9539-5893 QUÉBEC INC.**, a legal person having its registered office at 1300 Sherbrooke Street West, Montréal (Québec) H3G1H9 Canada.

(hereinafter referred to as the “**Buyer**”)

-and-

**GROUPE MACH ACQUISITION INC.**, a legal person having its registered office at 630 Saint-Paul Street West, Suite 600, Montréal (Québec) H3C 1L9 Canada.

(hereinafter referred to as the “**Guarantor**”)

**RECITALS:**

- A. The Sellers collectively own and operate a leisure nautical equipment and accessories manufacturing and distribution business, including kayaks, pedal boats, paddle sport equipment, sleds and accessories (the “**Acquired Business**”);
- B. On February 28, 2025, Pelican International Inc. (“**Pelican**”) filed a *Notice of Intention to Make a Proposal* under the *Bankruptcy and Insolvency Act* (Canada) (the “**NOI Proceedings**”).
- C. On March 18, 2025, an *Application for the Issuance of an Initial Order, an Amended and Restated Initial Order and a Sale and Investment Solicitation Process Order* under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) was filed in respect of the



Sellers before the Superior Court of Québec (Commercial Division) in the District of Montréal (the “**Court**”).

- D. On March 19, 2025, Pelican’s NOI Proceedings were continued under the CCAA and CCAA proceedings were commenced in respect of the other Sellers (the “**CCAA Proceedings**”) pursuant to an Initial Order (Court File No. 500-11-065405-256) granted by the Court (as amended, amended and restated, or otherwise modified from time to time, the “**Initial Order**”), in each case resulting from an application brought by National Bank of Canada, as administrative agent for a lending syndicate (in such capacity, the “**Applicant**”).
- E. Pursuant to the Initial Order, the Court appointed FTI Consulting Canada Inc. (the “**Monitor**”) as monitor in connection with the CCAA Proceedings.
- F. On March 19, 2025, the Court also issued a SISP Approval Order (as defined herein) that, among other things, authorized the Monitor, with the assistance of the SISP Advisor (as defined herein), to implement a proposed sale and investment solicitation process (“**SISP**”).
- G. On March 19, 2025, the Monitor, in its capacity as foreign representative, commenced proceedings under chapter 15 of title 11 of the United States Code (such proceedings, the “**U.S. Proceedings**”) for each of the Sellers with the U.S. Bankruptcy Court for the district of South Carolina (Grenville Division) (the “**U.S. Court**”). On April 15, 2025, the U.S. Court entered an Order which, among other things, recognized the CCAA Proceedings as a foreign main proceeding and gave effect to the SISP Approval Order and the Amended and Restated Initial Order in the U.S..
- H. The Buyer has been selected as the Successful Bidder (as defined in the SISP) in accordance with the SISP.
- I. The Sellers wish to sell to the Buyer, and the Buyer wishes to purchase from the Sellers, the Purchased Assets (as defined herein), subject to the terms and conditions contained herein (the “**Transaction**”).
- J. The Guarantor is the controlling shareholder of the Buyer.
- K. The Transaction is conditional on the approval of the Court in the CCAA Proceedings. The approval of the Court and U.S. Court will be sought by the Sellers for the Transaction in the CCAA Proceedings and U.S. Proceedings, respectively.

**NOW THEREFORE** in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

In this Agreement,

- (a) **“Accounts Receivable”** means accounts receivable, notes, bills receivable, trade accounts, insurance claims, trade debts and book debts due or accruing due, in connection with the Acquired Business (whether current or non-current), any refunds, credits and rebates receivable, of any kind, relating to the Acquired Business or the Purchased Assets, and other amounts due or deemed to be due to the Sellers relating to the Acquired Business including any amounts receivable (or which may become receivable) by the Sellers under agreements whereby any Sellers have disposed of a business, facility or other assets, or under royalty (or other) agreements or documents related thereto, in each case, of the Sellers, but excluding all Cash and Cash Equivalents as well as any Intercompany Accounts Receivable;
- (b) **“Accrued Liabilities”** means liabilities relating to the Acquired Business accrued as of the Closing Time but which are not yet due and payable as of the Closing Time (excluding reserves and contingent amounts) to the extent they are Assumed Liabilities (for example, accounts payable and accrued wages payable and accruals for vacation pay and bonuses).
- (c) **“Acquired Business”** has the meaning given to such term in the Recitals.
- (d) **“Adjustment Amount”** has the meaning given to such term in Section 3.1(b).
- (e) **“affiliate”** of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly through one or more intermediaries.
- (f) **“Agreement”** means this Asset Purchase Agreement, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Asset Purchase Agreement in its entirety, and unless otherwise indicated, references to Articles and Sections are to Articles and Sections in this Asset Purchase Agreement.
- (g) **“Allocation Statement”** has the meaning given to such term in Section 3.2.
- (h) **“Applicant”** has the meaning given to such term in the recitals.
- (i) **“Applicable Law”** means any transnational, domestic or foreign, federal, provincial, territorial, state, local or municipal (or any subdivision of any of them) law (including without limitation the common law and civil law), statute, ordinance, rule, regulation, restriction, standard, by-law (zoning or otherwise),

judgment, order, direction or any consent, exemption, Governmental Authorizations, or any other legal requirements of, or agreements with, any Governmental Authority, that applies in whole or in part to the transactions contemplated by this Agreement, the Sellers, the Buyer, the Acquired Business, or any of the Purchased Assets or the Assumed Liabilities.

- (j) **“Approval and Vesting Order”** means an order granted by the Court, in substantially the form attached as Schedule A (with only such changes as the Buyer, the Sellers, and the Applicant approve in their reasonable discretion, but in all cases in form and substance acceptable to the Monitor), and served on those Persons identified on the service list for the CCAA Proceedings (as at the date of this Agreement) and as otherwise directed by the Buyer, which will, among other things:
- (i) authorize and approve this Agreement and the execution and delivery thereof by the Sellers;
  - (ii) authorize and direct the Sellers to complete the transactions contemplated by this Agreement;
  - (iii) provide for the vesting of title to the Purchased Assets in and to the Buyer in accordance with the terms and conditions of this Agreement, free and clear of any and all claims against the Purchased Assets of every nature or kind whatsoever and howsoever arising, including all Encumbrances, save for Permitted Encumbrances, upon the delivery of the Monitor’s Certificate to the Buyer and to the service list in the CCAA Proceedings indicating that the conditions precedent to the consummation of the transactions contemplated by this Agreement have been satisfied or waived (where permissible); and
  - (iv) provide for the assignment under Section 11.3 of the CCAA to the Buyer of any Assumed Contract or Real Property Lease which required consent and such consent has, or has not, been obtained and preventing any counterparty to the Assumed Contract or Real Property Lease from exercising any right or remedy under the Assumed Contract or Real Property Lease by reason of any default(s) arising from the CCAA Proceedings, the U.S. Proceedings, the insolvency of the Sellers, the assignment of the Assumed Contract or Real Property Lease, or the failure of the Sellers to perform a non-monetary obligation under the Assumed Contract or Real Property Lease.
- (k) **“Assignment and Assumption Agreements”** means the lease assignment and assumption agreements for the Assumed Contracts, Personal Property Leases and Real Property Leases, in a form reasonably satisfactory to each of the Sellers and the Buyer.
- (l) **“Assumed Contracts”** has the meaning given to such term in Section 2.1(g).
- (m) **“Assumed Employee Plans”** has the meaning given to such term in Section 7.8(e).

- (n) “**Assumed Employees**” has the meaning given to such term in Section 7.8(c).
- (o) “**Assumed Liabilities**” has the meaning given to such term in Section 2.3.
- (p) “**Books and Records**” has the meaning given to such term in Section 2.1(m).
- (q) “**Business Day**” means any day, other than a Saturday or Sunday, on which the principal commercial banks in Montréal, Québec are open for commercial banking business during normal banking hours.
- (r) “**Buyer**” has the meaning given to such term in the preamble to this Agreement.
- (s) “**Buyer Employee Plans**” means the Plans maintained, funded or otherwise contributed to, or required to be maintained, funded or contributed to, by or on behalf of the Buyer.
- (t) “**Buyer Obligations**” has the meaning given to such term in Section 11.1.
- (u) “**Cash and Cash Equivalents**” means cash, bank balances, moneys in possession of banks and other depositories, term or time deposits, marketable securities, bankers’ acceptance, commercial paper, security entitlements, securities accounts, commodity Contracts, commodity accounts, government securities and any other cash equivalents of, owned or held by or for the account of the Sellers.
- (v) “**Cash Purchase Price**” has the meaning given to such term in Section 3.1(a).
- (w) “**CCAA**” has the meaning given to such term in the Recitals.
- (x) “**CCAA Proceedings**” has the meaning given to such term in the Recitals.
- (y) “**Claims**” includes all claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, informations or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.
- (z) “**Closing**” means the completion of the sale and purchase of the Purchased Assets pursuant to this Agreement at the Closing Time, and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the Purchased Assets.
- (aa) “**Closing Date**” means (i) April 29, 2025 or (ii) such other date agreed to by the Parties in writing, with the consent of the Monitor and in consultation with the Applicant; provided that the Closing Date shall be no later than the Sunset Date.

- (bb) **“Closing Documents”** means all contracts, agreements and instruments required by this Agreement to be delivered by or on behalf of a Party at or before the Closing.
- (cc) **“Closing Time”** means 9:00 a.m. (Montréal time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.
- (dd) **“Confidential Information”** means non-public, confidential, personal or proprietary information which is furnished to the Buyer by the Sellers or any of the Sellers’ representatives or the Monitor, including, without limitation, information about identifiable individuals, any information relating to the Sellers and their affiliates, or any customer or supplier of the Sellers, but does not include information that is or becomes generally available to the public other than as a result of disclosure by the Buyer or its representatives in breach of this Agreement or that is received by the Buyer from an independent third party that, to the knowledge of the Buyer, after good faith inquiry, obtained it lawfully and was under no duty of confidentiality (except to the extent that applicable privacy laws do not exclude such information from the definition of personal information) or that is independently developed by the Buyer’s employees or representatives without access or reference to any Confidential Information.
- (ee) **“Contracts”** means contracts, licenses, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements to which any of the Sellers is a party or by which any of the Sellers are bound or under which any of the Sellers has, or will have, any right or any liability or contingent right or liability (in each case, whether written or oral, express or implied) relating to the Acquired Business or the Purchased Assets and includes quotations, orders, proposals or tenders which remain open for acceptance and warranties and guarantees, but excluding the Real Property Leases.
- (ff) **“control”** and any derivation thereof means the control by one Person of another Person in accordance with the following: a Person (“A”) controls another Person (“B”) where A has the power to determine the management and policies of B by contract or status (for example, the status of A being the general partner of B) or by virtue of beneficial ownership of a majority of the voting interests in B; and, for certainty and without limitation, if A owns shares to which are attached more than 50% of the votes permitted to be cast in the election of directors (or other Persons performing a similar role) of B, then A controls B for this purpose.
- (gg) **“Court”** has the meaning given to such term in the Recitals.
- (hh) **“Cure Costs”** means all amounts necessary to cure any monetary defaults as a condition to assuming the Assumed Contracts and the Real Property Leases, which Cure Costs shall be payable by the Buyer at the Closing Time or immediately thereafter.
- (ii) **“Deposit”** means the cash deposit paid by the Buyer to the Sellers, and held by the Monitor, prior to the execution of this Agreement, in the aggregate amount of [REDACTED], representing ten percent (10%) of the Purchase Price.

- (jj) **“DIP Facility”** means the interim facility loan agreement among the Monitor, for and on behalf of the Sellers, National Bank of Canada, as agent, and the DIP Lenders, as interim lenders, dated as of March 19, 2025, and as may be amended, restated, supplemented and/or modified from time to time.
- (kk) **“DIP Lenders”** means, collectively, National Bank of Canada, Bank of Montreal, Fédération des Caisses Desjardins du Québec and The Toronto-Dominion Bank, as the interim lenders under the DIP Facility.
- (ll) **“Disclosed Personal Information”** means Personal Information that the Buyer receives from the Sellers in connection with this Agreement.
- (mm) **“Employee Plans”** means the Plans that are: (i) for the benefit of Employees (or any spouses, dependents, survivors or beneficiaries of such Employees); (ii) maintained, sponsored or funded by a Seller; or (iii) under which a Seller has, or will have, any liability, each such Plan being listed on Schedule K.
- (nn) **“Employees”** means in respect of the Acquired Business, any and all: (i) Employees of the Sellers who are actively at work (including full-time, part-time or temporary employees); and (ii) Employees of the Sellers who are on statutory or approved leaves of absence (including maternity leave, parental leave, short-term or long-term disability leave, workers’ compensation and other statutory leaves).
- (oo) **“Employees of the Sellers”** means all current or former officers, employees, individual consultants and service providers of the Sellers or any predecessors of the Sellers.
- (pp) **“Encumbrance”** means any security interest, lien (statutory or otherwise), prior claim, charge, hypothec, reservation of ownership, pledge, encumbrance, liability, mortgage, legal hypothec, right-of-way, servitude, easement, lease, restriction, development or similar agreement, title defect, option, prior notice or adverse claim or encumbrance of any nature or kind including any and all Court ordered charges granted in the CCAA Proceedings.
- (qq) **“Equity Interests”** means any capital share, capital stock, partnership, membership, joint venture or other ownership or equity interest, participation or securities (whether voting or nonvoting, whether preferred, common or otherwise, and including share appreciation, contingent interest or similar rights) of a Person.
- (rr) **“Excluded Assets”** has the meaning given to such term in Section 2.2.
- (ss) **“Excluded Contracts”** has the meaning given to such term in Section 2.2(c).
- (tt) **“Excluded Liabilities”** has the meaning given to such term in Section 2.4.
- (uu) **“Excluded Seller Subsidiaries”** means with the exception of the Transferred Seller Subsidiary, each Person that is controlled by a Seller, including Pelican US Topco LLC, Confluence Outdoor Inc. and GSI Outdoors LLC.

- (vv) **“Filing Date”** means, in respect of Pelican, February 28, 2025, and in respect of any other Seller, March 19, 2025.
- (ww) **“Final”** with respect to any order of any court of competent jurisdiction, means that such order shall not have been stayed, appealed, varied (except with the consent of the Buyer and Sellers, each acting in a commercially reasonable manner) or vacated, and all time periods within which such order could at law be appealed shall have expired.
- (xx) **“General Assignments and Bills of Sale”** means the general assignments and bills of sale for the Purchased Assets, in a form reasonably satisfactory to each of the Sellers, the Monitor, and the Buyer.
- (yy) **“Governmental Authority”** means any applicable transnational, federal, provincial, municipal, state, local, national or other government, regulatory authority, governmental department, agency, commission, board, tribunal, bureau, ministry, court, system operator, judicial body, arbitral body, administrative body or other law, rule or regulation-making entity, or any entity, officer, inspector, investigator or examiner exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case:
  - (i) having jurisdiction over a Seller, the Buyer, the Acquired Business, the Purchased Assets or the Assumed Liabilities on behalf of any country, province, state, locality, or other geographical or political subdivision thereof; or
  - (ii) exercising or entitled to exercise any administrative, judicial, legislative, regulatory or taxing authority or power.
- (zz) **“Governmental Authorizations”** means authorizations, approvals, plans, franchises, orders, certificates, consents, directives, notices, licenses, permits, variances, registrations or other rights issued to or required by the Sellers relating to the Acquired Business or any of the Purchased Assets by or from any Governmental Authority.
- (aaa) **“GST”** means goods and services tax payable under the GST and HST Legislation.
- (bbb) **“GST and HST Legislation”** means Part IX of the *Excise Tax Act* (Canada).
- (ccc) **“GST/HST and QST Certificate, Undertaking and Indemnity”** has the meaning given to such term in Section 7.7(g).
- (ddd) **“Guarantor”** has the meaning given to such term in the preamble to this Agreement.
- (eee) **“HST”** means harmonized sales tax payable under the GST and HST Legislation.
- (fff) **“including”, “include” and “includes”** shall be interpreted on an inclusive basis and shall be deemed to be followed by the words “without limitation” and the words

following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.

- (ggg) “**Initial Order**” has the meaning given to such term in the Recitals.
- (hhh) “**Insolvency Proceedings**” means any action, application, petition, suit or other proceeding under any bankruptcy, arrangement, reorganization, dissolution, liquidation, insolvency, winding-up or similar law of any jurisdiction now or hereafter in effect, for the relief from or otherwise affecting creditors of any of the Sellers, including without limitation under the *Bankruptcy and Insolvency Act* (Canada) (including the filing of a notice of intention to make a proposal), CCAA (including the CCAA Proceedings), the *Winding-Up and Restructuring Act* (Canada), the *Canada Business Corporations Act*, and title 11 of the United States Code (including the U.S. Proceedings), in each case against or in respect of any of the Sellers.
- (iii) “**Intellectual Property**” means any and all intellectual property or similar proprietary rights used or held by the Sellers for use in or relating to the Acquired Business, including all patents, patent applications, trademarks, industrial designs, trade names, service marks (and all goodwill associated with any of the foregoing), copyrights, technology, software, data and database rights, trade secrets, proprietary information, domain names, know-how and processes and other intellectual property, whether registered or not, throughout the world.
- (jjj) “**Intercompany Accounts Receivable**” has the meaning given to such term in Section 2.2(f).
- (kkk) “**Investment Canada Act**” means the *Investment Canada Act* (Canada).
- (lll) “**IP Assignment and Assumption Agreements**” means the intellectual property assignment and assumption agreements for Intellectual Property and rights in Intellectual Property owned by the Sellers and that are used or held for use in or otherwise relate to the Acquired Business, in a form reasonably satisfactory to each of the Sellers and the Buyer.
- (mmm) “**IT Assets**” has the meaning given to such term in Section 2.1(i).
- (nnn) “**Key Employee Retention Plan**” means the key employee retention plan approved by the Court as part of the Initial Order on March 19, 2025, as amended from time to time.
- (ooo) “**Landlords**” means, collectively, the landlords under the Real Property Leases.
- (ppp) “**Laval Lease**” means the Lease Agreement dated August 16, 2022, between Zorg Inc., as the landlord, and Pelican International Inc. as the tenant, as amended by the amendment to the lease agreement dated June 4, 2024.



- (qqq) “**Letters of Credit**” means letters of credit, letters of guarantee, deposits, security deposits and/or performance bonds provided by or on behalf of a Seller in respect of any of the Purchased Assets.
- (rrr) “**Matching Security**” has the meaning given to such term in Section 2.6.
- (sss) “**Material Adverse Effect**” means any change, event, occurrence or circumstance, individually or in the aggregate that: (i) has, or would reasonably be expected to have, a material adverse effect on the operations, results of operations or condition (financial or otherwise) of the Acquired Business, (ii) materially and adversely impairs the Purchased Assets or the Acquired Business or materially and adversely increases the Assumed Liabilities, each taken as a whole, or (iii) materially and adversely impedes the consummation of the transactions contemplated by this Agreement, but excluding, in the case of each of clauses (i), (ii) and (iii) any such change, event, occurrence or circumstance that results from or arises out of (A) changes in general economic conditions, (B) changes affecting the industries and markets in which the Acquired Business operates (except to the extent that such changes have a materially disproportionate effect on the Purchased Assets, the Assumed Liabilities or the Acquired Business, in each case, taken as a whole, relative to other comparable companies and entities operating in the industries in which the Pelican Group operates), (C) changes in macroeconomic factors, interest rates, currency exchange rates or general financial or credit market conditions, (D) acts of God, war, trade wars, special military operations, terrorism, civil unrest or hostilities, (E) the COVID-19 pandemic or other epidemic or pandemic outbreaks including any continuation thereof, (F) any change in law or its interpretation, administration or application or non-application by any Governmental Authority or in generally acceptable accounting principles, (G) any failure to meet any internal or publicly disclosed projections, forecasts, estimates or budgets of, or guidance relating to, revenue, cash flow, earnings or other financial metrics for any period, (H) any action taken (or omitted to be taken) by any Seller that is permitted under this Agreement or consented to by the Buyer, (I) any announcement of the transactions contemplated by this Agreement, (J) any change or development in respect of any Excluded Asset, Excluded Liability or any matter disclosed pursuant to the terms of this Agreement, or (K) the pendency of the CCAA Proceedings and U.S. Proceedings and any action approved by, or application, petition, or motion made before, the Court or the U.S. Court.
- (ttt) “**Monitor**” means FTI Consulting Canada Inc., in its capacity as Court-appointed monitor of the Sellers pursuant to the Initial Order and not in its personal or corporate capacity.
- (uuu) “**Monitor’s Account**” has the meaning given to such term in Section 3.3(a)(ii).
- (vvv) “**Monitor’s Certificate**” means the certificate filed with the Court by the Monitor certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Sellers and the Buyer that all conditions to Closing have been satisfied or waived by the applicable Parties and that the cash portion of the Purchase Price and all applicable sales and transfer Taxes payable by the Buyer to the Sellers have been received by the Monitor.

