

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED AND**

**IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF SHAW-ALMEX INDUSTRIES
LIMITED AND SHAW ALMEX FUSION, LLC**

**MOTION RECORD OF THE APPLICANTS
(returnable September 10, 2025)**

September 8, 2025

RECONSTRUCT LLP
80 Richmond Street West
Suite 1700
Toronto, ON M5H 2A4

R. Brendan Bissell LSO No. 40354V
bbissell@reconllp.com
Tel: 416.613.0066

Simran Joshi LSO No. 89775A
sjoshi@reconllp.com
Tel: 416.613.6589

Fax: 416.613.8290

Lawyers for the Applicants

TO: THE SERVICE LIST

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF SHAW-ALMEX INDUSTRIES LIMITED
AND SHAW ALMEX FUSION, LLC**

SERVICE LIST

As of July 25, 2025

RECONSTRUCT LLP

80 Richmond Street West
Suite 1700
Toronto ON, M5H 1T1

Caitlin Fell

Email: cfell@reconllp.com
Tel: 416.613.8282

R. Brendan Bissell

Email: rbissell@reconllp.com
Tel: 416.613.0066

Jessica Wuthmann

Email: jwuthmann@reconllp.com
Tel: 416.613.8288

Simran Joshi

Email: sjoshi@reconllp.com
Tel: 416.613.6589

**Counsel for Shaw-Almex Industries
Limited**

FTI CONSULTING CANADA INC.

Toronto-Dominion Centre, TD South Tower,
79 Wellington St W Suite 2010
Toronto, ON M5K 1G8

Jeffrey Rosenberg

Email: jeffrey.rosenberg@fticonsulting.com
Tel: 416.649.8100

Jonathan Joffe

Email: jonathan.joffe@fticonsulting.com

Adam Gasch

Email: Adam.Gasch@fticonsulting.com

The Monitor

<p>STIKEMAN ELLIOT LLP Commerce Court West 199 Bay St. Suite 5300 Toronto, ON M5L 1B9</p> <p>Maria Konyukhova Email: mkonyukhova@stikeman.com Tel: 416.869.5230</p> <p>Nick Avis Email: NAvis@stikeman.com Tel: 416.869.5563</p> <p>Counsel to the Monitor</p>	<p>DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto, Ontario M5K 0A1</p> <p>Robert J. Kennedy Email: robert.kennedy@dentons.com Tel: 416.367.6756</p> <p>Dennis R. Wiebe Email: dennis.wiebe@dentons.com Tel: 416.219.5460</p> <p>Counsel to Royal Bank of Canada and the DIP Lender</p>
<p>DLA PIPER LLP Bay Adelaide - Centre West Tower Suite 5100 - 333 Bay Street Toronto, ON M5H 2R2</p> <p>Bruce Darlington Email: bruce.darlington@ca.dlapiper.com Tel: 416.365.3529</p> <p>Cristina Fulop Email: cristina.fulop@ca.dlapiper.com</p> <p>Counsel to BDC Capital Inc.</p>	<p>BLANEY MCMURTRY LLP 2 Queen Street East, Suite 1500 Toronto, Ontario M5C 3G5</p> <p>Eric Golden Email: egolden@blaney.com Tel: 416.593.3927</p> <p>Chad Kopach Email: ckopach@blaney.com Tel: 416.593.2985</p> <p>Counsel to Business Development Bank of Canada</p>
<p>DAVIES WARD PHILLIPS & VINEBERG LLP 155 Wellington St W Toronto, ON M5V 3J7</p> <p>Natalie Renner nrenner@dwvpv.com Tel: 416.267.7489</p> <p>Counsel to Varilease Finance, Inc. and VFI KR SPE I LLC</p>	<p>GOODMANS LLP 333 Bay Street, Suite 3400 Toronto, ON, M5H 2S7</p> <p>Brendan O'Neill Email: boneill@goodmans.ca Tel: 416.849.6017</p> <p>Bradley Wiffen Email: bwiffen@goodmans.ca Tel: 416.597.4208</p> <p>Counsel to REMA TIP TOP/North America, Inc.</p>
<p>MONEX CANADA INC Toronto-Dominion Centre 66 Wellington St W, Suite 3250 Toronto, ON M5K 1E7</p> <p>risk@monexeurope.com</p>	<p>TOYOTA INDUSTRIES COMMERCIAL FINANCE CANADA, INC. 630-401 The West Mall Toronto, ON M9C 5J5</p> <p>customerservice@Toyotacf.ca</p>

NEWPORT LEASING LTD. 2377 Fairview St. Burlington ON L7R 2E3	CWB NATIONAL LEASING INC. 1525 Buffalo Place Winnipeg, MB R3T 1L9 contractadmin@cwbnationalleasing.com
VFI KR SPE I LLC 2800 East Cottonwood Parkway – 2 nd Floor Salt Lake City, Utah 84121	HSBC BANK CANADA 271 Cornwall Road – Unit A-102 Oakville, ON L6J 7Z5
HEWLETT-PACKARD FINANCIAL SERVICES CANADA COMPANY 5150 Spectrum Way Mississauga, ON L4W 5G1	CANADA REVENUE AGENCY 1 Front Street West Toronto, ON M5J 2X6 Pat Confalone Email: pat.confalone@cra-arc.gc.ca Tel: 416.954.6514 Fax: 416.964.6411
DYNASTY CAPITAL 26, LLC 96-14 Metropolitan Avenue Forest Hills, NY, 11375 Tel: 954.743.0407	CORPAY 212 King St W #400 Toronto, ON M5H 1K5 Michael Brown michael.brown@corpay.com Talia Bedrock talia.berdock@corpay.com
PROSPERUM CAPITAL PARTNERS LL d/b/a ARSENAL FUNDING 15 West 36th Street, 11th Floor New York, NY 10018 Emails: Gina@ArsenalFunding.com collect@advancedrecoverygroup.com camadio@advancedrecoverygroup.com ehajra@advancedrecoverygroup.com	C T CORPORATION SYSTEM, AS REPRESENTATIVE 330 N Brand Blvd Suite 700 Glendale, CA, 91203 ATTN: SPRS
U.S. STRATEGIC CAPITAL ADVISORS LLC 2604 Abbey Court Alpharetta, GA 30004	BENEFICIAL GEORGIA, INC. P.O. Box 283 Tucker, GA 30085

<p>CORPORATION SERVICE COMPANY, AS REPRESENTATIVE PO Box 2576 Springfield, IL 62708</p> <p>Email: UCCSPREP@CSCINFO.COM</p>	<p>PASSAIC RUBBER COMPANY 45 Demarest Dr. Wayne, NJ 07470 United States of America</p> <p>James Leach Email: james@passaic.com Tel: 973.696.9500 ex 108</p> <p>Robert B. Nussbaum Email: rnussbaum@saiber.com</p> <p>Ami Fogger Email: afogger@saiber.com</p> <p>JD Mathey Email: jd@passaic.com</p> <p>Jeff Leach Email: jeff@passaic.com</p> <p>Sue Bender Email: sue@passaic.com</p>
<p>UNITED STEELWORKERS Canadian National Office Legal Department 800-234 Eglinton Avenue East Toronto, ON M4P 1K7</p> <p>Kristina Adhikari Email: Kadhikari@Usw.Ca Tel: 416.544.5980</p>	<p>ATTORNEY GENERAL OF CANADA Department of Justice Canada Ontario Regional Office, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, ON</p> <p>Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca Fax: 416.973.0810</p>
<p>OFFICE OF THE SUPERINTENDANT OF BANKRUPTCY OF CANADA Innovation, Science and Economic Development Canada 151 Yonge Street, Suite 400 Toronto, ON M5C 2W7</p> <p>Email: osbservice-bsfservice@ised-isde.gc.ca Fax: 416.973.7440</p>	<p>MINISTRY OF FINANCE (ONTARIO) – INSOLVENCY UNIT 11-777 Bay Street Toronto, ON M5G 2C8</p> <p>Email: insolvency.unit@ontario.ca Fax: 416.325.1460</p> <p>Ontario Ministry of Finance – Legal Services Branch</p>

<p>DEPARTMENT OF JUSTICE, CANADA 120 Adelaide Street West Suite 400 Toronto, ON M5H 1T1</p> <p>Edward Park Email: edward.park@justice.gc.ca Tel: 647.292.9368</p> <p>Counsel to Canada Revenue Agency</p>	<p>TOTAL QUALITY LOGISTICS, LLC 4289 Ivy Pointe Blvd Cincinnati, OH 45245 United States of America</p> <p>Joseph B. Wells Email: jwells@tql.com Tel: 513.495.6193</p>
<p>BARACK FERRAZZANO KIRSCHBAUM & NAGELBERG LLP 200 W. Madison St. Ste. 3900 Chicago, IL 60606 United States of America</p> <p>Nathan Rugg Email: nathan.rugg@bfkn.com Tel: 312.984.3127</p> <p>Counsel to Motion Industries and Motion Canada</p>	<p>FOGLER, RUBINOFF LLP LAWYERS Scotia Plaza 40 King Street West, Suite 2400 P.O. Box #215 Toronto, ON M5H 3Y2</p> <p>Ian P. Katchin Email: ikatchin@foglers.com Tel: 416.864.7613</p> <p>Charley Roy Email: charley@cbilliotinc.com</p> <p>Counsel to Cleveland J. Billiot, III General Contracting, Inc.</p>
<p>Gordon S. Clarke Email: patents.pending.gsclarke@gmail.com</p>	<p>TAYLOR MCCAFFREY LLP 2200-201 Portage Avenue Winnipeg, MB R3B 3L3</p> <p>Ian Duncan, Jr. Email: iduncan@tmlawyers.com</p> <p>Charles Roy Email: croy@tmlawyers.com</p> <p>Counsel to Powerscreen Mid-Atlantic, Inc.</p>

<p>TYR LLP 488 Wellington Street West, Suite 300-302 Toronto, ON M5V 1E3</p> <p>Jason Wadden Tel: 416.627.9815 Email: jwadden@tyrllp.com</p> <p>Counsel to Timothy G. Shaw</p>	<p>HGR GRAHAM PARTNERS LLP 190 Cundles Road East Suite 107 Barrie, Ontario L4M 4S5</p> <p>Riley Brooks Email: RBrooks@hgrgp.ca</p> <p>Karen Scott Email: KScott@hgrgp.ca</p> <p>With a copy to:</p> <p>Ashley Wilkie Email: ashley@mortonmetals.com</p> <p>Greg Morton Email: greg@mortonmetals.com</p> <p>Counsel to Morton Metals</p>
<p>Dale & Lessman 2100 181 University Ave., Toronto, Ontario, Canada M5H 3M7 Nedko Petkov Tel: 416.369.7821 Email: npetkov@dalelessmann.com</p> <p>Cristine Perri Tel: 416.369.7842 Email: cperri@dalelessmann.com</p> <p>Counsel for SEW-Eurodrive Ltd.</p>	

Email List

cfell@reconllp.com; bbissell@reconllp.com; jwuthmann@reconllp.com; sjoshi@reconllp.com;
jeffrey.rosenberg@fticonsulting.com; robert.kennedy@dentons.com;
dennis.wiebe@dentons.com; mkonyukhova@stikeman.com; NAvis@stikeman.com;
egolden@blaney.com; bruce.darlington@ca.dlapiper.com;
contractadmin@cwbnationalleasing.com; insolvency.unit@ontario.ca; pat.confalone@cra-arc.gc.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; osbservice-bsfservice@ised-isde.gc.ca; talia.berdock@corpay.com; michael.brown@corpay.com; risk@monexeurope.com;
ckopach@blaney.com; jonathan.joffe@fticonsulting.com; cristina.fulop@ca.dlapiper.com;
Adam.Gasch@fticonsulting.com; nrenner@dwpv.com; boneill@goodmans.ca;
bwiffen@goodmans.ca; UCCSPREP@CSCINFO.COM; Kadhikari@Usw.Ca;
Gina@ArsenalFunding.com; collect@advancedrecoverygroup.com;
camadio@advancedrecoverygroup.com; ehajra@advancedrecoverygroup.com;
edward.park@justice.gc.ca; james@passaic.com; rnussbaum@saiber.com;
afogor@saiber.com; jd@passaic.com; jeff@passaic.com; sue@passaic.com; jwells@tql.com;
nathan.rugg@bfkn.com; ikatchin@foglars.com; charley@cbilliotinc.com;
patents.pending.gsclarke@gmail.com; iduncan@tmlawyers.com; croy@tmlawyers.com;
jwadden@tyrllp.com; RBrooks@hgrgp.ca; KScott@hgrgp.ca; ashley@mortonmetals.com;
greg@mortonmetals.com; cperri@dalelessmann.com; npetkov@dalelessmann.com

Court File No. CV-25-00743136-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE COMPANIES'
CREDITORSARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED AND**

**IN THE MATTER OF A PLAN OF COMPROMISE
ORARRANGEMENT OF SHAW-ALMEX INDUSTRIES
LIMITED AND SHAW ALMEX FUSION, LLC**

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TAB 1

Court File No. CV-25-00743136-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SHAW-ALMEX INDUSTRIES LIMITED
AND SHAW ALMEX FUSION, LLC**

**NOTICE OF MOTION
(Stay Extension Order and TUV Order)
(returnable September 10, 2025)**

Shaw-Almex Industries Limited ("**SAIL**"), Shaw Almex Fusion, LLC (together with SAIL, the "**Applicants**") and FTI Consulting Canada Inc. ("**FTI**"), in its capacity as court-appointed monitor (the "**Monitor**") of the Applicants will make a motion before Justice J. Dietrich of the Ontario Superior Court of Justice (Commercial List) at 330 University Avenue, Toronto Ontario (the "**Court**") on **September 10, 2025 at 10:00 a.m. (Eastern Time)**, or as soon after that time as the motion can be heard by judicial videoconference via Zoom at Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- ☐ in writing under subrule 37.12.1 (1) because it is on consent, unopposed or made without notice;
- ☐ in writing as an opposed motion under subrule 37.12.1 (4);
- ☐ In person;
- ☐ By telephone conference;

☒ By video conference.

at the following location:

<https://ca01web.zoom.us/j/64683302309?pwd=hk4renYSbUXbUn41tPpZqSX8FIZNTI.1#success>

Meeting ID: 646 8330 2309

Passcode: 548152

THE MOTION IS FOR:

1. an stay extension and distribution order substantially in the form attached as tab 3 (the **“Stay Extension Order”**) to the Applicants’ motion record that, among other things:
 - (a) extends the Stay of Proceedings up to and including January 31, 2026 (the **“Extended Stay Period”**);
 - (b) authorizes the Monitor to make an interim distribution to Royal Bank of Canada (**“RBC”**) from the proceeds of sale from the Transaction contemplated by the Asset Purchase Agreement (as defined herein) to pay down the DIP Facility and a portion of its pre-filing secured indebtedness;
 - (c) subject to receiving a satisfactory opinion confirming the validity and enforceability of BDC’s security interest against the real property owned by SAIL, authorizes the Monitor to make a distribution to Business Development Bank of Canada (**“BDC”**);
 - (d) seals the confidential supplements (the **“Confidential Supplements”**) to the Fourth Report of the Monitor, to be filed (the **“Fourth Report”**) until further order of the Court; and

2. an order, substantially in the form attached as tab 4 to the Applicants' motion record that (the "**TUV Order**"), among other things, authorizes the Monitor to continue and commence proceedings under Section 96 of the *Bankruptcy and Insolvency Act RSC 1985, c B-3* ("**BIA**") in respect of the Share Purchase Agreement (as defined below); and
3. such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

4. Unless otherwise defined herein, capitalized terms have the meaning ascribed to them in the Affidavit of Andrew Hustrulid sworn September 8, 2025 (the "**Hustrulid Affidavit**").

Background and Overview

5. Prior to the Transaction referred to below, the Applicants were in the business of providing customized solutions for all aspects of conveyor belt systems.
6. SAIL was the primary operating company and the parent of a global enterprise operating under the "Shaw Almex" name.
7. The Applicants experienced significant financial and operational challenges that resulted in them seeking and obtaining an initial order (the "**Initial Order**") and an order approving the sale and investment solicitation process (the "**SISP Approval Order**") pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended ("**CCAA**"), on May 13, 2025 (the "**CCAA Proceeding**").

8. Pursuant to the Initial Order, the Court, among other things:
- (a) appointed FTI as the Monitor with enhanced powers in respect of the affairs of the Applicants;
 - (b) granted a stay of all proceedings (the “**Stay of Proceedings**”) until May 30, 2025;
 - (c) authorized the Applicants to borrow up to a maximum principal amount of \$1,836,000 under a facility (the “**DIP Facility**”) from RBC (in its capacity as DIP lender, the “**DIP Lender**”), as more fully described in the amended and restated interim financing term sheet (the “**Amended DIP Term Sheet**”) between the Applicants and the DIP Lender; and
 - i. granted the following charges over the Applicants’ property, assets and undertakings, which charges rank in priority to all other security interests, trusts, liens, charges and encumbrances in favour of any person, with the exception of the mortgage held by Business Development Bank of Canada over real property owned by SAIL in Parry Sound, Ontario, in respect of which the request to seek priority was expressly deferred:
 - 1. an administration charge in the amount of \$350,000, as security for the payment of professional fees and disbursements incurred and to be incurred by the Monitor, counsel to the Monitor, and counsel to the Applicants, in connection with this CCAA Proceeding; and
 - 2. a DIP Lender’s Charge as security for the Applicants’ obligations under the Amended DIP Term Sheet, in the maximum principal

amount of \$1,836,000 plus fees and interest.

9. In accordance with the SISP Approval Order, the SISP was implemented. Following the deadline for receiving binding offers, the Monitor, in consultation with the DIP Lender, determined that an affiliate of Rema Tip Top America, Inc. submitted the highest and best offer.
10. On July 18, 2025, the Court approved an approval and vesting order which approved the asset purchase agreement dated July 10, 2025 (the “**Asset Purchase Agreement**”), between the Applicants, as vendors, and Almex Canada, Limited, as purchaser, and the related transaction (the “**Transaction**”), which principally closed on August 27, 2025, although aspects of the Transaction in connection with foreign subsidiaries of SAIL that are being sold remain in the process of closing.
11. The Monitor supports the Applicants’ requested relief.

Extension of the Stay of Proceedings

12. The current Stay of Proceedings expires at the end of day on September 10, 2025. The Applicants seek to extend the Stay of Proceedings to and including January 31, 2026.
13. An extension of the Stay of Proceedings is necessary for the proper review of claims by creditors and seeking approval by, and if necessary direction from, the Court on the final distribution of proceeds from the Transaction and the termination of the CCAA Proceeding.
14. The Applicants have acted will continue to act with good faith and with due diligence.
15. The Revised Cash Flow Forecast shows that the Applicants will have sufficient liquidity to

operate through the proposed Extended Stay Period with continued access to the DIP Facility.

16. The Monitor is supportive of the proposed Extended Stay Period.

Interim Distribution

17. The Applicants seek the authorization to distribute some of the cash proceeds received from the Transaction to their first-ranking general secured creditor and DIP Lender, RBC, and BDC.

Sealing of the Confidential Supplements

18. The Applicants seek a sealing provision for the Confidential Supplements, which contains information related to the purchase price under the Asset Purchase Agreement and the Revised Cash Flow Forecast.
19. The information subject to the sealing provision contains confidential information that, if made public, would be prejudicial to the ongoing closing of the portions of the Transaction that relate to the foreign subsidiaries of SAIL, as well as any additional marketing efforts that may be needed in the event the legal interest of the shares of the foreign subsidiaries does not transfer. There are no reasonable alternative measures to achieve this objective. The benefits of the sealing provision outweigh any negative effects.

TUV Order

20. On June 18, 2025, the Monitor brought a motion seeking authorization to commence an application that, among other things, declares the transfer of shares in Shaw Almex Spain Real Holdings, S.L. from SAIL to Shaw Almex Global Holdings Limited, pursuant to a share sale and purchase agreement dated December 31, 2021 (the “**Share Purchase Agreement**”), was a transfer at undervalue and that the transaction is void. Justice J. Dierich has scheduled this motion (the “**TUV Motion**”) for hearing on December 4, 2025.
21. The Monitor is now seeking the Court’s authorization to take certain steps in connection with the TUV Motion.

Further Grounds

22. The provisions of the CCAA, and the inherent and equitable discretion of this Honourable Court.
23. Section 96 of the BIA.
24. Section 137(2) of the *Courts of Justice Act*, RSO 1990, c C.43.
25. Rules 1.04(1), 2.01(1), 2.03, 3.02, 37 and 39 of the *Rules of Civil Procedure*, RSO 1990, Reg 194.
26. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

27. the Hustrulid Affidavit, and the exhibits attached thereto;
28. the Fourth Report; and
29. such further and other materials as counsel may advise and this Honourable Court may permit.

September 8, 2025

RECONSTRUCT LLP

80 Richmond Street West, Suite 1700
Toronto, ON M5H 2A4

R. Brendan Bissell LSO No. 40354V

bbissell@reconllp.com

Tel: 416.613.0066

Simran Joshi LSO No. 89775A

sjoshi@reconllp.com

Tel: 416.613.6589

Fax: 416.613.8290

Lawyers for the Applicants

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED

Court File No. CV-25-00743136-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SHAW-ALMEX INDUSTRIES LIMITED AND SHAW ALMEX FUSION, LLC

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

NOTICE OF MOTION
(returnable September 10, 2025)

RECONSTRUCT LLP
80 Richmond Street West
Suite 1700
Toronto, ON M5H 2A4

Brendan Bissell LSO No. 40354V
bbissell@reconllp.com
Tel: 416.613.0066

Simran Joshi LSO No. 89775A
sjoshi@reconllp.com
Tel: 416.613.6589

Lawyers for the Applicants

TAB 2

Court File No. CV-25-00743136-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SHAW-ALMEX INDUSTRIES LIMITED
AND SHAW ALMEX FUSION, LLC**

**AFFIDAVIT OF ANDREW HUSTRULID
(sworn September 8, 2025)**

I, **ANDREW HUSTRULID**, of the City of Dallas in the State of Texas, **MAKE OATH AND SAY:**

1. Until August 29, 2025 I was the Senior Vice President of Global Services of Shaw-Almex Industries Limited ("**SAIL**") and Shaw Almex Fusion, LLC ("**Fusion**" and together with SAIL, the "**Applicants**"), which are the Applicants in this proceeding. From May 13, 2025 to August 29, 2025, I was effectively operating as interim president and chief executive officer of the Applicants under the direction of FTI Consulting Canada Inc. ("**FTI**") in its capacity as court-appointed monitor (the "**Monitor**") of the Applicants with enhanced powers. As such, I have personal knowledge of the matters set out below unless otherwise stated to be based on information and belief. Where I have relied on information from others, I state the source of such information and verily believe it to be true.