- (www) “**NDA**” means the confidentiality agreement between the Guarantor and Pelican International Inc. dated March 31, 2025.
- (xxx) “**Order**” means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.
- (yyy) “**Parties**” means the Sellers, the Buyer and the Guarantor collectively, and “**Party**” means either the Sellers, any Seller, the Buyer, or the Guarantor, as the context requires.
- (zzz) “**Pelican**” has the meaning given to such term in the Recitals.
- (aaaa) “**Pelican Group**” has the meaning given to such term in the preamble to this Agreement.
- (bbbb) “**Permitted Encumbrances**” means, except to the extent otherwise provided in the Approval and Vesting Order, the Encumbrances listed in Schedule J.
- (cccc) “**Person**” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity, however designated or constituted.
- (dddd) “**Personal Information**” means information about an identifiable individual in the possession or under the control of any of the Sellers or as otherwise defined under any applicable privacy laws.
- (eeee) “**Personal Property Leases**” has the meaning given to such term in Section 2.1(e).
- (ffff) “**Plan**” means any plan, arrangement or agreement that provides any employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, change of control, pension, supplemental pension, retirement, stock option, stock purchase, stock appreciation, share unit, phantom stock, deferred compensation, health, welfare, medical, dental, disability, life insurance and any similar plans, arrangements or agreements.
- (gggg) “**Post-Closing Assigned/Assumed Contracts**” has the meaning given to such term in Section 2.5(b).
- (hhhh) “**Post-Closing Period**” has the meaning given to such term in Section 7.14(a).
- (iiii) “**Premises**” means, collectively, the lands and premises which are leased to a Seller pursuant to the Real Property Leases.
- (jjjj) “**Purchase Price**” has the meaning given to such term in Section 3.1.
- (kkkk) “**Purchased Assets**” has the meaning given to such term in Section 2.1.
- (llll) “**QST**” means the Québec sales tax payable under the QST Legislation.

(mmmm) “**QST Legislation**” means *An Act Respecting the Québec Sales Tax (Québec)*.

(nnnn) “**Real Property Leases**” has the meaning given to such term in Section 2.1(f).

(oooo) “**Salaberry de Valleyfield Lease**” means the Lease Agreement dated December 1st, 2015, between Société en Commandite 400 Rang St-Joseph, as the landlord, and Pelican International Inc. as the tenant, as amended by the amendment agreement dated August 20, 2018.

(pppp) “**Seller Parties**” has the meaning given to such term in Section 7.6(c).

(qqqq) “**Sellers**” has the meaning given to such term in the preamble to this Agreement and “**Seller**” means any one of them.

(rrrr) “**SISP**” means the Sale and Investment Solicitation Process approved by the SISP Approval Order (as amended, restated, supplemented and/or modified from time to time).

(ssss) “**SISP Advisor**” means FTI Capital Advisors - Canada ULC.

(tttt) “**SISP Approval Order**” means the Order granted by the Court on March 19, 2025 (as amended, restated, supplemented and/or modified from time to time), which, among other things, approved the SISP.

(uuuu) “**Sunset Date**” has the meaning given to such term in Section 9.1(b).

(vvvv) “**Tax**” and “**Taxes**” includes:

- (i) taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever (including withholding on amounts paid to or by any Person) imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, disability, severance, unemployment, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all license, franchise and registration fees and all employment insurance, health insurance and Canada Pension Plan, Québec Pension Plan and other government pension plan premiums or contributions; and
- (ii) any liability in respect of any items described in clause (i) payable by reason of contract, assumption, transferee liability, operation of law or otherwise.

(www) “**Transaction**” has the meaning given to such term in the preamble to this Agreement.

(xxxx) **“Transferred Permits”** has the meaning given to such term in Section 2.1(n).

(yyyy) **“Transferred Seller Subsidiary”** means Advanced Elements, Inc.

(zzzz) **“Transition Lease Costs”** has the meaning given to such term in Section 7.14(c).

(aaaaa) **“Transition Lease Costs Deposit”** has the meaning given to such term in Section 7.14(d).

(bbbbbb) **“U.S. Court”** has the meaning given to such term in the Recitals.

(ccccc) **“U.S. Proceedings”** has the meaning given to such term in the Recitals.

(dddddd) **“Vesting Recognition Order”** means an Order of the U.S. Court entered in the U.S. Proceedings in form and substance acceptable to the Sellers, Buyer, the Applicant, and Monitor, each acting reasonably, which shall, among other things, recognize and give effect to the Approval and Vesting Order and otherwise approve this Agreement and the transactions contemplated by this Agreement.

## 1.2 Statutes

Unless specified otherwise, reference in this Agreement to a statute refers to that statute and the regulations thereunder as they may be amended, or to any restated or successor legislation of comparable effect.

## 1.3 Headings and Table of Contents

The inclusion of headings and a table of contents in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

## 1.4 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and *vice versa*, and words importing gender include all genders.

## 1.5 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars. References to “\$” are to Canadian dollars. References to “US\$” are to United States dollars.

## 1.6 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. Upon such a determination of invalidity or unenforceability, the Parties shall negotiate to modify this Agreement in good faith so as to give effect to the original intent of the Parties as closely as

possible in an acceptable manner so that the transactions contemplated by this Agreement be consummated as originally contemplated to the fullest extent possible.

### **1.7 Knowledge**

Where any representation or warranty, or other provision, contained in this Agreement is expressly qualified by reference to, or otherwise refers to, the knowledge of: (a) the Sellers, it will be deemed to refer to the actual knowledge of Antoine Élie (President and Chief Executive Officer) and Christian Élie (Director); and (b) the Buyer, it will be deemed to refer to the actual knowledge of the Buyer's directors and officers, in each case, after due inquiry and without personal liability on the part of any of them.

### **1.8 Entire Agreement**

This Agreement, the schedules to this Agreement, the NDA and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement among the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements among the Parties in connection with the subject matter of this Agreement, and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral among the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

### **1.9 Waiver, Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by all Parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

### **1.10 Governing Law; Jurisdiction and Venue**

This Agreement, the rights and obligations of the Parties under this Agreement, and any claim or controversy directly or indirectly based upon or arising out of this Agreement or the transactions contemplated by this Agreement (whether based on contract, tort or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Québec and the federal laws of Canada applicable therein, without regard to any conflicts of law principles. The Parties consent to the exclusive jurisdiction and venue of the Court prior to a Final Order of the Court terminating the CCAA Proceedings and thereafter to the Superior Court of Québec in the district of Montréal for the resolution of any such disputes arising under this Agreement, except only that with respect to any disputes arising under this Agreement that are within the jurisdiction of the U.S. Court, the parties also consent to the jurisdiction and venue of the U.S. Court prior to a Final Order of the U.S. Court terminating the U.S. Proceedings. Each Party agrees that service of process on such Party as provided in Section 12.8 shall be deemed effective service of process on such Party.

### **1.11 Sellers' Representative**

- (a) Each Seller, by entering into this Agreement, irrevocably agrees that the Monitor, on behalf of the Sellers, is authorized and required to act in its discretion in the name of and on behalf of all Sellers in all respects in connection with all provisions under this Agreement, including taking all decisions, carrying out actions, sending and receiving notices and consenting and agreeing to amendments, waivers and modifications. The Buyer shall recognize the Monitor as the Person entitled to exercise the rights granted to the Sellers in accordance with the Initial Order and may, with respect to any of the Sellers' obligations hereunder, rely on any action taken or decision made by the Monitor on behalf of the Sellers.
- (b) Any obligation of or direction to the Monitor to disburse or hold funds or take any action shall be subject to the Approval and Vesting Order or other order of the Court or U.S. Court in all respects. The Sellers and the Buyer acknowledge and agree that the Monitor, acting in its capacity as the Monitor of the Sellers in the CCAA Proceedings and, as applicable, as foreign representative in the U.S. Proceedings, and the Monitor's affiliates and their respective former and current directors, officers, employees, agents, advisors, lawyers and successors and assigns will have no liability under or in connection with this Agreement, the Approval and Vesting Order or any other related orders of the Court or U.S. Court whatsoever (including, without limitation, in connection with the receipt, holding or distribution of the Purchase Price (including the Deposit)), whether in its capacity as Monitor, in its personal or corporate capacity or otherwise (including as foreign representative in the U.S. proceedings). If, at any time, there shall exist, in the sole and absolute discretion of the Monitor, any dispute between any of the Sellers on the one hand, and the Buyer on the other hand, with respect to the holding or disposition of any portion of the Purchase Price (including the Deposit), or any other obligation of the Monitor hereunder in respect of the Purchase Price (including the Deposit), or if at any time the Monitor is unable to determine the proper disposition of any portion of the Purchase Price (including the Deposit), or its proper actions with respect to its obligations hereunder in respect of the Purchase Price (including the Deposit), then the Monitor may (i) make a motion to the Court for direction with respect to such dispute or uncertainty and, to the extent required by law or otherwise at the sole and absolute discretion of the Monitor, pay the Purchase Price (including the Deposit) or any portion of thereof into the Court for holding and disposition in accordance with the instructions of the Court, or (ii) hold the Purchase Price (including the Deposit) or any portion thereof and not make any disbursement thereof until: (X) the Monitor receives a written direction signed by the Sellers and the Buyer directing the Monitor to disburse, as the case may be, the Purchase Price (including the Deposit) or any portion thereof in the manner provided for in such direction, or (Y) the Monitor receives an Order from the Court, which is not stayed or subject to appeal and for which the applicable appeal period has expired, instructing it to disburse, as the case may be, the Purchase Price (including the Deposit) or any portion thereof in the manner provided for in the Order.

### **1.12 Schedules**

The schedules to this Agreement, listed below, are an integral part of this Agreement:

<u>Schedule</u>	<u>Description</u>
Schedule A	Form of Approval and Vesting Order
Schedule B	Personal Property Leases
Schedule C	Real Property Leases
Schedule D	Assumed Contracts
Schedule E	Intellectual Property
Schedule F	IT Assets
Schedule G	Actions, etc.
Schedule H	Excluded Contracts
Schedule I	Trade Debt
Schedule J	Permitted Encumbrances
Schedule K	Employee Plans
Schedule L	List of Sellers and Jurisdiction of Incorporation
Schedule M	Allocation Statement
Schedule N	Monitor Wire Transfer Instructions

## **ARTICLE 2**

### **PURCHASE AND SALE**

#### **2.1 Agreement to Purchase and Sell Purchased Assets**

Upon and subject to the terms and conditions of this Agreement (including the provisions of Section 2.5), at the Closing and effective as of the Closing Time, pursuant to the Approval and Vesting Order and, if applicable, the Vesting Recognition Order, the Sellers shall sell, convey, transfer, assign and deliver, or cause to be sold, conveyed, transferred, assigned and delivered, and the Buyer shall purchase, free and clear of all Encumbrances other than Permitted Encumbrances, all of the Sellers' right, title and interest in, to and under, or relating to, the assets, property and undertaking owned or used or held for use by the Sellers in connection with the Acquired Business, as applicable (collectively, the "**Purchased Assets**"), including without limitation the following properties, assets and rights:

- (a) *Accounts Receivable* – all Accounts Receivable (including any disputed receivable) or cash of the Sellers granted by the Sellers as collateral to secure outstanding Letters of Credit in respect of the Purchased Assets and the full benefit of all security (including cash deposits), guarantees, warranties and other collateral of the Sellers relating to the Acquired Business, in each case, solely to the extent that the Buyer does not provide or cause to be provided the Matching Security in accordance with Section 2.6;

- (b) *Prepaid Expenses* – all prepaid expenses, including *ad valorem* Taxes, of the Sellers relating to the Acquired Business or the Purchased Assets, and all deposits of the Sellers with any supplier, public utility, lessor under any Personal Property Lease or Real Property Lease, or Governmental Authority;
- (c) *Inventory* – all items that are owned by the Sellers for sale, license, rental, lease or other distribution in the ordinary course of business, or are being produced for sale, or are to be consumed, directly or indirectly, in the production of goods or services to be available for sale, of every kind and nature and wheresoever situated relating to the Acquired Business including inventories of raw materials, spare parts, work in progress, finished goods and by-products, operating supplies and packaging materials;
- (d) *Fixed Assets and Equipment* – all machinery, equipment, furnishings, furniture, parts, computer hardware, supplies, accessories, office equipment and other tangible personal and moveable property (other than inventory) owned by the Sellers for use in or relating to the Acquired Business, whether located on the Premises or elsewhere, and all rights of the Sellers under warranties, indemnities, licenses, and all similar rights of the Sellers against third Persons with respect to the equipment, fixed assets and tangible assets referenced herein;
- (e) *Personal Property Leases* – all leases of personal or moveable property of the Sellers that relate to the Acquired Business listed on Schedule B, including all benefits, rights and options of the Sellers pursuant to such leases and all leasehold improvements forming part thereof (collectively, the “**Personal Property Leases**”);
- (f) *Real Property Leases* – the leases (and ancillary agreements related thereto) and other agreements to occupy the Premises entered into by, or assigned in favour of any of the Sellers and listed in Schedule C, including all purchase options, prepaid rents, security deposits, rights to appurtenances and improvements, licenses and permits relating thereto and all leasehold improvements thereon (collectively, the “**Real Property Leases**”). If the Premises comprise more than one leased location, the Real Property Leases related to any one leased location are referred to as a “**Real Property Lease**”;
- (g) *Assumed Contracts* – all Contracts to which any of the Sellers is a party listed and described in Schedule D (collectively, the “**Assumed Contracts**”);
- (h) *Intellectual Property* – all Intellectual Property and rights in Intellectual Property owned by the Sellers and that is used or held for use in or otherwise relate to the Acquired Business, including:
  - (i) all trade-marks, trade names, business names, websites and domain names, certification marks, service marks, and other source indicators, and the goodwill of any business symbolized thereby, patents, copyrights, code, applications, systems, databases, data, website content, know-how, formulae, processes, inventions, technical expertise, research data, trade secrets, industrial designs, logos, drawings, prints and other similar property



or proprietary rights, as may be applicable, including those listed and described in Schedule E;

- (ii) all registrations and applications for registration thereof, whether registered or not, throughout the world, including those listed and described in Schedule E;
  - (iii) the right to obtain renewals, extensions, substitutions, continuations, continuations-in-part, divisions, re-issues, re-examinations or similar legal protections related thereto, including those listed and described in Schedule E; and
  - (iv) the right to bring an action at law or equity for the infringement of the foregoing before the Closing Time, including the right to receive all proceeds and damages therefrom, the same to be held and enjoyed by the Buyer as fully and completely as by the Sellers had this assignment not been made;
- (i) *Information Technology Systems* – all software (including source code and object code form), computer hardware, licenses, and documentation therefor and rights therein owned by the Sellers used in the Acquired Business, and any other information technology systems owned by the Sellers and used in the Acquired Business, including all electronic data processing systems, program specifications, source codes, object code, input data, report layouts, formats, algorithms, record file layouts, diagrams, functional specifications, narrative descriptions, flow charts, operating manuals, training manuals and other related material (collectively, the “**IT Assets**”), including those listed and described in Schedule F;
  - (j) *Goodwill* – the goodwill of the Acquired Business and relating to the Purchased Assets, and information and documents of the Sellers relevant thereto, including lists of customers and suppliers, credit information, telephone and facsimile numbers, research materials, research and development files, Confidential Information, Personal Information and the exclusive right of the Buyer to represent itself as carrying on the Acquired Business in succession to the Sellers;
  - (k) *Employee Records* – personnel and employment records relating to the Assumed Employees;
  - (l) *Plan Assets* – all trust funds or other entities holding assets (or, in the case of a dedicated bank account held by the Sellers, the assets of such account) related to any Assumed Employee Plan;
  - (m) *Business Records* – all business and financial records and files of the Acquired Business, including the general ledger and accounting records relating to the Acquired Business, marketing materials, market research, all customer lists and lists of suppliers, information relating to any Tax imposed on the Purchased Assets, all operating manuals, plans, specifications, policies and warranties offered to customers and all of the right, interest and benefit, if any, thereunder and to and in the domain names, telephone numbers and facsimile numbers used by the Sellers

in the conduct of the Acquired Business, and all records, files and information necessary for the Buyer to conduct or pursue the rights described in Section 2.1(p) (the “**Books and Records**”); provided, however, that the Sellers may retain copies of, and Buyer covenants to (i) use reasonable care to preserve, and (ii) permit the Sellers, the Monitor and their respective representatives and any trustee in bankruptcy with reasonable access post-Closing to, all Books and Records included in the Purchased Assets to the extent necessary or useful for the administration of the CCAA Proceedings, the U.S. Proceedings, or any Insolvency Proceedings in respect of any of the Sellers or the filing of any Tax return or compliance with any Applicable Law or the terms of this Agreement or related to the Excluded Assets, including to pursue and complete one or more transactions relating to any Excluded Asset or any Excluded Seller Subsidiaries (including, for clarity, any transaction resulting from a sale and investment solicitation process in respect of GSI Outdoors LLC or Sellers’ interest therein);

- (n) *Permits* – the Governmental Authorizations of the Sellers required for the Acquired Business or the Purchased Assets from any Governmental Authority (collectively, the “**Permits**”), to the extent transferable to the Buyer or its permitted assignees (collectively, the “**Transferred Permits**”);
- (o) *Insurance* –
  - (i) the Contracts of insurance, insurance policies and insurance plans of the Sellers relating to the Purchased Assets or the Acquired Business (excluding director and officer policies), to the extent transferable, including all such Contracts listed in Schedule D;
  - (ii) any insurance proceeds net of any deductibles and retention recovered by the Sellers under all other Contracts of insurance, insurance policies (excluding proceeds paid directly by the insurer to or on behalf of directors and officers under director and officer policies) and insurance plans relating to the Purchased Assets or the Acquired Business between the date of this Agreement and the Closing Date; and
  - (iii) the full benefit of the Sellers’ rights to insurance claims (excluding proceeds paid directly by the insurer to or on behalf of directors and officers under director and officer policies) relating to the Purchased Assets or the Acquired Business and amounts recoverable in respect thereof net of any deductible;
- (p) *Actions, etc.* – any claims, refunds, causes of action, rights of recovery, rights of set-off, subrogation and rights of recoupment of the Sellers related to the Acquired Business or any of the Purchased Assets or any of the Assumed Liabilities, including those listed on Schedule G, and the interest of the Sellers in any litigation and in the proceeds of any judgment, order or decree issued or made in respect thereof in respect of occurrences, events, accidents or losses suffered prior to the Closing Time (but excluding any of the foregoing in respect of any of the Excluded Assets or Excluded Liabilities);

- (q) *Tax Refunds or Credits* – the benefit of the Sellers to any refundable Taxes payable or paid by the Sellers, net of any amounts withheld by any Governmental Authority, having jurisdiction over the assessment, determination, collection, or other imposition of any Tax, and the benefit of the Sellers to any claim or right of any Sellers to any refund, rebate, or credit of Taxes;
- (r) *Loans* – any loans or debts due prior to the Closing Time from any Person to any Seller, but excluding, for the avoidance of doubt, all Intercompany Accounts Receivable;
- (s) *Interest in the Transferred Seller Subsidiary* – all Equity Interests of the Transferred Seller Subsidiary; and
- (t) *Corporate Records of the Transferred Seller Subsidiary* – all books and records including all Tax records and returns, minute books, stock ledgers, organizational documents, corporate seals, taxpayer and other indemnification numbers and other documents in each case, relating to the organization, maintenance and existence of the Transferred Seller Subsidiary.

## 2.2 Excluded Assets

Notwithstanding any provision of this Agreement to the contrary, the Purchased Assets shall not include any of the following assets of the Sellers (collectively, the “**Excluded Assets**”):

- (a) *Cash and Cash Equivalents* – all Cash and Cash Equivalents (other than cash and cash deposits of the Sellers granted by the Sellers as collateral to secure outstanding Letters of Credit in respect of the Purchased Assets, in each case, solely to the extent that the Buyer does not provide or cause to be provided the Matching Security in accordance with Section 2.6);
- (b) *Corporate Records* – original Tax records and books and records pertaining thereto, minute books, share ledgers, organizational documents, corporate seals, taxpayer and other identification numbers and other documents, in each case, relating to the organization, maintenance and existence of each Seller or an Excluded Seller Subsidiary as a Person; provided that the Buyer may take copies of all Tax records and books and records pertaining to such records (as redacted, if applicable) to the extent necessary or useful for the carrying on of the Acquired Business after Closing, including the filing of any Tax return to the extent permitted under Applicable Law;
- (c) *Excluded Contracts* – all Contracts of the Sellers that are not Assumed Contracts, Personal Property Leases or Real Estate Leases, including those Contracts set forth on Schedule H (collectively, the “**Excluded Contracts**”);
- (d) *Collateral* – all letters of credit, cash or cash equivalents of the Sellers granted by the Sellers as collateral to secure outstanding letters of credit in respect of any Excluded Liability or Excluded Asset;

- (e) *Insurance* – all insurance policies, except to the extent related to the Acquired Business or the Purchased Assets and assigned to the Buyer as part of the Purchased Assets;
- (f) *Intercompany Accounts Receivable* – any debts due or accruing due prior to the Closing Time to the Sellers from any shareholder, director, officer, or affiliate of the Sellers (including each of the Excluded Seller Subsidiaries and Transferred Seller Subsidiary) (collectively, the “**Intercompany Accounts Receivable**”);
- (g) *Rights under Agreements* – all of the Sellers’ rights under this Agreement; the NDA; any confidentiality, non-disclosure or similar agreements entered into in connection with the CCAA Proceedings or the SISP; the DIP Facility; the Excluded Contracts; the Closing Documents and the transactions contemplated hereby and thereby;
- (h) *Director and Officer Insurance Policies* – all rights of the Sellers and the directors and officers of the Sellers under any director and officer insurance policies including any proceeds received or receivable by such Persons thereunder;
- (i) *Licenses and Registrations* – extra-provincial, sales, excise or other Permits (other than Transferred Permits), licenses (other than the Assumed Contracts) or registrations issued to or held by any of the Sellers, whether relating to the Acquired Business or otherwise to the extent not transferable;
- (j) *Plan Assets* – all trust funds or other entities holding assets (or, in the case of a dedicated bank account held by the Sellers, the assets of such account) related to any Employee Plan which is not part of the Assumed Employee Plans;
- (k) *Avoidance Claims* – all rights and Claims against any Person for any liability of any kind based on or arising out of the occurrence of any fraudulent conveyance, settlement, reviewable transaction, transfer at undervalue, fraudulent preference or similar claim;
- (l) *Excluded Seller Subsidiaries* – all of the Equity Interests of all of the Excluded Seller Subsidiaries, all rights and interests of any Sellers or Seller Subsidiaries under the First Amended and Restated Limited Liability Company Agreement of GSI Outdoors LLC dated as of May 18, 2022, and all Claims and Contracts between any Sellers and any Seller Subsidiaries; and
- (m) *Ordinary Course Assets* – any asset of the Sellers that would otherwise constitute a Purchased Asset but for the fact that it is conveyed, leased or otherwise disposed of in the ordinary course of business in compliance with Section 7.2 or as obsolete during the period beginning on the date of this Agreement and ending on the Closing Date.

## 2.3 Assumption of Liabilities

The Buyer shall assume as of the Closing Time and shall pay, discharge and perform, as the case may be, from and after the Closing Time, the following obligations and liabilities of the

Sellers with respect to the Acquired Business or the Purchased Assets, other than the Excluded Liabilities (collectively, the “**Assumed Liabilities**”), which Assumed Liabilities shall only consist of:

- (a) *Obligations under Assumed Contracts and Real Property Leases, etc.* – (i) all liabilities and obligations arising under the Assumed Contracts, Personal Property Leases and Real Property Leases to the extent first arising on or after the Closing Time, in each case, which are assigned to the Buyer hereunder and (ii) all Cure Costs;
- (b) *Trade Debt* – all post-Filing Date trade payables relating to the Acquired Business incurred prior to the Closing Time, as applicable, as listed on Schedule I, which Schedule is to be delivered by the Sellers one (1) Business Day prior to the Closing Date (excluding, for the avoidance of doubt, all pre-Filing Date trade payables), and any post-Filing Date trade payables relating to the Acquired Business incurred following the date such Schedule is delivered;
- (c) *Acquired Business and Purchased Assets* – all other liabilities and obligations relating to the Purchased Assets and the operation of the Acquired Business to the extent such liabilities and obligations consist of liabilities and obligations that arise in respect of and relate to the period on and after the Closing Time;
- (d) *Warranties* – all liabilities arising out of or relating to services, products, or product or service warranties of the Sellers or any predecessors or affiliates of the Sellers sold or distributed prior to, at or after the Closing Time;
- (e) *Employee Matters* – all liabilities and obligations (i) of or expressly assumed by the Buyer pursuant to Section 7.8; (ii) relating to the Buyer’s employment or termination of employment (whether or not arising under or in respect of any Buyer Employee Plan) of any Assumed Employees, to the extent arising on or after the Closing Date; (iii) relating to the Buyer’s offer of employment or notice of continued employment to any Employee pursuant to the terms of Section 7.8; (iv) the failure of the Buyer to satisfy its obligations under Section 7.8 with respect to any Employee; (v) under any Buyer Employee Plan; (vi) relating to or arising from or in connection with any Assumed Employee Plan or other Employee Plan transferred (or the liabilities of which are transferred) to the Buyer pursuant to this Agreement or by operation of Applicable Law; (vii) related to the Assumed Employees which arise out of or result from any termination of employment, layoff, or the closing or relocation of worksites or the like of such Employees by the Buyer on or after the Closing Date; or (viii) by law;
- (f) *Taxes* – real property, personal property, and similar *ad valorem* obligations, in each case, relating to the Purchased Assets for any Tax period, excluding, for the avoidance of doubt, any amounts described in this paragraph that are (i) income Tax or similar liabilities of the Sellers for any Tax period and (ii) any Tax or similar liability related to the Excluded Assets;
- (g) *Other Taxes* – all liabilities for (i) Canadian federal and provincial source deductions or withholding Taxes in respect of Assumed Employees of a Seller,

whether arising before or after Closing; and (ii) any Tax that the Buyer is required to bear pursuant to Section 7.7; and

- (h) *Permitted Encumbrances* – all liabilities, if any, arising from or in relation to the Permitted Encumbrances.

## 2.4 Excluded Liabilities

Except as expressly assumed pursuant to Section 2.3, all pre-Filing Date and post-Filing Date debts, obligations, contracts and liabilities of or relating to the Acquired Business, Purchased Assets, Sellers or any predecessors of the Sellers, and the Sellers' affiliates, of any kind or nature, shall remain the sole responsibility of the Sellers and their affiliates, and the Buyer shall not assume, accept or undertake, any debt, obligation, duty, contract or liability of the Sellers and their affiliates of any kind whatsoever, except as expressly assumed pursuant to Section 2.3, whether accrued, contingent, known or unknown, express or implied, primary or secondary, direct or indirect, liquidated, unliquidated, absolute, accrued, contingent or otherwise, and whether due or to become due, and specifically excluding (without limitation) the following liabilities or obligations which shall be retained by, and which shall remain the sole responsibility of, the Sellers and their affiliates (collectively, the “**Excluded Liabilities**”):

- (a) *General* – except as expressly included in Assumed Liabilities, all liabilities to the extent arising out of the operation of the Acquired Business or the Purchased Assets for periods prior to the Closing Time (including, for the avoidance of doubt, breaches of contract, infringement, violations of law, tortious conduct, Tax liabilities, indebtedness for borrowed money (except as expressly included in Assumed Liabilities) and intercompany liabilities);
- (b) *Assumed Contract and Real Property Leases Liabilities* – all liabilities of the Sellers under the Assumed Contracts, Personal Property Leases and Real Property Leases, excluding the Cure Costs and any trade payables or other liabilities which, in each case, are Assumed Liabilities, incurred prior to the Closing Time, whether known or unknown;
- (c) *Excluded Assets* – all liabilities and obligations relating to the Excluded Assets (including any Excluded Contracts, this Agreement and the DIP Facility);
- (d) *Employee Matters* –
  - (i) any liabilities or other obligations arising under, relating to or with respect to any Employee Plan, save and except for liabilities and obligations under the Assumed Employee Plans; and
  - (ii) except as included in the Assumed Liabilities, all liabilities related to the Employees of the Sellers;
- (e) *Trade Debt* – all pre-Filing Date trade payables relating to the Acquired Business or the Purchased Assets, subject to the payment of Cure Costs where applicable;

- (f) *Intercompany Accounts Payable* – any debts due or accruing due prior to the Closing Time from the Sellers to any shareholder, director, officer (except amounts owing to any officer for service to the Acquired Business as an employee) or affiliate of the Sellers or to another Seller;
- (g) *Intellectual Property Claims* – any claims against the Sellers for infringement, misappropriation or other violation of any Intellectual Property of any third Person relating to any period prior to the Closing Time;
- (h) *Pre-Filing Secured Debt* – all liabilities, obligations and related guarantees relating to any pre-Filing Date secured indebtedness;
- (i) *Taxes* – all liabilities for Taxes of the Sellers, except for those liabilities set forth in Sections 2.3(f) and (g); and
- (j) *Other* – Claims arising from or in relation to any facts, circumstances, events or occurrences existing or arising prior to the Closing Time, including without limitation liabilities relating to any breach of law, except, in each case, as specifically defined in Section 2.3 as an Assumed Liability.

## 2.5 Assignment of Purchased Assets

- (a) Subject to the terms and conditions of this Agreement, the Sellers hereby agree to assign to the Buyer on the Closing Date, effective as of the Closing Time, all of the Sellers' rights, benefits and interests in, to and under the Assumed Contracts, Personal Property Leases and Real Property Leases, in accordance with their respective terms or the Approval and Vesting Order. The Sellers shall use their commercially reasonable efforts to obtain any necessary consents or approvals in order to assign the Assumed Contracts, Personal Property Leases and Real Property Leases. The Sellers will use their commercially reasonable efforts to take such other actions necessary to cause the Assumed Contracts, Personal Property Leases and Real Property Leases to be assigned by the Sellers to the Buyer as of the Closing Time at the expense of the Buyer. The Buyer will use its commercially reasonable efforts to assist the Sellers in obtaining any such consent.
- (b) The Buyer shall be entitled to notify the Sellers and the Monitor in writing, no later than 30 days following the Closing Time, that it seeks the post-closing assignment of the rights, benefits and interests in the Contracts (other than the DIP Facility) to which any of the Sellers are party to and which did not form part of the Assumed Contracts as of the Closing Time (the “**Post-Closing Assigned/Assumed Contracts**”) to the Buyer. Upon the receipt of such notification, the Sellers shall assign their rights, benefits and interests in the Contracts designated in writing by the Buyer to the Sellers and the Monitor, on and subject to the terms and conditions of this Agreement, and of the Approval and Vesting Order to the Buyer. The Cure Costs associated with the Post-Closing Assigned/Assumed Contracts shall be paid by the Buyer and any liability in connection with any Post-Closing Assigned/Assumed Contract shall be assumed by the Buyer. For certainty, the Purchase Price is inclusive of the assignment of all Post-Closing Assigned/Assumed Contracts. For greater certainty, in the event of any discrepancy

between any of the foregoing and the provisions of the Approval and Vesting Order, the provisions of the Approval and Vesting Order shall prevail.

## 2.6 Letters of Credit

On the Closing Date, the Buyer shall issue replacement letters of credit, letters of guarantee, deposits, security deposits and/or performance bonds for the Letters of Credit and shall use its commercially reasonable efforts to cause the Letters of Credit to be released and returned to the Sellers without any further drawings thereunder, as soon as reasonably practicable but in no event later than thirty (30) days after the Closing Date. Provided that to the extent that the Buyer is unable to cause all of the Letters of Credit to be released and returned to the Sellers, without any further drawings thereunder, in lieu of issuing the replacement letters of credit, letters of guarantee, deposits, security deposits and/or performance bonds referred to above, the Buyer shall cause matching, unconditional and irrevocable letters of credit, letters of guarantee, deposits, security deposits and/or performance bonds in favour of the Sellers to be provided to the Sellers on the Closing Date (collectively, the “**Matching Security**”) which Matching Security may be drawn upon by the Sellers if and to the extent that the Sellers’s Letters of Credit are drawn upon from time to time and the Buyer shall reimburse the Sellers for any reasonable, documented, direct out-of-pocket cost actually incurred by the Sellers as a result of any Letters of Credit that remain outstanding and are not released and returned, and indemnify and hold each Seller harmless from and against all Claims, incurred or asserted, as a result of any Letters of Credit which are not so released and returned to the Sellers.

## ARTICLE 3 PURCHASE PRICE AND RELATED MATTERS

### 3.1 Purchase Price

- (a) Subject to Section 3.1(b), the purchase price payable to the Sellers for the Purchased Assets (the “**Purchase Price**”), exclusive of all applicable sales and transfer Taxes, shall be the total of:
  - (i) the amount of [REDACTED] in cash (the “**Cash Purchase Price**”); plus
  - (ii) the amount of the Accrued Liabilities.
- (b) In the event that the Vesting Recognition Order is not entered by the U.S. Court within 60 days after the date of this Agreement (subject to any extension agreed to in writing by the Buyer, Sellers and Monitor), the Cash Purchase Price will be reduced by [REDACTED] (the “**Adjustment Amount**”).

### 3.2 Purchase Price Allocation

The Purchase Price shall be allocated among the Sellers and the Purchased Assets in accordance with the allocation set forth in Schedule M (the “**Allocation Statement**”). The Buyer and the Sellers shall: (a) report the purchase and sale of the Purchased Assets in any income Tax returns relating to the transactions contemplated in this Agreement in accordance with the Allocation Statement; and (b) act in accordance with the Allocation Statement in the preparation, filing and audit of any Tax return.



### 3.3 Payment of Purchase Price and Treatment of Deposit

- (a) The Purchase Price will be satisfied as follows:
  - (i) the Deposit will be credited at the Closing Time against the portion of the Purchase Price equal to the amount of the Deposit that was paid by the Buyer to the Monitor prior to the date hereof and is being held by the Monitor in a non-interest-bearing trust account in accordance with the SISP;
  - (ii) the balance of the Purchase Price (i.e., the amount indicated in Section 3.1(i) minus the Deposit) will be satisfied by the payment of such amount by wire transfer of immediately available funds at the Closing Time from the Buyer to an account of the Monitor specified in writing by the Sellers (the **“Monitor’s Account”**) not less than two (2) Business Days prior to the Closing Date;
  - (iii) as to the dollar value of the Accrued Liabilities, by the Buyer assuming the Accrued Liabilities.
- (b) The Deposit paid to the Monitor by the Buyer will be:
  - (i) credited to the Sellers, as applicable, at the Closing Time in accordance with Section 3.3(a)(i), if the sale and purchase of the Purchased Assets provided for herein is completed in accordance with the terms and conditions hereof;
  - (ii) forfeited to the Sellers, less any applicable withholding Tax, if the Closing does not occur by reason that this Agreement is terminated by the Sellers pursuant to Section 9.1(g) in order to compensate the Sellers for expenses incurred in connection with the transactions contemplated in this Agreement and the delay caused to the Sellers’ efforts to sell the Purchased Assets. The entitlement of the Sellers to the Deposit in such circumstances shall not limit the Sellers’ right to exercise any other rights which the Sellers may have against the Buyer; and
  - (iii) returned to the Buyer, less any applicable withholding Tax, if the Closing does not occur and the conditions in Section 3.3(b)(ii) are not met and the Buyer shall have no further recourse against the Sellers.
- (c) The Adjustment Amount will be held by the Monitor in the Monitor’s Account until such time as either (i) the Vesting Recognition Order has been entered by the U.S. Court, in which case the Adjustment Amount will be released pursuant to the Approval and Vesting Order, or (ii) the Purchase Price is reduced by the Adjustment Amount in accordance with this Agreement, in which case the Adjustment Amount will be reimbursed to the Buyer within 10 days thereof.

## **ARTICLE 4**

### **REPRESENTATIONS AND WARRANTIES BY THE SELLERS**

The Sellers represent and warrant to the Buyer as follows, and acknowledge that the Buyer is relying upon the following representations and warranties in connection with its purchase of the Purchased Assets:

#### **4.1 Corporate Existence**

Each Seller is duly formed and validly existing under the laws of its jurisdiction of incorporation or formation set out next to its name in Schedule L.

#### **4.2 Due Authorization and Enforceability of Obligations**

Subject to the issuance of the Approval and Vesting Order and, as applicable, the Vesting Recognition Order:

- (a) each Seller has all necessary corporate power, authority and capacity to:
  - (i) enter into and deliver this Agreement and the Closing Documents;
  - (ii) carry out its obligations under this Agreement and the Closing Documents; and
  - (iii) own or lease and to operate and use the Purchased Assets and carry on the Acquired Business as now conducted by such Seller;
- (b) the execution, delivery and performance of this Agreement and the Closing Documents, and the consummation of the transactions contemplated by this Agreement and the Closing Documents, have been duly authorized by all necessary corporate action of each Seller; and
- (c) assuming the accuracy of the representations and warranties of the Buyer in Article 5, this Agreement does, and the Closing Documents when executed by the Sellers will, constitute valid and binding obligations of each Seller enforceable against it in accordance with their respective terms.

#### **4.3 Residence of the Sellers**

Each of the Sellers, other than Confluence Outdoor Inc, is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

#### **4.4 Taxes**

The Sellers, other than Confluence Outdoor Inc, are duly registered under Subdivision (d) of Division V of the GST and HST Legislation with respect to the GST and HST, and under Division I of Chapter VIII of Title I of the QST Legislation with respect to the QST and will provide their respective registration numbers to the Buyer prior to Closing.

#### **4.5 No Other Representations, Warranties or Covenants**

Unless and solely to the extent expressly set forth in this Agreement, no representation (whether written, verbal or otherwise), warranty or covenant is expressed or implied by the Sellers, including any warranties as to title, Encumbrance, description, merchantability or fitness for a particular purpose, environmental compliance, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Acquired Business, the Purchased Assets, the Assumed Liabilities or the right of the Sellers to sell or assign the same, as applicable. The disclaimer in this Section 4.5 is made notwithstanding the delivery or disclosure to the Buyer or its directors, officers, employees, agents or representatives of any documentation or other information (including any financial projections, estimates, budgets, offering memoranda, management presentations, due diligence materials or other supplemental data not included in this Agreement). Without limiting the generality of the foregoing, any and all conditions, warranties or representations, express or implied, pursuant to Applicable Law (including under Article 1716 of the *Civil Code of Québec*, the *Sale of Goods Act* (Ontario), the *International Convention on Contracts for the Sale of Goods* (Vienna Convention) and any other applicable sale of goods legislation) do not apply hereto and are hereby expressly waived by the Buyer.