2. All references to currency in this affidavit are references to Canadian dollars unless otherwise indicated.

3. This affidavit is submitted in support of the Applicants' and Monitor's motion for the following orders:

- (a) a stay extension and distribution order (the "**Stay Extension Order**"), substantially in the form appended at tab 3 of the Applicants' motion record that, among other things:
 - i. extends the Stay of Proceedings up to and including January 31, 2025 (the "**Extended Stay Period**");
 - ii. authorizes the Monitor to make an interim distribution to Royal Bank of Canada ("**RBC**") from the proceeds of sale from the Transaction contemplated by the Asset Purchase Agreement (as defined herein) to pay down the DIP Facility and their pre-filing secured indebtedness;
 - iii. subject to receiving a satisfactory opinion confirming the validity and enforceability of Business Development Bank of Canada's ("**BDC**") security interest against the real property owned by SAIL, authorizes the Monitor to make a distribution to BDC; and
 - iv. seals the confidential supplements (the "**Confidential Supplements**") appended to the Fourth Report of the Monitor, to be filed (the "**Fourth Report**") until further order of the Court; and
- (b) a order (the "**TUV Order**"), substantially in the form appended at tab 4 to the Applicants' motion record that, among other things, authorizes the Monitor to continue and commence proceedings under Section 96 of the *Bankruptcy and Insolvency Act RSC 1985, c B-3* ("**BIA**") in respect of the transfer of shares in Shaw Almex Spain Real Holdings, S.L. from SAIL to Shaw Almex Global Holdings

Limited, pursuant to a share sale and purchase agreement dated December 31, 2021 (the “**Share Purchase Agreement**”).

I. BACKGROUND OF THE RESTRUCTURING PROCEEDING

4. Until the Transaction referred to below, the Applicants were in the business of providing customized solutions for all aspects of conveyor belt systems (the “**Business**”).

5. SAIL was the parent company of a global enterprise operating under the “Shaw Almex” name (the “**Almex Group**”). The Almex Group had 15 locations, plus exclusive distributors, across six continents worldwide. Through these locations, the Applicants serviced customers across 123 countries worldwide.

6. The Applicants’ financial difficulties were attributable to a combination of factors including, among others, significant issues securing a new reliable supplier of rubber, increased operational costs due to external market factors, insufficient financial reporting and controls overseen by former management, and losses suffered as a result of currency hedging transactions.

7. In light of these challenges and the Applicants’ cash flow crisis, SAIL filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**NOI Proceeding**”). FTI consented to act as the proposal trustee in the NOI Proceeding (in such capacity, the “**Proposal Trustee**”).

8. On May 13, 2025, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted the following orders:

(a) an initial order (the “**Initial Order**”) that, among other things:

i. continued the NOI Proceeding commenced by SAIL under the purview of the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as

amended (the “**CCAA Proceeding**”);

- ii. appointed FTI as Monitor with enhanced powers in respect of the affairs of the Applicants;
- iii. granted a stay of all proceedings (the “**Stay of Proceedings**”) until May 30, 2025;
- iv. authorized the Applicants to borrow up to a maximum principal amount of \$1,836,000 under a facility (the “**DIP Facility**”) from RBC (in its capacity as DIP lender, the “**DIP Lender**”) to finance the Applicants’ working capital requirements and to pay the costs and expenses of this proceeding, as more fully described in the amended and restated interim financing term sheet (the “**Amended DIP Term Sheet**”) between the Applicants and the DIP Lender; and
- v. granted the following charges over the Applicants’ Property, which charges rank in priority to all other security interests, trusts, liens, charges and encumbrances in favour of any person, with the exception of the mortgage held by Business Development Bank of Canada over real property owned by SAIL in Parry Sound, Ontario, in respect of which the request to seek priority was expressly deferred:
 - 1. first – an administration charge in the amount of \$350,000, as security for the payment of professional fees and disbursements incurred and to be incurred by the Monitor, counsel to the Monitor, and counsel to the Applicants, in connection with this CCAA Proceeding; and

2. second – a DIP Lender’s Charge as security for the Applicants’ obligations under the Amended DIP Term Sheet, in the maximum principal amount of \$1,836,000 plus fees and interest; and

(b) an order approving a sale and investment solicitation process (the “**SISP**”).

9. In support of the Initial Order, I swore an affidavit dated May 8, 2025 (the “**Initial Affidavit**”) which describes in detail, among other things, the Applicants’ Business and financial circumstances, the events leading up to the Applicants’ insolvency, and the Applicants’ need for relief under the CCAA to conduct an operational and financial restructuring. The Initial Affidavit (without exhibits) is attached as **Exhibit “A”**.

10. On May 2, 2025, the Proposal Trustee launched the SISP. The deadline for bidders to submit a binding offer in the SISP was June 12, 2025. After reviewing the binding offers, the Monitor, in consultation with the DIP Lender, determined that the bid submitted by an affiliate of Rema Tip Top America, Inc. represented the highest and best offer received throughout the SISP.

11. Accordingly, on July 18, 2025, this Court approved, among other things, an approval and vesting order (the “**Approval and Vesting Order**”) that, *inter alia*, approved the Asset Purchase Agreement dated as of July 10, 2025 (the “**Asset Purchase Agreement**”) between the Applicants, as vendors, and Almex Canada, Limited, as purchaser (the “**Purchaser**”) and approved the transaction contemplated by the Asset Purchase Agreement (the “**Transaction**”). A copy of the signed Approval and Vesting Order and Justice J. Dietrich’s endorsement dated July 18, 2025 is attached hereto and marked as **Exhibit “B”**.

12. The Transaction principally closed on August 27, 2025, on which date the Monitor issued its certificate, although I am advised by Jeff Rosenberg of the Monitor that certain steps necessary to effect the transfer of interest in the foreign subsidiaries of SAIL that the Purchaser wishes to

acquire are still in process. A copy of the filed Monitor's Certificate dated as of August 27, 2025 is attached hereto and marked as **Exhibit "C"**.

II. STATUS OF THE BUSINESS

13. On the date of the closing of the Transaction, SAIL transferred its legal ownership interests in the share capital of Shaw Almex Pacific Pty Ltd., Shaw Almex Europe B.V., and Almex Peru S.A.C. to the Purchaser. However, due to local laws and regulatory complexities in certain jurisdictions, the legal ownership of the following entities: Fonmar Group, S.L., Shaw Almex Mine Equip. (Tianjin) Co. Ltd., Shaw Almex Chile SpA and Shaw Almex Indonesia (collectively, the **"Beneficial Subsidiaries"**) could not be immediately transferred. Notwithstanding this, SAIL's beneficial interest in the capital of each of the Beneficial Subsidiaries has been effectively transferred to the Purchaser.

14. I understand that it is anticipated that the legal ownership of the Beneficial Subsidiaries will be transferred to the Purchaser in the near future. In the interim, the consideration relating to these entities is being held in escrow by the Monitor, pending the formal transfer of legal title.

15. Since the closing of the Transaction, the Applicants have ceased majority of all active operations, as the Business was transferred in its entirety to the Purchaser.

16. My engagement with SAIL concluded on August 29, 2025, and I have now been engaged by the Purchaser as of September 1, 2025. Information about the Applicants' affairs after that date is not something with which I am personally familiar and will have to come from the Monitor going forward.

III. RELIEF SOUGHT

A. Extension of the Stay of Proceedings

17. The current Stay of Proceedings is set to expire on September 10, 2025. The Applicants are seeking an extension of the Stay of Proceedings up to and including January 31, 2026.

18. This extension is necessary and appropriate in the circumstances, as it will provide the Applicants with the time and stability required to complete the transfer of legal ownership of the Beneficial Subsidiaries, address outstanding matters related to the Contempt Motion and TUV Motion (as those terms are defined in the Fourth Report), and prepare the materials necessary to seek Court approval of, among other things, the final distribution of proceeds from the Transaction and the termination of the CCAA Proceeding.

19. Since the granting of the Approval and Vesting Order, the Applicants have taken various steps, including assisting the Monitor with closing the Transaction and regularly communicating with employees and other stakeholders to keep them informed of developments in the CCAA Proceeding and the Transaction.

20. Accordingly, the Applicants have acted and are continuing to act in good faith and with due diligence throughout the course of the CCAA Proceeding.

21. Without the benefit of the Extended Stay Period, the Applicants' creditors may take enforcement action, which could jeopardize the orderly completion of the remaining steps in these proceedings.

22. With the assistance of the Monitor, the Applicants have prepared a weekly cash flow forecast for the period ending the week of January 30, 2026 (the "**Revised Cash Flow Forecast**"). I understand that the Revised Cash Flow Forecast will be filed by the Monitor prior to the hearing of this motion.

23. The Revised Cash Flow Forecast demonstrates that the Applicants are expected to have sufficient liquidity to fund their obligations and the costs of this CCAA Proceeding through to the end of the Extended Stay Period.

B. Interim Distribution of Sale Proceeds

24. The Applicants are seeking authorization to distribute funds to their first-ranking secured creditor and DIP Lender, RBC, and to BDC. Since the closing of the Transaction, the Monitor has received some of the cash proceeds from the Transaction (the “**Cash Proceeds**”).

25. As set out in the Monitor’s Fourth Report, counsel for the Monitor has reviewed RBC’s loan and security documentation. Subject to customary qualifications and assumptions, they have concluded that the security granted in favour of RBC is valid and enforceable against SAIL.

26. Based on the foregoing, the Applicants propose that a portion of the Cash Proceeds be used to repay: (i) the outstanding indebtedness owing to RBC under the DIP Facility and a portion of the amount outstanding under its pre-filing loan agreements, which as at September 5, 2025 totals approximately CAD \$ 21,230,945.80¹ and USD \$514,661.45, plus any accrued interest through the date of settlement; and (ii) subject to receiving a satisfactory opinion confirming the validity and enforceability of BDC’s security interest against the real property owned by SAIL, the total outstanding indebtedness owing to BDC pursuant to the BDC Letter (as defined in the Initial Affidavit), which is approximately CAD \$1,931,944.61, plus applicable fees.

27. Once all post-closing and administrative matters have been addressed, the Applicants intend to return to this Court to seek approval for the final distribution of the remaining proceeds from the Transaction.

¹ This amount includes the total amount outstanding under the DIP Facility.

C. Sealing Provision

28. The Applicants seek, as part of the Stay Extension Order, the sealing of the Confidential Supplements to the Monitor's Fourth Report, being a breakdown of the purchase price under the Asset Purchase Agreement and the Revised Cash Flow Forecast, which contains information on the Cash Proceeds received from the Transaction.

29. Although the Transaction has closed, the legal ownership of the shares in the Beneficial Subsidiaries has not yet been transferred to the Purchaser. The Monitor, together with its counsel, and the Purchaser and its counsel, continue to work collaboratively toward effecting the transfer of legal ownership. In the meantime, the consideration related to these entities is being held in escrow by the Monitor, pending the completion of the legal transfer.

30. Disclosing the consideration pertaining to the shares of the Beneficial Subsidiaries could be highly prejudicial to any potential future marketing efforts, should the transfer of legal ownership ultimately not be completed.

31. The sealing order sought is limited to further order of this Court and I understand the Monitor will provide additional information on the expected timing of such order in the Confidential Supplements. The Applicants are of the view that this is properly limited and sufficient to reasonably protect stakeholder interests in the circumstances.

D. TUV Order

32. I am advised by counsel to the Applicants that, on June 18, 2025, the Monitor brought a motion seeking authorization to commence an application that, among other things, declares the transfer of shares pursuant to the Share Purchase Agreement, was a transfer at undervalue and that the transaction is void. Justice J. Dietrich has scheduled this motion (the "**TUV Motion**") for a hearing on December 4, 2025.

33. I understand that the Monitor is now seeking the Court's authorization to take certain steps in connection with the TUV Motion and will provide further details regarding this relief in its Fourth Report.

IV. CONCLUSION

34. I believe that it is in the interests of the Applicants and their stakeholders that this Court grant the relief requested in accordance with the terms of the Stay Extension Order.

35. I swear this affidavit in support of the Applicants' requested relief and for no other or improper purpose.

SWORN REMOTELY BY ANDREW)
HUSTRULID stated as being located in)
 City of Dallas in the State of Texas, before)
 me at City of Oakville in the Province)
 Ontario, this 8th day of September, 2025,)
 in accordance with O. Reg 431/20,)
Administering Oath or Declaration)
Remotely.)

Signed by:

Simran Joshi

A Commissioner for taking Affidavits.
 Simran Joshi LSO#89775A

Signed by:

Andrew Hustrulid

ANDREW HUSTRULID

THIS IS **EXHIBIT "A"** REFERRED TO IN THE
AFFIDAVIT OF **ANDREW HUSTRULID** SWORN REMOTELY BY **ANDREW HUSTRULID**
STATED AS BEING LOCATED IN THE CITY OF DALLAS IN THE STATE OF TEXAS
BEFORE ME AT THE CITY OF OAKVILLE, IN THE PROVINCE OF ONTARIO THIS 8TH
DAY OF SEPTEMBER 2025, IN ACCORDANCE WITH O. REG 431/20, *ADMINISTERING
OATH OR DECLARATION REMOTELY*

Signed by:

0D0B645B9A9E494...

A COMMISSIONER FOR TAKING AFFIDAVITS

SIMRAN JOSHI
LSO # 89775A

Court File No. BK-25-03205249-0031

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF SHAW-ALMEX INDUSTRIES
LIMITED OF THE TOWN OF PARRY SOUND, IN THE
PROVINCE OF ONTARIO**

**AFFIDAVIT OF ANDREW HUSTRULID
(Sworn May 8, 2025)**

I, **ANDREW HUSTRULID**, of the City of Bonita Springs in the State of Florida, **MAKE
OATH AND SAY:**

1. I am the Senior Vice President of Global Services of Shaw-Almex Industries Limited (“**SAIL**”) and Shaw Almex Fusion, LLC (“**Fusion**” and together with SAIL, the “**Applicants**”), which are the Applicants in this proceeding. I have been engaged by SAIL since 2014 in a variety of roles culminating in my current one, and I have also recently been referred to as the chief of operations. As such, I have personal knowledge of the matters set out below unless otherwise stated to be based on information and belief. Where I have relied on information from others, I state the source of such information and verily believe it to be true.

2. All references to currency in this affidavit are references to Canadian dollars unless otherwise indicated.

3. On March 29, 2025 (the “**Filing Date**”), SAIL filed a Notice of Intention to Make a Proposal

(“**NOI**”) under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**NOI Proceeding**”). FTI Consulting Canada Inc. (“**FTI**”) was appointed as proposal trustee in the NOI Proceeding (in that capacity, the “**Proposal Trustee**”). Attached hereto and marked as **Exhibit “A”** is a copy of the Certificate of Filing of a Notice of Intention to Make a Proposal for SAIL.

4. On April 25, 2025, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order (“**Stay Extension Order**”) that, among other things,

- (a) extended the time to file a proposal in the NOI Proceeding until May 13, 2025;
- (b) authorized SAIL to borrow up to a maximum principal amount of \$1,000,000 under a debtor-in-possession credit facility (the “**DIP Facility**”) from the Royal Bank of Canada (“**RBC**” or the “**DIP Lender**”); and
- (c) granted the following charges, with the priority amongst them as set out below:
 - (i) First – an “**Administration Charge**” in the amount of \$350,000, as security for the payment of professional fees and disbursements incurred and to be incurred by FTI, counsel to FTI, and counsel to SAIL, in connection with the NOI Proceeding; and
 - (ii) Second – a “**DIP Lender’s Charge**” as security for SAIL’s obligations under the DIP Facility, in the maximum principal amount of \$1,000,000 plus fees and interest.

A copy of the Stay Extension Order is attached hereto as **Exhibit “B”**.

5. This affidavit is submitted in support of the Applicants’ motion seeking an Order (the “**Initial Order**”) from the Court pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”) that, among other things:

- (a) abridges the notice periods and validates service of the motion record;

- (b) continues the NOI Proceeding commenced by SAIL under the purview of the CCAA;
- (c) declares that the Applicants are each a “debtor company” to which the CCAA applies;
- (d) appoints FTI as the Court-appointed monitor of the Applicants (in this capacity, the **“Monitor”**);
- (e) grants a stay of all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor or the current directors or officers of the Applicants, or affecting the Applicants’ business or any of the Applicants’ current and future assets, licences, undertakings, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the **“Property”**), except with the written consent of the Applicants and the Monitor, or with leave of the Court, until May 30, 2025 (the **“Stay of Proceedings”**);
- (f) authorizes the Applicants to borrow up to a maximum principal amount of \$1,800,000 under the DIP Facility from RBC to finance the Applicants’ working capital requirements and to pay the costs and expenses of this proceeding, as more fully described in the amended and restated interim financing term sheet (the **“Amended DIP Term Sheet”**) between the Applicants and the DIP Lender;
- (g) grants the following charges over the Applicants’ Property, which charges (**“Charges”**) shall rank in priority to all other security interests, trusts, liens, charges and encumbrances in favour of any person:
 - (i) First – an Administration Charge in the amount of \$350,000, as security for the payment of professional fees and disbursements incurred and to

be incurred by the Monitor, counsel to the Monitor, and counsel to the Applicants, in connection with this CCAA proceeding; and

- (ii) Second – a DIP Lender’s Charge as security for the Applicants’ obligations under the Amended DIP Term Sheet, in the maximum principal amount of \$1,800,000 plus fees and interest;

- (h) authorizes the Applicants to pay, with the consent of the Monitor, up to the maximum amount of \$250,000 owing to their suppliers for critical goods or services actually supplied to the Applicants prior to the Filing Date if, in the opinion of the Applicants and the Monitor, such payment is necessary or desirable to avoid disruption to the operations of the business or the Property of the Applicants during the CCAA proceedings;

- (i) authorizes Fusion to act as the foreign representative of the Applicants in respect of this proceeding for the purpose of having these CCAA proceedings recognized and approved in a jurisdiction outside of Canada, including in the United States Bankruptcy Court; and

- (j) grants the Monitor enhanced powers to facilitate the operations of the Applicants.

6. The Applicants also seek an order (the “**SISP Approval Order**”) that, among other things, approves a sale, refinancing and investment solicitation process substantially in the form attached as Schedule “A” to the SISP Approval Order (the “**SISP**”).

7. Lastly, the Applicants seek an order (the “**Discharge Order**”) that, among other things:

- (a) approves the activities and conduct of the Proposal Trustee as set out in the First Report of the Proposal Trustee dated April 25, 2025 (the “**First Report**”);

- (b) approves the fees and disbursements of the Proposal Trustee and its legal

counsel, as described in the Pre-Filing Report of the Monitor, to be filed (“**Pre-Filing Report**”); and

- (c) discharges FTI as Proposal Trustee in connection with the NOI Proceeding; and
- (d) releases the Proposal Trustee, counsel to the Proposal Trustee and counsel to SAIL from all claims, liabilities and obligations of any kind based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of the proposed Discharge Order in any way relating to the NOI Proceeding or with respect to their conduct in the NOI Proceeding, other than any claim or liability arising out of gross negligence or willful misconduct.

I. OVERVIEW

8. The Applicants are in the business of providing customized solutions for all aspects of conveyor belt systems (the “**Business**”). SAIL is the parent company of a global enterprise operating under the “Shaw Almex” name (the “**Almex Group**”). The Almex Group has 15 locations, plus exclusive distributors, across six continents worldwide. Through these locations, the Applicants service customers across 123 countries worldwide.

9. As described in further detail below, while the Business has been successfully operating for over 70 years, the Applicants have experienced significant financial and operational challenges over the past 24 months that have caused an acute liquidity crisis that has imperiled the Almex Group.

10. The financial challenges currently facing the Applicants are associated with, among other things, significant issues securing a new reliable supplier of rubber, increased operational costs due to external market factors, insufficient financial reporting and controls overseen by the former Chief Financial Officer, and losses suffered as a result of currency hedging transactions.

11. In light of these challenges and the Applicants' cash flow crisis, SAIL commenced the NOI Proceeding in order to pursue a restructuring of the Business with a principal focus on the implementation of a SISP. Given the international nature of the Almex Group's operations, the Applicants are now seeking relief under the CCAA in order to stabilize the Applicants' local and international operations and preserve the optionality of filing international recognition proceedings, if necessary.

12. The relief sought by the Applicants on this motion is therefore intended to:

- (a) stabilize and preserve the going concern operations of the Applicants for the benefit of their stakeholders, including their approximately 500 global employees, 80 Canadian employees, suppliers, customers and lenders;
- (b) allow the Applicants to conduct an operational restructuring including downsizing certain aspects of their operations and exploring avenues to decrease operational costs;
- (c) provide the Applicants with working capital to complete certain orders in order to generate cash flow for the Applicants; and
- (d) give the Applicants the breathing room to implement the SISP, with the ultimate goal of maximizing value for the Applicants' stakeholders and the continuation of the Business as a going concern.

13. The Applicants have been in frequent discussions with their primary stakeholder RBC with respect to this motion and the Applicants' restructuring plans. I understand that RBC is supportive of the requested relief as it is providing the DIP Facility in this CCAA proceeding. I also understand that the Monitor is supportive of the requested relief.

II. BACKGROUND OF THE APPLICANTS

A. The Business of the Applicants

14. The Applicants are in the business of providing state-of-the-art conveyor belt vulcanizing equipment technology, services and expertise. The Business leverages cutting-edge engineering and technology to provide customized solutions for all aspects of conveyor systems including development, setup, training, monitoring, and maintenance.

15. I am advised by Tim Shaw, the president of SAIL, that the Business was commenced over sixty-seven years ago in Parry Sound, Ontario as a small, family-run operation. Since that time, the Business has grown significantly and become an industry leader with over 2,500 customers across 123 countries worldwide. Their customers are in a diverse range of industries including mining, steel mills, ports, power generation, package handling, and aerospace.

B. The Corporate Structure

16. SAIL is incorporated pursuant to the *Ontario Business Corporations Act*, RSO 1990, c B-16. A copy of the Ontario profile report for SAIL is attached hereto as **Exhibit “C”**.

17. Fusion is an indirect subsidiary of SAIL that was organized pursuant to the laws of the state of Georgia in the United States of America. A copy of the certificate of organization is attached hereto as **Exhibit “D”**.