## **ARTICLE 5**

### **REPRESENTATIONS AND WARRANTIES OF THE BUYER AND THE GUARANTOR**

Each of the Buyer and Guarantor solidarily represents and warrants to the Sellers as follows, and acknowledges that the Sellers are relying upon the following representations and warranties in connection with their sale of the Purchased Assets:

#### **5.1 Corporate Existence**

The Buyer is a corporation duly formed, validly existing and in good standing under the laws of the Province of Québec. The Guarantor is a corporation duly formed, validly existing and in good standing under the laws of the Province of Québec.

#### **5.2 Residence of the Buyer**

Neither the Buyer nor the Guarantor is a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

#### **5.3 Financial Ability**

As of the date of this Agreement, the Guarantor has and will continue to have, and will cause the Buyer to have and to continue to have, cash on hand in amounts sufficient to allow it to pay the Purchase Price and all other costs and expenses in connection with the consummation of the transactions contemplated by this Agreement. Each of the Buyer and the Guarantor acknowledges and agrees that its obligations hereunder are not subject to the satisfaction of any conditions regarding the Guarantor's, the Buyer's or any other Person's ability to obtain financing for the consummation of the transactions contemplated by this Agreement and the satisfaction of its obligations hereunder.

#### **5.4 Absence of Conflicts**

Neither the Buyer nor the Guarantor is a party to, bound or affected by or subject to (and the assets of the Buyer and the Guarantor are not affected by): (a) any charter or by-law provision;

(b) any Applicable Law or governmental authorizations, approvals, franchises, orders, certificates, consents, directives, notices, licenses, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority; or (c) any agreement or other document, in each case, that would be violated, breached by, or under which any default would occur or with notice or the passage of time would, be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any other agreement or document to be entered into or delivered under the terms of this Agreement, except in the case of (b) and (c) for any violations, breaches or defaults or any Applicable Law or any governmental authorizations, approvals, franchises, orders, certificates, consents, directives, notices, licenses, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority, that would not have a material effect on or materially delay or impair the ability of the Buyer and the Guarantor to consummate the transactions hereunder.

### **5.5 Due Authorization and Enforceability of Obligations**

Each of the Buyer and the Guarantor has all necessary corporate or similar power, authority and capacity to enter into and deliver this Agreement and the Closing Documents, and to carry out its obligations under this Agreement and the Closing Documents. The execution, delivery and performance of this Agreement and the Closing Documents, and the consummation of the transactions contemplated by this Agreement and the Closing Documents, have been duly authorized by all necessary corporate or similar action of each of the Buyer and the Guarantor. This Agreement does, and when executed and delivered by each of the Buyer and the Guarantor, the Closing Documents to which the Buyer or the Guarantor is a party, will, constitute valid and binding obligations of the Buyer or the Guarantor, as applicable, enforceable against it in accordance with its respective terms.

### **5.6 Approvals and Consents**

Except for (a) the issuance of the Approval and Vesting Order and, if applicable, the Vesting Recognition Order, and (b) any consent that may be required in connection with the assignment of a Purchased Asset, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by each of the Buyer and the Guarantor, and each of the agreements to be executed and delivered by each of the Buyer and the Guarantor hereunder or the purchase of any of the Purchased Assets hereunder, except for any authorizations, consents, approvals, filings or notices of any Governmental Authority, court or Person that would not have a material effect on or materially delay or impair the ability of the Buyer and the Guarantor to consummate the transactions hereunder.

### **5.7 GST, HST and QST Registration**

The Buyer is or will be duly registered under subdivision (d) of Division V of the GST and HST Legislation with respect to the GST and HST, and QST Legislation with respect to the QST, and has provided or will prior to Closing provide its registration number to the Sellers in accordance with Section 7.7(g).

## **5.8 Litigation**

There are no Claims, investigations or other proceedings, including appeals and applications for review, in progress or, to the knowledge of the Buyer, pending or threatened against or relating to the Buyer or the Guarantor which, if determined adversely to the Buyer, would:

- (a) prevent the Buyer, or the Guarantor to cause the Buyer, from paying the Purchase Price to the Sellers;
- (b) enjoin, restrict or prohibit the transfer of all or any part of the Purchased Assets as contemplated by this Agreement; or
- (c) prevent the Buyer or the Guarantor from or delay the Buyer in fulfilling any of its obligations set out in or arising from this Agreement or the Closing Documents.

## **5.9 Personal Information**

- (a) Following Closing, each of the Buyer and the Guarantor shall, in connection with the conduct of the Acquired Business (i) not use or disclose Personal Information for any purposes other than those for which the Personal Information was initially collected, permitted to be used or disclosed, unless consent is obtained or as otherwise permitted or required by Applicable Laws; (ii) protect all Personal Information using security safeguards appropriate to the sensitivity of the information; and (iii) give effect to any withdrawal of consent with respect to the collection, use or disclosure of Personal Information as required under Applicable Laws.
- (b) Where required by Applicable Laws, each of the Buyer and the Guarantor shall, within a reasonable period of time following Closing, notify the individuals to whom Personal Information relates that the Transaction has been consummated and their Personal Information has been disclosed to the Buyer and the Guarantor.

## **5.10 As Is, Where Is**

Each of the Buyer and the Guarantor acknowledges and agrees that it has conducted to its satisfaction an independent investigation and verification of the Acquired Business, the Purchased Assets (including the state of title thereto and/or the state of any Encumbrances and Permitted Encumbrances), the Assumed Liabilities and all related operations of the Sellers, and, based solely thereon, has determined to proceed with the transactions contemplated by this Agreement. Each of the Buyer and the Guarantor has relied solely on the results of its own independent investigation and verification, and the representations and warranties of the Sellers expressly and specifically set forth in Article 4, and each of the Buyer and the Guarantor understands, acknowledges and agrees that all other representations, warranties and statements of any kind or nature, expressed or implied (including any relating to the future or historical financial condition, results of operations, status, validity or transferability of the Governmental Authorizations, prospects, assets or liabilities of the Sellers or the Acquired Business, or the quality, quantity or condition of the Purchased Assets) are specifically disclaimed by the Sellers.

Except for the representations and warranties of the Sellers expressly and specifically set forth in Article 4, none of the Sellers makes or provides any warranty or representation, express or implied, as to the effects of the transactions contemplated by this Agreement on the Governmental Authorizations, the quality, merchantability, fitness for a particular purpose, conformity to samples or condition of the Purchased Assets, or any part thereof. EACH OF THE BUYER AND THE GUARANTOR SPECIFICALLY ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF THE SELLERS EXPRESSLY AND SPECIFICALLY SET FORTH IN ARTICLE 4: (A) THE BUYER IS ACQUIRING THE PURCHASED ASSETS ON AN “AS IS, WHERE IS” BASIS; AND (B) NONE OF THE SELLERS, NOR ANY OTHER PERSON (INCLUDING ANY REPRESENTATIVE OF A SELLER, WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY, OR THE MONITOR) IS MAKING, AND THE BUYER IS NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO ANY MATTER CONCERNING THE SELLERS, THE ACQUIRED BUSINESS, THE PURCHASED ASSETS, THE GOVERNMENTAL AUTHORIZATIONS, THE ASSUMED LIABILITIES, THE EXCLUDED ASSETS, THE EXCLUDED LIABILITIES, THIS AGREEMENT OR THE TRANSACTIONS, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) THE BUYER, THE GUARANTOR OR ANY OF THEIR RESPECTIVE REPRESENTATIVES, INCLUDING WITH RESPECT TO, THE GOVERNMENTAL AUTHORIZATIONS, THE REAL PROPERTY LEASES AND THE STATUS OF ANY OF THE REAL PROPERTY LEASES, THE PERMITTED ENCUMBRANCES, THE RENTABLE AREA OF THE PREMISES, THE EXISTENCE OF ANY DEFAULT ON THE PART OF THE SELLERS OR LANDLORDS, THE USE PERMITTED AT ANY OF THE PREMISES, THE EXISTENCE OF ANY ENCUMBRANCE AFFECTING THE PURCHASED ASSETS, OR THE SELLER’S LEASEHOLD INTEREST THEREIN; AND WITHOUT LIMITING THE FOREGOING, ANY AND ALL CONDITIONS OR WARRANTIES EXPRESSED OR IMPLIED PURSUANT TO THE *SALE OF GOODS ACT* (ONTARIO), *THE INTERNATIONAL CONVENTION ON CONTRACTS FOR THE SALE OF GOODS* (VIENNA CONVENTION) AND ANY OTHER APPLICABLE SALE OF GOODS LEGISLATION, WILL NOT APPLY AND ARE HEREBY WAIVED BY THE BUYER AND THE GUARANTOR, AND THE PARTIES AGREE TO EXCLUDE THE EFFECT OF THE LEGAL WARRANTY PROVIDED FOR BY ARTICLE 1716 OF THE *CIVIL CODE OF QUÉBEC* AND THAT THE BUYER IS PURCHASING THE PURCHASED ASSETS AT ITS OWN RISK FROM A SELLER WHO IS NOT A PROFESSIONAL SELLER WITHIN THE MEANING OF ARTICLE 1733 OF THE *CIVIL CODE OF QUÉBEC*, AND ANY AND ALL CONDITIONS, WARRANTIES OR REPRESENTATIONS, REGARDING MERCHANTABILITY, PHYSICAL OR FINANCIAL CONDITION, DESCRIPTION, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY FOR DEVELOPMENT, TITLE, DESCRIPTION, USE OR ZONING, ENVIRONMENTAL CONDITION, EXISTENCE OF LATENT DEFECTS,

QUALITY, QUANTITY, ANY NON-INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS, OR REGARDING THE SCOPE, VALIDITY, TRANSFERABILITY OR ENFORCEABILITY OF ANY GOVERNMENTAL AUTHORIZATION, TRANSFERRED INTELLECTUAL PROPERTY, ACQUIRED COMPANY INTELLECTUAL PROPERTY OR LICENSED INTELLECTUAL PROPERTY RIGHTS, OR ANY OTHER THING AFFECTING THE ACQUIRED BUSINESS, ANY OF THE PURCHASED ASSETS OR THE ASSUMED LIABILITIES, OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER, INCLUDING ANY AND ALL CONDITIONS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, PURSUANT TO ANY APPLICABLE LAW IN ANY JURISDICTION, WHICH EACH OF THE BUYER AND THE GUARANTOR CONFIRMS DO NOT APPLY TO THIS AGREEMENT, AND ARE HEREBY WAIVED IN THEIR ENTIRETY BY THE BUYER AND THE GUARANTOR.

- (a) Each of the Buyer and the Guarantor acknowledges and agrees that: (i) the representations and warranties of the Sellers set forth in Article 4 (including, for greater certainty, the confirmation thereof made pursuant to the certificate contemplated in Section 6.2(c)) will merge on, and shall not survive, the Closing; and (ii) the Sellers will not have or be subject to any liability or indemnification obligation to the Buyer, the Guarantor or any other Person resulting from (nor will the Buyer, the Guarantor or any other Person have any claim with respect to) the distribution to the Buyer or the Guarantor, the Buyer's or the Guarantor's use of, or reliance on, any information, documents, projections, forecasts or other material made available to the Buyer and the Guarantor in certain "data rooms," confidential information memoranda or management presentations in expectation of, or in connection with, the transactions contemplated by this Agreement, regardless of the legal theory under which such liability or obligation may be sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise. None of the representatives of the Sellers, whether in an individual, corporate or other capacity, will have or be subject to any such liability or indemnification obligations.
- (b) The remedies expressly set forth in this Agreement are the Buyer's and the Guarantor's sole and exclusive remedies relating to this Agreement, the Closing Documents, the transactions contemplated hereby and thereby, the Acquired Business, the Purchased Assets, the Assumed Liabilities and all related operations of the Sellers or either of them.
- (c) This Section 5.10 will not merge on Closing and is deemed incorporated by reference in all Closing Documents.
- (d) Each of the Buyer and the Guarantor acknowledges and agrees that the enforceability of this Agreement against the Sellers is subject to entry of the Approval and Vesting Order.

## **5.11 Investment Canada Act**

Each of the Buyer and the Guarantor is a “Canadian”, and is not a “state-owned enterprise” within the meaning of the Investment Canada Act, and the regulations thereunder.

## **ARTICLE 6 CONDITIONS**

### **6.1 Conditions for the Benefit of the Buyer and the Sellers**

The respective obligations of the Buyer and of the Sellers to consummate the transactions contemplated by this Agreement are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions:

- (a) *No Law* – no provision of any Applicable Law and no judgment, injunction, order or decree that prohibits the consummation of the purchase of the Purchased Assets or any of the other transactions pursuant to this Agreement shall be in effect; and
- (b) *Approval and Vesting Order* – the Approval and Vesting Order shall have been issued and entered by the Court and such order shall not have been reversed, modified, amended or stayed.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of the Sellers, on the one hand, and the Buyer, on the other hand. Any condition in this Section 6.1 may be waived by the Sellers, on the one hand, or by the Buyer, on the other hand, in whole or in part, without prejudice to any of their respective rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver will be binding on the Sellers or the Buyer, as applicable, only if made in writing.

### **6.2 Conditions for the Benefit of the Buyer**

The obligation of the Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction of, or compliance with, or waiver by the Buyer of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Buyer):

- (a) *Compliance with Covenants* – there shall have been no breach or non-compliance with any of the covenants, agreements and conditions in each case that is to be performed or satisfied under this Agreement prior to Closing by the Sellers (which, for clarity does not include the covenant or agreement to seek and obtain the Vesting Recognition Order) resulting in a Material Adverse Effect;
- (b) *Truth of Representations and Warranties* – the representations and warranties of the Sellers contained in Article 4 shall be true and correct on and as of the Closing Date, as if made on and as of such date (except for representations and warranties made as of specified date, the accuracy of which shall be determined as of such specified date), except where the failure to be so true and correct would not, individually or in the aggregate, have a Material Adverse Effect; and



- (c) *Officer's Certificate* – the Buyer shall have received a certificate confirming the satisfaction of the conditions contained in Sections 6.2(a) (*Compliance with Covenants*) and 6.2(b) (*Truth of Representations and Warranties*), signed for and on behalf of the Sellers without personal liability by an executive officer of each of the Sellers or other Persons acceptable to the Buyer, in each case in form and substance reasonably satisfactory to the Buyer.

### **6.3 Conditions for the Benefit of the Sellers**

The obligation of the Sellers to consummate the transactions contemplated by this Agreement is subject to the satisfaction of, or compliance with, or waiver where applicable by the Sellers of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Sellers):

- (a) *Performance of Covenants* – the covenants contained in this Agreement to be performed by each of the Buyer and the Guarantor at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time;
- (b) *Truth of Representations and Warranties* – the representations and warranties of the Buyer and the Guarantor contained in Article 5 shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date (except for representations and warranties made as of specified date, the accuracy of which shall be determined as of such specified date); and
- (c) *Officer's Certificate* – the Sellers shall have received a certificate confirming the satisfaction of the conditions contained in Sections 6.3(a) (*Performance of Covenants*) and 6.3(b) (*Truth of Representations and Warranties*) signed for and on behalf of each of the Buyer and the Guarantor without personal liability by an executive officer of each of the Buyer and the Guarantor, in form and substance satisfactory to the Sellers, each acting in a commercially reasonable manner.

## **ARTICLE 7 ADDITIONAL AGREEMENTS OF THE PARTIES**

### **7.1 Access to Information**

Until the Closing Time, the Sellers shall give to the Buyer's personnel engaged in the transactions contemplated by this Agreement and their accountants, legal advisors, consultants, financial advisors and representatives during normal business hours reasonable access to its premises and to all of the books and records relating to the Acquired Business, the Purchased Assets and the Assumed Liabilities and to the Employees (who are actively at work), and shall furnish them with all such information relating to the Acquired Business, the Purchased Assets and the Assumed Liabilities as the Buyer may reasonably request, in its sole discretion, in connection with the transactions contemplated by this Agreement; provided that any such access shall be conducted at the Buyer's expense, in accordance with Applicable Law, under the supervision of the Sellers' personnel and in such a manner as to maintain confidentiality and not to unreasonably interfere with the normal operations of the Acquired Business, and the Sellers will not be required to provide access to or copies of any such books and records if (a) the provision thereof would cause the Sellers to be in contravention of any Applicable Law, (b) the Sellers

reasonably consider such information to be commercially sensitive, (c) making such information available would (A) result in the loss of any lawyer-client or other legal privilege, (B) cause the Sellers to be found in contravention of any Applicable Law, or (C) contravene any fiduciary duty or agreement (including any confidentiality agreement to which the Sellers or any of their affiliates are a party), it being understood that the Sellers shall cooperate in any reasonable efforts and requests that would enable otherwise required disclosure to the Buyer to occur without so jeopardizing privilege or contravening such Applicable Law, duty or agreement and, notwithstanding anything to the contrary, shall not unreasonably withhold information on the grounds of privilege or confidentiality. No investigation made pursuant to this Section by the Buyer or its representatives at any time prior to or following the date of this Agreement shall affect or be deemed to modify any representation or warranty made by the Sellers herein.

## **7.2 Conduct of Business Until Closing Time**

Except: (1) as contemplated or permitted by this Agreement; (2) as contemplated by the budget/cash-flow projections delivered in accordance with the DIP Facility; (3) as necessary in connection with the CCAA Proceedings or U.S. Proceedings; (4) as otherwise provided in the Initial Order and any other court orders, prior to the Closing Time; (5) as required by Applicable Law, to the extent reasonably practicable having regard to the CCAA Proceedings or U.S. Proceedings; or (6) as consented to by the Buyer, such consent not to be unreasonably withheld, conditioned or delayed, each of the Sellers shall, from the date of this Agreement until Closing:

- (a) (i) operate the Acquired Business only in the ordinary course of business in all material respects substantially as operated as of the date of this Agreement; (ii) use commercially reasonable efforts to preserve the Purchased Assets; (iii) use commercially reasonable efforts to preserve its business organization, including the services of its officers and employees, and its business relationships and goodwill with customers, suppliers and others having business dealings with it; (iv) pay and discharge the debts authorized by the Court in accordance with the DIP Facility; and (v) use commercially reasonable efforts to maintain in full force and effect all material insurance policies and binders relating to the Acquired Business; and
- (b) not, without the prior written consent of the Buyer (the granting of such consent to be in the Buyer's sole discretion): (i) transfer, lease, license, sell, abandon, or create any Encumbrance (other than Permitted Encumbrances and Encumbrances associated with or permitted by the DIP Facility) on or otherwise dispose of any of the Purchased Assets (except in the ordinary course of business, in all material respects consistent with past practice); (ii) materially increase the compensation or benefits of any Employee, except for increases in all material respects consistent with past practice or in accordance with employment Contracts, or Applicable Law; (iii) establish, adopt, enter into, amend or terminate any Employee Plan or any plan, agreement or other arrangement that would be an Employee Plan if it were in existence as of the date of this Agreement (iv) (A) materially amend, terminate or assign any Personal Property Lease, Real Property Lease or Assumed Contract, (B) enter into any lease, Contract, license or other commitment related to the Acquired Business that would constitute a Personal Property Lease, Real Property Lease or Assumed Contract; (v) enter into any Contract which materially restricts the ability of the Acquired Business to engage in any business in any geographic area or channel of distribution; (vi) acquire any material businesses or assets outside of the

ordinary course of business in all material respects; or (vii) agree or make a commitment, whether in writing or otherwise, to do any of the foregoing.

### **7.3 Approvals and Consents**

- (a) Each of the Sellers, on the one hand, and the Buyer, on the other hand, will provide to the other Party copies of all submissions and filings provided to a Governmental Authority pursuant to any applicable antitrust or foreign investment regulation, and will provide reasonable opportunity to comment on such filings and submissions prior to submitting same to the Governmental Authority; notwithstanding the foregoing, submissions, filings or other written communications to a Governmental Authority may be redacted as necessary before sharing with the other Party to address reasonable solicitor-client, attorney-client or other privilege or confidentiality concerns, provided that external legal counsel to the Buyer and the Sellers shall receive non-redacted versions of drafts or final submissions, filings or other written communications to the Governmental Authority on the basis that the redacted information will not be shared with their respective clients.
- (b) The Sellers and the Buyer will promptly inform the other of any material communication received by such Party from any Governmental Authority or proposed to be made to any Governmental Authority, and shall provide the other Party and its counsel an opportunity to attend and participate in any meetings of a substantive nature with a Governmental Authority, with respect to any applicable antitrust or foreign investment regulation.
- (c) Each of the Sellers and the Buyer will cooperate together and use commercially reasonable efforts to obtain any approval of any Governmental Authority (other than the Court or U.S. Court in the CCAA Proceedings or U.S. Proceedings, respectively, which will be governed by Article 8) required to consummate the transactions contemplated by this Agreement. Without limiting the generality of the foregoing, the Buyer and Sellers shall each (i) use its respective commercially reasonable efforts to comply as expeditiously as possible with all requests of any Governmental Authority for additional information and documents, including, without limitation, information or documents requested under any applicable antitrust regulation; (ii) not (A) extend any waiting period under any applicable antitrust or foreign investment regulation; or (B) enter into agreement with any Governmental Authority not to consummate the transactions contemplated by this Agreement, except, in each case, with the prior consent of the other Parties hereto; and (iii) cooperate with the other Parties hereto to avoid, contest and resist any action, including legislative, administrative or judicial action, and to have vacated, lifted, reversed or overturned any order (whether temporary, preliminary or permanent) that delays, restricts, prevents or prohibits the consummation of the transactions contemplated by this Agreement.
- (d) The Buyer shall be responsible for payment of any applicable filing fees to obtain the approval of any Governmental Authority under any applicable antitrust regulation.

- (e) As soon as reasonably possible following the date hereof, the Sellers and the Buyer, in cooperation with the Monitor, shall:
  - (i) make all such filings and seek all such consents, approvals, permits and authorizations with any other Governmental Authorities whose consent is required for consummation of the transactions contemplated by this Agreement, if any, and the Buyer will request any expedited processing available;
  - (ii) use their commercially reasonable efforts to obtain the issuance of the Approval and Vesting Order in accordance with the terms of the SISP; and
  - (iii) use their commercially reasonable efforts to obtain the issuance of the Vesting Recognition Order.

#### **7.4 No Broker**

The Buyer acknowledges and agrees that the Sellers shall not be liable for any brokerage commission, finder's fee or other similar payment in connection with the transactions contemplated by this Agreement because of any action taken by, or agreement or understanding reached by, the Buyer.

#### **7.5 Covenants Relating to this Agreement**

- (a) Each of the Parties shall perform, and shall cause their affiliates to perform, all obligations required to be performed by the applicable Party under this Agreement, co-operate with the other Parties and the Monitor in connection therewith, and, subject to the directions of any applicable courts to the Sellers or Monitor, use commercially reasonable efforts to do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable and in any event prior to the Sunset Date, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, each Party shall and, where appropriate, shall cause each of its affiliates to:
  - (i) negotiate in good faith and use its commercially reasonable efforts to take or cause to be taken all actions and to do, or cause to be done, all things necessary, proper or advisable to satisfy the conditions precedent to the obligations of such Party hereunder (including, where applicable, negotiating in good faith with the applicable Governmental Authorities and/or third Persons in connection therewith), and to cause the fulfillment at the earliest practicable date of all of the conditions precedent to the other Party's obligations to consummate the transactions contemplated hereby; and
  - (ii) not take any action, or refrain from taking any action, and use commercially reasonable efforts to not permit any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise

impede the consummation of the transactions contemplated by this Agreement.

- (b) The Buyer hereby agrees, and hereby agrees to cause its representatives to, keep the Sellers informed on a reasonably current basis, and no less frequently than on a weekly basis through teleconference or other meeting, and as reasonably requested by the Sellers or the Monitor, as to the Buyer's progress in terms of the satisfaction of the conditions precedent contained herein.
- (c) The Sellers and the Buyer agree to execute and deliver such other documents, certificates, agreements and other writings, and to take such other actions as may be reasonably required to consummate or implement as soon as reasonably practicable, the transactions contemplated by this Agreement.

#### **7.6 Release; Acknowledgements; Indemnity**

- (a) Except as otherwise contained herein, effective as of the Closing, each of the Buyer and the Guarantor hereby releases and forever discharges each of the Sellers, the Monitor, the SISP Advisor and their respective affiliates, and their respective successors and assigns, and all officers, directors, managers, partners, members, shareholders, employees, counsels and advisors, agents and mandataries of each of them, from any and all actual or potential Claims which such Person had, has or may have in the future to the extent relating to the Purchased Assets, the Assumed Liabilities, the Excluded Assets or the Excluded Liabilities.
- (b) Each of the Buyer and the Guarantor shall use its best efforts to assist the Sellers and shall co-operate with the Sellers, as reasonably requested, to obtain from third parties, effective as of the Closing Time, a full release of the Sellers' obligations under the Assumed Contracts, the Permitted Encumbrances and the Real Property Leases, and shall provide such financial and other information and enter into such assumption agreements as such third parties may reasonably require, in form and substance acceptable to each of the parties thereto acting reasonably and without delay.
- (c) Each of the Buyer and the Guarantor hereby agrees to indemnify the Sellers, the Monitor, their respective affiliates and their respective present or former trustees, officers, directors, managers, employees, agents, mandataries, members and shareholders (the "**Seller Parties**"), and saves each of them fully harmless from and against, and will reimburse or compensate each of them on demand for, all losses and Claims arising from, in connection with or related in any manner whatsoever to:
  - (i) the Buyer's failure to pay when due, and perform and discharge, the Assumed Liabilities;
  - (ii) any misrepresentation or any incorrectness in or breach of any representation or warranty of the Buyer or the Guarantor contained in or made pursuant to this Agreement;

- (iii) any non-fulfilment or breach of any covenant or agreement on the part of the Buyer or the Guarantor contained in or made pursuant to this Agreement; and
- (iv) the Buyer's access in accordance with Section 7.1.

## 7.7 Tax Matters

- (a) For purposes of any income Tax return related to the transactions contemplated in this Agreement, the Buyer and the Sellers agree to report the transactions contemplated in this Agreement in a manner consistent with the Allocation Statement, and the Buyer and the Sellers shall not voluntarily take any action inconsistent therewith in any such Tax return, refund claim, litigation or otherwise, unless required by applicable Tax laws. The Buyer and the Sellers shall each be responsible for the preparation of their own statements required to be filed under the *Income Tax Act* (Canada) and other similar forms in accordance with applicable Tax laws.
- (b) In respect of the purchase and sale of the Purchased Assets under this Agreement, to the extent permitted by Applicable Law, the Buyer shall pay direct to the appropriate Governmental Authority all sales and transfer Taxes, registration charges and transfer fees payable by it and, upon the reasonable request of the Sellers, the Buyer shall furnish proof of such payment, and the Buyer shall otherwise be liable for and shall pay to the Sellers an amount equal to any such Tax payable by the Buyer and collectible by the Sellers including under the GST and HST Legislation and the QST Legislation and under any similar provincial or territorial legislation imposing a similar value-added or multi-staged Tax. The Buyer shall deliver to Sellers any purchase exemption certificates being relied on by the Buyer in accordance with and in the form and manner as required under Applicable Laws governing provincial sales and transfer Taxes.
- (c) To the extent permitted under subsection 167(1) of the GST and HST Legislation, Section 75 of the QST Legislation and any equivalent or corresponding provision under any applicable provincial or territorial legislation imposing a similar value added or multi-staged Tax, the Buyer and the Sellers shall jointly elect that no Tax be payable with respect to the purchase and sale of the Purchased Assets under this Agreement. The Buyer and the Sellers shall make such election(s) in prescribed form containing prescribed information and the Buyer shall file such election(s) in compliance with the requirements of the applicable legislation. Notwithstanding such election(s), in the event it is determined by the Canada Revenue Agency or Revenu Québec (or another applicable provincial Governmental Authority) that there is a liability of the Buyer to pay, or of a Seller to collect and remit, any Taxes payable under the GST and HST Legislation or the QST Legislation (or any applicable provincial legislation) in respect of the sale and transfer of the Purchased Assets, such Taxes (including any associated interest, costs, and/or penalties) shall be paid by the Buyer.
- (d) If requested by the Buyer and to the extent permitted thereunder, a Seller and the Buyer will jointly execute, and each of them will file promptly following the

Closing Date, an election under Section 22 of the *Income Tax Act* (Canada), and any corresponding provisions of any applicable provincial income Tax legislation. For the purposes of such elections, the Buyer and the Sellers will, acting reasonably, jointly determine the amount that the parties will designate as the portion of the Purchase Price allocable to the debts in respect of which such elections are made. For greater certainty, the Sellers and the Buyer agree to prepare and file their respective Tax returns in a manner consistent with such election(s).

- (e) The Buyer hereby waives compliance by the Sellers with Section 6 of the *Retail Sales Tax Act* (Ontario) and with any similar provision contained in any other Applicable Law in respect of all sales and transfer Taxes, registration charges and transfer fees payable.
- (f) If requested by the Buyer and to the extent permitted thereunder, a Seller and the Buyer will jointly execute an election in the prescribed manner and within the prescribed time limits, to have the rules in subsection 20(24) of the *Income Tax Act* (Canada), and any equivalent or corresponding provision under applicable provincial or territorial tax legislation, apply to the obligations of the Seller in respect of undertakings which arise from the operation of the Acquired Business and to which paragraph 12(1) (a) and 12(1)(e) of the *Income Tax Act* (Canada) apply. For the purposes of such election(s), the Buyer, acting reasonably, shall determine the elected amount and the Buyer and the Sellers acknowledge that such Seller is transferring assets to the Buyer which have a value equal to such elected amount as consideration for the assumption by the Buyer of such obligations of such Seller.
- (g) On Closing, the Buyer shall have executed and delivered a certificate, undertaking and indemnity which includes its certification of its registration numbers issued under the GST and HST Legislation and QST Legislation, and incorporates the provisions of this Section 7.7 (the “**GST/HST and QST Certificate, Undertaking and Indemnity**”). The Buyer shall indemnify and save the Sellers harmless from and against any and all Taxes including, transfer Taxes and goods and services Tax or harmonized sales Tax, as the case may be, imposed under the GST and HST Legislation, the QST Legislation and any other value added or multi-staged Tax or sales Tax, penalties, costs and/or interest which may become payable by or assessed against any of the Sellers as a result of any failure by such Seller to collect and remit any goods and services Tax or harmonized sales Tax payable under the GST and HST Legislation and the QST Legislation or any similar value added or multi-staged Tax or sales Tax (including, for greater certainty, as a result of any failure or refusal of any Governmental Authority to accept any election filed pursuant to Section 7.7(c)) and applicable on the sale and conveyance of the Purchased Assets by the Sellers to the Buyer or as a result of any inaccuracy, misstatement, or misrepresentation made by the Buyer in connection with any matter raised in this Section 7.7 or in the GST/HST and QST Certificate, Undertaking and Indemnity or any failure by the Buyer to comply with the provisions of this Section 7.7 or the GST/HST and QST Certificate, Undertaking and Indemnity.

## 7.8 Employee Matters

- (a) No more than five (5) days after the date of this Agreement, Sellers will deliver a schedule of all Employees (without reference to names), together with their positions and wages/salary, incentive compensation, service date, material benefits and vacation entitlement and accrual. Such schedule will be updated immediately prior to the Closing Time as reasonably requested by the Buyer.
- (b) No later than two (2) Business Days following the date on which the Approval and Vesting Order is granted, conditional on Closing and with effect as of the Closing Time, the Buyer shall, in compliance with Applicable Law, provide an offer of employment or notice of continuing employment to all of the Employees on terms and conditions, including compensation, benefits, hours of work and duties, that are substantially similar and no less favourable in the aggregate to those terms and conditions of employment currently available to each such Employee immediately prior to the Closing Date (including the Key Employee Retention Plan, if applicable). For purposes of this Agreement, to the extent certain terms and conditions of employment are required to be maintained under any Employee Plans in order to avoid Sellers' incurring severance or other employment termination obligations, such terms and conditions shall be deemed to be required by Applicable Law. Employees' employment with the Buyer after the Closing Date, shall not include a probationary period and shall not be conditioned upon such Employees satisfactorily completing a background investigation, or other employment screening processes. Buyer shall notify the Sellers of the acceptance and rejections of its offers of continued employment that have been received from each of the Employees.
- (c) The Employees whose employment is transferred to the Buyer by operation of law and other Employees who accept the Buyer's offer of continued employment, shall hereinafter be collectively referred to as the "**Assumed Employees**". The Buyer shall recognize service of the Assumed Employees with the Sellers. The Sellers will cooperate with the Buyer in giving notice to the Employees of the Sellers concerning such matters referred to in this Section 7.8 as are reasonable under the circumstances.
- (d) The Buyer shall assume and be responsible for all liabilities and obligations with respect to the Assumed Employees following the Closing Date, including, but not limited to, any required notice of termination, termination or severance pay required under Applicable Law or under any Contract, employment insurance, workplace safety and insurance/workers' compensation, Canada Pension Plan, Québec Pension Plan, salary or wages, vacation pay, overtime pay, payroll or employer health Taxes, commissions, or vacation entitlements and accruals. The Buyer shall also assume and shall be responsible for any vacation pay, or wage liability with respect to the Assumed Employees, whether accruing or arising prior to, on or following the Closing Date. Notwithstanding the foregoing, the Buyer shall neither assume nor be responsible for any bonus accrual or payment with respect to the Assumed Employees accruing or arising prior to the Closing.
- (e) The Buyer may, at its sole discretion, provide written notice to the Sellers at least five (5) Business Days prior to the Closing Date that the Buyer wishes to assume one or more Employee Plans (to the extent transferable within such period) (the



“Assumed Employee Plans”), and, effective as of the Closing Date, the applicable Seller(s) shall assign to the Buyer, and the Buyer assumes, the Assumed Employee Plans and all agreements and policies forming part of or relating to any Assumed Employee Plan and all of the Sellers’ rights, obligations and liabilities under and in relation to the Assumed Employee Plans and all agreements and policies forming part of or relating to any Assumed Employee Plan and the Sellers and the Buyer agree to co-operate to take all reasonable steps to effect such assignment.

- (f) The Buyer shall be responsible for any and all Claims Incurred by the Assumed Employees (and their respective eligible spouses, beneficiaries and dependents) on and after the Closing Date. For these purposes, “**Incurred**” means, in relation to Claims under Employee Plans or Buyer Employee Plans, the date on which the event giving rise to such claim occurred and, in particular: (i) with respect to a death or dismemberment claim, shall be the date of the death or dismemberment; (ii) with respect to a short-term or long-term disability Claim, shall be the date that the period of short-term or long-term disability commenced; (iii) with respect to an extended health care claim, including, without limitation, dental and medical treatments, shall be the date of the treatment; and (iv) with respect to a prescription drug or vision care claim, the date that the prescription was filled.
- (g) After the date hereof, the Sellers and the Buyer shall cooperate promptly and in good faith in preparing the transition of the Assumed Employees as applicable from coverage under the Employee Plans to coverage under the Buyer Employee Plans effective as of the Closing Date. On and after the Closing Date, the Buyer shall be responsible for and make all required contributions and payments in relation to the Assumed Employees that are transitioned to coverage under the Buyer Employee Plans. If, at the Closing Date, the transition of any Assumed Employees to coverage under any Buyer Employee Plan has not been completed, the Buyer shall be responsible for all liabilities and obligations under any Employee Plan in respect of any such Assumed Employees until the Assumed Employees have been transitioned to coverage under the applicable Buyer Employee Plan.
- (h) For purposes of the Buyer Employee Plans in which any Assumed Employees participate, the Buyer shall recognize the service date of each such Employee, to the same extent that service credit would be given under the analogous Employee Plan, for purposes of eligibility, level of benefits and vesting, but not for purposes of benefit accrual. With respect to each Assumed Employee (and their eligible dependents, as applicable), the Buyer shall use best efforts to cause such Buyer Employee Plans to (i) waive any eligibility periods, evidence of insurability or pre-existing condition limitations and (ii) honor any deductibles, co-payments, co-insurance or out-of-pocket expenses paid or incurred by such Employees, including with respect to their dependents, under comparable Employee Plans.
- (i) To the extent reasonably requested by the Sellers, the Monitor or their respective representatives following Closing, the Buyer will, and will cause the Assumed Employees to, provide information relating to, and cooperate and provide assistance in relation to, the Acquired Business, the Purchased Assets, the Excluded Assets, the Assumed Liabilities, the Excluded Liabilities, and the Excluded Seller Subsidiaries as may be necessary or useful for the administration of the CCAA

Proceedings, the U.S. Proceedings, or any Insolvency Proceedings in respect of any of the Sellers or the filing of any Tax return or compliance with any Applicable Law or the terms of this Agreement or related to the Excluded Assets, including to pursue and complete a transaction relating to any Excluded Asset or any Excluded Seller Subsidiary (including, for clarity, any transaction resulting from a sale and investment solicitation process in respect of GSI Outdoors LLC or Sellers' interest therein).

#### **7.9 Certain Payments or Instruments Received from Third Persons**

To the extent that, after the Closing Date: (a) Buyer or any of its affiliates receives any payment or instrument that is for the account of a Seller according to the terms of this Agreement or any Closing Document or relates to any Excluded Asset or Excluded Liability, the Buyer shall, and shall cause its affiliates to, promptly deliver such amount or instrument to the relevant Seller; or (b) any of the Sellers or any of their controlled affiliates receives any payment or instrument that is for the account of the Buyer according to the terms of this Agreement or any Closing Document or that relates to the Purchased Assets or Assumed Liabilities, the Sellers shall, and shall cause their controlled affiliates to, promptly deliver such amount or instrument to the Buyer. All amounts due and payable under this Section 7.9 shall be due and payable by the applicable Party in immediately available funds, by wire transfer to the account designated in writing by the relevant Party. Notwithstanding the foregoing, each of the Sellers, on the one hand, and the Buyer, on the other hand, hereby undertakes to, as reasonably requested and at the other's expense, direct or forward all bills, invoices or like instruments to the appropriate Party.

#### **7.10 Intellectual Property Matters**

After Closing, the Sellers shall cooperate with and assist the Buyer, at the Buyer's expense, with the registration of the assignment of the registrable rights relating to Intellectual Property forming part of the Purchased Assets.

#### **7.11 Notice of Certain Events**

The Sellers, on the one hand, and the Buyer, on the other hand, shall give prompt written notice to the other Party and the Monitor of: (a) the occurrence or non-occurrence of any fact, change, condition or event, the occurrence or non-occurrence of which would render any representation or warranty of such Party contained in this Agreement or any of the Closing Documents untrue or inaccurate in any material respect; (b) any failure of such Party to comply with or satisfy any covenant or agreement to be complied with or satisfied by such Party hereunder in any material respect or any event or condition that would otherwise reasonably be expected to result in the nonfulfillment of any of the conditions to such Party's obligations hereunder; (c) any notice (whether written or oral) from any Person (including any Governmental Authority or counterparty to a Contract) alleging that the consent of such Person is or may be required in connection with, or that any Contract with any such Person is or may be breached or otherwise violated in connection with, the consummation of the Closing or any of the other transactions contemplated by this Agreement or any of the Closing Documents; or (d) any proceeding pending or, to the knowledge of such Party, threatened, against such Party relating to this Agreement and the other transactions contemplated by this Agreement or any of the Closing Documents.