18. SAIL and Fusion are part of the global Almex Group. The Almex Group also has 16 other entities, which are all direct and indirect subsidiaries of SAIL. Each of the subsidiaries of SAIL are described in further detail below:

(a) Almex Peru S.A.C.: distributor of Almex presses and Fusion products in Peru, as well as a providing maintenance services for Almex presses;

(b) Almex Fusion de Mexico, S de R.L. de C.V.: distributor of Almex presses and

Fusion products in Mexico, as well as a providing maintenance services for Almex presses;

- (c) Shaw Almex Pacific Pty. Ltd.: manufacturer, seller and distributor of presses for the Australian market;
- (d) Shaw Almex Africa (Pty) Ltd: operating company in South Africa that is responsible for the distribution, sourcing and supply of presses and products;
- (e) PT. Shaw Almex Indonesia: operating company in Indonesia that is responsible for the distribution, sourcing and supply of presses and products;
- (f) Shaw Almex Deutschland GmbH: this is a dormant entity that previously operated as a distributor for presses in Europe;
- (g) Almex Holdings, Inc.: holding company for Fusion;
- (h) Shaw Almex Europe B.V.: distributor and service facility for presses in the Netherlands;
- (i) Shaw Alex Zambia Limited: service provider for mining customers in Zambia;
- (j) Shaw Almex Mine Equip. (Tianjin) Co. Ltd.: manufacturer, distributor and service provider for Almex presses in the Chinese market.
- (k) Shaw Almex Chile SpA.: distributor of Almex presses and Fusion products in Chile;
- (l) Shaw-Almex Brazil Holdings Inc.: operating company for the Brazil warehouse that performs services and work on Almex presses;
- (m) Almex Industria do Brasil Limitada: seller and distributor of presses for the Brazilian market;
- (n) Fonmar Group S.L.: manufacturer, distributor and service provider for Fonmar

vulcanizing presses and related equipment; and

- (o) Rampart Detection Systems Ltd.: SAIL has a minority share holding in this company, which owns technology for conveyor belt non-destructive testing.

Attached hereto and marked as **Exhibit “E”** is the corporate structure of the Almex Group (the **“Corporate Chart”**).

19. As illustrated by the Corporate Chart, the Almex Group also includes related entities that are not subsidiaries of SAIL. These entities are:

- (a) **Almex Panama, S.A.**: this company was formerly a provider of aftermarket support and onsite service work to the FQML Cobre mine in Panama, which I understand is in the process of being made a direct or indirect subsidiary of SAIL but which has not yet fully occurred;
- (b) **Shaw Almex Global Holdings Limited**: I am advised by Tim Shaw that he owns this entity, which, along with its subsidiaries, holds various real estate locations used by some entities in the Almex Group; and
- (c) **Shaw-Almex Overseas Ltd.**: I am advised by Tim Shaw this entity is owned by him and his siblings. It and its subsidiaries operate under the Almex name in India.

For clarity, these related entities are not affected by this CCAA proceeding.

C. The Applicants’ Canadian Operations

20. SAIL is the primary operating company of the Almex Group. SAIL manufactures the majority of the products supplied by the Almex Group and ships them to its subsidiaries or local distributors worldwide.

21. SAIL operates its Canadian operations from four locations in Ontario:

- (a) a global manufacturing facility located at 17 Shaw Almex Road, Parry Sound (**"Parry Sound Property"**), which is owned by SAIL;
 - (b) a head office at 323 Glover Road, Stoney Creek, which is leased; and
 - (c) a office & manufacturing location at 743 Barton Street, Unit 3, Stoney Creek, Ontario, which is leased pursuant to a Commercial Lease dated July 3, 2024; and
 - (d) a light manufacturing location at 103 Isabella Street, Parry Sound, which is leased on a month-to-month basis pursuant to an expired Commercial Lease Agreement.
22. SAIL also previously operated at a office location at 889 Barton Street, Unit 2, Stoney Creek, Ontario, but vacated that premises this week.
23. SAIL's Canadian operations are supported by approximately 80 employees: 45 salaried employees and 35 union employees. All of these employees are employed by SAIL and are located in Ontario.
24. SAIL's unionized employees, consisting of highly skilled trades and labourers, are governed by a Union Collective Agreement with United Steelworkers effective January 2024 for a term until December 2027.
25. SAIL provides all of its employees, whether unionized or non-unionized, with group benefits coverage through a group benefits plan administered by ClaimSecure Inc. The benefits plan is designed to assist eligible employees and their dependents by helping to cover the cost of some routine healthcare such as prescription drugs, dental care, and vision care. SAIL also provides all of its employees with global medical coverage through a plan administered by The Canada Life Group, as well as life and accidental death insurance through a plan administered by Industrial Alliance.

D. The Applicants' US Operations

26. Other than SAIL, the other principal manufacturing operation of the Almex Group is conducted by Fusion in the United States. Specifically, Fusion primarily manufactures Almex presses and Fusion rubber products.

27. Fusion operates its Business from a sales, manufacturing, and distribution facility located in Atlanta, Georgia.

28. The operations of the Applicants are functionally and operationally integrated, such that the Fusion's United States operations cannot operate independently of SAIL's Canadian operations.

29. Fusion's operations were supported by approximately 30 employees, however, as part of the Applicants' operational restructuring, 26 of these employees have been laid off. Some of the employees work from the facility in Georgia and others work virtually across the country. None of these employees are unionized.

E. The Applicants' International Operations

30. As noted above, the Almex Group has 15 locations, plus exclusive distributors, across six continents worldwide.

31. Other than SAIL and Fusion, the other principal manufacturing operations of the Almex Group are conducted by two of SAIL's subsidiaries: Shaw Almex Mine Equip. (Tianjin) Co. Ltd. in China and Fonmar Group S.L. in Spain. Shaw Almex Pacific Pty. Ltd. has recently begun manufacturing equipment in Australia as well.

32. The remaining companies within the Almex Group operate primarily as sales and distribution centres with limited ability to modify or finish machinery being shipped from North America to their local markets.

33. Globally, the Almex Group employs approximately 500 employees.

F. Banking and Cash Management System

34. SAIL has five bank accounts as follows:

- (a) a Bank of Nova Scotia Canadian dollar bank account which is primarily used for the deposit of Canadian customer cheques, the receipt of customer wire and EFT payments, the payment of the wages of Canadian employees, and the payment of utility and supplier bills;
- (b) a RBC Canadian dollar bank account that is primarily used for the payment of supplier bills, the receipt of customer wire and EFT payments, and the payment of bank loans, interest payments, and lease payments;
- (c) a RBC USD bank account that is primarily used for the receipt of USD customer payments and the payment of supplier bills in the United States;
- (d) a Bank of Nova Scotia USD bank account that is primarily used for the deposit of customer cheques that are in USD; and
- (e) a HSBC USD bank account that is primarily used for the receipt of customer and intercompany payments that are in USD, the payment of supplier bills in the United States, the payment of wages of the US employees, and the payment of the United States' employee travel expenses.

35. SAIL previously had 16 credit cards with RBC, however, RBC has frozen these credit cards and they are no longer in use. Accordingly, SAIL has no active credit cards.

36. Fusion has two bank accounts as follows:

- (a) a HSBC USD bank account that is primarily used for the payment of supplier bills,

leases, utilities, and loans, as well as the receipt of customer payments; and

- (b) a Truist USD bank account that is primarily used for the payment of small local bills and petty cash.

37. Fusion has no credit card but does have a debit card tied to the Truist bank account.

38. In connection with these CCAA proceedings, the Applicants are seeking the authority to continue to operate the above-noted cash management system. I am advised by the Monitor that it will continue to monitor the receipts and disbursements from the Applicants' bank accounts during the CCAA proceeding in its capacity as Monitor. Maintaining the existing cash management system will offer a number of benefits to the Applicants and their stakeholders, including minimizing the disruption to the Business caused by the CCAA proceedings and avoiding the need to negotiate and implement alternative banking arrangements.

III. THE APPLICANTS'S ASSETS AND LIABILITIES

39. As of December 31, 2024, the Applicants' liabilities significantly exceed the book value of their assets by approximately \$32 million.

40. A copy of the most recent audited financial statements of each of the Applicants are attached as follows:

- (a) independently audited financial statements of SAIL for the fiscal year ending December 31, 2022, is attached as **Exhibit "F"**; and
 - (b) independently audited financial statements of Fusion for the fiscal year ending December 31, 2022 is attached as **Exhibit "G"**
- (together, the "**2022 FS**").

41. The Applicants also prepared an unaudited, unconsolidated financial statement for the

fiscal year ending December 31, 2024 for both SAIL and Fusion (the “**2024 FS**”). The 2024 FS is attached as **Exhibit “H”**.

A. Assets of the Applicants

42. The 2022 FS shows that as of December 31, 2022, SAIL had assets with a value of approximately \$25.7 million. The 2024 FS shows that as of December 31, 2024, SAIL’s assets have decreased to a book value of approximately \$24.6 million.

43. As shown by the 2022 FS and the 2024 FS, the primary assets of SAIL are as follows:

ASSET	2022 FS (\$)	2024 FS (\$)
Cash	166,806	127,000
Accounts Receivable	4,949,613	4,105,000
Other Receivables	35,064	-
Sales Tax Recoverable	-	100,000
Inventories	7,639,068	5,047,000
Prepaid Expenses	162,219	187,000
Due from Related Parties	6,738,857	4,297,000
Property, Plant & Equipment	1,761,393	1,223,000
Assets under Capital Leases	1,267,781	929,000
Investments measured at Cost	1,744,962	1,745,000
Intercompany Long-Term Receivable	-	5,515,000
Long-term Receivable – Other Related Party	-	1,216,000
Due from Shareholder	1,258,794	-
Intangible Assets	38,676	46,000
Total Assets	\$25,700,000	24,600,000

44. The 2022 FS shows that as of December 31, 2022, Fusion had assets with a value of approximately \$6 million. The 2024 FS shows that as of December 31, 2024, Fusion’s assets have decreased to a book value of approximately \$4.4 million.

45. As shown by the 2022 FS and the 2024 FS, the primary assets of Fusion include as follows:

ASSET	2022 FS (\$)	2024 FS (\$)
Cash	109,810	282,000
Accounts Receivable	2,288,863	142,000
Inventories	493,137	558,000
Other Receivables	-	131,000
Intercompany Receivable	-	36,000
Prepaid Expenses	482,215	1,084,000
Due from Related Parties	533,713	134,000
Plant and Equipment	2,146,587	467,000
Assets under Capital Leases	-	1,274,000
Total Assets	\$6,054,325	\$4,400,000

B. Liabilities of the Applicants

46. The 2022 FS shows that as of December 31, 2022, SAIL had liabilities of approximately \$35.9 million. The 2024 FS shows that as of December 31, 2024, SAIL's liabilities have increased to approximately \$45.7 million.

47. As shown by the 2022 FS and the 2024 FS, the primary liabilities of SAIL include the following:

LIABILITY	2022 FS (\$)	2024 FS (\$)
Bank Indebtedness	9,853,667	15,997,000
Accounts Payable and Accrued Liabilities	12,347,256	8,446,000
Prepayments	-	9,214,000
Due to Related Parties	2,908,356	-
Current Portion of Long Term Debt	-	883,000
Derivative Financial Instruments	482,910	2,104,000
Callable Long-Term Debt	6,196,470	8,796,000
Capital Lease Obligations	627,300	311,000
Class A Special Shares	3,490,095	-
Total Liabilities	\$35,906,054	\$45,751,000

48. The 2022 FS shows that as of December 31, 2022, Fusion had liabilities of approximately \$4 million. The 2024 FS shows that as of December 31, 2024, Fusion's liabilities have increased to approximately \$15.9 million.

49. As shown by the 2022 FS and the 2024 FS, the primary liabilities of Fusion include the

following:

LIABILITY	2022 FS (\$)	2024 FS (\$)
Accounts Payable and Accrued Liabilities	2,928,019	4,929,000
Deferred Revenue	-	190,000
Deferred Rent	109,242	-
Current Portion of Long Term Debt	-	820,000
Capital Lease Obligations	476,708	368,000
Capital Lease Obligations (non-current)	539,226	-
Long-Term Liability – Related Parties	-	9,600,000
Total Liabilities	\$4,053,195	15,907,000

IV. THE INDEBTEDNESS OF THE APPLICANTS

A. Secured Liabilities

50. As of March 2025, the Applicants owe approximately \$27.5 million to their secured creditors. The Applicants' primary secured creditors are RBC, Business Development Bank of Canada ("**BDC**"), BDC Capital Inc. ("**BDC Capital**"), two counterparties to agreements for the sale of future receipts, and various entities that advanced equipment financing to SAIL.

i. Indebtedness to RBC

51. RBC is the Applicants' principal secured creditor. SAIL has maintained a banking relationship with RBC (formerly HSBC Canada) since 2012. Over the course of this relationship, the parties have entered into various letter agreements, which have been amended and restated from time to time. RBC and SAIL's relationship is currently governed by an amended and restated facility letter dated January 27, 2023, as amended by a first amendment on March 26, 2024 (the "**RBC Facility Letter**"). A copy of the RBC Facility Letter is attached as **Exhibit "I"**.

52. The RBC Facility Letter provides SAIL with a demand operating revolving loan facility in the maximum amount of \$15.5 million and a letter of guarantee facility to the maximum amount of \$500,000. Fusion is a secured guarantor of the obligations in the RBC Facility Letter.

53. As of March 18, 2025, the Applicants owe RBC \$15,589,239.09 and USD \$523,779.73, plus accrued and unpaid interest.

54. The obligations under the RBC Facility Letter are secured by, *inter alia*, the following:

- (a) guarantees from the majority of SAIL's subsidiaries, including Fusion, as demonstrated by the chart attached as **Exhibit "J"**;
- (b) a general security agreement from SAIL in favour of RBC for all personal property and after-acquired property dated November 30, 2012, which is attached as **Exhibit "K"**;
- (c) a general security agreement from Fusion in favour of RBC for all personal property and after-acquired property dated December 13, 2012, which is attached as **Exhibit "L"**;
- (d) a general assignment of book debts from SAIL in favour of RBC dated November 30, 2012, which is attached as **Exhibit "M"**;
- (e) a share pledge agreement executed by SAIL with regard to the shares of all direct and indirect subsidiaries of SAIL other than Rampart Detection Services Ltd.;
- (f) a personal guarantee and postponement of claims from Tim Shaw in favour of RBC in the limited amount of \$1,500,000 plus interest and charges; and
- (g) a guarantee from Export Development of Canada, which guarantees 50 of the operating loan facility under the RBC Facility Letter up to a maximum amount of \$7,000,000.

55. The Ontario Personal Property Registry confirms that RBC has registered a security interest over SAIL's personal property. Attached as **Exhibit "N"** is a search of the Ontario Personal Property Registry for SAIL.

56. The UCC System in the US confirms that RBC has registered a security interest over Fusion's personal property. Attached as **Exhibit "O"** is a search of the UCC for Fusion.

57. As a result of the Applicants' liquidity issues, the Applicants were in default of certain obligations under the RBC Facility Letter. Accordingly, RBC and the Applicants entered into various forbearance agreements with RBC as follows:

- (a) on October 31, 2024, SAIL and its guarantors entered into a forbearance agreement with RBC wherein RBC agreed to forbear from enforcing its debt until November 13, 2024 and reduced the operating facility in the RBC Facility Letter to \$14 million. This forbearance agreement is attached as **Exhibit "P"**;
- (b) on November 14, 2024, SAIL and its guarantors entered into a forbearance extension agreement with RBC wherein RBC agreed to forbear from enforcing its debt until November 22, 2024, when it was expected that SAIL would be able to cover certain debts through a \$10 million loan to be provided by Partners Capital Corporation (the "**Proposed Equity Injection**"). This forbearance agreement is attached as **Exhibit "Q"**; and
- (c) on December 9, 2024, SAIL and its guarantors entered into a second forbearance extension agreement wherein RBC agreed to forbear from enforcing its debt until January 31, 2025 to permit SAIL additional time to secure the Proposed Equity Injection. This forbearance agreement is attached as **Exhibit "R"**.

ii. Indebtedness to BDC

58. On December 17, 2021, SAIL entered into a letter of offer with BDC, which letter of offer was amended on March 22, 2024 (the "**BDC Letter**"). The BDC Letter provided SAIL with a loan from BDC for \$2,000,000. A copy of the BDC Letter is attached as **Exhibit "S"**.

59. The obligations under the BDC Letter are secured by way of, among other things:

- (a) a first-ranking mortgage in the principal amount of \$2,000,000 granted by SAIL to BDC over the Parry Sound Property;
- (b) a general assignment of rents with respect to the Parry Sound Property;
- (c) guarantees from various of SAIL's subsidiaries as demonstrated by the chart attached as **Exhibit "J"**; and
- (d) a general security agreement by SAIL in favour of BDC.

60. The Land Registry confirms that BDC has a first-ranking mortgage over the Parry Sound Property in the principal amount of \$2,000,000. Attached as **Exhibit "T"** is a copy of the title search of the Parry Sound Property from the Land Registry Office.

61. Additionally, the Ontario Personal Property Registry confirms that BDC has registered a security interest over SAIL's personal property.

62. As of March 28, 2025, SAIL owes BDC \$1,823,340.28 plus fees under the BDC Letter.

iii. **Indebtedness to BDC Capital**

63. BDC Capital and SAIL have maintained a lending relationship since 2019. Over the course of this relationship, the parties have entered into various agreements, which have been amended and restated from time to time. BDC Capital and SAIL's relationship is currently governed by a letter of offer dated July 14, 2021 (the "**BDC Capital Letter**"). A copy of the BDC Capital Letter is attached as **Exhibit "U"**.

64. The BDC Capital Letter establishes a credit facility in the amount of \$4.7 million (the "**BDC Capital Loan**").

65. The BDC Capital Loan is secured by way of, among other things:

- (a) guarantees from various of SAIL's subsidiaries as demonstrated by the chart

attached as **Exhibit “J”**;

- (b) a general security agreement by SAIL in favour of BDC Capital dated September 15, 2021, which is attached as **Exhibit “V”**; and
- (c) a general security agreement by Fusion in favour of BDC Capital dated September 10, 2021, which is attached as **Exhibit “W”**.

66. The Ontario Personal Property Registry confirms that BDC Capital has registered a security interest over SAIL’s personal property. In addition, the UCC System in the US confirms that BDC Capital has registered a security interest over Fusion’s personal property.

67. On August 13, 2021, BDC Capital and HSBC (now RBC) entered into a priority agreement in which both parties mutually agreed that BDC Capital would subordinate its security interest in all present and after-acquired personal property of SAIL, Fusion, and other subsidiaries, except for life insurance over myself and any proceeds therefrom, to the security interest of RBC.

68. On December 12, 2024, BDC Capital made demand for repayment of the BDC Capital Loan. As of that date, a principal amount of \$3,394,040.00, plus interest, was owing by the Applicants under the BDC Capital Loan.

iv. Indebtedness for Sale of Future Receipts

69. In order to raise capital, Fusion entered into two agreements for the sale of its future receipts. The first agreement is a Sale of Future Receipts Agreement with Dynasty Capital 26, LLC (“**Dynasty**”) dated September 30, 2024, which is attached as **Exhibit “X”**. The second agreement is an Agreement of Sale of Future Receipts with Prosperum Capital Partners LLC d/b/a Arsenal Funding (“**Arsenal**”) dated September 27, 2024, which is attached as **Exhibit “Y”**.

70. Pursuant to these agreements, Fusion sold certain of its future receipts in exchange for an immediate capital injection from Dynasty and Arsenal. In exchange, Dynasty and Arsenal

would receive monthly payments from Fusion with respect to the future receipts. In addition, the agreements provide Dynasty and Arsenal with a security interest in the purchased future receipts.

71. Fusion owes Dynasty approximately \$200,000 USD in future receipts, whereas Fusion owes Arsenal approximately \$220,000 USD in future receipts.

v. Equipment Financing and Lessors

72. SAIL has secured obligations owing to various entities that provide them with equipment financing and leased equipment. The equipment financiers and lessors include CWB National Leasing Inc. ("**CWB**"), Newport Leasing Ltd., VFI KR SPE I LLC, and Hewlett-Packard Financial Services Canada Company ("**HP**"). Collectively, these creditors are owed approximately \$5,573,137.85 as follows:

(a) **CWB**: approximately \$119,573;

(b) **HP**: \$981,096.85

(c) **Newport Leasing Ltd**: \$72,468 with respect to leases for seven vehicles; and

(d) **VFI KR SPE I LLC**: guarantee of approximately \$4.4 million USD loaned to Bristol Herrington Inc. ("**BHI**") and Fusion for the financing and acquisition of machinery used by Fusion and leased to it by BHI.¹

73. The security of these equipment financiers and lessors has been registered in the Ontario Personal Property Registry for SAIL.

74. Although there is a registration on the Ontario Personal Property Registry for Toyota Industries Commercial Finance Canada, Inc., I am unaware of any amounts owing to this

¹ This debt is subject to ongoing litigation in the United States. I understand VFI KR SPE I LLC is seeking a default judgment against the Applicants and other related entities before the United States Court in May 2025.

company. However, out of an abundance of caution, I understand they were served as part of the NOI Proceeding and will be served with this motion material.

75. Fusion also has approximately \$172,000 USD owing to HP with respect to equipment leases and approximately \$506,000 USD owing to Passaic Rubber Company with respect to secured equipment.

B. HST, Payroll Obligations, and Property Taxes

76. SAIL is current in its HST payments.

77. SAIL has no arrears of property taxes for the Parry Sound Property. Property taxes for the Parry Sound Property are paid four times a year in February, April, July and September with the next payment being due in and around July 26, 2025.

78. SAIL is current on its payroll obligations other than wages and source deductions which accrue in the normal course between bi-weekly pay periods and vacation pay, which is accrued. Group benefits are paid up to and including May 2, 2025.

79. Fusion is current in its government remittances, however, it has approximately USD \$198,000 owed to some of its employees for unpaid prior bonuses and approximately USD \$134,000 for payroll that was due in the week ending May 2, 2025 but was unpaid due to lack of funds.

C. Unsecured Obligations of the Applicants

80. The Applicants' primary unsecured liabilities include, among other things,

- (a) approximately \$5.7 million in trade payables as of April 6, 2025 including payables related to suppliers of material and equipment;
- (b) approximately \$2.1 million owed to Monex and Corpay with respect to certain currency hedging transactions;

- (c) approximately \$270,541 owed by Fusion to Welcome Group, who is the landlord of the Applicants' manufacturing facility in Georgia;
- (d) a default judgment against SAIL in favour of Morton Metals (a division of 1124178 Ontario Inc.) for \$116,597.63, which is subject to a writ of execution from judgment;
- (e) a default judgment against SAIL in favour of SEW-Eurodrive Company of Canada Ltd. ("**SEW**") in the amount of \$305,828.51 plus costs and post-judgment interest. SEW served a Notice of Garnishment on or around March 19, 2025; and
- (f) a default judgment against SAIL in favour of Prairie State Generating Company, LLC in the amount of \$55,755.07 USD.

D. Contingent Obligations of the Applicants

81. The Applicants Fusion and SAIL are subject to various lawsuits in Canada and the United States, which lawsuits are contingent liabilities. These legal actions include the following:

- (a) an action commenced by Cleveland Billot against SAIL seeking damages of \$57,038 USD;
- (b) an action commenced by Guillevin International against SAIL seeking damages of \$59,476;
- (c) an action commenced by Conveyor Belt Service Inc. against SAIL seeking damages of \$120,599;
- (d) an action commenced by Aircon Corporation against Fusion seeking damages of \$12,436.86 USD with respect to unpaid invoices for services;
- (e) an action commenced by Buchanan Logistics, Inc. against Fusion seeking damages of approximately \$78,472.06 USD for unpaid freight services;

- (f) an action commenced by Cheeley Law Group, LLC against Fusion and other related parties for \$153,811.97 USD; and
- (g) an action commenced by G&W Equipment, Inc. against Fusion seeking approximately \$19,000 USD.

82. The Applicants have not had sufficient resources to adequately respond to all of the litigation such that many of the actions have not been defended by the Applicants.

V. THE APPLICANTS'S FINANCIAL DIFFICULTIES AND NEED FOR CCAA PROTECTION

A. Financial Challenges Facing the Applicants

83. The Applicants present financial difficulties have been precipitated by a combination of operational and financial challenges.

84. I am advised by Tim Shaw that the principal operational challenges arose out of the purchase by Continental of WCCO, the parent company of Calendaring Specialties Inc (CSI), in 2022 of a rubber calendaring company previously used by the Almex Group for the supply of rubber for its consumable products. Being a competitor, Continental decided to cease supplying the Almex Group, which forced us to locate a new supplier. The supplier that SAIL located and secured, the Passaic Rubber Company, unfortunately supplied products that were defective and resulted in the Almex Group having to issue credits to its customers in the amount of approximately \$756,000 in order to mitigate the damage to customer relationships. Ultimately, the Applicants severed their relationship with Passaic Rubber Company and secured a new supplier.

85. Financial challenges arose out of what I now believe were insufficient financial reporting and controls, some of which was overseen by the former Chief Financial Officer ("**Former CFO**"), who was ultimately terminated in February of 2025 on what Tim Shaw advises was a for cause basis.

86. In addition to those factors, I am aware that SAIL enter a vast number of currency hedging agreements with foreign exchange companies, such as Monnex and Corpay, which were for very large amounts and at a time when there turned out to be a significant downward turn in the value of the Canadian dollar relative to the U.S. dollar. On a month-to-month basis, SAIL was frequently requested to meet monthly margin calls by Monnex and Corpay that were at their highest almost \$3 million, which exacerbated the financial difficulties already being suffered as a result of the rubber supply issue noted above.

87. After the filing of the NOI on March 29, 2025, SAIL has advised Monnex and Corpay that it is no longer able to meet any margin calls. Those companies hold no security for the margin and loan positions taken by SAIL prior to the NOI Proceeding.

B. The Applicants' Sale and Refinancing Efforts

88. As a result of the increasing financial strain on the Applicants, they began canvassing options for a possible sale or refinancing of its operations. Through these efforts, I am advised by Tim Shaw that the Applicants negotiated a potential sale transaction with the Former CFO of SAIL in which he would purchase substantially all of the Applicants' assets.

89. Unfortunately, in September of 2024, the potential sale transaction with the Former CFO fell apart as the Former CFO had secured no funding to consummate the transaction. Although the Applicants were able to temporarily sustain their continued operations, their financial situation continued to deteriorate. It became evident that a long-term solution to their liquidity constraints and financial challenges was necessary.

90. Based on the foregoing, in the early part of 2025, the Applicants engaged the assistance of several advisors to canvass the market for possible refinancing and sale transactions. Through that sale process, the Applicants engaged with numerous parties that were interested in a transaction with the Applicants.

91. During that time, RBC began taking increased enforcement steps that culminated in RBC serving a demand and notice of intention to enforce its security on March 19, 2025. A copy of RBC's demand is attached as **Exhibit "Z"**.

92. Similarly, on March 28, 2025, BDC sent a demand and Notice of Intention to Enforce Security. A copy of BDC's demand is attached as **Exhibit "AA"**.

93. In order to preserve SAIL's value and its ongoing operations, SAIL filed the NOI on March 29, 2025.

C. The Applicants are Insolvent

94. As described in this affidavit, due to their deteriorating financial condition, the Applicants liabilities significantly exceed their assets. The Applicants also have insufficient cash to meet their obligations as they become due. Among other things, the Applicants' pre-filing current account liabilities exceed their cash on hand by approximately \$3 million.

95. The Applicants' key assets, including their equipment, real estate, and accounts receivable, are not liquid and cannot be easily monetized without significant diminishment of value and disruption to the Applicants and their stakeholders. Further, the value of certain key assets such as future contracts and accounts receivable are likely to be significantly impaired or have no value if the Applicants are unable to maintain a going concern.

96. If the relief is not granted, the Applicants will be unable to meet their obligations as they become due and need to immediately cease operations for the detriment of their stakeholders.

D. Purpose of the CCAA Proceeding

97. After considering the various options available to the Applicants, the Applicants determined that a restructuring under the CCAA is in the best interests of the Applicants and their stakeholders.

98. The purpose of the proposed CCAA proceeding is to restructure the Applicants' balance sheet while maintaining going concern operations to preserve employment and maximize recovery for stakeholders.

99. The Applicants believe that relief under the CCAA is in the best interests of the Applicants, their creditors, and their stakeholders for the following reasons, among others:

- (a) the Applicants are insolvent and are unable to meet their obligations as they become due;
- (b) the Applicants require the protection of the CCAA and the assistance of restructuring professionals to develop a strategic restructuring solution and implement the SISF, as well as the breathing room to do so;
- (c) without the protections of the CCAA, the Applicants' creditors are likely to take enforcement steps against the Applicants, which will disrupt the operation of the Business;
- (d) the Applicants require interim financing, which financing would not otherwise be available on reasonable terms and in a timely manner without the accompanying Court-ordered Charges that are available under the CCAA; and
- (e) the involvement of a Court-appointed monitor under the CCAA will lend stability and assurance to the Applicants' stakeholders, including their suppliers, customers, lenders, and employees.

100. If the requested relief is granted under the CCAA, the Applicants intend to work with the Monitor to implement a comprehensive operational and financial restructuring plan with appropriate milestones for such restructuring. This restructuring plan will include the

implementation of the SISP as further described below.

E. Cash Flow Forecast

101. With the assistance of the Monitor, the Applicants have conducted a cash flow analysis to determine the amount required to finance their ordinary course business operations, assuming the Initial Order is granted, over the three week period from the week ending May 16, 2025 to 31, 2025 (the “**Cash Flow Forecast**”). I understand that the Cash Flow Forecast will be attached to the Pre-Filing Report of the Monitor.

102. The Cash Flow Forecast demonstrates that the Applicants require a further approximate \$1.8 million in interim financing throughout the Stay of Proceedings.

103. The Cash Flow Forecast demonstrates that if the relief sought under the Initial Order is granted, the Applicants will have sufficient liquidity to meet their ordinary course obligations throughout the Stay of Proceedings.

VI. RELIEF BEING SOUGHT

104. At the initial hearing, the Applicants will seek the minimum relief necessary to continue their operations through the Stay of Proceedings.

A. Conversion to CCAA Proceeding

105. The Applicants are seeking to convert the NOI Proceeding to a CCAA proceeding. Given the complicated factual and legal issues currently facing the Applicants, I believe that the CCAA is a better forum to restructure the Applicants due to its flexible nature. In addition, the Applicants wish to preserve the optionality of filing recognition proceedings in the United States, if the Applicants and the Monitor deem it appropriate.

106. I am advised by Jeffrey Rosenberg of FTI that the Monitor supports the Applicants' motion to continue the NOI Proceeding under the CCAA.

107. I am not aware of any creditors who would be prejudiced by the conversion of the NOI Proceeding into a CCAA proceeding.

B. Stay of Proceedings

108. The Applicants require a Stay of Proceedings, including in respect of secured parties, to prevent creditors from taking enforcement steps. The intention of the Stay of Proceedings is to provide the Applicants with the necessary breathing room to preserve the *status quo* and pursue a viable restructuring plan.

109. The Stay of Proceedings is also critical to maximizing the realization of the Business for creditors and stakeholders and avoiding the destruction of value that would result from a shut-down of operations. If the Business is forced to shut down, the Applicants would immediately suffer an irreparable loss in asset value given that certain of their assets—their goodwill and reputation, client relationships, and accounts receivable—require an operating Business to retain value.

110. The Cash Flow Forecast demonstrates that the Applicants will have sufficient cash to operate through the Stay of Proceedings with the availability of the DIP Facility. In the meantime, the Applicants continue to work with due diligence and in good faith to complete a restructuring.

C. Appointment of FTI as Monitor

111. The Applicants seek the appointment of FTI as Monitor. FTI is currently the Proposal Trustee and is well versed in the operations and financial challenges of the Business. FTI has also already commenced certain marketing steps and undertaken discussions with interested

parties in anticipation of the SISP.

112. FTI has consented to act as Monitor, subject to this Court's approval. I understand the consent of FTI will be attached to the report of the Monitor.

113. I am advised by Jeffrey Rosenberg that FTI is a licensed insolvency trustee within the meaning of section 2 of the BIA and is not precluded from acting as Monitor as a result of any restrictions under subsection 11.7(2) of the CCAA.

D. Charges

114. The Applicants seeks the following Charges in the proposed Initial Order: an Administration Charge and a DIP Lender's Charge. The Applicants propose that each of the Charges constitute a charge on all of the Applicants' Property. The Applicants further propose that the Charges rank in priority to all other Encumbrances (as defined in the Initial Order) except that the DIP Lender's Charge shall rank subordinate to the mortgage of BDC registered on the Parry Sound Property.

115. The Applicants propose that the priority of the Charges, as among them, be as follows:

- (a) first, the Administration Charge (to the maximum amount of \$350,000); and
- (b) second, the DIP Lender's Charge (to the maximum amount of \$1,800,000).

116. The proposed quantum of the Charges is limited to relief that is reasonably necessary for the continued operations of the Applicants in the ordinary course of business during the Stay of Proceedings.

E. Approval of the Administration Charge

117. The Stay Extension Order granted SAIL an Administration Charge in the maximum

amount of \$350,000.

118. The Applicants seek to continue the Court-ordered Administration Charge over their Property, up to a maximum amount of \$350,000, to secure the fees and disbursements incurred by the Monitor, counsel to the Monitor, and counsel to the Applicants in connection with the CCAA proceeding.

119. The Applicants request that the Administration Charge rank in priority to all other Encumbrances (as that term is defined in the Initial Order) and Charges.

120. The Applicants have relied heavily upon each of the restructuring professionals that are the beneficiaries of the Administration Charge during the NOI Proceeding and the preparation of this CCAA proceeding. Each of these professionals have contributed, and will continue to contribute, significant value to the advancement of the CCAA proceeding and the completion of a successful restructuring.

121. The Administration Charge is necessary to ensure that the Applicants have the continued expertise, knowledge and participation of the restructuring professionals during the Stay of Proceedings, including to effectively liaise with creditors, assist with restructuring initiatives, and implement the SISP. Each of the restructuring professionals who are the beneficiaries of the Administration Charge have a critical and discrete role in the restructuring of the Applicants.

122. The Applicants worked with the Monitor to estimate the quantum of the Administration Charge. Based on those discussions, I believe that the quantum of the Administration Charge is fair and reasonable in the circumstances as it is commensurate with the expected complexity of the Applicants' Business and anticipated restructuring.

F. Approval of the DIP Facility and DIP Lender's Charge

123. The Stay Extension Order approved a DIP Facility from RBC and a corresponding DIP Lender's Charge in the maximum amount of \$1,000,000.

124. The Applicants seek to increase the maximum borrowings under the DIP Facility and the DIP Lender's Charge to the maximum amount of \$1,800,000. Specifically, the Cash Flow Forecast demonstrates that the Applicants require this amount in interim financing to meet their ordinary course of business expenses and to fund the CCAA proceeding during the Initial Stay Period.

125. The DIP Lender is providing the additional financing pursuant to the Amended DIP Term Sheet. A copy of the Amended DIP Term Sheet will be attached to the Pre-Filing Report of the Monitor.

126. The Amended DIP Term Sheet represents the best available interim financing arrangement that could be arranged by the Applicants within the time frame needed to meet the Applicants' cash flow needs particularly given it is provided by the Applicants' senior secured lender and it is unlikely any other party would provide interim financing.

127. Based on the drafts currently under discussion, the key terms and conditions of the Amended DIP Term Sheet are as follows:

- (a) the DIP Lender is the Applicants' senior secured creditor, RBC;
- (b) a maximum loan amount of \$1,800,000;
- (c) interest accruing at a rate of 10%; and
- (d) a maturity date of the earlier of: (a) a date concurrent with the current Stay Period, unless extended by the DIP Lender; (b) the sale of all or substantially all of the Property of SAIL; (c) the date on which the stay of proceedings expires without being extended; and (d) an Event of Default. The maturity date can be extended

subject to the consent of the DIP Lender and the Monitor.

128. The DIP Facility is expected to provide sufficient liquidity to allow the Applicants to operate and meet their obligations during the pendency of the Stay of Proceedings.

129. The DIP Lender requires all obligations under the Amended DIP Term Sheet to be secured by a Court-ordered priority charge, namely the DIP Lender's Charge. The DIP Lender's Charge will secure all the funds advanced to the Applicants under the DIP Facility. The DIP Lender's Charge will not secure any obligations incurred prior to the filing of the NOI.

130. The DIP Lender's Charge is proposed to rank in priority to all Encumbrances except BDC's mortgage on the Parry Sound Property.

131. The amount of the DIP Lender's Charge requested is necessary and limited to what is reasonably necessary for the continued operations of the Business in the ordinary course of business during the CCAA proceeding. Without the DIP Lender's Charge, the DIP Lender will not provide the DIP Facility resulting in the Applicants' inability to finance their operations leading to bankruptcy, which would be detrimental to the Applicants' stakeholders.

132. The Monitor has advised that it is supportive of the approval of the Amended DIP Term Sheet and the corresponding DIP Lender's Charge.

G. Payment of Pre-Filing Amounts

133. The Applicants are seeking authorization to pay, with the written approval of the Monitor, up to \$250,000 on account of amounts owing to their suppliers for critical goods or services actually supplied to the Applicants prior to the Filing Date if, in the opinion of the Applicants and the Monitor and with the consent of the DIP Lender, such payment is necessary to maintain the uninterrupted operations of the Business. The Applicants have reflected these payments in their

Cash Flow Forecast.

134. The Applicants rely heavily on suppliers who provide specialized materials and equipment. These contactors are necessary to the uninterrupted operation of the Business.

135. Given the technical and specialized nature of the Applicants' operations, there are few vendors who can supply the specific services that the Applicants requires at a reasonable cost and in a timely manner.

136. Due to the Applicants' cash-flow pressures, the Applicants have failed to pay some of their critical suppliers for services provided prior to the filing of the NOI Proceeding. On review of these amounts with the Monitor, the Applicants believe it is necessary to pay the pre-filing amounts owed to the critical suppliers to maintain their services notwithstanding the Stay of Proceedings.

137. If these critical suppliers are not paid their pre-filing arrears, they will abruptly stop providing services, which will result in the Applicants facing a material risk to their Business given that these suppliers are critical and cannot easily be replaced.

H. Approval of the SISP

138. One of the purposes of the intended CCAA proceeding is for the Applicants to explore sale, refinancing and investment opportunities under the protection of a Stay of Proceedings, and with the assistance of restructuring professionals.

139. To meet this objective and to complement the Applicants' ongoing operational restructuring efforts, the Applicants determined that it is critical that it conduct a sale and investment solicitation process. Accordingly, the Applicants developed the SISP, in consultation with the Monitor and the DIP Lender. A copy of the SISP is attached as **Exhibit "BB"**.

140. I believe that the SISP is the best available option to maximize value for the Applicants'

stakeholders. Specifically, the SISP is intended to widely expose the Applicants' Business and Property to the market and to provide a structured and orderly process for interested parties to perform due diligence and submit offers for a broad range of potential transactions (including a sale or recapitalization). The Applicants will continue to operate in the normal course during the SISP in order to preserve and maximize going concern value of the Business.

141. I understand that the Monitor supports the approval of the SISP, recognizing that the SISP is fair and reasonable in the circumstances, and is in the best interest of creditors. I also understand from Brendan Bissell, counsel for the Applicants, that RBC, which is the DIP Lender and the Applicants' senior secured lender, is supportive of the SISP.

(i) Overview of the SISP

142. The SISP contemplates a two-phase sale process that will be administered by the Monitor over approximately six weeks. The SISP is designed to culminate in the closing of a transaction by no later than July 4, 2025.

143. Phase 1 of the SISP ("**Phase 1**") calls for non-binding letters of interest ("**LOIs**"). The Monitor, in consultation with the Applicants and the DIP Lender, will assess the LOIs to determine which bidders are a "**Qualified Bidder**" and who can then participate in the second phase of the SISP ("**Phase 2**").

144. In the event that there is no Qualified Bidder, or the Applicants and the Monitor, in consultation with the DIP Lender, have determined it will not be in the best interests of the Applicants to continue with the SISP, the SISP will not proceed to Phase 2 and the Monitor may instead pursue a transaction for the sale of all or some of the assets of the Applicants, subject to Court approval.

145. If there is at least one Qualified Bidder, the SISP shall proceed to Phase 2.

146. Phase 2 of the SISP permits Qualified Bidders to conduct further due diligence and submit an unconditional binding offer (“**Binding Offer**”) that complies with the terms specified in the SISP.

147. The SISP contemplates the following key milestones and deadlines:

Milestone	Deadline
Commencement of the SISP	May 2, 2025
Deadline for the submission of LOIs (the “ LOI Deadline ”)	No later than 5:00 p.m. (Toronto Time) on May 22, 2025
Monitor to advise parties if they are a Qualified Bidder	No later than 5:00 p.m. (Toronto Time) on May 26, 2025
Deadline for the submission of Binding Offers (the “ Bid Deadline ”)	No later than 5:00 p.m. (Toronto Time) on June 12, 2025
Closing of transaction(s) arising from the SISP (“ Target Closing Date ”)de	No later than July 4, 2025

148. I believe the above milestones provide sufficient time for the Applicants to broadly canvass the market for a value-maximizing transaction. In particular, the above timeline of the SISP appropriately balances the Applicants’ need for sufficient time to comprehensively market their Business with the limitations of the Applicants’ financial position and available interim financing.

149. The SISP provides that the Monitor may extend the above deadlines, in consultation with the Applicants and with the consent of the DIP Lender, without Court approval. The ability to extend deadlines provides the Monitor with the necessary flexibility to maximize the Applicants’ success in the SISP.

150. Each of the key milestones of the SISP are described in greater detail below.

(ii) **Solicitation of Interest and Notice of the SISP**

151. The SISP prescribes that the Monitor, in consultation with the Applicants, shall take the following steps to commence the SISP:

- (a) compile a list of known prospective purchasers and investors ("**Prospective Bidders**");
- (b) publish a copy of the SISP and SISP Approval Order on the Monitor's Website;
- (c) prepare a solicitation letter summarizing the acquisition and investment opportunity with respect to the Business and Property (the "**Teaser Letter**") and a form of non-disclosure agreement ("**NDA**");
- (d) prepare a virtual data room ("**VDR**") containing due diligence information and documentation in relation to the Applicants;
- (e) send to each Prospective Bidder the Teaser Letter; and
- (f) prepare the form of template asset purchase agreement ("**Template APA**") for those bidders that may submit a proposal for the purchase of the Business or its assets (a "**Sale Proposal**").

152. I understand that the Monitor has already commenced the SISP by completing the above-noted steps. Specifically, I understand that the Monitor has:

- (a) prepared a list of approximately 70 Prospective Bidders;
- (b) sent the Teaser Letter to the Prospective Bidders;
- (c) developed the VDR; and

- (d) sent the NDA to any Prospective Bidder that requested access to the VDR.

(iii) Phase 1: Non-Binding LOIs

153. In order to participate in Phase 1 of the SISP, an interested party must deliver an executed NDA to the Monitor, and written acknowledgement of receipt of the SISP wherein such Prospective Bidder agrees to accept and be bound by the provisions of the SISP. Thereafter, the Monitor will grant the interested party access to the VDR to perform its due diligence.

154. Any party who wishes to submit a non-binding LOI must do so by the LOI Deadline, being May 22, 2025. A bidder that submits a LOI will only be considered a Qualified Bidder where it complies with certain minimum criteria including that it, among other things:

- (a) specifies whether the Prospective Bidder anticipates submitting a Sale Proposal or an offer for a broad range of executable transaction alternatives (restructuring, recapitalization, and/or refinancing) involving an investment in the Applicants (**“Investment Proposal”**);
- (b) provides a detailed description of any remaining due diligence required by the Prospective Bidder to be completed;
- (c) describes any internal, regulatory or other approvals and any form of consent, agreement or other document required from a government body, stakeholder or other third party, and an estimate of the anticipated timeframe and any anticipated impediments for obtaining such conditions, along with information sufficient for the Monitor, in consultation with the Applicants, to determine that these conditions are reasonable in relation to the Prospective Bidder;
- (d) provides written evidence, satisfactory to the Monitor, in consultation with the Applicants, of the Prospective Bidder’s ability to consummate the transaction within

the timeframe contemplated by the SISP and to satisfy any obligations or liabilities to be assumed on closing of the transaction, including, without limitation, a specific indication of the sources of capital and, to the extent that the Prospective Bidder expects to finance any portion of the purchase price, the identity of the financing source;

- (e) confirms that the Prospective Bidder will be responsible for its own costs incurred in connection with its investigation of the Applicants and any transaction, including those of its advisors, attorneys, and agents;
- (f) agrees to the proposed Target Closing Date and a timeline to closing with critical milestones;
- (g) provides such other information reasonably requested by the Monitor in consultation with the Applicants and the DIP Lender;
- (h) if it is a Sale Proposal, includes, among other things:
 - (i) a detailed listing and description of the Property to be included in the Sale Proposal and a detailed listing of the Property to be excluded from the Sale Proposal;
 - (ii) the low and high range of the proposed purchase price;
 - (iii) a list of the key material contracts and leases, if any, the Prospective Bidder wishes to acquire and the Prospective Bidder's proposed treatment of any related "cure costs"; and
 - (iv) whether the proposed transaction is to be implemented by way of a "approval and vesting order" or a "reverse vesting order"; and

- (i) if it is an Investment Proposal, includes, among other things:
 - (i) a description of the structure of the Investment Proposal;
 - (ii) a description of the type and amount of consideration to be allocated to secured creditors, unsecured creditors and shareholders of the Applicants; and
 - (iii) the proposed treatment of the Applicants' stakeholders.

155. Following the LOI Deadline, the Monitor and the Applicants, in consultation with the DIP Lender, shall assess the LOIs. If the Monitor determines that there is at least one Qualified Bidder, the SISP will proceed to Phase 2. Only the Qualified Bidders will be permitted to participate in Phase 2 of the SISP.

(iv) Phase 2 – Binding Offers

156. Phase 2 of the SISP affords the Qualified Bidders the opportunity to perform further due diligence and submit a formal Binding Offer.

157. Any Qualified Bidder that wishes to make a formal offer with respect to the Applicants' Business must submit a Binding Offer by the Bid Deadline, being June 12, 2025.