## 7.12 Risk of Loss

In the event the Purchased Assets are damaged or destroyed or appropriated, expropriated or seized by any Person, on or prior to the Closing Date, the Buyer will complete the transactions contemplated by this Agreement without reduction of the Purchase Price. In such event all proceeds of insurance or compensation for expropriation or seizure in respect thereof up to a maximum equal to the portion of the Purchase Price allocated in such damaged, destroyed, appropriated, expropriated or seized Purchased Assets actually payable or recoverable in respect of such Purchased Assets shall be payable to the Buyer after the Closing when so recovered and all right and claim of the Sellers to any such amounts not recovered by the Closing Date will be assigned to the Buyer.

## 7.13 Disclosed Personal Information

- (a) The Parties confirm that the Disclosed Personal Information is necessary for the Buyer to determine whether to proceed with the Transaction and, if the determination is made to proceed with the Transaction, to complete it.
- (b) Prior to Closing, the Buyer shall (i) not use any Disclosed Personal Information except as required to (A) determine whether to proceed with the Transaction, (B) perform its obligations under this Agreement, (C) consummate the Transaction; (ii) not disclose any Disclosed Personal Information for any purpose except and only to the extent required by Applicable Laws; (iii) protect all Disclosed Personal Information using security safeguards appropriate to the sensitivity of the information; and (iv) within a reasonable period following (A) a decision by either or both Parties not to proceed with the Transaction; or (B) the Disclosed Personal Information is no longer necessary for the purposes set out in (i), destroy or return to the Sellers all Disclosed Personal Information.

## 7.14 Post-Closing Engagement with Respect to Certain Contracts.

- (a) Subject to receipt by the Monitor of the Transition Lease Costs Deposit (as defined below) within two Business Days of execution of this Agreement, as of the Closing and until June 30, 2025 (the “**Post Closing Period**”), the Buyer and Sellers agree that the Salaberry de Valleyfield Lease and the Laval Lease will remain subject to the CCAA Proceedings to provide the Buyer with the opportunity to (a) negotiate with the respective landlords the terms of the Salaberry de Valleyfield Lease and the Laval Lease and (b) to determine if the Salaberry de Valleyfield Lease and/or the Laval Lease will form part of the Purchased Assets.
- (b) Buyer shall be responsible for and undertakes to pay any and all fees, expenses, and other financial obligations (including any rent, whether base rent, additional rent, or otherwise, which becomes due and payable) incurred in connection with the Salaberry de Valleyfield Lease or the Laval Lease during the Post-Closing Period, including any insurance premiums, costs, or deductibles for any covered loss in connection with the applicable premises (collectively, “**Transition Lease Costs**”). For avoidance of doubt, the obligations of the Buyer under this Section 7.14(b) shall not apply to any fees, expenses, or other financial obligations which are incurred under the Salaberry de Valleyfield Lease or the Laval Lease prior to the Post-

Closing Period. Buyer, its affiliates, and their representatives shall not perform or fail to perform any act which would constitute or give rise to a breach, default, event of default, or violation under the Salaberry de Valleyfield Lease or the Laval Lease.

- (c) Buyer shall indemnify, defend and save harmless the Sellers and the Monitor from and against any and all losses and Claims suffered or incurred by them in connection with any breach by the Buyer or, as applicable, its affiliates or their representatives of any obligation under this Section 7.14.
- (d) As a deposit for payment of amounts owing by the Buyer under this Section 7.14, the Buyer shall, within two Business Days of execution of this Agreement, pay the amount of \$2,075,000 (the “**Transition Lease Costs Deposit**”) to the account of the Monitor set out in Schedule Q by wire transfer of immediately available funds. The Transition Lease Costs Deposit shall be held in escrow by the Monitor in a non-interest bearing account and shall be released to the Sellers from time to time in an amount equal to all documented Transition Lease Costs incurred by Sellers. To the extent that the aggregate amount of such Transition Lease Costs exceeds the Transition Lease Costs Deposit, any such excess will be due and payable by the Buyer to an account designated by Sellers within fourteen (14) days of notification thereof. On the date that is seventy-five (75) days following the end of the Post Closing Period (or such earlier date as the Monitor may determine, in its sole discretion), the Monitor shall pay to an account designated by the Buyer, by wire transfer of immediately available funds, the portion (if any) of the Transition Lease Costs Deposit remaining in escrow following payment of all Transition Lease Costs to such date.
- (e) Buyer acknowledges and agrees that, in the event that Buyer, Pelican and the respective landlords under the Salaberry de Valleyfield Lease or the Laval Lease have not (i) executed a lease assignment and assumption agreement in respect of the Salaberry de Valleyfield Lease or the Laval Lease (as applicable) in form and substance acceptable to the Buyer, Sellers, and Monitor, each acting reasonably, or (ii) come to other arrangements in respect of the Salaberry de Valleyfield Lease or the Laval Lease (as applicable) acceptable to the Monitor, acting reasonably, in each case on or before May 30, 2025, the Sellers or Monitor for and on behalf of the Sellers will issue a notice of disclaimer pursuant to Section 32 of the CCAA in respect of the Salaberry de Valleyfield Lease or the Laval Lease (as applicable) on or following June 1, 2025, and Buyer hereby consents to the issuance of such disclaimer. For clarity, all fees, expenses, and other financial obligations incurred in connection with the Salaberry de Valleyfield Lease or the Laval Lease (as applicable) during the 30-day disclaimer notice period will constitute Transition Lease Costs for which Buyer is responsible hereunder.
- (f) Notwithstanding any provision of this Agreement, it is understood and agreed that Section 2.6 shall apply, *mutatis mutandis*, in all circumstances where the Buyer continues to occupy the premises subject to the Salaberry de Valleyfield Lease, in whole or in part, beyond the Post-Closing Period whether pursuant to a lease assignment and assumption agreement or otherwise. For clarity, in all such

circumstances, the Buyer shall deliver a Matching Security to the Sellers and the Monitor in accordance with Section 2.6, *mutatis mutandis*.

## **ARTICLE 8 COURT ORDERS**

### **8.1 Court Orders**

- (a) The Applicant or Monitor, acting in consultation with the Buyer, will serve and file motions for the issuance of the Approval and Vesting Order and of the Vesting Recognition Order.
- (b) The Buyer shall cooperate with the Sellers, Applicant and the Monitor acting reasonably, as may be necessary, including by providing such information and taking such actions as may be reasonably requested, in obtaining the Approval and Vesting Order and the Vesting Recognition Order.
- (c) Notice of the motion seeking the issuance of the Approval and Vesting Order shall be served by the Applicant or the Monitor on all Persons on the service list for the CCAA Proceedings (as at the date of this Agreement) and as otherwise directed by Buyer.
- (d) The Buyer acknowledges that a Vesting Recognition Order is not a condition to Closing and may not be issued by the U.S. Court prior to Closing. In such event, the Applicant or the Monitor will use commercially reasonable efforts to obtain the Vesting Recognition Order post-Closing within 60 days from the date of this Agreement (subject to any extension agreed to in writing by the Buyer, the Sellers and the Monitor). The Buyer's sole and exclusive remedy in the event that the Vesting Recognition Order is not issued by the U.S. Court is a purchase price adjustment in accordance with Sections 3.1(b) and 3.3(c).

### **8.2 Court Process**

If the Approval and Vesting Order or any other orders of the Court or the U.S. Court relating to this Agreement shall be appealed or motion for rehearing shall be filed with respect thereto, the Sellers agree to take all action as may be commercially reasonable and appropriate to defend against such appeal, petition or motion and the Buyer agrees to use its commercially reasonable efforts to cooperate in such efforts at its own costs.

## **ARTICLE 9 TERMINATION**

### **9.1 Termination**

This Agreement may be terminated at any time prior to Closing as follows:

- (a) by mutual written consent of the Buyer and the Sellers (with the consent of the DIP Lenders and the Monitor) or on further order of the Court;

- (b) by the Sellers (with the consent of the DIP Lenders and the Monitor) if Closing has not occurred on or before May 31, 2025 or such later date agreed to in writing by both the Buyer and the Sellers (with the consent of the DIP Lenders and the Monitor) (the “**Sunset Date**”); provided, that the Sellers are not in material breach of any representation, warranty, covenant or other agreement in this Agreement to cause the conditions in Article 6 to be satisfied;
- (c) by the Buyer or the Sellers upon the dismissal or conversion of the CCAA Proceedings;
- (d) by the Buyer or the Sellers upon permanent denial of the Approval and Vesting Order;
- (e) by the Buyer or the Sellers if a court of competent jurisdiction or other Governmental Authority has issued an order or taken any other action permanently restraining, enjoining or otherwise prohibiting the consummation of Closing and such order or action has become Final (provided the same was not initiated by the Buyer or the Sellers or their respective affiliates);
- (f) by the Sellers, if required under any Order of a court of competent jurisdiction, including the Court or U.S. Court;
- (g) by the Sellers (with the consent of the DIP Lenders and the Monitor), if there has been a material violation or breach by the Buyer or the Guarantor of any covenant, representation or warranty which would prevent the satisfaction of the conditions set forth in Section 6.1 or Section 6.3, as applicable, by the Sunset Date and such violation or breach has not been waived by the Sellers or cured within ten (10) Business Days after written notice thereof from the Sellers, unless the Sellers are in material breach of their obligations under this Agreement; or
- (h) by the Buyer, if there has been a material violation or breach by either of the Sellers of any covenant, representation or warranty which would prevent the satisfaction of the conditions set forth in Section 6.1 or Section 6.2, as applicable, by the Sunset Date and such violation or breach has not been waived by the Buyer or cured within ten (10) Business Days after written notice thereof from the Buyer, unless the Buyer or the Guarantor is in material breach of its obligations under this Agreement.

The Party desiring to terminate this Agreement pursuant to this Section 9.1 (other than pursuant to Section 9.1(a)) shall give written notice of such termination to the other Party or Parties, as applicable, specifying in reasonable detail the basis for such Party’s exercise of its termination rights.

## **9.2 Effect of Termination**

In the event of termination of this Agreement pursuant to Section 9.1, this Agreement shall become void and of no further force or effect without liability of any Party to any other Party to this Agreement except that (a) this Section 9.2, as well as Sections 3.3(b), 12.1, 12.3, 12.5, 12.6, 12.7 and 12.8 and Article 11 shall survive, (b) the NDA shall survive in accordance with the terms

of the NDA, and (b) no termination of this Agreement shall relieve any Party of any liability for any wilful breach by it of this Agreement.

## **ARTICLE 10 CLOSING**

### **10.1 Location and Time of the Closing**

The Closing shall take place at the Closing Time on the Closing Date at the offices of Osler, Hoskin & Harcourt LLP located at Suite 1100, 1000 De La Gauchetière Street West, Montréal, Québec, or at such other location as may be agreed upon by the Parties. The Closing shall, unless otherwise agreed between the Parties, be conducted virtually.

### **10.2 Sellers' Deliveries at Closing**

At Closing, the Sellers shall deliver to the Buyer the following:

- (a) a copy of the Approval and Vesting Order;
- (b) the General Assignments and Bills of Sale for the Purchased Assets duly executed by the applicable Sellers;
- (c) the Assignment and Assumption Agreements for the Assumed Contracts, Personal Property Leases, and Real Property Leases duly executed by the applicable Sellers;
- (d) assignment of any existing realty Tax appeals and any other documents required to permit the Buyer to continue such appeals and to receive payments resulting therefrom;
- (e) the IP Assignment and Assumption Agreements duly executed by the applicable Sellers;
- (f) an executed copy of the Monitor's Certificate;
- (g) the certificates contemplated by Section 6.2(c);
- (h) if applicable, a duly executed election pursuant to GST and HST Legislation and QST Legislation, and any certificates, elections or other documents required to be delivered pursuant to Section 7.7; and
- (i) all other documents required to be delivered by the Sellers on or prior to the Closing Date pursuant to this Agreement or Applicable Law or as reasonably requested by the Buyer in good faith in order to give effect to this Agreement.

### **10.3 Buyer's Deliveries at Closing**

At Closing, the Buyer shall deliver to the Sellers:

- (a) the Purchase Price in accordance with Section 3.3(a);

- (b) any sales or transfer Taxes payable on Closing by the Buyer to the Sellers pursuant to Section 7.7(b) hereof;
- (c) the General Assignments and Bills of Sale for the Purchased Assets duly executed by the Buyer;
- (d) the Assignment and Assumption Agreements for the Assumed Contracts, Personal Property Leases and Real Property Leases duly executed by the Buyer;
- (e) the IP Assignment and Assumption Agreements duly executed by the Buyer;
- (f) the Matching Security, if applicable;
- (g) the certificate contemplated by Section 6.3(c);
- (h) if applicable, a duly executed election pursuant to GST and HST Legislation and QST Legislation, and any certificates, elections or other documents required to be delivered pursuant to Section 7.7;
- (i) the GST/HST and QST Certificate, Undertaking and Indemnity; and
- (j) all other documents required to be delivered by the Buyer on or prior to the Closing Date pursuant to this Agreement or Applicable Law or as reasonably requested by the Sellers in good faith in order to give effect to this Agreement.

#### **10.4 Possession of Assets**

The Sellers will remain in possession of the Purchased Assets until Closing. On Closing, the Buyer will take possession of the Purchased Assets wheresoever situated at Closing. In no event will the Purchased Assets be sold, assigned, transferred or set over to the Buyer until the conditions set out in the Approval and Vesting Order have been satisfied, and the Buyer has satisfied all delivery requirements outlined in Section 10.3.

#### **10.5 Monitor**

The Parties hereby acknowledge and agree that the Monitor will be entitled to file the Monitor's Certificate with the Court without independent investigation upon receiving written confirmation from the Sellers and the Buyer that all conditions to Closing have been satisfied or waived and upon receiving the cash portion of the Purchase Price and any sales or transfer Taxes confirmed in writing by the Sellers and the Buyer (on which the Monitor shall be entitled to rely without independent investigation) to be payable on Closing by the Buyer to the Sellers pursuant to Section 7.7(b) hereof, and the Monitor will have no liability to the Sellers or the Buyer or any other Person as a result of filing the Monitor's Certificate or otherwise in connection with this Agreement or the transactions contemplated hereunder (whether based on contract, tort or any other theory).



## **10.6 Simultaneous Transactions**

All actions taken and transactions consummated at the Closing shall be deemed to have occurred simultaneously, and no such transaction shall be considered consummated unless all are consummated.

# **ARTICLE 11 PARENT GUARANTEE**

## **11.1 Scope of Guarantee**

The Guarantor hereby unconditionally and irrevocably guarantees to the Sellers, and solidarily with the Buyer and its permitted assignees, the prompt and full performance and payment of all obligations of the Buyer and its permitted assignees under this Agreement and the Closing Documents (the “**Buyer Obligations**”). The guarantee under this Article 11 may be enforced by the Sellers or any of them without the necessity at any time of resorting to or exhausting any other remedy or without the necessity at any time of having recourse to this Agreement or any other Closing Document. The Guarantor hereby waives the benefits of discussion and of division. Nothing contained in this Agreement or any Closing Document will prevent the Sellers from exercising any and all rights or remedies under this Agreement if any of the Buyer, its permitted assignees or the Guarantor fail to promptly perform the Buyer Obligations, and the exercise of any of the aforesaid rights and the completion of any related actions or proceedings will not constitute a discharge of any of the obligations of the Guarantor under this Agreement or any Closing Document, it being the express purpose and intent of the Guarantor that the Guarantor’s obligations under this Agreement and the Closing Documents be absolute, independent and unconditional under any and all circumstances.

## **11.2 Reinstatement**

The terms of this Article 11 will continue to be effective, or will be reinstated, as the case may be, if at any time any payment (in whole or in part), of any of the Buyer Obligations is rescinded or must otherwise be returned or restored by the Buyer or any of its permitted assignees by reason of the bankruptcy, insolvency or reorganisation of the Buyer or any of its permitted assignees, all as if though the obligation had not been fulfilled.

## **11.3 Survival of Guarantee**

The obligation of the Guarantor to perform the Buyer Obligations will not be limited or reduced as a result of the termination, invalidity or unenforceability of any right of the Sellers against the Buyer or any of its permitted assignees due to any incapacity, disability or lack or limitation of status or of the power of the Buyer or any of its permitted assignees or as a result of bankruptcy, insolvency or similar proceeding involving the Buyer or any of its permitted assignees or for any other circumstance or reason whatsoever (other than the fulfillment of the Buyer Obligations).

## **11.4 Indemnification by Guarantor**

The Guarantor, as a principal obligor, and as a separate and independent obligation and liability from its obligations and liabilities under this Article 11, but without duplication of recovery, shall indemnify, defend and save harmless the Sellers from and against any and all losses and Claims

suffered or incurred by them in the enforcement of any of the provisions of this Article 11 or occasioned by any breach by the Guarantor of any of its obligations under this Article 11 in connection with any of (i) the failure of the Buyer or any of its permitted assignees to fully and promptly perform any of the Buyer Obligations (ii) any loss or Claim for any reason whatsoever including by operation of Law or otherwise of any right of the Sellers to enforce the Buyer Obligations and (iii) any of the provisions of this Article 11 being or becoming void, voidable, invalid or unenforceable.

### **11.5 Costs and Expenses**

If at any time after the date of this Agreement the Sellers retain counsel to pursue collection to sue for enforcement of the terms of this Agreement or any Closing Document, or to file an action application, petition, complaint, answer, motion or other pleading in any suit or proceeding related to the guarantee set forth in this Article 11, then each of those events where the Sellers prevail, all of the reasonable legal fees, including extra-judicial fees and costs, related to them will be an additional liability of the Guarantor to the Sellers, payable on demand.

### **11.6 Termination**

The provisions of this Article 11 and the guarantee by the Guarantor of the Buyer Obligations set forth herein shall terminate effective as of the consummation of, and shall not survive after, the Closing.

## **ARTICLE 12 GENERAL MATTERS**

### **12.1 Confidentiality**

The Buyer shall keep confidential all Confidential Information relating to the Sellers, the Acquired Business, the Purchased Assets, the Assumed Liabilities, the Excluded Assets and the Excluded Liabilities in accordance with the terms of the NDA as and if it was the Guarantor who a party to the NDA.

### **12.2 Public Notices**

No press release or other announcement concerning the transactions contemplated by this Agreement shall be made by the Sellers, on the one hand, or by the Buyer and the Guarantor, on the other hand, without the prior consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed); provided, however, that subject to the last sentence of this Section 12.2, any Party may, without such consent, make such disclosure if the same is required by Applicable Law (including the CCAA Proceedings or U.S. Proceedings) or by any stock exchange on which any of the securities of such Party or any of its affiliates are listed, or by any insolvency or other court or securities commission, or other similar Governmental Authority having jurisdiction over such Party or any of its affiliates, and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other Party to the extent legally permissible and reasonably practicable, and if such prior notice is not legally permissible or reasonably practicable, to give such notice reasonably promptly following the making of such disclosure. Notwithstanding the foregoing: (i) this Agreement may be filed by the Sellers with the Court and U.S. Court; and (ii) the transactions

contemplated in this Agreement may be disclosed by the Sellers to the Court and U.S. Court, subject to redacting confidential or sensitive information as permitted by Applicable Law or as authorized by the Court and U.S. Court. The Parties further agree that:

- (a) the Monitor will prepare and file reports and other documents with the Court and U.S. Court containing references to the transactions contemplated by this Agreement and the terms of such transactions; and
- (b) the Sellers and their professional advisors may prepare and file such reports and other documents with the Court and U.S. Court containing references to the transactions contemplated by this Agreement and the terms of such transactions as may reasonably be necessary to complete the transactions contemplated by this Agreement or to comply with their obligations in connection therewith.