158. A Sale Proposal will only be considered to be a **"Qualified Purchase Bid"** where it complies with certain criteria identified in the SISP including, among other things:

- (a) it includes a letter stating that the Sale Proposal is irrevocable until 45 Business Days following the Bid Deadline;
- (b) it includes a duly authorized and executed purchase and sale agreement, together with a markup outlining and highlighting all proposed changes from the Template

APA, and specifying the purchase price;

- (c) it contains a detailed listing a description of the Property to be included in the Sale Proposal or a detailed listing of the Property to be excluded from the Sale Proposal;
- (d) it does not include any request or entitlement to any break-fee, expense reimbursement or similar type of payment;
- (e) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the Monitor in its sole discretion, to allow the Monitor to make a reasonable determination as to the Qualified Bidder's financial, technical, operational and other capabilities to consummate the transaction contemplated by the Sale Proposal;
- (f) it is not conditional on (i) the outcome of unperformed due diligence by the Qualified Bidder and/or (ii) obtaining any financing capital and includes an acknowledgement and representation that the Qualified Bidder has had an opportunity to conduct any and all required due diligence prior to making its Sale Proposal;
- (g) it is accompanied by a refundable deposit (the "**Deposit**") in an amount equal to 10% of the proposed gross purchase price, to be held and dealt with in accordance with the SISP;
- (h) it includes an acknowledgement and representation that the Qualified Bidder will assume the obligations of the Applicants under executory contracts, unexpired leases, and licenses proposed to be assigned;

- (i) it includes the proposed treatment of stakeholders;
- (j) it provides for the closing of the Qualified Purchase Bid by no later than the Target Closing Date; and
- (k) it contains other information reasonably requested by the Monitor in consultation with the Applicants and the DIP Lender.

159. An Investment Proposal will only be considered to be a “**Qualified Investment Bid**” where it complies with certain criteria identified in the SISP including, among other things:

- (a) it includes a letter stating that the Investment Proposal is irrevocable for a period of 45 Business Days following the Bid Deadline;
- (b) it includes duly authorized and executed binding definitive documentation setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and/or debt investment and details regarding the proposed equity and/or debt structure of the Applicants, if applicable, following completion of the proposed transaction;
- (c) it includes a description of the type and amount of consideration, including equity, if any, to be allocated to secured creditors, unsecured creditors and shareholders of the Applicants;
- (d) it does not include a request or entitlement to a break-fee, expense reimbursement or any other similar type of payment;
- (e) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing from a creditworthy bank or financial institution to consummate the proposed transaction, or other evidence satisfactory to the

Monitor in its sole discretion, to allow the Monitor to make a reasonable determination as to the Qualified Bidder's financial, technical, operational and other capabilities to consummate the transaction contemplated by the Investment Proposal;

- (f) it is not conditional on (i) the outcome of unperformed due diligence by the Qualified Bidder and/or (ii) obtaining any financing capital and includes an acknowledgement and representation that the Qualified Bidder has had an opportunity to conduct any and all required due diligence prior to making its Investment Proposal;
- (g) it is accompanied by a Deposit in an amount equal to 10% of the total proposed investment, to be held and dealt with in accordance with the SISP;
- (h) it provides for closing of the Qualified Investment Bid by no later than the Target Closing Date; and
- (i) it contains other information reasonably requested by the Monitor

(v) Selection, Approval and Closing of the Successful Bid(s)

160. At the conclusion of Phase 2 of the SISP, the Monitor and the Applicants will review and evaluate each offer received in consultation with the DIP Lender. If no Qualified Investment Bid or Qualified Purchase Bid is received, the SISP will be deemed concluded.

161. If a Qualified Investment Bid or Qualified Purchase Bid is received, the Monitor and the Applicants, in consultation with the DIP Lender, will review and assess the bids based on the criteria identified in the SISP. The Monitor, in consultation with the Applicants and the DIP Lender, will then either:

- (a) select the bid or bids that are in the best interest of the Applicants' stakeholders (the "**Successful Bid**"); or
- (b) direct the Monitor to conduct an auction wherein the highest bid at the auction will be selected as the Successful Bid.

162. After the selection of a Successful Bid, the SISP contemplates:

- (a) **granting of an Approval Order:** the Applicants shall apply to the Court for one or more orders approving such Successful Bid, vesting title to the purchased assets in the name of the successful bidder, and/or vesting unwanted liabilities out of the Applicants (the "**Approval Order**"); and
- (b) **closing of the transaction by the Target Closing Date:** the parties will close the transaction contemplated in the Successful Bid by the Target Closing Date, being July 4, 2025.

163. On the closing of the transaction contemplated in the Successful Bid, all bids other than the Successful Bid will be deemed rejected.

I. Discharge Order

164. The Proposal Trustee seeks this Court's approval of its activities as described in the First Report, its fees and the fees of its legal counsel, as set out in the Pre-Filing Report and other related relief.

165. The proposed Discharge Order provides for a release of the Proposal Trustee, counsel to the Proposal Trustee, counsel to SAIL and each of their respective affiliates, officers, directors, partners, current and former employees, legal counsel and agents (collectively, the "**Released Parties**") from all claims from all claims, liabilities and obligations of any kind based in whole or

in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of the proposed Discharge Order in any way relating to this NOI Proceeding or with respect to their conduct in the NOI Proceeding, other than any claim or liability arising out of gross negligence or wilful misconduct on the part of the Released Parties.

166. It is my opinion that the Released Parties have made substantial contributions to the NOI Proceeding, including by assisting SAIL to stabilize its obligations and implementing the SISP.

J. Enhanced Powers of the Monitor

167. I am advised by Brendan Bissell, counsel to the Applicants, that the DIP Lender requires the Monitor to have certain enhanced powers as a term of the Amended DIP Term Sheet and a requirement of advancing further funds under the DIP Facility. I understand that the Monitor is agreeable to being appointed with these enhanced powers as set out in the proposed Initial Order.

168. I am further advised by Mr. Bissell that the Company and Timothy Shaw are prepared to agree to the Monitor's enhanced powers in order to obtain the financing under the Amended DIP Term Sheet and to try to protect stakeholders as much as possible.

VII. CONCLUSION

169. I swear this affidavit in support of the Applicants' requested relief and for no other or improper purpose.

SWORN REMOTELY BY ANDREW)
HUSTRULID stated as being located in)
 Bonita Springs, Florida, before me at)
 Toronto, Ontario, this 8th day of May, 2025,)
 in accordance with O. Reg 431/20,)
Administering Oath or Declaration)
Remotely.)
)

Jessica Wuthmann

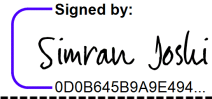
A Commissioner for taking Affidavits.
 Jessica Wuthmann

Andrew Hustrulid
 Andrew Hustrulid (May 8, 2025 21:33 EDT)

ANDREW HUSTRULID

THIS IS **EXHIBIT "B"** REFERRED TO IN THE
AFFIDAVIT OF **ANDREW HUSTRULID** SWORN REMOTELY BY **ANDREW HUSTRULID**
STATED AS BEING LOCATED IN THE CITY OF DALLAS IN THE STATE OF TEXAS
BEFORE ME AT THE CITY OF OAKVILLE, IN THE PROVINCE OF ONTARIO THIS 8TH
DAY OF SEPTEMBER 2025, IN ACCORDANCE WITH O. REG 431/20,
ADMINISTERING OATH OR DECLARATION REMOTELY

Signed by:


0D0B645B9A9E494...

A COMMISSIONER FOR TAKING AFFIDAVITS

SIMRAN JOSHI
LSO # 89775A



Court File No. CV-25-00743136-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE

)

FRIDAY, THE 18TH

)

JUSTICE J. DIETRICH

)

DAY OF JULY, 2025

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SHAW-ALMEX INDUSTRIES
LIMITED AND SHAW ALMEX FUSION, LLC

APPROVAL AND VESTING ORDER

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, *inter alia*, (i) approving the Asset Purchase Agreement dated July 10, 2025 (including the exhibits and schedules attached thereto, the "**Purchase Agreement**") between Shaw-Almex Industries Limited (the "**Vendor**") and Shaw Almex Fusion, LLC (the "**U.S. Vendor**" and, together with the Vendor, the "**Vendors**"), as vendors, and Almex Canada, Limited ("**Almex Canada**") as purchaser, a copy of which is attached as Schedule "A" hereto, and the transactions contemplated therein (collectively, the "**Transactions**"), (ii) transferring to and vesting in Almex Canada or one or more designee(s) of Almex Canada as designated pursuant to the Purchase Agreement and listed on the Monitor's Certificate (in each case, the "**Purchaser**") all of the Vendor's right, title and interest in and to the Purchased Assets, and all of the U.S. Vendor's right, title and interest in and to the Purchased Business Name, in each case free and clear of all Claims and Encumbrances other than

Assumed Liabilities and Permitted Liens; and (iii) sealing Confidential Exhibit “1” appended to the Hustrulid Affidavit and the Confidential Exhibit appended to the Third Report until further Order of the Court, was heard this day by videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants, the affidavit of Andrew Hustrulid sworn July 14, 2025 (the “**Hustrulid Affidavit**”), and the exhibits attached thereto, the Third Report of FTI Consulting Canada Inc. in its capacity as Court-appointed Monitor (in such capacity, the “**Monitor**”) dated July 16, 2025 (the “**Third Report**”), and the Supplement to the Third Report of the Monitor dated July 17, 2025 and on hearing the submissions of counsel for the Applicants, the Monitor, the Purchaser and such other counsel that were present and wished to be heard, no one else appearing although duly served as appears from the affidavit of service of Levi Rivers sworn July 18, 2025:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that, unless otherwise stated herein, all capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

TRANSACTION APPROVAL

3. **THIS COURT ORDERS** that the Purchase Agreement and the Transactions are hereby approved, and the execution of the Purchase Agreement by the Vendors (or the Monitor on behalf of the Vendors) is hereby authorized, ratified, and approved. The Vendors and the Purchaser are

authorized to make such amendments to the Purchase Agreement as such parties may agree, with the consent of the Monitor. The Vendors are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of the Purchased Assets and Purchased Business Name to the Purchaser.

4. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Vendors to proceed with and complete the Transactions, and that no shareholder, unitholder, member, partner, director or other approval shall be required in connection therewith other than to the extent contemplated by the Purchase Agreement.

5. **THIS COURT ORDERS** that at the time (the “**Effective Time**”) at which the Monitor delivers to the Purchaser a certificate substantially in the form attached as Schedule “B” hereto (the “**Monitor’s Certificate**”), all of (a) the Vendor’s right, title and interest in and to the Purchased Assets, and (b) the U.S. Vendor’s right, title and interest in and to the Purchased Business Name, shall be transferred and conveyed to, and shall vest absolutely in, the applicable Purchaser named in the Monitor’s Certificate, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, financial or monetary claims, or other Liabilities or Liens, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order of this Court dated May 13, 2025 or any other Order of this Court in these proceedings under the CCAA (the “**CCAA Proceedings**”) or the proceedings (the “**NOI Proceedings**”) commenced by the Vendor on March 29, 2025 under the *Bankruptcy and Insolvency Act*, R.S.C.

1985, c. B-3 (the “**BIA**”); (ii) all charges, security interests, Liabilities and Liens evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal or movable property registration system; and (iii) those Claims and Liens listed on Schedules “C” and “D” hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the Permitted Liens) and, for greater certainty, this Court orders that all Claims and Encumbrances, other than the Assumed Liabilities and Permitted Liens, affecting or relating to the Purchased Assets or the Purchased Business Name are hereby irrevocably and forever expunged, released and discharged as against the Purchased Assets and the Purchased Business Name.

6. **THIS COURT ORDERS** that neither Tim Shaw nor Pamela Shaw, nor any Person acting on their behalf or in which they have any legal, economic or beneficial interest, has any legal, economic or beneficial interest in or to the Intellectual Property listed on Schedule 2.1(i) to the Purchase Agreement.

7. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Parry Sound (LRO 42) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule “D” hereto (the “**Parry Sound Property**”) in fee simple, free and clear of any Claims or Encumbrances listed on Schedules “C” and “D” hereto, and is hereby directed to delete and expunge from title to the Parry Sound Property all of the Claims and Encumbrances listed in Schedule “D” hereto.

8. **THIS COURT ORDERS** that upon the registration in the appropriate intellectual property office worldwide, including without limitation, the Canadian Intellectual Property Office, the United States Patent and Trademark Office, and such other trademark or patent offices as may be

necessary to reflect the transfer of rights set out herein (each a “**Register**”) of a copy of this Order and the Monitor’s Certificate, the applicable Registrar is hereby directed to transfer all of the respective right, title and interest of the Vendor and the U.S. Vendor, respectively, in and to the Intellectual Property owned by it constituting Purchased Assets (including, without limitation, the Intellectual Property listed on Schedule 2.1(i) to the Purchase Agreement) or the Purchased Business Name to the applicable Purchaser, free and clear of all Claims and Encumbrances, and the applicable Registrar is hereby further directed to cancel, discharge, delete and expunge all Claims and Encumbrances recorded as against such Intellectual Property.

9. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets and the Purchased Business Name shall stand in the place and stead of the Purchased Assets and the Purchased Business Name, and that from and after the delivery of the Monitor’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets and the Purchased Business Name with the same priority as they had with respect to the Purchased Assets and the Purchased Business Name immediately prior to the sale, as if the Purchased Assets and the Purchased Business Name had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

10. **THIS COURT ORDERS** the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof.

11. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Vendors and the Monitor are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendors’ records pertaining to the past and current employees of the Vendors and their

subsidiaries and affiliates. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable laws. The Purchaser 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 Vendors.

12. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these CCAA Proceedings or the prior NOI Proceedings in respect of the Vendor;
- (b) any applications for a bankruptcy order or a receivership order now or hereafter issued pursuant to the BIA or any other applicable legislation in respect of either of the Vendors and any bankruptcy or receivership order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy or other bankruptcy or insolvency proceeding in any jurisdiction in respect of either of the Vendors,

the Purchase Agreement and the Transactions, including, without limitation, the transfer and vesting of the Purchased Assets and the Purchased Business Name in and to the Purchaser pursuant to this Order, (i) shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of either of the Vendors, (ii) shall not be void or voidable by creditors of either of the Vendors, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial law, and (iii) shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial law.

TITLE OF PROCEEDINGS

13. **THIS COURT ORDERS** that (a) on or after the Effective Time and in accordance with the Purchase Agreement, each of the Vendor and the U.S. Vendor is hereby authorized and directed to execute and file articles of amendment or such other documents or instruments as may be required to change its legal name, and such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective without any requirement to obtain shareholder, unitholder, manager, member, partner, director or any other similar consent or approval; and (b) upon the official change to the legal name of the Vendor and the U.S. Vendor, the name of such Applicant in the within title of proceeding shall be deleted and replaced with the new legal name of such Applicant, and any document filed thereafter in this proceeding (other than the Monitor's Certificate) shall be filed using such revised title of proceeding.

NO EXERCISE OF RIGHTS OR REMEDIES

14. **THIS COURT ORDERS** that, from and after the Effective Time, any Person that is party to any contract, agreement, credit agreement, financing agreement, mortgage, security agreement, indenture, trust indenture, note, loan agreement, guarantee, commitment letter, agreement for sale, lease, license or other legally binding agreement or arrangement, written or oral and any and all amendments or supplements thereto (each, an "**Agreement**") (i) that constitutes a Purchased Asset or Purchased Business Name and is transferred to and vested in the Purchaser at the Effective Time, or (ii) to which any Purchased Subsidiary is a party as of the Effective Time, shall be forever barred, enjoined and estopped from exercising any right or remedy under such Agreement by reason of:

- (a) the insolvency of the Applicants;
- (b) the commencement of these CCAA Proceedings or the NOI Proceedings;

- (c) the completion of the Transactions or any transaction, arrangement, reorganization, release, discharge or other step taken or effected pursuant to the Purchase Agreement, the Transactions, the provisions of this Order, or any other Order of the Court in the CCAA Proceedings or the NOI Proceeding;
- (d) any transfer or assignment of such Agreement, or any change of control arising or occurring, in connection with the completion of the Transactions; or
- (e) any monetary default or non-monetary default (other than any default described in any of sub-paragraphs (a) to (d) above) under such Agreement arising or relating to the period prior to the Effective Date, unless: (i) any such default arises or continues after the Effective Time, and (ii) the Purchaser or the Purchased Subsidiary, as applicable, has failed to remedy the default after having received notice of such default pursuant to the terms of the applicable Agreement,

and all Persons are hereby deemed to permanently waive any defaults or rights relating to the foregoing, and any and all notices of default, demands for payment or steps or proceedings taken or commenced in connection therewith under any such Agreement shall be deemed to have been rescinded and of no further force or effect.

SEALING

15. **THIS COURT ORDERS** that Confidential Exhibit “1” appended to the Hustrulid Affidavit and the Confidential Exhibit appended to the Third Report are hereby sealed, shall not form part of the public record and shall be kept confidential until further Order of the Court.

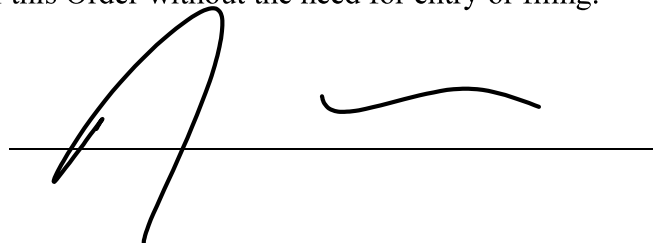
GENERAL

16. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

17. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal or regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction (including, without limitation, the United States of America, Spain, China, Australia, Netherlands, Chile, Peru and Indonesia), to give effect to this Order and to assist the Applicants, the Monitor, the Purchaser and their respective agents in carrying out the terms of this Order. All courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants, the Purchaser and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants, the Purchaser and the Monitor and their respective agents in carrying out the terms of this Order.

18. **THIS COURT ORDERS** that each of the Applicants, the Purchaser and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

19. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. prevailing Eastern Time on the date of this Order without the need for entry or filing.

A handwritten signature, consisting of a large, stylized 'A' followed by a horizontal line, is written over a horizontal line that spans the width of the page.

**SCHEDULE “A”
PURCHASE AGREEMENT**

(see attached)

ALMEX CANADA, LIMITED

as Purchaser

and

SHAW-ALMEX INDUSTRIES LIMITED

as Vendor

and

SHAW ALMEX FUSION, LLC

as U.S. Vendor

ASSET PURCHASE AGREEMENT

July 10, 2025

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made as of July 10, 2025 among Shaw-Almex Industries Limited, a corporation organized under the laws of Ontario (the "**Vendor**"), Shaw Almex Fusion, LLC, a limited liability company organized under the laws of the State of Georgia (the "**U.S. Vendor**") and Almex Canada, Limited, a company organized under the laws of Ontario (the "**Purchaser**").

RECITALS:

- (1) Each of the Vendor and its Affiliates are in the business of providing customized solutions for all aspects of conveyor belt systems, including engineering, design, manufacture, installation, sales and servicing (the "**Business**").
- (2) On May 13, 2025, the Vendor and the U.S. Vendor (collectively, the "**Applicants**") commenced proceedings under the Companies' Creditors Arrangement Act (Canada) ("**CCAA**") pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") that, among other things, appointed FTI Consulting Canada Inc. as the monitor (in such capacity, the "**Monitor**") of the Applicants in the CCAA proceedings (the "**CCAA Proceedings**").
- (3) On May 13, 2025, the Court granted an order in the CCAA Proceedings approving a sale and investment solicitation process for the property and assets of the Applicants (the "**SISP**").
- (4) In accordance with the SISP, the Purchaser has made an offer to purchase (i) from the Vendor, the Purchased Assets and, (ii) from the U.S. Vendor, the Purchased Business Name, and the Applicants have accepted such offer, such that the Vendor and the U.S. Vendor wish to sell, transfer and assign the Purchased Assets and the Purchased Business Name, as the case may be, to the Purchaser (or its designee(s)) in accordance with the terms of this Agreement.
- (5) Concurrent with the execution of this Agreement, the Purchaser deposited [REDACTED] (the "**Deposit**") in escrow with the Monitor to be credited against the Purchase Price in accordance with the terms of this Agreement.
- (6) In accordance with the SISP, approval of the Court will be sought by the Applicants for the transactions contemplated by this Agreement (collectively, the "**Transactions**").

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the capitalized terms listed below shall have the corresponding meanings.

"Affiliate" of a Person means any other Person that directly or indirectly controls, is controlled by or is under common control with such Person, where "**control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" means this asset purchase agreement.

"Ancillary Agreements" means all agreements, certificates and other instruments delivered or given pursuant to this Agreement.

"Approval and Vesting Order" means an approval and vesting order of the Court in form and substance satisfactory to the Purchaser and the Monitor, in each case, acting reasonably.

"Assignment and Assumption Agreements" means one or more assignment and assumption agreements in respect of the Assumed Contracts, in a form satisfactory to the Purchaser, acting reasonably.

"Assignment Order" means an order or orders of the Court, in form and substance satisfactory to the Purchaser, acting reasonably, authorizing and approving the assignment of one or more Consent Required Contracts for which the consent, approval or waiver of the party or parties thereto (other than the Vendor) required to assign such Consent Required Contracts has not been obtained prior to Closing.

"Assumed Contracts" means those Contracts listed on Schedule 2.1(f), unless excluded or deemed excluded pursuant to Section 2.6.

"Assumed Leased Personal Property" means the personal property listed in Schedule 2.1(d).

"Assumed Leased Real Property" means the real property listed in Schedule 2.1(c).

"Assumed Liabilities" has the meaning specified in Section 2.3.

"Authorization" means, with respect to any Person, asset, property, transaction or event, any order, permit, approval, consent, waiver, licence, certificate, qualification, declaration, registration or other authorization of any Governmental Entity having jurisdiction over the Person, asset, property, transaction or event.

"Books and Records" means all information in any form relating to the Purchased Assets or the Business that is owned by, or is in the possession or control of, the Vendor, including books of account, financial and accounting information and records, personnel records, tax records, sales and purchase records, customer and supplier lists, lists of potential customers, referral sources, research and development reports and records, production reports and records, equipment logs, operating guides and manuals, engineering standards, product specifications, business reports, plans and projections, marketing and advertising materials, real property records (including in respect of completed and planned capital investments, deeds, drawings and plots), environmental and safety records, licences and permits, and all other documents, files, correspondence and other information (whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices).

"Business" has the meaning set out in the recitals of this Agreement.

"Business Day" means any day of the year, other than a Saturday, Sunday or any day on which major Canadian chartered banks are closed for business in Toronto, Ontario.

"Business Intellectual Property" means Owned Intellectual Property and Licensed Intellectual Property.

"Cash Portion" has the meaning specified in Section 3.1(a).

"CCAA Proceedings" has the meaning set out in the recitals of this Agreement.

"Closing" means the completion of the Transactions contemplated in this Agreement.