Wherever possible, the Buyer and the Guarantor shall be afforded an opportunity to review and comment on such materials prior to their filing. The Parties may issue a joint press release announcing the execution and delivery of this Agreement, in form and substance mutually agreed to by them.

### **12.3 Injunctive Relief**

- (a) The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to seek specific performance, injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement, and to enforce compliance with the terms of this Agreement, without any requirement for the securing or posting of any bond in connection with the obtaining of any such specific performance, injunctive or other equitable relief, this being in addition to any other remedy to which the Parties may be entitled at law or in equity.
- (b) Each Party hereby agrees not to raise any objections to the availability of the equitable remedies provided for herein and the Parties further agree that by seeking the remedies provided for in this Section 12.3, a Party shall not in any respect waive its right to seek any other form of relief that may be available to a Party under this Agreement.
- (c) Notwithstanding anything to the contrary herein, under no circumstances shall a Party be permitted or entitled to receive both monetary damages and specific performance and election to pursue one shall be deemed to be an irrevocable waiver of the other.

### **12.4 Survival**

None of the representations, warranties, covenants (except the covenants in Article 2, Article 3, Sections 4.5, 5.10, 7.4, 7.6, 7.7, 7.8, 7.9, 7.10, 8.1(d) and 10.5, and Article 12 to the extent they are to be performed after the Closing) of any of the Parties set forth in this Agreement, in any Closing Document to be executed and delivered by any of the Parties or in any other

agreement, document or certificate delivered pursuant to or in connection with this Agreement or the transactions contemplated hereby (except any covenants included in such Closing Documents or any such other agreement, document or certificate, which, by their terms, survive Closing) shall survive the Closing.

## **12.5 Expenses**

Except as otherwise specifically provided herein, each of the Sellers, on the one hand, and the Buyer, on the other hand, shall be responsible for the expenses (including fees and expenses of legal advisors, accountants and other professional advisors) incurred by each of them, respectively, in connection with the negotiation and settlement of this Agreement, and the completion of the transactions contemplated hereby.

## **12.6 Non-Recourse**

No past, present or future director, officer, employee, incorporator, manager, member, partner, securityholder, affiliate, agent, mandatary, lawyer or representative of the respective Parties, in such capacity, shall have any liability for any obligations or liabilities of the Buyer or the Sellers, as applicable, under this Agreement, or for any Claim based on, in respect of or by reason of the transactions contemplated hereby.

## **12.7 Assignment; Binding Effect**

No Party may assign its right or benefits under this Agreement without the consent of each of the other Parties, except that without such consent any Party may, upon prior notice to the other Parties: (a) assign this Agreement, or any or all of its rights and obligations hereunder, to one or more of its subsidiaries or affiliates; or (b) the Buyer may direct that title to all or some of the Purchased Assets be transferred to, and the corresponding Assumed Liabilities be assumed by, one or more of its subsidiaries or affiliates; provided, that no such assignment or direction shall relieve such assigning Party or the Guarantor of its obligations hereunder. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns. Except as provided in Section 7.6 and Section 7.7(c), nothing in this Agreement shall create or be deemed to create any third Person beneficiary rights in any Person not a Party to this Agreement.

## **12.8 Notices**

Any notice, consent or approval required or permitted to be given in connection with this Agreement (in this Section referred to as a “**Notice**”) shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transferred by facsimile or email:

- (a) in the case of a Notice to the Buyer or the Guarantor at:

c/o Groupe Mach Acquisition Inc.  
630 Saint-Paul Street West  
Suite 600  
Montréal (Québec) H3C 1L9

Attention: Vincent Chiara & Laurent Dionne-Legendre  
Email: [vchiara@groupmach.com](mailto:vchiara@groupmach.com) & [ldlegendre@groupemach.com](mailto:ldlegendre@groupemach.com)

with copies (which shall not in themselves constitute notice) to:

Cain Lamarre, S.E.N.C.R.L.  
1300 Sherbrooke Street West  
Suite 400  
Montréal (Québec) H3G 1H9

Attention: Sylvain Aird  
Email: [Sylvain.Aird@cainlamarre.ca](mailto:Sylvain.Aird@cainlamarre.ca)

with copies (which shall not in themselves constitute notice) to:

Woods s.e.n.c.r.l.  
2000 McGill College Avenue, #1700  
Montreal (Quebec) H3A 3H3

Attention: Sylvain Rigaud  
Email: [srigaud@woods.qc.ca](mailto:srigaud@woods.qc.ca)

(b) in the case of a Notice to the Sellers at:

Rime EL Rhoul  
Avocate principale et Affaires corporatives  
Senior legal counsel and Corporate affairs

Telephone: 450-664-1222, ext. 325  
Email: [relrhoul@pelicansport.com](mailto:relrhoul@pelicansport.com)

with copies (which shall not in themselves constitute notice) to:

Fasken Martineau DuMoulin LLP  
Suite 3500  
800 Rue du Square-Victoria  
Montreal, QC, H3C 0B4

Attention: Brandon Farber and Alain Riendeau  
Email: [bfarber@fasken.com](mailto:bfarber@fasken.com) / [ariendeau@fasken.com](mailto:ariendeau@fasken.com)

and the Monitor:

FTI Consulting Canada Inc.  
1000, Sherbrooke Street West, Suite 915  
Montréal, QC, H3A 3G4

Attention: Martin Franco  
Email: [Martin.Franco@fticonsulting.com](mailto:Martin.Franco@fticonsulting.com)

and counsel to the Monitor:

Osler, Hoskin & Harcourt LLP  
Suite 1100  
1000 De La Gauchetière Street West  
Montréal, QC, H3B 0A2

Attention: Sandra Abitan and Hugo-Pierre Gagnon  
Email: [sabitan@osler.com](mailto:sabitan@osler.com) / [hpgagnon@osler.com](mailto:hpgagnon@osler.com)

Any Notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day then the Notice shall be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address by giving Notice to the other Parties in accordance with the provisions of this Section.

## **12.9 Counterparts; Facsimile Signatures**

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Agreement may be made by facsimile signature or by electronic means which, for all purposes, shall be deemed to be an original signature.

## **12.10 Language**

*Les Parties aux présentes ont expressément exigé que la présente convention et tous les documents et avis qui y sont afférents soient rédigés en anglais.* The Parties have expressly required that this Agreement and all documents and notices relating hereto be drafted in English.


***[Signature pages follow]***

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the date first written above.

**PELICAN INTERNATIONAL INC.**

By: \_\_\_\_\_  
Name: Martin Franco  
Title: Senior Managing Director  
FTI Consulting Canada Inc.,  
solely in its capacity as Court  
appointed Monitor pursuant to the  
authority granted in the Initial  
Order, and not in its personal or  
corporate capacity.

**CONFLUENCE OUTDOOR INC.**

By: \_\_\_\_\_  
Name: Martin Franco  
Title: Senior Managing Director  
FTI Consulting Canada Inc.,  
solely in its capacity as Court  
appointed Monitor pursuant to the  
authority granted in the Initial  
Order, and not in its personal or  
corporate capacity.

**9539-5893 QUÉBEC INC.**

By:   
Name: Vincent Chiara  
Title: Director

By:   
Name: Charles Malo  
Title: Director

By:   
Name: Marc Varadi  
Title: Director

**GROUPE MACH ACQUISITION INC.**

By:   
Name: Vincent Chiara  
Title: President



**SCHEDULE A**  
**FORM OF APPROVAL AND VESTING ORDER**

**Please see attached.**

**SCHEDULE B**  
**PERSONAL PROPERTY LEASES**

**[To be finalized by the Buyer and the Sellers before Closing.]**

SCHEDULE C

REAL PROPERTY LEASES

Schedule C - Real Property Leases				
Location ID	Location Name	Address	Landlord	Cure Costs
SC1	Greenville Manufacturing Centre	575 Mauldin Rd, Greenville, South Carolina, 29607, United States	Mauldin Road LLC.	US\$34,694.99

## SCHEDULE D

### ASSUMED CONTRACTS

Schedule D - Assumed Contracts						
Company	Vendor	Service Type	Cure costs	Currency		
Confluence	Segra	Technology / Systems	1 733 \$	USD		
Confluence	Kaseya	Technology / Systems	20 710 \$	USD		
Confluence	Mitel	Technology / Systems	- \$			
Confluence	CYBERSCIENCE	Technology / Systems	7 704 \$	USD		
Confluence	Autodesk	Technology / Systems	- \$			
Confluence	QAD	Technology / Systems	20 868 \$	USD		
Confluence	Hexagon Mfg Intelligence	Technology / Systems	- \$			
Confluence	SPS Commerce	Technology / Systems	3 497 \$	USD		
Confluence	Assured	Technology / Systems	14 074 \$	USD		
Confluence	Trimble	Technology / Systems	- \$			
Pelican	Addeco China	Quality	- \$			
Pelican	Calgah	Technology / Systems	13 800 \$	CAD		
Pelican	Calgah	Technology / Systems	9 143 \$	CAD		
Pelican	Calgah	Technology / Systems	43 868 \$	CAD		
Pelican	Calgah	Technology / Systems	6 639 \$	CAD		
Pelican	logue Technologies de la Santé	Telehealth	7 937 \$	CAD		
Pelican	Isovision	Technology / Systems	10 344 \$	CAD		
Pelican	Isovision	Technology / Systems				
Pelican	Shopify	E-commerce	- \$			
Pelican	Shopify	E-commerce	- \$			
Pelican	UKG	Technology / Systems	11 770 \$	CAD		
Pelican	UKG	Technology / Systems				
Pelican	Nethris Fresh Service	Technology / Systems	- \$			
Confluence	Kaseya	Technology / Systems	20 710 \$	USD		
	Gerald B. - IT		6 899 \$	CAD		
Pelican	emploi-Québec Entente 904923-1		- \$			
Pelican	Academy Sports		- \$			
Pelican	Dunhams Sports		- \$			
Pelican and Confluence	Dunhams Sports		- \$			
Confluence	TSC		- \$			
Confluence	TSC		- \$			
Pelican	Dick's Sporting Goods		- \$			
Confluence	REI Co-Op		- \$			
Confluence	REI Co-Op		- \$			
Confluence	Dick's Sporting Goods		- \$			
Pelican	Costco		- \$			
Pelican and Confluence	Dunhams Sports		- \$			
Pelican	REI Co-Op		- \$			
Confluence	REI Co-Op		- \$			
Pelican	WalMart		- \$			
Pelican	WalMart		- \$			
Pelican	CTC		- \$			
Confluence	Amazon		- \$			
Confluence	Amazon		- \$			
Confluence	Amazon		- \$			
Confluence	Amazon CA		- \$			
Confluence	Amazon CA		- \$			
Confluence	Amazon CA		- \$			
Pelican	Amazon CA		- \$			
Pelican	Amazon CA		- \$			
Pelican	Amazon CA		- \$			
Pelican	BMR		- \$			
Pelican	Co-Op		- \$			
Pelican	Blain Supply		- \$			
Pelican	Murdoch		- \$			
Pelican	BAHAG Baus / Manheim		- \$			
Pelican	BAHAG Baus / Manheim		- \$			
Pelican	3GL Sports (Sport Check / Marks)		- \$			
Pelican	Northwoods Outlet		- \$			
Pelican	Rural King		- \$			
Pelican	Sail		- \$			
Pelican	Scheels		- \$			
Pelican	Sporting Life		- \$			
Pelican	Kautex Machines		- \$			
Pelican	Hobie Cat Company II LLC		- \$			
Confluence	Palm Equipment		- \$			
Confluence	Gaybo		- \$			
Advanced Elements	OutEquip		- \$			

## SCHEDULE E

### INTELLECTUAL PROPERTY


Schedule E - Intellectual Property (Patents)				
Company	Family	Country	Application #	Status
Pelican International Inc.	Famille No. Pel-1	CANADA	3,035,190	PUBLISHED
Pelican International Inc.	Famille No. Pel-1	UNITED STATES	16/287,989	ISSUED
Pelican International Inc.	Famille No. Pel-1	UNITED STATES	17/089,639	ISSUED
Pelican International Inc.	Famille No. Pel-1	UNITED STATES	17/511,494	ISSUED
Pelican International Inc.	Famille No. Pel-1	UNITED STATES	17/886,404	ISSUED
Pelican International Inc.	Famille No. Pel-2	UNITED STATES	17/679,845	ISSUED
Pelican International Inc.	Famille No. Pel-2	UNITED STATES	18/195,915	ISSUED
Pelican International Inc.	Famille No. Pel-2	CANADA	3,209,202	PUBLISHED
Pelican International Inc.	Famille No. Pel-2	EUROPEAN CONV.	22759060.1	PUBLISHED
Pelican International Inc.	Famille No. Pel-2	UNITED STATES	18/935,384	TO BE ABANDONED
Pelican International Inc.	Famille No. Pel-2	WO/PCT	PCT/IB2022/051658	EXPIRED PCT
Pelican International Inc.	Famille No. Pel-3	UNITED STATES	16/888,508	ISSUED
Pelican International Inc.	Famille No. Pel-3	CANADA	3,081,588	PUBLISHED
Pelican International Inc.	Famille No. Pel-3	UNITED STATES	18/328,702	ALLOWED
Pelican International Inc.	Famille No. Pel-4	UNITED STATES	15/197,386	ISSUED
Pelican International Inc.	Famille No. Pel-4	CANADA	2,934,821	ISSUED
Pelican International Inc.	Famille No. Pel-4	CANADA	2,980,291	ALLOWED
Pelican International Inc.	Famille No. Pel-5	CANADA	176268	ISSUED
Pelican International Inc.	Famille No. Pel-5	CANADA	180211	ISSUED
Pelican International Inc.	Famille No. Pel-5	CANADA	180212	ISSUED
Pelican International Inc.	Famille No. Pel-6	CANADA	177689	ISSUED
Pelican International Inc.	Famille No. Pel-6	UNITED STATES	29/622144	ISSUED
Pelican International Inc.	Famille No. Pel-7	UNITED STATES	29/250778	EXPIRED
Pelican International Inc.	Famille No. Pel-8	UNITED STATES	12/872,059	ISSUED
Pelican International Inc.	Famille No. Pel-9	CANADA	3,009,013	ISSUED
Pelican International Inc.	Famille No. Pel-9	UNITED STATES	16/016,178	ISSUED
Pelican International Inc.	Famille No. Pel-9	UNITED STATES	18/128,975	ALLOWED
Pelican International Inc.	Famille No. Pel-9	UNITED STATES		TARGET
Pelican International Inc.	Famille No. Pel-9	UNITED STATES	19/041,943	FILED
Pelican International Inc.	Famille No. Pel-10	CANADA	2,987,836	ISSUED
Pelican International Inc.	Famille No. Pel-10	UNITED STATES	15/830,903	PUBLISHED
Pelican International Inc.	Famille No. Pel-11	UNITED STATES	10/667,398	EXPIRED
Pelican International Inc.	Famille No. Pel-12	CANADA	2,916,287	ISSUED
Pelican International Inc.	Famille No. Pel-12	CANADA	2,979,855	ISSUED
Pelican International Inc.	Famille No. Pel-12	CANADA	3,011,580	ISSUED
Pelican International Inc.	Famille No. Pel-12	UNITED STATES	14/757,943	ISSUED
Pelican International Inc.	Famille No. Pel-12	UNITED STATES	16/041,087	Reinstated /PENDING
Pelican International Inc.	Famille No. Pel-12	UNITED STATES	18/828,976	PENDING
Pelican International Inc.	Famille No. Pel-12	UNITED STATES	n/a	TARGET
Pelican International Inc.	Famille No. Pel -13	UNITED STATES	63/694,318	PENDING
Pelican International Inc.	Famille No. Pel -14	UNITED STATES	n/a	TARGET
Pelican International Inc.	Famille No. Pel -15	UNITED STATES & CANADA	n/a	TARGET
Pelican International Inc.	Famille No. Pel -15	UNITED STATES & CANADA	n/a	TARGET
Confluence Outdoor Inc.	Famille No. CO-1	UNITED STATES	29/615,098	ISSUED
Confluence Outdoor Inc.	Famille No. CO-2	UNITED STATES	14/689,824	ISSUED
Confluence Outdoor Inc.	Famille No. CO-3	UNITED STATES	14/452,174	ISSUED
Confluence Outdoor Inc.	Famille No. CO-4	UNITED STATES	14/227,935	ISSUED
Confluence Outdoor Inc.	Famille No. CO-5	UNITED STATES	12/846,713	ISSUED
Confluence Outdoor Inc.	Famille No. CO-6	UNITED STATES	15/664,644	ISSUED
Confluence Outdoor Inc.	Famille No. CO-7	UNITED STATES	15/664,632	ISSUED
Confluence Outdoor Inc.	Famille No. CO-8	UNITED STATES	15/198,903	ISSUED
Advanced Elements Inc.	Famille No. AE-1	UNITED STATES	11/824,929	ISSUED
Advanced Elements Inc.	Famille No. AE-2	UNITED STATES	10/932,637	EXPIRED
Advanced Elements Inc.	Famille No. AE-3	UNITED STATES	12/846,816	ISSUED
Advanced Elements Inc.	Famille No. AE-4	UNITED STATES	13/305,624	ISSUED
Advanced Elements Inc.	Famille No. AE-5	UNITED STATES	13/073,784	ISSUED
Advanced Elements Inc.	Famille No. AE-6	UNITED STATES	13/618,319	ISSUED
Advanced Elements Inc.	Famille No. AE-7	UNITED STATES	15/905,601	ISSUED
Advanced Elements Inc.	Famille No. AE-8	UNITED STATES	29/478,351	ISSUED
Advanced Elements Inc.	Famille No. AE-9	CHINA	201920676834.2U	ISSUED
Advanced Elements Inc.	Famille No. AE-9	GERMANY	DE112019000234T5	ISSUED
Advanced Elements Inc.	Famille No. AE-9	UNITED STATES	16/771,627	ISSUED
Advanced Elements Inc.	Famille No. AE-9	UNITED KINGDOM	2018739	PUBLISHED
Advanced Elements Inc.	Famille No. AE-9	UNITED STATES	17/478,775	ISSUED
Advanced Elements Inc.	Famille No. AE-9	UNITED STATES	18/215,136	ISSUED
Advanced Elements Inc.	Famille No. AE-9	UNITED STATES - CON	18/991,217	PENDING
Advanced Elements Inc.	Famille No. 10	CANADA	228634	PENDING
Advanced Elements Inc.	Famille No. 10	UNITED STATES	29/930,354	PENDING

**Please see also attached.**

PELICAN INTERNATIONAL INC. - CONFLUENCE OUTDOOR INC. - ADVANCED ELEMENTS  
INC. GSI OUTDOORS LLC  
TRADEMARK PORTFOLIO

21 APRIL 2025



PELICAN INTERNATIONAL INC.		
Trademark	Country	Number
CONFLUENCE OUTDOOR	UNITED STATES	App 79381920 App 13-SEP-2023
PELICAN CATCH	UNITED STATES	App 97311770 App 14-MAR-2022
LAVIKA	UNITED STATES	Reg 6161036 Reg 29-SEP-2020 App 87473445 App 02-JUN-2017
PELICAN	UNITED STATES	Reg 5273869 Reg 29-AUG-2017 App 86910036 App 17-FEB-2016
RAM-X	UNITED STATES	Reg 3216943 Reg 13-MAR-2007 App 78524548 App 30-NOV-2004
PELICAN	UNITED STATES	Reg 3927751 Reg 08-MAR-2011 App 78509357 App 01-NOV-2004
PELICAN	UNITED STATES	Reg 1150348 Reg 07-APR-1981 App 73219683 App 14-JUN-1979