"Closing Date" means the date upon which all of the conditions to Closing have been satisfied.

"Closing Time" means 12:01 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as Vendor and Purchaser may agree.

"Collective Agreement" means the collective agreement dated March 26, 2025, between the Vendor and United Steelworkers (United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union), Local 2020-50, covering the period January 1, 2025 to December 31, 2027.

"Confidential Information" has the meaning specified in Section 10.3(1).

"Consent Required Contract" means any Assumed Contract which is not assignable in whole or in part without the consent, approval or waiver of the party or parties thereto (other than the Vendor).

"Contract" means any agreement, contract, consent (including any contractual consent or consent of a Governmental Entity), lease (including any lease pertaining to any leased real or personal property), licence, undertaking, engagement, arrangement or commitment of any kind or nature whatsoever, whether written or oral.

"Cure Costs" means, in respect of any Consent Required Contract, the amount, if any, required to be paid to the counterparty to such Consent Required Contract to cure any monetary defaults thereunder to effect an assignment thereof from the Vendor to the Purchaser, as such amount may be negotiated and agreed to by the Purchaser and the counterparty to such Consent Required Contract.

"Deposit" has the meaning specified in the recitals of this Agreement.

"Employee Plans" means all the employee benefit, fringe benefit, supplemental unemployment benefit, bonus, incentive, profit sharing, termination, change of control, pension, retirement, stock option, stock purchase, stock appreciation, health, welfare, medical, dental, disability, life insurance and similar plans, programs, arrangements or practices relating to the current or former directors, officers, employees (including the Employees) or consultants of the Business maintained, sponsored or funded by a Person, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered, but excluding any government-sponsored pension, health insurance, employment insurance and workers compensation plans.

"Employees" means those individuals employed by the Vendor who work and perform services primarily or exclusively for the Business immediately before Closing.

"Environmental Liability" means any Liability (a) of the Vendor or (b) relating to the Business or the Purchased Assets, which in any way relates to the environment, environmental condition, Hazardous Material, or any activity, incident, event, occurrence, presence, existence, exposure, possession, manufacturing, storage, holding, release, generation, transportation, processing, treatment, remediation, disposal, disposition or handling of any Hazardous Material, in each case arising from or relating to any condition, event, occurrence, act, omission, exposure, conduct or circumstance existing prior to Closing or arising from circumstances that existed prior to Closing, including, without limitation (i) any fine, penalty, claim, notice, complaint, demand, direction, order or directive of a Governmental Entity, or (ii) any claim, cause of action or other Liability asserted or assertable by any other Person in respect of the foregoing.

"Equity Interest" means, in respect of any Person, any share (including any common share or preferred share) in the capital stock of such Person or any option, warrant, conversion privilege, call right, subscription, exchangeable security (including stock option, restricted share unit, performance share unit, deferred share unit or other equity incentive plan) arrangement or commitment obligating such Person to issue or sell any share in its capital stock, or any securities or obligations of any kind convertible into or exchangeable for such shares.

"ETA" means the *Excise Tax Act* (Canada), and the regulations thereunder, as amended.

"Excluded Assets" has the meaning specified in Section 2.2.

"Excluded Liabilities" has the meaning specified in Section 2.4.

"Fonmar" means Fonmar Group S.L. (formerly named Shaw Almex Spain Holdings, S.L.U).

"Governmental Entity" means: (i) any governmental or public department, central bank, court, minister, governor-in-council, cabinet, commission, tribunal, board, taxing authority, bureau, agency, commissioner or instrumentality, whether international, multinational, national, federal, provincial, territorial, state, county, municipal, local, or other; (ii) any subdivision or authority of any of the above; (iii) any stock exchange; and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

"GST/HST" means all goods and services tax and harmonized sales tax levied under Part IX of the ETA or any similar value added taxes levied by any Canadian province or territory.

"GST/HST Declaration and Indemnity" means a declaration and indemnity regarding GST/HST of the Purchaser and/or any entity or entities which is/are to become the beneficial owner of the Purchased Assets that constitute "real property" under Part IX of the ETA at Closing in the form acceptable to the Vendor and the Monitor, acting reasonably.

"Hazardous Material" means any solid, liquid, gas, chemical, material, substance, element, radiation, vibration, sound, noise, odour, tailings, slag, dust, smoke, metal (including lead), particulate, substance, asbestos or any asbestos-containing materials, petroleum, oil and any other material, substance or chemical regulated, prohibited, prescribed, designated or limited by a Governmental Entity or any Law or which can give rise to Liability under any Law, or which is otherwise characterized pursuant to any Law as hazardous, dangerous, waste, toxic, pollutant, contaminant, pollutant, radioactive, deleterious, or words of similar meaning.

"Intellectual Property" means all intellectual property worldwide, whether registered or unregistered, and all goodwill associated with any of the following, including, without limitation:

- (a) all patents, patent applications and other patent rights, including provisional and continuation patents;
- (b) all registered and unregistered trademarks, service marks, logos, slogans, corporate names, business names and other indicia of origin, and all applications and registrations therefor;
- (c) copyrights and mask works, including all copyright in and to computer software programs and applications and registrations of such copyright;

- (d) internet domain names, applications and reservations for internet domain names, uniform resource locators and the corresponding internet sites, and social media accounts;
- (e) industrial designs; and
- (f) trade secrets and proprietary information not otherwise listed in (a) through (e) above, including, without limitation, all inventions (whether or not patentable), invention disclosures, moral and economic rights of authors and inventors (however denominated), confidential information, technical data, customer lists, corporate and business names, trade names, trade dress, brand names, know-how, mask works, circuit topography, formulae, methods (whether or not patentable), designs, processes, procedures, technology, business methods, source codes, object codes, computer software programs (in either source code or object code form), databases, data collections and other proprietary information or material of any type, and all derivatives, improvements and refinements thereof, howsoever recorded or unrecorded.

"Interim Period" means the period commencing on the date of this Agreement and ending at Closing.

"ITA" means the *Income Tax Act* (Canada).

"Laws" means any principle of common law and all applicable (i) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and by-laws, (ii) judgments, orders, writs, injunctions, decisions, awards and directives of any Governmental Entity, and (iii) to the extent that they have the force of law, standards, policies, guidelines, notices and protocols of any Governmental Entity.

"Liabilities" means all claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, prosecutions, arbitrations, assessments or reassessments, judgments, debts, indebtedness, liabilities, obligations, expenses, costs, damages or losses, of any kind or nature 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), whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including loss of value, professional fees, interest and all actual and documented costs incurred in investigating or pursuing any of the foregoing or any proceeding related to any of the foregoing.

"Licensed Intellectual Property" means Intellectual Property, other than Owned Intellectual Property, licensed and used by the Vendor in connection with the Business.

"Lien" means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), easement, title retention agreement or arrangement, conditional sale, trust (including any deemed, statutory or constructive trust), restrictive covenant, writ of execution, right of distraint, or other encumbrance of any nature which, in substance, secures payment or performance of an obligation or otherwise affects the right, title or interest in or to any particular asset, property or undertaking.

"Minority Shares" means, collectively, all shares legally or beneficially owned by Tim Shaw in the capital stock of Almex Peru S.A.C. and PT. Shaw Almex Indonesia, which shares constitute (i) 0.01% of the outstanding common shares of Almex Peru S.A.C., and (ii) 1.00% of the outstanding common shares of PT. Shaw Almex Indonesia.

"Monitor" has the meaning set out in the recitals of this Agreement.

"Monitor's Certificate" has the meaning specified in Section 8.3.

"Non-Disclosure Agreement" means the Confidentiality and Non-Disclosure Agreement between the Vendor and Rema Tip Top of America Inc. dated April 8, 2025.

"Non-Union Employees" shall mean those Employees who are not Union Employees.

"Notice" has the meaning specified in Section 10.1.

"Ordinary Course" means, with respect to an action taken by a Person, that such action (i) is consistent with the past practices of the Person prior to the commencement of the CCAA Proceedings or (ii) is taken in the ordinary course of the normal day-to-day operations of the Person during the course of the CCAA Proceedings.

"Ordinary Course Operating Covenant" means the obligation of the Vendor and each Purchased Subsidiary to comply with the covenants set forth in Section 6.9(1) and Section 6.9(2) of the Agreement (in the case of each Purchased Subsidiary, as if such Purchased Subsidiary was a party to this Agreement and directly bound by the covenants set forth in Section 6.9(1) and Section 6.9(2)).

"Outside Date" means August 31, 2025 or such other date as may be agreed by the Vendor and the Purchaser, in consultation with the Monitor.

"Owned Intellectual Property" means Intellectual Property owned or purported to be owned by the Vendor and all rights to enforce, register, renew and commercialize such Intellectual Property, including all rights of action, claims and causes of action related to such Intellectual Property, including for past, present or future infringement, misappropriation, passing off, unfair competition, or improper transfer (including transfer at undervalue or fraudulent conveyance).

"Owned Real Property" means all real property owned by the Vendor, including all buildings and fixtures located thereon and all benefits and appurtenances thereto, that is listed in Schedule 2.1(e).

"Parry Sound Property" means the Owned Real Property located at 15 & 17 Shaw Almex Road, Parry Sound, Ontario, at which the Vendor operates a manufacturing facility, as more fully described in Schedule 2.1(e).

"Parties" means the Vendor, the U.S. Vendor and the Purchaser, and any other Person who may become a party to this Agreement.

"Pension Plans" means Employee Plans providing pensions, superannuation benefits or retirement savings, including pension plans, top up pensions or supplemental pensions, "registered retirement savings plans", "registered pension plans" and "retirement compensation arrangements", as defined in the ITA.

"Permitted Liens" means solely those Liens listed and described in Schedule 2.1, and solely to the extent such Liens conform to their description in Schedule 2.1.

"Person" means an individual, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.

"Personal Information" means any information in the possession or control of the Vendor about an identifiable individual, other than the business address or business telephone number of a Union Employee or Non-Union Employee.

"Purchase Price" has the meaning specified in Section 3.1.

"Purchased Assets" has the meaning specified in Section 2.1.

"Purchased Business Name" has the meaning specified in Section 2.8.

"Purchased Subsidiaries" means collectively the following Subsidiaries of the Vendor, each of which is a **"Purchased Subsidiary"**:

- (a) Fonmar;
- (b) Shaw Almex Mine Equip. (Tianjin) Co. Ltd.;
- (c) Shaw Almex Pacific Pty Ltd.;
- (d) Shaw Almex Europe B.V.;
- (e) Shaw Almex Chile SpA;
- (f) Almex Peru S.A.C.; and
- (g) PT. Shaw Almex Indonesia.

"Purchaser" has the meaning specified in the preamble above.

"Registered Intellectual Property" means Intellectual Property that is the subject to any registration, application or other filing by, to or with any Governmental Authority or authorized private registrar in any jurisdiction, including registered trade-marks, industrial design registrations, copyrights, issued and reissued patents and pending applications for any of the foregoing.

"Secured Debt Guarantee" means any Liability of a Purchased Subsidiary to a Secured Lender arising from a guarantee or a direct obligation that relates in any way to a Liability owing by the Vendor to a Secured Lender.

"Secured Lenders" means, collectively, Royal Bank of Canada, Business Development Bank of Canada and BDC Capital Inc. and their respective successors and assigns, and **"Secured Lender"** means any of them.

"Spain Real Property" means the real property located at Parque Empresarial Nuevo Jaén, C/Mariana de Montoya, n°3-9, P.O. Box 733, 23009 Jaén, Spain, at which Fonmar operates a manufacturing facility.

"Spain Real Property Lease" means the lease dated February 1, 2021 between Fonmar, S.A., as lessor, and Fonmar, as lessee, in respect of the Spain Real Property.

"Subsidiary" means, of any Person, any corporation, association, partnership, limited liability company, joint venture or other business entity of which more than 50% of the voting power or equity is owned or controlled directly or indirectly by such Person, or one or more of the Subsidiaries of such Person, or a combination thereof.

"Tax Returns" means any and all returns, reports, declarations, elections, notices, forms, designations, filings, and other documents filed or required to be filed in respect of Taxes.

"Taxes" means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies, rates, withholdings, dues, contributions and other charges, collections or assessments of any kind whatsoever, imposed by any Governmental Entity; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii); and (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

"Transactions" has the meaning set out in the recitals of this Agreement.

"Transfer Taxes" means all applicable Taxes, including where applicable, GST/HST, sale, use, retail, value added, transfer, receipt, customs duties, land transfer taxes, and any other similar Taxes under applicable statute or regulation payable upon or in connection with the Transactions contemplated by this Agreement and any filing, registration, recording or transfer fees payable in connection with the instruments of transfer provided for in this Agreement.

"Transferred Employees" means (i) all Union Employees who continue to be employed by the Purchaser or its Affiliate(s) on and after the Closing Date and (ii) those Non-Union Employees who accept the offer of employment made by the Purchaser or its Affiliate(s) pursuant to Section 6.4(1) and who commence employment with the Purchaser or its Affiliate(s) on and after the Closing Date in accordance with such offer of employment.

"Transferred Information" means the Personal Information to be disclosed or conveyed to the Purchaser as a result of or in connection with the Transactions, including all such Personal Information disclosed to the Purchaser or its Affiliates during the period leading up to and including the completion of the Transactions.

"Union" means any trade union or association that may qualify as a trade union, council of trade unions, employee bargaining agent or affiliated bargaining agent.

"Union Employees" means those Employees of the Vendor whose employment is governed by the Collective Agreement.

"U.S. Vendor" has the meaning specified in the preamble above.

"Vendor" has the meaning specified in the preamble above.

Section 1.2 References and Usage.

Unless expressly stated otherwise, in this Agreement:

- (a) reference to a gender includes all genders;
- (b) the singular includes the plural and vice versa;
- (c) "or" is used in the inclusive sense of "and/or";

- (d) "any" means "any and all";
- (e) the words "including", "includes" and "include" mean "including (or includes or include) without limitation";
- (f) the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of";
- (g) \$ or dollars refers to the lawful money of Canada unless otherwise specifically indicated;
- (h) a statute includes all rules and regulations made under it, if and as amended, re-enacted or replaced from time to time;
- (i) a Person includes its predecessors, successors and permitted assigns;
- (j) the term "notice" refers to oral or written notices except as otherwise specified;
- (k) the term "Agreement" and any reference in this Agreement to this Agreement or any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be amended, restated, replaced, supplemented or novated and all schedules to it, except as otherwise provided in this Agreement; and
- (l) whenever payments are to be made or an action is to be taken on a day which is not a Business Day, such payment will be required to be made or such action will be required to be taken on or not later than the next succeeding Business Day and in the computation of periods of time, unless otherwise stated, the word "from" means "from and excluding" and the words "to" and "until" each mean "to and including".

Section 1.3 Headings, etc.

The use of headings (e.g. Article, Section, etc.) in this Agreement is for reference only and is not to affect the interpretation of this Agreement. References in the Agreement to Article, Section etc., unless otherwise specified, shall mean the applicable Article, Section, etc. of this Agreement.

Section 1.4 Schedules.

The schedules and exhibits attached to this Agreement form an integral part of this Agreement for all purposes of it.

ARTICLE 2 PURCHASE AND SALE

Section 2.1 Purchased Assets.

Subject to the terms and conditions of this Agreement and subject to the approval of the Court, the Vendor agrees to sell, assign and transfer to the Purchaser (or its designee(s)), and the Purchaser (or its designee(s)) agrees to purchase from the Vendor, effective as at the Closing Time, on an "as is, where is" basis, all of the Vendor's right, title and interest in the Vendor's property, assets and undertakings of every kind and description and wheresoever situate used or held for use in connection with the Business, other than the Excluded Assets (collectively, the "**Purchased Assets**"), free and clear of all Liens other than Permitted Liens, including:

- (a) **Machinery, Equipment and Supplies.** All machinery, equipment, technology, fixtures, furnishings, communications hardware and infrastructure, furniture, accessories, parts and supplies of all kinds (including office supplies);
- (b) **Inventory.** All the inventory, including all raw materials and work-in-progress, owned or held by the Vendor for sale, rental, lease or other distribution or manufacture or production, wherever situated;
- (c) **Leased Real Property.** All of the Vendor's leasehold interests (including leasehold improvements related thereto) in the Assumed Leased Real Property.
- (d) **Leased Personal Property.** All of the Vendor's leasehold interests in the Assumed Leased Personal Property.
- (e) **Owned Real Property.** All of the Vendor's right, title and interest in the Owned Real Property, including all land and buildings; provided, that this Agreement shall only be effective in creating an interest in the Parry Sound Property if the subdivision control provisions of the *Planning Act* (Ontario) are complied with on or before Closing;
- (f) **Receivables.** All accounts receivable of the Vendor that are outstanding or accrued as at the Closing Time;
- (g) **Assumed Contracts.** Without duplication of the leasehold interests in the Assumed Leased Real Property and the Assumed Leased Personal Property, the full benefit (in each case subject to the burdens, including restrictive covenants, termination rights and other obligations contained therein) of the Assumed Contracts;
- (h) **Authorizations.** All Authorizations owned, held or used by the Vendor in connection with the Business or the Purchased Assets to the extent that they are transferable;
- (i) **Intellectual Property.** All right, title and interest of the Vendor in and to all Business Intellectual Property (including, without limitation, all Intellectual Property listed in Schedule 2.1(i)), and any subsequently identified or discovered Intellectual Property used in the Business;
- (j) **Books and Records.** The Books and Records of the Vendor;
- (k) **Claims.** All claims or causes of action of the Vendor relating to the Business or the Purchased Assets, whether choate or inchoate, known or unknown, contingent or otherwise, including third party warranties, guarantees, subsidies, refunds or credits with respect to the Business or any of the Purchased Assets;
- (l) **Vehicles.** All trucks, cars and other vehicles owned by the Vendor;
- (m) **Business Names.** All business names used by the Vendor in connection with the Business, whether registered or unregistered;
- (n) **Prepaid Expenses and Deposits.** The unused portion of deposits, expenses or other amounts prepaid by or on behalf of the Vendor to any Person relating to the Business or the Purchased Assets;
- (o) **Goodwill.** The goodwill of the Business or relating to the Purchased Assets, including the exclusive right of the Purchaser to represent itself as carrying on the Business in continuation of and in succession to the Vendor and its Affiliates; and

- (p) **Purchased Subsidiaries.** All of the Equity Interests of the Vendor in the capital of the Purchased Subsidiaries.

Section 2.2 Excluded Assets.

Notwithstanding anything to the contrary in this Agreement, the Purchased Assets shall not include any of the following assets (collectively, the "**Excluded Assets**"):

- (a) all cash held by the Vendor at the Closing Time;
- (b) any refundable Taxes payable or paid by the Vendor net of any amounts withheld by any taxing authority, and any claim or right of the Vendor to such refund, rebate, or credit of Taxes;
- (c) the Vendor's rights under or pursuant to this Agreement and the Ancillary Agreements;
- (d) all employment contracts with Union Employees and Non-Union Employees;
- (e) rights under Employee Plans of the Vendor and the assets of any Employee Plans of the Vendor;
- (f) all Contracts that are not Assumed Contracts;
- (g) any leasehold interest of the Vendor in any real property other than the Assumed Leased Real Property;
- (h) any leasehold interest of the Vendor in any personal property other than the Assumed Leased Personal Property;
- (i) any owned Real Property of the Vendor that is not listed on Schedule 2.1(e);
- (j) any Equity Interests of the Vendor in the capital of any Person other than the Purchased Subsidiaries;
- (k) any other asset listed on Schedule 2.2(f); and
- (l) all other assets, properties and undertakings excluded by the Purchaser pursuant to Section 2.6.

Section 2.3 Assumed Liabilities.

Subject to the terms of this Agreement, the Purchaser agrees to assume, discharge, perform and fulfil the following commitments, obligations and liabilities of the Vendor with respect to the Business and the Purchased Assets as and from the Closing Time (collectively, the "**Assumed Liabilities**"):

- (a) all Liabilities of the Vendor relating to the Purchased Assets arising solely from and after the Closing Date and not (i) arising from or related to any facts, circumstances, acts, omissions, circumstances, transactions or defaults that existed, occurred or accrued prior to the Closing Date or as a consequence of Closing, or (ii) otherwise attributable to any period ending on or before Closing;
- (b) all Cure Costs in respect of the Assumed Contracts; and
- (c) the Liabilities related to the Transferred Employees set forth in Section 6.4(2).

Section 2.4 Excluded Liabilities.

The Purchaser shall not assume and shall have no obligation to discharge, perform or fulfil any Excluded Liabilities. "**Excluded Liabilities**" means any and all Liabilities of the Vendor or with respect to the Business or the Purchased Assets other than Liabilities expressly designated as Assumed Liabilities pursuant to Section 2.3. For greater certainty and without limitation, Excluded Liabilities shall include:

- (a) any Liability relating to any deposit or other amount prepaid to the Vendor (or any Person on behalf, or for the benefit, of the Vendor) by any Person prior to Closing, including any deposit or other payment received from a customer in respect of any order (including any pending, future or partially-completed order) that has not been delivered by the Vendor as of Closing; and
- (b) any Environmental Liability.

Section 2.5 Assignment and Assumption of Consent Required Contracts.

- (1) Notwithstanding anything in this Agreement, the Purchaser does not assume and has no obligation to discharge any Liability under or in respect of any Consent Required Contract unless, in each case, (a) the consent, approval or waiver of the party or parties to such Consent Required Contract (other than the Vendor's) required to assign such Consent Required Contract has been obtained on terms satisfactory to the Purchaser and the value of such Consent Required Contract has enured to the Purchaser or (b) such Consent Required Contract is assigned to the Purchaser at Closing pursuant to an Assignment Order.
- (2) The Vendor and the Purchaser shall use reasonable commercial efforts to obtain the consent, approval or waiver of the party or parties to each Consent Required Contract (other than the Vendor) to the assignment of such Consent Required Contract prior to the filing of the motion materials for the Approval and Vesting Order. For greater certainty, neither the Vendor nor the Purchaser is under any obligation to pay any money, incur any obligations, commence any legal proceedings (other than as set forth below with respect to Assignment Orders), or offer or grant any accommodation (financial or otherwise) to any Person in order to obtain any such consent, approval or waiver.
- (3) In the event that the consent, approval or waiver required to assign any Consent Required Contract is not obtained, the Vendor shall, at the request of the Purchaser but subject to Court approval, prior to Closing, seek an Assignment Order for such Consent Required Contract in form and substance satisfactory to the Vendor and the Purchaser, including payment by the Purchaser of the Cure Costs in respect of such Consent Required Contract.
- (4) Subject to Closing and to either (i) the consent of the other parties thereto to the assignment thereof, or (ii) in the absence of consent, the obtaining of an Assignment Order, the Purchaser shall pay the applicable Cure Costs related to the Consent Required Contracts on Closing.

Section 2.6 Designation of Purchased Assets and Excluded Assets

At any time on or prior to the day that is two (2) Business Days prior to the Closing Date (or such later date as may be agreed to by the Vendor and the Purchaser with the consent of the Monitor), the Purchaser may, for all purposes of this Agreement, by giving written notice to the Vendor and the Monitor, elect to (a) designate as a Purchased Asset any property, asset or undertaking of the Vendor, including any property, asset or undertaking that was previously designated herein as an Excluded Asset, provided that any such designation (other than in respect of a Contract that is not a Consent Required Contract, which shall not require the consent of the Vendor or the Monitor) can only be made upon prior written consent of the Vendor and the Monitor, not to be unreasonably withheld; or

(b) designate as an Excluded Asset any property, asset or undertaking of the Vendor, including any property, asset or undertaking that was previously designated herein as a Purchased Asset; provided however, that there shall be no adjustment to the Purchase Price as a result of any designation made pursuant to this Section 2.6. In the event that any Lien that is described herein as a Permitted Lien relates to any property, asset or undertaking of the Vendor that is designated as an Excluded Asset pursuant to this Section 2.6, such Lien shall be deemed to be removed from Schedule 2.1 and shall not be a Permitted Lien for purposes of this Agreement or the Approval and Vesting Order.

Section 2.7 Designation of Assumed Liabilities

At any time prior to the day that is two (2) Business Days prior to the Closing Date (or such later date as may be agreed to by the Vendor and the Purchaser with the consent of the Monitor), the Purchaser may, for all purposes of this Agreement, by giving written notice to the Vendor and the Monitor, elect to (a) designate any Liability of the Vendor as an Assumed Liability; or (b) designate any Lien as a Permitted Lien; provided, however that there shall be no reduction of the Purchase Price as a result of any designation made pursuant to this Section 2.7.

Section 2.8 Purchased Business Name

Subject to the terms and conditions of this Agreement and subject to the approval of the Court, the U.S. Vendor agrees to sell, assign and transfer to the Purchaser, and the Purchaser (or its designee) agrees to purchase from the U.S. Vendor, effective as at the Closing Time, on an "as is, where is" basis, all right, title and interest of the U.S. Vendor in the business name "Shaw Almex Fusion, LLC" and all variants, shortforms and derivatives thereof, and any and all trademark rights, goodwill, and associated common law rights therein or thereto, whether registered or unregistered (including any trademarks that incorporate or comprise the foregoing, including without limitation, Shaw, Almex, Fusion and Shaw Almex Fusion, and any combination thereof) (collectively, the "**Purchased Business Name**") free and clear of all Liabilities and Liens pursuant to the Approval and Vesting Order.

ARTICLE 3 PURCHASE PRICE

Section 3.1 Purchase Price.

The purchase price payable by the Purchaser (collectively with its designee(s)) to the Vendor and the U.S. Vendor for the Purchased Assets and the Purchased Business Name (the "**Purchase Price**") shall be equal to:

[REDACTED]

The Purchase Price shall be exclusive of all applicable Transfer Taxes.

[REDACTED]

(1)

[REDACTED]

(2)

Section 3.3 Payments on Closing.

At the Closing, pursuant to a written direction by the Monitor, the Purchaser (or its designee(s), as applicable) shall pay, by delivery of a wire transfer of immediately available funds to the Monitor, in trust, (a) an amount equal to all Cure Costs, and (b) the Cash Portion (after application of the Deposit thereto). The Purchaser acknowledges and agrees that the Cure Costs and Cash Portion shall be not be subject to any holdbacks, reserves or other claims by the Purchaser and will be freely distributable immediately after Closing.

Section 3.4 Purchase Price Allocation

Not later than ninety (90) days after Closing (or earlier if required by applicable Law), the Purchaser shall, in good faith and in a commercially reasonable manner, with the assistance of a professional accounting firm engaged by the Purchaser, allocate the Purchase Price among the Purchased Assets and the Purchased Business Name. The Monitor shall have the opportunity to review the allocation prior to its finalization and the Purchaser shall consider in good faith any comments or feedback received from the Monitor with respect to the allocation. The Parties agree to execute and file all of their own Tax Returns and prepare all of their own financial statements and other instruments on the basis of such allocation. For greater certainty, any amount of the Purchase Price allocated to the Purchased Assets or the Purchased Business Name that are acquired by a designee of the Purchaser will be paid in cash by such designee in satisfaction of an equal amount of the Cash Portion.

The Purchase Price will be adjusted, in accordance with customary practice, as of the Closing Date for all property taxes and utilities with respect to the Parry Sound Property, such that the Vendor is responsible for all property taxes and utilities in respect of the period prior to the Closing Date and the Purchaser is responsible for all property taxes and utilities in respect of the period from and including the Closing Date, in each case except as otherwise provided herein.

Section 3.5 Withholding

Notwithstanding anything in this Agreement to the contrary, the Purchaser is entitled to deduct and withhold, or cause to be deducted and withheld, from any amounts payable pursuant to this Agreement, such amounts as Purchaser may be required to deduct and withhold with respect to the making of any such payment under applicable Law. To the extent that amounts are so deducted, withheld and remitted to the appropriate Governmental Entity in accordance with applicable Law, such deducted, withheld and remitted amounts are to be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

**ARTICLE 4
TAX MATTERS****Section 4.1 Transfer Taxes.**

- (1) The Purchaser shall be liable for and shall pay all applicable Transfer Taxes payable upon and in connection with the sale, assignment and transfer of the Purchased Assets and the Purchased Business Name from the Applicants to the Purchaser contemplated by this Agreement.
- (2) Notwithstanding Section 4.1(1), to the extent that an election under Section 4.2(1) is not made and provided that the Purchaser is registered under subdivision D of Division V of Part IX of the ETA for the purposes of the GST/HST, the Vendor shall not collect GST/HST on Closing in respect of the Purchased Assets that constitute "real property" (other than real property exempt under Part I of Schedule V of the ETA) under Part IX of the ETA, the payment of GST/HST by the Purchaser in respect of such Purchased Assets being governed by subsections 221(2), 228(4) and 278(2) of the ETA, and the Purchaser shall deliver to the Vendor on Closing the GST/HST Declaration and Indemnity.
- (3) With respect to any GST/HST payable to the Vendor in connection with the sale, assignment and transfer of the Purchased Assets to the Purchaser, the Vendor shall provide to the Purchaser the documentation containing all prescribed information under subsection 169(4) of the ETA and the *Input Tax Credit Information (GST/HST) Regulations*.

Section 4.2 Tax Elections.

- (1) Notwithstanding Section 4.1, at the Closing, the Purchaser and the Vendor shall execute jointly elections under section 167 of the ETA and under the equivalent or corresponding provisions of any other applicable provincial or territorial statute (unless any such election is not available as determined by the Parties acting reasonably as a result of Purchased Assets having been designated as Excluded Assets by the Purchaser pursuant to Section 2.6 during the Interim Period), to have the sale of the Purchased Assets take place on a GST/HST-free basis under the ETA and the equivalent or corresponding provisions of any applicable provincial or territorial statute and, accordingly, the Vendor will not collect any GST/HST on Closing. The Purchaser shall file the election(s) in the manner and within the time prescribed by the relevant legislation. In addition to any other indemnification obligation of the Purchaser to the Vendor, the Purchaser shall at all times indemnify and hold harmless (a) the Vendor and its directors, and (b) the Monitor and its directors, officers, agents, and/or employees, against and in respect of any and all Claims, including all amounts assessed (together with any and all interest and penalties) by the Minister of National Revenue (Canada) or any other relevant Governmental Entity (including all reasonable legal and professional fees incurred by such indemnified persons) as a consequence of either the Minister of National Revenue (Canada) or any such other Governmental Entity determining, for any reason, that the election(s) is(are) unavailable, inapplicable, invalid or not properly filed.
- (2) The Purchaser and the Vendor will, to the extent applicable, jointly execute an election under Section 22 of the ITA, and any equivalent or corresponding provision under applicable provincial or territorial laws, in respect of the sale of the accounts receivable of the Vendor to the Purchaser. If applicable, the Purchaser and the Vendor shall jointly execute such election form(s) prior to Closing and shall file within the prescribed time the prescribed election form(s) required to give effect to the foregoing. For the purposes of such elections, the parties will designate as the portion of the Purchase Price allocable to the debts in respect of which such elections are made equal to the amount so allocated to the accounts receivables under Section 3.4. For greater certainty, the Purchaser and the Vendor agree to prepare and file their respective Tax Returns in a manner consistent with such election(s).

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of the Vendor.

The Vendor represents and warrants as follows to the Purchaser as of the date hereof and acknowledges and confirms that the Purchaser is relying upon the following representations and warranties in completing the Transactions.

(1) **Corporate Power.**

- (a) The Vendor is duly organized and validly existing under the laws of its jurisdiction of organization; and
- (b) The Vendor has the power, authority and capacity to enter into and perform its obligations under this Agreement and to own the Purchased Assets and to carry on the Business as currently conducted.

(2) **Absence of Conflicts.** Subject to the issuance of the Approval and Vesting Order and the Assignment Order and except for notices, filings, and consents required in connection with the CCAA Proceedings, the Purchaser is not a party to, bound or affected by or subject to any terms or conditions of its constating documents or by- laws or applicable Laws or Authorizations that would be violated, breached, 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 Ancillary Agreement.

(3) **Residence of the Vendor/TCP.** The Vendor is not a non-resident of Canada for purposes of the ITA nor is acting in connection with the Transactions as the agent, nominee or bare trustee of any Person. No asset transferred to the Purchaser (or its designee(s)) by the U.S. Vendor hereunder is “taxable Canadian property” for purposes of the ITA.

(4) **Due Authorization and Enforceability.** Subject to the issuance of the Approval and Vesting Order, the execution and delivery of and performance by the Vendor of this Agreement and each of the Ancillary Agreements to which it is a party and the consummation of the Transactions have been duly authorized by all necessary corporate action of the Vendor. Subject to receipt of the Approval and Vesting Order, this Agreement has been duly and validly executed by the Vendor and constitutes a valid and binding obligation of the Vendor enforceable against it in accordance with its terms.

(5) **GST/HST Registrant.** The Vendor is registered under subdivision D of Division V of Part IX of the ETA for the purposes of the GST/HST and its registration number is 10482 2747 RT0001 .

(6) **Purchased Subsidiaries.**

- (a) To the Vendor’s Knowledge, each Purchased Subsidiary is in good standing in the jurisdiction in which it is incorporated. To the Vendor’s knowledge, (i) the Vendor is the legal and beneficial owner of 100% of the capital stock of each Purchased Subsidiary, except for the Minority Shares; and (ii) to the knowledge of the Vendor, there are no other Equity Interests in the Purchased Subsidiaries issued, reserved for issuance or outstanding other than Equity Interests legally and beneficially owned by the Vendor.
- (b) Other than the Equity Interests of Shaw Almex Zambia Limited owned by Shaw Almex Europe B.V., to the Vendor’s knowledge, no Purchased Subsidiary is the legal or beneficial owner of any Equity Interests in any Person.

- (c) To the Vendor's knowledge, Shaw Almex Mine Equip. (Tianjin) Co. Ltd. is the legal and beneficial owner of the Intellectual Property listed beneath its name in Schedule 2.1(i).
- (7) **Guarantees.** To the Vendor's knowledge, other than pursuant to the Secured Debt Guarantees, the Purchased Subsidiaries have not given any guarantees, and are not otherwise obligated, in respect of any indebtedness or Liability of the Vendor.
- (8) **No Other Union.** Other than the Collective Agreement and the collective agreement in respect of Fonmar dated March 29, 2023, (a) the Vendor and, to the Vendor's knowledge, each of its Subsidiaries are not, and they have not ever been, a party to or bound by, either directly or by operation of Law, any collective agreement, letter of understanding, voluntary recognition agreement, letter of intent or other written communication or Contract with any Union, which would cover any of their employees, and the Vendor and its Subsidiaries are not engaged in any labour negotiation with any Union; (b) to the Vendor's knowledge, no Union or group of employees is seeking or has sought to organize any employees for the purpose of collective bargaining; and (c) no Union has applied to have the Vendor or any of its Subsidiaries declared a common or related employer under any labour relations Law. No unfair labour practice complaint, certification application, grievance or arbitration proceeding is pending or, to the Vendor's knowledge, threatened against the Vendor or any of its Subsidiaries. To the Vendor's knowledge, there are no promises, understandings, commitments or contracts with, or Liabilities to, any Union or affecting any of the Union Employees except as specifically set out in writing in the Collective Agreement.
- (9) **No Pension.** No Employee Plan is a Pension Plan, and the Vendor does not provide, administer, sponsor or fund any Pension Plan.
- (10) **Parry Sound Property.** (a) The Parry Sound Property is not a "residential property" for purposes of the *Prohibition on the Purchase of Residential Property by Non Canadians Act*, S.C. 2022, C. 10, X. 235 and its regulations; and (b) except as set forth on Schedule 5.1(10)(b), to the Vendor's knowledge, the Vendor has not received, prior to the date of this Agreement, and is not aware of, any outstanding work order, deficiency notice, notice of violation or other similar communication from any Governmental Entity requiring or recommending that work or repairs in connection with the Parry Sound Property or any part thereof is necessary or required.

Section 5.2 Representations and Warranties of the Purchaser.

The Purchaser represents and warrants as follows to the Vendor and acknowledges and agrees that the Vendor is relying on the following representations and warranties in completing the Transactions.

- (1) **Corporate Power.**
- (a) The Purchaser is duly organized and validly existing under the laws of its jurisdiction of organization; and
- (b) The Purchaser has the power, authority and capacity to enter into and perform its obligations under this Agreement and to own and lease real property and carry on business.
- (2) **Absence of Conflicts.** The Purchaser is not a party to, bound or affected by or subject to any terms or conditions of its constating documents or by-laws or applicable Laws or Authorizations that would be violated, breached, 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 Ancillary Agreement.

- (3) **Due Authorization and Enforceability of Obligations.** The execution and delivery of this Agreement and the purchase of the Purchased Assets and assumption of the Assumed Liabilities have been duly authorized by all necessary corporate action of the Purchaser, if applicable or required. This Agreement has been duly and validly executed by the Purchaser, and constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar Laws affecting creditors generally and by general principles of equity, regardless of whether asserted in a proceeding in equity or law.
- (4) **GST/HST Registrant.** The Purchaser is or will be on Closing registered under subdivision D of Division V of part IX of the ETA for GST/HST purposes and will provide its GST/HST registration number to the Vendor on or prior to Closing.
- (5) **Financing.** The Purchaser has available or will have available at Closing, in immediately-available funds, from its working capital or currently available unrestricted credit facilities or committed capital contributions, all the cash that the Purchaser shall require to satisfy the Purchase Price at the Closing.
- (6) **Informed and Sophisticated Purchaser.** The Purchaser is an informed and sophisticated Purchaser and has engaged legal and financial advisors in connection with the Transactions. The Purchaser has undertaken such investigations and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement.
- (7) **No Brokers.** No agent, broker, person or firm acting on behalf of the Purchaser is, or will be, entitled to any commission or brokers' or finders' fees from the Purchaser or from any Affiliate of the Purchaser, in connection with any of the transactions contemplated hereby.

Section 5.3

As is, Where is.

THE REPRESENTATIONS AND WARRANTIES GIVEN BY THE VENDOR IN SECTION 5.1 ARE THE ONLY REPRESENTATIONS AND WARRANTIES OF THE VENDOR IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY IT. THE PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE PURCHASED ASSETS AND THE BUSINESS ARE PURCHASED AND THE ASSUMED LIABILITIES ARE ASSUMED BY THE PURCHASER "**AS IS, WHERE IS**" AS THEY SHALL EXIST AT THE CLOSING DATE WITH ALL FAULTS AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY LAW WITH RESPECT TO THE PURCHASED ASSETS, THE BUSINESS, AND THE ASSUMED LIABILITIES, AND WITHOUT ANY RECOURSE TO THE VENDOR, THE MONITOR OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, SHAREHOLDERS, REPRESENTATIVES OR ADVISORS, OTHER THAN FOR KNOWING AND INTENTIONAL FRAUD. THE PURCHASER AGREES TO ACCEPT THE PURCHASED ASSETS, THE BUSINESS AND THE ASSUMED LIABILITIES IN THE CONDITION, STATE AND LOCATION THEY ARE IN ON THE CLOSING DATE BASED ON THE PURCHASER'S OWN INSPECTION, EXAMINATION AND DETERMINATION WITH RESPECT TO ALL MATTERS AND WITHOUT RELIANCE UPON ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF ANY NATURE MADE BY OR ON BEHALF OF OR IMPUTED TO THE VENDOR OR THE MONITOR, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT. UNLESS SPECIFICALLY STATED IN THIS AGREEMENT, THE PURCHASER ACKNOWLEDGES AND AGREES THAT NO REPRESENTATION, WARRANTY, TERM OR CONDITION, UNDERSTANDING OR COLLATERAL AGREEMENT, WHETHER STATUTORY, EXPRESS OR IMPLIED, ORAL OR WRITTEN, LEGAL, EQUITABLE, CONVENTIONAL, COLLATERAL OR OTHERWISE, IS BEING GIVEN BY THE VENDOR OR MONITOR IN THIS AGREEMENT OR IN ANY INSTRUMENT FURNISHED IN CONNECTION WITH THIS AGREEMENT, AS TO DESCRIPTION, FITNESS FOR PURPOSE, SUFFICIENCY TO CARRY ON ANY BUSINESS, MERCHANTABILITY, OWNERSHIP, QUANTITY,

CONDITION, QUALITY, VALUE, SUITABILITY, DURABILITY, ENVIRONMENTAL CONDITION, ASSIGNABILITY OR MARKETABILITY THEREOF, OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER, AND ALL OF THE SAME ARE EXPRESSLY EXCLUDED.

ARTICLE 6 COVENANTS OF THE PARTIES

Section 6.1 Access by Purchaser.

Subject to applicable Laws, from the date hereof until the Closing, the Vendor and the Monitor shall (i) upon reasonable notice, permit the Purchaser and its partners and Affiliates, and its and their respective employees, agents, counsel, accountants or other representatives, to have reasonable access during normal business hours to (A) the premises of the Vendor and the Purchased Subsidiaries, (B) all information in respect of the Purchased Assets, the Assumed Liabilities, and the Business, including all Books and Records of the Vendor and the Purchased Subsidiaries, in each case, to the extent available to the Vendor or the Monitor using commercially reasonable efforts, and (C) the Assumed Contracts; and (ii) furnish to the Purchaser or its partners, employees, agents, counsel, accountants or other representatives such financial, customer and operating data and other information with respect to the Purchased Assets and the Vendor (to the extent such data or information is in the Vendor's possession or, using commercially reasonable efforts, can be obtained by the Vendor or Monitor) as the Purchaser from time to time reasonably requests.

Section 6.2 Actions to Satisfy Closing Conditions.

- (1) The Vendor shall use its commercially reasonable efforts to take or cause to be taken all such actions so as to ensure compliance with all of the conditions set forth in Section 7.1 and Section 7.3.
- (2) The Purchaser shall use its commercially reasonable efforts to take or cause to be taken all such actions so as to ensure compliance with all of the conditions set forth in Section 7.2 and Section 7.3.

Section 6.3 Transfer of the Purchased Assets.

- (1) The Vendor and the U.S. Vendor shall take all necessary steps and proceedings to permit good title to the Purchased Assets and the Purchased Business Name to be duly and validly transferred and assigned to the Purchaser (or its designee(s)) at the Closing pursuant to the Approval and Vesting Order and this Agreement, free from all Liabilities and Liens other than Assumed Liabilities and Permitted Liens.
- (2) During the pendency of the CCAA Proceedings and post-Closing, the Vendor and the U.S. Vendor agree to cooperate with the Purchaser, at the Purchaser's request and expense, to locate, identify, recover or assert claims to Intellectual Property and Purchased Business Name which Purchaser has identified and appears to be have been diverted, concealed, transferred or misappropriated from the Vendor or the Purchased Subsidiaries by any Person, including by providing access to relevant records and executing such documents as may reasonably be necessary or desirable for recovery or enforcement actions. Nothing in this Section 6.3(2) shall obligate the Vendor or the Monitor to maintain the active status of the CCAA Proceedings. This Section 6.3(2) shall survive and shall not merge on Closing.

Section 6.4 Employees.

- (1) The Vendor agrees to provide the Purchaser with an up-to-date list of the names of all employees of the Vendor and the Purchased Subsidiaries no later than three (3) Business Days following the execution of this Agreement. Such list shall include each employee's date

of hire, compensation, benefits and leave status (if applicable). Subject to and conditional on Closing and the terms of this Section 6.4, the Purchaser or an Affiliate thereof continue the employment of all Union Employees on the terms and conditions set forth in the Collective Agreement. Subject to and conditional on Closing and the terms of this Section 6.4, no later than three (3) Business Days prior to and with effect as of the Closing Date (or such later date on which those Non-Union Employees who are on leave return to active service), the Purchaser or an Affiliate thereof shall offer employment to such Non-Union Employees as the Purchaser may determine in its sole discretion on terms and conditions as the Purchaser may determine in its sole discretion. The Purchaser (or, if applicable, its Affiliates) shall recognize each Transferred Employee's hire date with the Vendor. Subject to Closing, any Union Employees and Non-Union Employees accepting such offers prior to the Closing Date (or such earlier date as required by the Purchaser) and commencing employment with the Purchaser on the date set out in their respective offers of employment shall be "**Transferred Employees**" for purposes of this Agreement.