PELICAN INTERNATIONAL INC.		
Trademark	Country	Number
	UNITED STATES	Reg 1193936 Reg 20-APR-1982 App 73204481 App 21-FEB-1979
RAM X	UNITED STATES	Reg 1085978 Reg 21-FEB-1978 App 73127391 App 20-MAY-1977
CONFLUENCE OUTDOOR	Canada	App 2272450 App 28-JUL-2023
PELICAN SPORT	Canada	App 2180311 App 20-APR-2022
MAKEWAY	Canada	App 2178556 App 11-APR-2022
SOLO EVO	Canada	App 2174060 App 21-MAR-2022
HANGTIME	Canada	App 2174063 App 21-MAR-2022
PELICAN CATCH	Canada	App 2169254 App 26-FEB-2022
LAVIKA	Canada	Reg TMA846556 Reg 19-MAR-2013 App 1481162 App 14-MAY-2010
ELIE	Canada	Reg TMA846600 Reg 19-MAR-2013 App 1457592 App 02-NOV-2009
SUNKISS	Canada	Reg TMA295193 Reg 14-SEP-1984 App 499969 App 09-MAR-1983


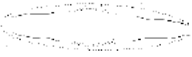

PELICAN INTERNATIONAL INC.		
Trademark	Country	Number
RAM-X	Canada	Reg TMA244120 Reg 02-MAY-1980 App 430829 App 11-OCT-1978
	Canada	Reg TMA242726 Reg 11-APR-1980 App 430395 App 29-SEP-1978
PELICAN	Canada	Reg TMA175328 Reg 02-APR-1971 App 329874 App 05-FEB-1970
LAVIKA	United Kingdom	Reg UK00916808073 Reg 24-OCT-2017 App UK00916808073 App 06-JUN-2017
PELICAN	United Kingdom	Reg UK00915125727 Reg 13-JUL-2016 App UK00915125727 App 19-FEB-2016
PELICAN	United Kingdom	Reg UK00902786572 Reg 27-MAY-2008 App UK00902786572 App 24-JUL-2002
LAVIKA	EUROPEAN UNION	Reg 16808073 Reg 24-OCT-2017 App 16808073 App 06-JUN-2017
PELICAN	EUROPEAN UNION	Reg 15125727 Reg 13-JUL-2016 App 15125727 App 19-FEB-2016
PELICAN	EUROPEAN	Reg 2786572








PELICAN INTERNATIONAL INC.		
Trademark	Country	Number
	UNION	Reg 27-MAY-2008 App 2786572 App 24-JUL-2002
CONFLUENCE OUTDOOR	International Register	Reg 1758336 Reg 13-SEP-2023





CONFLUENCE OUTDOOR INC.		
Trademark	Country	Number
PERCEPTION KAYAKS	UNITED STATES	App 98319980 App 18-DEC-2023
	UNITED STATES	Reg 5734055 Reg 23-APR-2019 App 88182253 App 05-NOV-2018
	UNITED STATES	Reg 6309413 Reg 30-MAR-2021 App 88118832 App 16-SEP-2018
FROTH	UNITED STATES	Reg 6153627 Reg 15-SEP-2020 App 87657182 App 24-OCT-2017
HELIX MD	UNITED STATES	Reg 5601666 Reg 06-NOV-2018 App 86864279 App 04-JAN-2016
HELIX PD	UNITED STATES	Reg 5590650 Reg 23-OCT-2018 App 86864274 App 04-JAN-2016





CONFLUENCE OUTDOOR INC.		
Trademark	Country	Number
WE LIVE WATER	UNITED STATES	Reg 4712248 Reg 31-MAR-2015 App 86367768 App 15-AUG-2014
	UNITED STATES	Reg 4289140 Reg 12-FEB-2013 App 85686391 App 25-JUL-2012
	UNITED STATES	Reg 4121954 Reg 03-APR-2012 App 85446073 App 12-OCT-2011
BOARDWORKS	UNITED STATES	Reg 4121955 Reg 03-APR-2012 App 85446083 App 12-OCT-2011
SHUBU	UNITED STATES	Reg 4121904 Reg 03-APR-2012 App 85417111 App 07-SEP-2011
WILDERNESS SYSTEMS	UNITED STATES	Reg 4154754 Reg 05-JUN-2012 App 85115672 App 25-AUG-2010
PHASE 3	UNITED STATES	Reg 3533689 Reg 18-NOV-2008 App 77436077 App 31-MAR-2008
	UNITED STATES	Reg 2876635 Reg 24-AUG-2004 App 76530633 App 17-JUL-2003



CONFLUENCE OUTDOOR INC.		
Trademark	Country	Number
		
HARMONY	UNITED STATES	Reg 3115913 Reg 18-JUL-2006 App 78225432 App 13-MAR-2003
HARMONY	UNITED STATES	Reg 2773982 Reg 14-OCT-2003 App 76334013 App 05-NOV-2001
ADVENTURE TECHNOLOGY	UNITED STATES	Reg 2512108 Reg 27-NOV-2001 App 76066726 App 09-JUN-2000
	UNITED STATES	Reg 2516461 Reg 11-DEC-2001 App 75905835 App 28-JAN-2000
	UNITED STATES	Reg 2516462 Reg 11-DEC-2001 App 75905836 App 28-JAN-2000
WILDERNESS SYSTEMS	UNITED STATES	Reg 2158103 Reg 19-MAY-1998 App 75116836 App 10-JUN-1996
	UNITED STATES	Reg 2035561

CONFLUENCE OUTDOOR INC.		
Trademark	Country	Number
		Reg 04-FEB-1997 App 75067450 App 04-MAR-1996
	UNITED STATES	Reg 1478616 Reg 01-MAR-1988 App 73671623 App 10-JUL-1987
<b>Mad River Canoe</b>	UNITED STATES	Reg 1478617 Reg 01-MAR-1988 App 73671624 App 10-JUL-1987
PERCEPTION	UNITED STATES	Reg 1270592 Reg 20-MAR-1984 App 73355625 App 22-MAR-1982
	UNITED STATES	Reg 1272456 Reg 03-APR-1984 App 73355626 App 22-MAR-1982
PERCEPTION KAYAKS	Canada	App 2299744 App 18-DEC-2023
	Canada	Reg TMA1120598 Reg 21-FEB-2022 App 1931016 App 16-NOV-2018
HELIX PD	Canada	Reg TMA1020340 Reg 30-APR-2019


CONFLUENCE OUTDOOR INC.		
Trademark	Country	Number
		App 1788870 App 27-JUN-2016
HELIX MD	Canada	Reg TMA1020319 Reg 30-APR-2019 App 1788872 App 27-JUN-2016
BOMBER GEAR	Canada	Reg TMA880226 Reg 16-JUN-2014 App 1593030 App 06-SEP-2012
BOARDWORKS SURF	Canada	Reg TMA870073 Reg 28-JAN-2014 App 1495871 App 14-SEP-2010
<i>Mad River Canoe</i>	Canada	Reg TMA387973 Reg 23-AUG-1991 App 642693 App 17-OCT-1989
	Canada	Reg TMA380439 Reg 22-FEB-1991 App 642695 App 17-OCT-1989
PERCEPTION	France	Reg N 1337412 Rnw 29-DEC-2015 App INPI 775510 Centralised Number 775510 App 09-JAN-1986
PERCEPTION	Germany	Reg 1101331 Reg 15-JAN-1987 App P 33480 App 08-JAN-1986
	United Kingdom	Reg 3357484 Reg 22-FEB-2019



CONFLUENCE OUTDOOR INC.		
Trademark	Country	Number
		App 3357484 App 30-NOV-2018
	United Kingdom	Reg UK00917994236 Reg 22-MAY-2019 App UK00917994236 App 30-NOV-2018
BOARDWORKS	United Kingdom	Reg UK00917383985 Reg 20-FEB-2018 App UK00917383985 App 24-OCT-2017
	United Kingdom	Reg UK00908826232 Reg 13-JUL-2010 App UK00908826232 App 21-JAN-2010
MAD RIVER CANOE	United Kingdom	Reg UK00908826331 Reg 13-JUL-2010 App UK00908826331 App 21-JAN-2010
	United Kingdom	Reg UK00906980585 Reg 22-APR-2009 App UK00906980585 App 11-JUN-2008
WILDERNESS SYSTEMS	United Kingdom	Reg UK00902196442 Reg 16-JUL-2002 App UK00902196442 App 27-APR-2001
PERCEPTION	United Kingdom	Reg 1182144

CONFLUENCE OUTDOOR INC.		
Trademark	Country	Number
		Reg 22-MAR-1982 App 1182144 App 22-SEP-1982
	EUROPEAN UNION	Reg 18988083 Reg 11-SEP-2024 App 18988083 App 20-FEB-2024
PERCEPTION	EUROPEAN UNION	Reg 18987170 Reg 11-SEP-2024 App 18987170 App 16-FEB-2024
	EUROPEAN UNION	Reg 18987108 Reg 11-SEP-2024 App 18987108 App 16-FEB-2024
	EUROPEAN UNION	Reg 18985685 Reg 11-SEP-2024 App 18985685 App 13-FEB-2024
DAGGER	EUROPEAN UNION	Reg 18985432 Reg 11-SEP-2024 App 18985432 App 12-FEB-2024
	EUROPEAN UNION	Reg 17994236 Reg 22-MAY-2019 App 17994236 App 30-NOV-2018
BOARDWORKS	EUROPEAN UNION	Reg 17383985 Reg 20-FEB-2018 App 17383985 App 24-OCT-2017

CONFLUENCE OUTDOOR INC.		
Trademark	Country	Number
	EUROPEAN UNION	Reg 8826232 Reg 13-JUL-2010 App 8826232 App 21-JAN-2010
MAD RIVER CANOE	EUROPEAN UNION	Reg 8826331 Reg 13-JUL-2010 App 8826331 App 21-JAN-2010
	EUROPEAN UNION	Reg 6980585 Reg 22-APR-2009 App 6980585 App 11-JUN-2008
WILDERNESS SYSTEMS	EUROPEAN UNION	Reg 2196442 Reg 16-JUL-2002 App 2196442 App 27-APR-2001
BOARDWORKS	China	Reg 27348171 Reg 28-DEC-2018 App 27348171 App 08-NOV-2017
BOARDWORKS	China	Reg 27348170 Reg 14-NOV-2018 App 27348170 App 08-NOV-2017
BOARDWORKS	China	Reg 27348169 Reg 14-NOV-2018 App 27348169 App 08-NOV-2017
MAD RIVER CANOE	China	Reg 7329414 Reg 28-SEP-2010 App 7329414



CONFLUENCE OUTDOOR INC.		
Trademark	Country	Number
		App 16-APR-2009
PERCEPTION	China	Reg 7329415 Reg 14-AUG-2010 App 7329415 App 16-APR-2009
DAGGER	China	Reg 7329412 Reg 14-AUG-2010 App 7329412 App 16-APR-2009
WILDERNESS SYSTEMS	China	Reg 7074191 Reg 28-JUN-2010 App 7074191 App 24-NOV-2008
MAD RIVER CANOE	Japan	Reg 6196810 Reg 08-NOV-2019 App 2019-035190 App 08-MAR-2019
WILDERNESS SYSTEMS	Japan	Reg 6219492 Reg 24-JAN-2020 App 2019-035188 App 08-MAR-2019
DAGGER	Japan	Reg 6219493 Reg 24-JAN-2020 App 2019-035189 App 08-MAR-2019
	Japan	Reg 6236826 Reg 17-MAR-2020 App 2019-035191 App 08-MAR-2019
	Japan	Reg 6235759 Reg 13-MAR-2020 App 2019-035192

CONFLUENCE OUTDOOR INC.		
Trademark	Country	Number
		App 08-MAR-2019
	Japan	Reg 6113880 Reg 11-JAN-2019 App 2015-099485 App 15-OCT-2015
PERCEPTION	Japan	Reg 4562005 Reg 19-APR-2002 App 2000-121524 App 09-NOV-2000
<i>Dagger</i>	Australia	Reg 1415527 Reg 22-MAR-2011 App 1415527 App 22-MAR-2011
PERCEPTION	Australia	Reg 438995 Reg 09-JAN-1986 App 438995 App 09-JAN-1986
PERCEPTION	New Zealand - The database contains data of the official New Zealand register of trademarks © New Zealand Crown Copyright.	Reg 163112 Reg 26-MAR-1991 App 163112 App 09-JAN-1986
HELIX PD	International Register	Reg 1307980 Reg 30-JUN-2016
HELIX MD	International Register	Reg 1308351 Reg 30-JUN-2016




CONFLUENCE OUTDOOR INC.		
Trademark	Country	Number
HELIX MD	International Register	Reg 1308351 A Reg 30-JUN-2016
HELIX PD	International Register	Reg 1307980 A Reg 30-JUN-2016

ADVANCED ELEMENTS INC.		
Trademark	Country	Number
ADVANCEDFRAME	UNITED STATES	Reg 3450566 Reg 17-JUN-2008 App 77185807 App 21-MAY-2007
ADVANCED ELEMENTS	UNITED STATES	Reg 3473265 Reg 22-JUL-2008 App 77155467 App 12-APR-2007
BACKBONE	UNITED STATES	Reg 3446165 Reg 10-JUN-2008 App 77155470 App 12-APR-2007
ADVANCED ELEMENTS	Canada	Reg TMA1168689 Reg 01-MAR-2023 App 2085194 App 17-FEB-2021
ADVANCED ELEMENTS	United Kingdom	Reg UK00918098191 Reg 22-MAY-2020 App UK00918098191 App 24-JUL-2019
ADVANCED ELEMENTS	EUROPEAN UNION	Reg 18098191 Reg 22-MAY-2020 App 18098191 App 24-JUL-2019
ADVANCED ELEMENTS	Australia	Reg 2024517 Reg 22-JUL-2019

		App 2024517 App 22-JUL-2019
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21 APRIL 2025

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Copyright	Country	Number
SUMMER SHOWER LOGO 	Canada	Reg 1206858 Reg 11-OCT-2023
ADVANCED ELEMENTS LOGO 1 	Canada	Reg 1207063 Reg 17-OCT-2023
ADVANCED ELEMENTS LOGO 2 	Canada	Reg 1207064 Reg 17-OCT-2023

**SCHEDULE F**  
**IT ASSETS**

**[To be finalized by the Buyer and the Sellers before Closing.]**

**SCHEDULE G**  
**ACTIONS, ETC.**

**[To be finalized by the Buyer and the Sellers before Closing.]**

**SCHEDULE H**  
**EXCLUDED CONTRACTS**

**[To be finalized by the Buyer and the Sellers before Closing.]**



**SCHEDULE I**  
**TRADE DEBTS**

**[To be finalized by the Buyer and the Sellers before Closing.]**

**SCHEDULE J**  
**PERMITTED ENCUMBRANCES**

1. Encumbrances associated with, and financing statements evidencing, the rights of equipment lessors under any Personal Property Leases.
2. Encumbrances affecting a landlord's, lessor's, licensor's or sublandlord's, as applicable, interest in any applicable Real Property Leases, including for greater certainty any registered servitudes or rights of way by Hydro-Québec or Bell Canada to install any circuits, poles and necessary equipment.
3. Notices registered on title in respect of the Real Property Leases.
4. Reservations, limitations, provisos and conditions, if any, expressed in any original grants of land from the Crown and any statutory limitations, exceptions, reservations and qualifications.
5. Any rights of expropriation, access or use or any other similar rights conferred or reserved by Applicable Law.
6. Applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, other agreements, building and other restrictions, easements, servitudes, rights of way and licences.
7. Minor survey exceptions, minor encumbrances, easements or reservations of, or rights of other for, rights-of-way, sewers, electric lines, telephone lines and other similar purposes, or zoning or similar restriction as to the use of any applicable Real Property Leases.
8. Encumbrances permitted in writing by the Buyer.

**SCHEDULE K**  
**EMPLOYEE PLANS**

<b>Schedule N - Employee Plans</b>				
<b>Company</b>	<b>Plan Supplier</b>	<b>Plan Type</b>	<b>Applicable Employees</b>	<b>Contract #</b>
Pelican International Inc.	Sun Life Financial	Group Health Benefits	Office and Directors	102817
Pelican International Inc.	Sun Life Financial	Group Health Benefits	Plant Employees - Laval	102817
Pelican International Inc.	Sun Life Financial	Group Health Benefits	Plant Employees - VF	102817
Pelican International Inc.	Sun Life Financial	Group Health Benefits	Executives	102817
Pelican International Inc.	Sun Life Financial	RRSP/DPSP	Office/Management and Executives	57877 / 57907
Confluence Outdoor Inc.	Gravie (Cigna Health)	Group Health Benefits	All Employees (30+ hours)	n.a.
Confluence Outdoor Inc.	FT William	401k	All Employees	n.a.

**SCHEDULE L**

**LIST OF SELLERS AND JURISDICTIONS OF INCORPORATION**

**PELICAN INTERNATIONAL INC.:** Québec

**CONFLUENCE OUTDOOR INC.:** Delaware

**SCHEDULE M**  
**ALLOCATION STATEMENT**

**[To be finalized by the Buyer and the Sellers before Closing.]**

**SCHEDULE N**  
**MONITOR WIRE TRANSFER INSTRUCTIONS**

**Bénéficiaire/Beneficiary:**

FTI Consulting Canada inc. / Pelican International inc.  
1000, rue Sherbrooke Ouest  
Bureau 915  
Montréal, Québec  
H3A 3G4

**Institution financière / Financial Institution:**

Banque Nationale du Canada  
800, rue Saint-Jacques  
Montréal, Québec  
H3C 1A3

SWIFT: BNDCCAMMINT  
Institution: 0006  
Succursale/Branch: 00011  
Compte/Account: 0242520

**EXHIBIT D**

**Stay Extension Order**

**SUPERIOR COURT  
(Commercial Division)**

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

No.: 500-11-065405-256

DATE: April 28, 2025

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**PRESIDING: THE HONOURABLE ANDRES C. GARIN, J.S.C.**

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**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, C  
C-36 OF:**

**PELICAN INTERNATIONAL INC.**

-and-

**PELICAN US TOPCO LLC**

-and-

**CONFLUENCE OUTDOOR INC.**

Debtors

-and-

**FTI CONSULTING CANADA INC.**

Monitor

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**ORDER EXTENDING THE STAY OF PROCEEDINGS**

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- [1] **CONSIDERING** the Applicant's *Application for a Stay Extension Order* (the "**Application**");
- [2] **CONSIDERING** the Initial Order issued by this Court on March 19, 2025 (the "**FDIO**"), which ordered a stay of proceedings in respect of the Debtors and their directors and officers until March 28, 2025 (the "**Stay Period**");
- [3] **CONSIDERING** the Amended and Restated Initial Order issued by this Court on March 28, 2025 (the "**ARIO**"), which extended the Stay Period until and including April 28, 2025;
- [4] **CONSIDERING** that the Stay Period currently expires on April 28, 2025;



- [5] **CONSIDERING** the submissions of counsel and testimony heard;
- [6] **CONSIDERING** the Monitor's Third Report;
- [7] **GIVEN** the provisions of the *Companies' Creditors Arrangement Act*, RSC, 1985, c C-36;

**THE COURT HEREBY:**

- [8] **GRANTS** the Application.
- [9] **EXTENDS** the Stay Period up to and including July 15, 2025.
- [10] **DECLARES** that this Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.
- [11] **ORDERS** the provisional execution of this Order notwithstanding appeal and without security.
- [12] **THE WHOLE WITHOUT COSTS.**

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**ANDRES C. GARIN, JCS**

MTRE SANDRA ABITAN  
MTRE ILIA KRAVTSOV  
MTRE SOPHIE COURVILLE-LE BOUYONNEC  
(OSLER, HOSKIN & HARCOURT LLP)  
Attorneys for the Monitor  
Hearing: April 28, 2025