- (2) The Purchaser will assume and be responsible for the following Liabilities, which shall constitute Assumed Liabilities for purposes of this Agreement:
- (a) all liabilities under the Collective Agreement, provided that the Purchaser shall only assume and be responsible for liabilities arising or relating to the period prior to Closing to the extent that such liabilities have been documented in writing and were incurred in the Ordinary Course and in accordance with the Collective Agreement;
 - (b) all liabilities for salary, wages, bonuses, commissions and other compensation and benefits relating to the employment of all Transferred Employees, but only to the extent that such Liabilities are based on facts, circumstances or events that arise on or after the Closing;
 - (c) liabilities for vacation pay in respect of Transferred Employees accrued prior to and after the Closing Date, not exceeding \$10,000 in respect of any particular Transferred Employee;
 - (d) all severance payments, payments for notice of termination or in lieu of notice of termination, damages for wrongful dismissal and all related costs in respect of the termination by the Purchaser of the employment of any Transferred Employee after the Closing;
 - (e) all liabilities for claims for injury, disability, death or workers' compensation arising from or related to employment of the Transferred Employees, but only to the extent that such Liabilities are based on facts, circumstances or events that arise on or after the Closing; and
 - (f) all employment-related claims, penalties, contributions, premiums and assessments in respect of the Transferred Employees arising out of matters which occur on or after the Closing Date.
- (3) The Purchaser shall not assume or be responsible for the following Liabilities, which shall constitute Excluded Liabilities for purposes of this Agreement:
- (a) any Liability in respect of any employee or former employee, contractor or consultant of the Vendor or its Affiliates that does not become a Transferred Employee, including all severance payments, payments for notice of termination or in lieu of notice of termination, damages for wrongful dismissal and all related costs in respect of the termination by the Vendor or any of its Affiliates of the employment of any employee

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who does not accept Purchaser's offer of employment referred to in Section 6.4(1) or who does not continue in the employment of the Purchaser or its Affiliate(s);

- (b) other than as expressly set forth in (c), any Liability in relation to Transferred Employees arising or relating to the period prior to the Closing or the employment of such Transferred Employees by the Vendor or its Subsidiaries prior to the Closing, including without limitation, all claims, penalties, contributions, premiums and assessments arising under workers' compensation legislation arising from or related to the Transferring Employees' employment or engagement in the Business prior to the Closing; or
 - (c) all Liabilities for employment-related claims, penalties and assessments in respect of the Business arising out of matters which occurred or relate to the period prior to Closing, excluding any grievances in respect of the Union Employees.
- (4) During the Interim Period and after Closing, and notwithstanding anything to the contrary in the Non-Disclosure Agreement, the Purchaser and its representatives shall be permitted to engage in discussions with any current or former employees or consultants of the Vendor or its Subsidiaries (including Subsidiaries that are not Purchased Subsidiaries) and the Purchaser and its Affiliates shall be permitted to offer employment or consulting arrangements to any current or former employees or consultants of the Vendor or its Subsidiaries (including Subsidiaries that are not Purchased Subsidiaries) on such terms as the Purchaser or its Affiliates may determine; provided, however, that during the Interim Period, the Monitor and the Vendor shall have the right to participate in or oversee any such discussions and the Purchaser shall coordinate with the Vendor and the Monitor to facilitate such participation or oversight, as applicable.

Section 6.5 Privacy Legislation.

- (1) The Purchaser covenants and agrees to use and disclose Transferred Information only for those purposes for which the Transferred Information was initially collected or in respect of the individual to which that Transferred Information relates, unless:
 - (a) the Purchaser has first notified that individual of that additional purpose, and where required by applicable Law, obtained the consent of that individual to that additional purpose; or
 - (b) that use or disclosure is permitted or authorized by (i) the Approval and Vesting Order, or (ii) applicable Law without notice to, or consent from, such individual.
- (2) The Parties acknowledge and confirm that the disclosure of Transferred Information is necessary for the purposes of determining whether to proceed with the Transactions and that the disclosure of Transferred Information relates solely to the carrying on of the Business and the completion of the Transactions.
- (3) The Purchaser covenants and agrees to: (i) if required by applicable Law, promptly notify the individuals to whom the Transferred Information relates that Closing has taken place and that the Transferred Information has been disclosed to it; (ii) return or destroy the Transferred Information, at the option of the Vendor, should Closing not occur; (iii) keep strictly confidential all Transferred Information provided to it, and shall instruct those employees or advisors responsible for processing such Transferred Information to protect the confidentiality of such information in a manner consistent with its obligations hereunder and according to applicable Laws; and (iv) ensure that access to Transferred Information shall be restricted to those employees or advisors of the Purchaser who have a bona fide need to access such information in order to complete the Transactions.

Section 6.6 Notices and Requests for Consents.

- (1) The Vendor and Monitor shall use their commercially reasonable efforts to obtain or cause to be obtained prior to Closing, all consents, approvals and waivers that are required by the terms of the Consent Required Contracts. Such consents, approvals and waivers will be upon such terms as are acceptable to the Purchaser.
- (2) From and after the date hereof, the Purchaser and its representatives shall be permitted, with prior notice to the Monitor, to engage in direct discussions and negotiations with the counterparty to any Contract to which the Vendor and/or any Purchased Subsidiary is a party, including to enable the Purchaser to determine the designation of such Contract as a Purchased Asset or Excluded Asset for purposes of this Agreement and to reach agreement on the quantum of Cure Costs, if any, payable in connection with the assignment of such Contract (in the event that it is designated as an Assumed Contract) pursuant to this Agreement. The Vendor and the Monitor shall take commercially reasonable efforts to facilitate such discussions between the Purchaser and counterparties to Contracts of the Vendors and/or the Purchased Subsidiaries and the Monitor shall have the right to oversee or participate in any such discussions.
- (3) The Vendor and Monitor shall provide notices (in form and substance acceptable to the Purchaser, acting reasonably) that are required by the terms of the Assumed Contracts in connection with the Transactions.

Section 6.7 Filings and Authorizations.

Each of the Purchaser, the Vendor, the U.S. Vendor and the Purchased Subsidiaries (as directed by the Vendor), as promptly as practicable after the execution of this Agreement, shall (i) make, or cause to be made, all filings and submissions under all Laws applicable to it, that are required for it to consummate the Transactions in accordance with the terms of this Agreement, (ii) use its commercially reasonable efforts to obtain, or cause to be obtained, all Authorizations necessary or advisable to be obtained by it in order to consummate the Transactions, and (iii) use its commercially reasonable efforts to take, or cause to be taken, all other actions necessary, proper or advisable in order for it to fulfil its obligations under this Agreement.

Section 6.8 Court Approval.

- (1) The Vendor shall seek the approval of the Court to the Transactions in accordance with the following (and subject to Court availability):
 - (a) promptly upon the execution of this Agreement, the Applicants shall file motion materials seeking the issuance of the Approval and Vesting Order and any Assignment Order, which motion materials shall be in substance acceptable to the Purchaser. The Applicants shall deliver to the Purchaser prior to filing, and as early in advance as is practicable to permit adequate and reasonable time for the Purchaser and its counsel to review and comment, copies of all of the Applicants' proposed pleadings, motions and other material papers to be filed by the Applicants in connection with such motions and proposed orders and relief requested therein and any challenges thereto;
 - (b) the Applicants and the Purchaser shall cooperate with filing and prosecuting the motion for issuance and entry of the Approval and Vesting Order and any Assignment Orders required pursuant to Section 2.5(3); and
 - (c) the Applicants and the Purchaser shall determine all Persons required to receive notice of the motions for the Approval and Vesting Order and any Assignment Order under

applicable Laws or requirements of the Court, and any other Person determined necessary by the Applicants or the Purchaser.

Section 6.9 Conduct of Business Prior to Closing

- (1) Except as expressly provided in this Agreement, as may be required by applicable Laws or with the prior written consent of the Purchaser, the Vendor shall, during the Interim Period, use commercially reasonable efforts to conduct its activities (and cause the Purchased Subsidiaries to conduct their activities) in the Ordinary Course and, without limiting the generality of the foregoing, the Vendor shall use its commercially reasonable efforts, and use commercially reasonable efforts to cause each of the Purchased Subsidiaries, to: (a) preserve intact its business organization (including the name and business organization of the U.S. Vendor); (b) maintain in effect all of its material Authorizations; (c) keep available the services of its employees; (d) maintain satisfactory relationships with its customers, lenders, suppliers, employees and others having a material business relationship with them; and (e) manage working capital (including the management of inventory).
- (2) Without limiting the generality of Section 6.9(1), except as expressly provided in this Agreement or with the prior written consent of the Purchaser, the Vendor shall not, and the Vendor shall cause each of the Purchased Subsidiaries not to:
 - (a) sell, pledge, transfer, lease, dispose of, or permit the granting or creation of any Lien in respect of, its assets, property or undertaking, other than in the Ordinary Course;
 - (b) sell, pledge, transfer, lease, dispose of, or permit the granting or creation of any Lien in respect of, any Intellectual Property,
 - (c) other than funding obtained under the DIP Facility (as defined in the Initial Order), incur any Liabilities outside of the Ordinary Course, or any Liability in excess of \$10,000 whether or not incurred in the Ordinary Course;
 - (d) enter into, amend or modify any lease relating to any residence, building, structure or other real property forming part of the Parry Sound Property;
 - (e) establish, adopt, amend, modify or terminate any Employee Plan or any collective bargaining agreement (including the Collective Agreement);
 - (f) increase, decrease or accelerate the payment of, or agree to increase or accelerate the payment of, any compensation or benefits to its employees, other than as required by Law or the Collective Agreement;
 - (g) (i) terminate the employment of any employee, other than for cause, or (ii) hire any other employee with compensation in excess of \$100,000 or engage any independent contractor whose engagement cannot be terminated without penalty on notice of 30 days' or less;
 - (h) other than in the Ordinary Course, enter into, amend, modify or terminate any Contract that is or would be material to the Vendor or the Purchased Subsidiary (as applicable) or the operation of the Business;
 - (i) enter into any commitment (or series of related commitments) for capital expenditures, or Liabilities with respect thereto, relating to the Business, in excess of \$10,000 individually or \$25,000 in the aggregate;

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- (j) sell, lease, license, sublicense, modify, terminate, abandon or permit to lapse, transfer or dispose of, create or incur any Lien on, or otherwise fail to take any action necessary to maintain, enforce or protect any Intellectual Property owned by or licensed to the Vendor or the Purchased Subsidiary (as applicable) or used in the operation of the Business;
 - (k) make any payment or disbursement other than in the Ordinary Course and for fair value;
 - (l) enter into, undertake, or complete any intercompany transaction, intercompany payment, intercompany transfer, dividend, loan, advance, return of capital, repurchase of Equity Interest, or other similar non-commercial activity;
 - (m) agree, in writing or otherwise, to take any of the foregoing actions.
- (3) In the event that a Purchased Subsidiary fails to comply with the Ordinary Course Operating Covenant and such breach results or is reasonably expected to result in monetary consequences in excess of [REDACTED] the Purchaser shall have the following rights:
- (a) if the monetary consequences arising or resulting from the breach of the Ordinary Course Operating Covenant (including any diminution in value of the Equity Interests of the Purchased Subsidiaries) by such Purchased Subsidiary (when aggregated with any failure to comply with the Ordinary Course Operating Covenant of any other Purchased Subsidiaries) does not or would not reasonably be expected to exceed [REDACTED] (i) the Purchaser shall have the option, in its sole discretion, to designate the Equity Interests of such Purchased Subsidiary as an Excluded Asset; and (ii) the Vendor and the Purchaser, in consultation with the Monitor, shall in good faith negotiate a reduction of the Cash Portion to reflect the monetary consequence arising from such breach of the Ordinary Course Operating Covenant or, if applicable, the designation of the Equity Interests of such Purchased Subsidiary as an Excluded Asset. If the Vendor and the Purchaser cannot reach agreement on the quantum of the reduction of the Cash Portion, the issue shall be referred to the Court for determination. For greater certainty, the Purchaser shall not have the right to terminate the Agreement if the aggregate monetary consequence arising or resulting from the breach of the Ordinary Course Operating Covenant by one or more Purchased Subsidiaries does not exceed [REDACTED]; and
 - (b) if (A) the aggregate monetary consequences arising or resulting from the breach of the Ordinary Course Operating Covenant (including any diminution in value of the Equity Interests of the Purchased Subsidiaries) by one or more Purchased Subsidiaries exceeds or would reasonably be expected to exceed [REDACTED] or (B) the breach of the Ordinary Course Operating Covenant constitutes a criminal offence in the jurisdiction in which the particular Purchased Subsidiary operates, then the Purchaser shall have the option, in its sole discretion, to either (i) take any of the actions referred to in Section 6.9(3)(a); or (ii) terminate this Agreement.

Section 6.10 Damage Prior to Closing

The Purchased Assets shall be and remain at the risk of the Vendor until Closing. During the Interim Period, the Vendor shall maintain insurance for the full replacement cost of the tangible Purchased Assets and hold all such insurance policies and the proceeds thereof in trust for the Vendor and the Purchaser as their interests may appear. In the event of significant and substantial damage to any material portion of the tangible Purchased Assets prior to Closing in excess of \$2,500,000, the Vendor shall notify the Purchaser in writing of such damage with details of the insurance coverage in place, and the Purchaser may, within five (5) Business Days of its receipt of such notice elect, by Notice in

writing to the Vendor and the Monitor, to either (a) terminate the Agreement and the Transactions and be entitled to a full refund of the Deposit; or (b) become solely entitled to the insurance proceeds available in respect of such damaged tangible Purchased Assets and complete the Transactions with no abatement to the Purchase Price.

ARTICLE 7 CONDITIONS OF CLOSING

Section 7.1 Conditions for the Benefit of the Purchaser.

The Transactions are subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

- (a) **Truth of Representations and Warranties.** The representations and warranties of the Vendor contained in this Agreement were true and correct as of the date of this Agreement and are true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date and the Vendor shall have executed and delivered a certificate of a senior officer to that effect. Upon the delivery of such certificate, the representations and warranties of the Vendor in Section 5.1 will be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date.
- (b) **Performance of Covenants.** The Vendor shall have fulfilled or complied with all covenants contained in this Agreement required to be fulfilled or complied with by it at or prior to the Closing, and the Vendor shall have executed and delivered a certificate of an authorized representative to that effect.
- (c) **Consents for Consent Required Contracts.** All consents, approvals or waivers for each Consent Required Contract shall have been obtained on terms acceptable to the Purchaser, acting reasonably, or an Assignment Order shall have been obtained in respect thereof. All such consents, approvals, waivers or Assignment Orders will be in force and will not have been modified, rescinded, appealed or stayed.
- (d) **No Legal Action.** No action, injunction, or proceeding is pending or threatened by any Person (other than the Purchaser), and there is no order or notice from any Governmental Entity, to (or seeking to) enjoin, restrict or prohibit, on a temporary or permanent basis, any of the Transactions or imposing any terms or conditions on the Transactions, the Business, the Purchased Assets or the business of the Purchaser or otherwise limiting the right of the Purchaser to conduct the Business after Closing on substantially the same basis as heretofore operated.
- (e) **CCAA Proceedings.** The CCAA Proceedings shall not have been terminated and the stay of proceedings in favour of the Applicants pursuant to the Initial Order shall be in effect and shall not have been lifted or modified to permit the exercise of any rights or remedies in respect of the Business or the Purchased Assets.
- (f) **Parry Sound Property.** At Closing, the Vendor shall deliver vacant possession of all residences situated on the Parry Sound Property.
- (g) **Spain Real Property Lease.** (i) The Spain Real Property Lease remains in full force and effect; (ii) other than with the prior consent of the Purchaser in its sole discretion, the Spain Real Property Lease shall not have been amended or modified in any respect during the Interim Period; and (iii) Fonmar occupies and has access to the Spain Real Property in accordance with the Spain Real Property Lease.

- (h) **Discharge of Claims and Liens in Relation to Purchased Subsidiaries.** Each of the Secured Lenders shall have entered into a release and discharge agreement with the Purchased Subsidiaries, in form and substance acceptable to the Purchaser, pursuant to which such Person shall, effective as of Closing, release and discharge all Liabilities and Liens in respect of the Purchased Subsidiaries and their assets, properties and undertakings.
- (i) **Key Employees.** At Closing, key employees of the Vendor essential to the continued operation of the Business, which employees will be identified in writing by the Purchaser to the Monitor concurrently with the execution of this Agreement, shall be Transferred Employees or shall have entered into such other employment or consulting arrangements with the Purchaser as are acceptable to the Purchaser.

Section 7.2 Conditions for the Benefit of the Vendor.

The Transactions are subject to the following conditions being satisfied on or prior to the Closing Date, which conditions are for the exclusive benefit of the Vendor and may be waived, in whole or in part, by the Vendor in its sole discretion:

- (a) **Truth of Representations and Warranties.** The representations and warranties of the Purchaser contained in this Agreement were true and correct as of the date of this Agreement and are true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date and the Purchaser shall have executed and delivered a certificate of a senior officer to that effect. Upon delivery of such certificate, the representations and warranties of the Purchaser in Section 5.2 will be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date.
- (b) **Performance of Covenants.** The Purchaser shall have fulfilled or complied with all covenants contained in this Agreement required to be fulfilled or complied with by it at or prior to Closing and the Purchaser shall have executed and delivered a certificate of a senior officer to that effect.
- (c) **No Legal Action.** No action or proceeding is pending or threatened by any Person (other than the Monitor, the Vendor or the Purchaser) and there is no order or notice from any Governmental Entity, to (or seeking to) enjoin, restrict or prohibit, on a temporary or permanent basis any of the Transactions or imposing any terms or conditions on the Transactions.

Section 7.3 Conditions for the Benefit of the Purchaser and the Vendor.

The Transactions are subject to the following condition being satisfied on or prior to the Closing Date, which conditions are for the benefit of the Vendor and the Purchaser and may be jointly waived, in whole or in part, by the Vendor and the Purchaser:

- (a) **Approval and Vesting Order.** The Approval and Vesting Order shall have been obtained and shall not have been appealed, set aside, varied or stayed or, if appealed or stayed, all appeals shall have been dismissed and all stays shall have been lifted, respectively.

**ARTICLE 8
CLOSING****Section 8.1 Date, Time and Place of Closing.**

- (1) The Closing will take place remotely on the Closing Date, upon which date the closing documentation will be delivered by electronic mail exchange of signature pages in PDF or functionally equivalent electronic format, which delivery will be effective without any further physical exchange of the originals or copies of the originals. All proceedings to be taken and all documents to be executed and delivered by all Parties at the Closing shall be deemed to have been taken and executed simultaneously and no proceedings shall be deemed to have been taken nor documents executed or delivered until all have been taken, executed and delivered.

Section 8.2 Closing Deliverables.

- (1) Vendor's Deliverables at Closing. The Vendor (or the U.S. Vendor, as applicable) shall have delivered or caused to be delivered to the Purchaser (or as otherwise specified) the following in form and substance satisfactory to the Purchaser:
- (a) the certificates referred to in Section 7.1(a) and Section 7.1(b);
 - (b) the Assignment and Assumption Agreements for the Assumed Contracts duly executed by the Vendor;
 - (c) the Books and Records;
 - (d) the Purchased Assets, which shall be delivered in situ wherever located as of the Closing;
 - (e) in respect of each Purchased Subsidiary, (i) the share certificate(s) or similar documentation evidencing the Equity Interests of such Purchased Subsidiary owned by the Vendor, (ii) a certificate of good standing issued by the jurisdiction in which such Purchased Subsidiary is incorporated, (iii) copies of the constating documents of such Purchased Subsidiary, and (iv) unless otherwise requested by the Purchaser, duly executed resignations delivered by all directors and officers of such Purchased Subsidiary, which resignations shall become effective on Closing;
 - (f) the elections referred to in Section 4.2 duly executed by the Vendor, if applicable;
 - (g) a true copy of the issued and entered Approval and Vesting Order;
 - (h) true copies of any issued and entered Assignment Orders, if necessary pursuant to Section 2.5(3);
 - (i) all documentation and discharges evidencing satisfaction of the closing condition set forth in Section 7.1(h);
 - (j) an acknowledgement addressed to the Monitor dated the Closing Date that each of the conditions precedent in Section 7.2 and Section 7.3 have been fulfilled, performed or waived;
 - (k) a transfer and conveyance instrument in respect of the Business Intellectual Property, consisting of all Intellectual Property set forth in Schedule 2.1(i), all Registered Intellectual Property, identifiable material unregistered Intellectual Property, and

material Licensed Intellectual Property (other than commercially available software) used by the Vendor in the operation of the Business;

- (l) all documents of title, deeds, assurances, assignments and instruments of conveyance (duly executed by the Vendor) that are necessary or reasonably requested by the Purchaser to vest, transfer or record legal or beneficial ownership of the Purchased Assets and the Purchased Business Name to or in the name of the Purchaser or its designee(s) in accordance with this Agreement and the Approval and Vesting Order, including, without limitation, as necessary in connection with the registration of ownership of the Owned Real Property in applicable land registries and the confirmation of assignment of Intellectual Property for filing purposes with the Canadian Intellectual Property Office; and
 - (m) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions, all of which shall be in form and substance satisfactory to the Parties.
- (2) Purchaser's deliverables at Closing. The Purchaser shall deliver or caused to be delivered to the Vendor the following in form and substance satisfactory to the Vendor:
- (a) the Assignment and Assumption Agreements for the Assumed Contracts duly executed by the Purchaser;
 - (b) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by the appropriate government official of the jurisdiction of its incorporation;
 - (c) the elections referred to in Section 4.2 duly executed by the Purchaser, if applicable;
 - (d) the GST/HST Declaration and Indemnity, as the case may be;
 - (e) an acknowledgement addressed to the Monitor dated the Closing Date that each of the conditions precedent in Section 7.1 and Section 7.3 have been fulfilled, performed or waived; and
 - (f) the certificates referred to in Section 7.2(a) and Section 7.2(b).

Section 8.3 Monitor.

When all conditions to Closing set out in Article 7 have been satisfied and/or waived by the Vendor or the Purchaser, as applicable, the Vendor and the Purchaser, or their respective counsel, shall each deliver to the Monitor written confirmation, in form and substance satisfactory to the Monitor (which may be by e-mail), that all conditions to Closing have been satisfied or waived, subject to the Monitor's delivery of a certificate confirming the satisfaction of all conditions under this Agreement, payment of the Purchase Price and the vesting of the Purchased Assets pursuant to the Approval and Vesting Order (the "**Monitor's Certificate**") to the Purchaser in accordance with such Approval and Vesting Order. Upon receipt of such written confirmation, the Monitor shall: (i) issue forthwith its Monitor's Certificate in accordance with the Approval and Vesting Order; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Vendor and the Purchaser). 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 Vendor and the Purchaser that all conditions to Closing have been satisfied or waived, and the Monitor will have no liability whatsoever to any of the Vendor or Purchaser or any other Person as a result of filing the Monitor's Certificate.

Section 8.4 Name Changes

- (1) Each of the Vendor and the U.S. Vendor shall, within 15 Business Days of Closing, change its legal and business name to a name that does not include the composite mark "Shaw Almex Fusion" or any of the words "Shaw", "Almex" and/or "Fusion", alone or in combination, or any confusingly similar word or variant thereof. The Approval and Vesting Order sought by the Applicants will include a provision ordering that the style of cause in the CCAA Proceedings shall be changed to reflect the change of name of the Vendor and the U.S. Vendor. Neither the Vendor nor the U.S. Vendor shall, from and after the Closing, use the composite mark "Shaw Almex Fusion" or any of the words "Shaw", "Almex" and/or "Fusion", alone or in combination, or any confusingly similar thereof in association with any goods or services, or any packaging or advertisements related thereto, including on any website, promotional material, signage or document that is generally available to customers, suppliers or the public.
- (2) Following Closing, the Vendor shall use commercially reasonable efforts to cause each of its Subsidiaries that is not a Purchased Subsidiary to change its name to a name that does not include the composite mark "Shaw Almex Fusion" or any of the words "Shaw", "Almex" and/or "Fusion", alone or in combination, or any confusingly similar word and to refrain from using the composite mark "Shaw Almex Fusion" or any of the words "Shaw", "Almex" and/or "Fusion", alone or in combination, or any confusingly similar thereof in association with any goods or services, or any packaging or advertisements related thereto, including on any website, promotional material, or document that is generally available to customers, suppliers or the public.

ARTICLE 9 TERMINATION

Section 9.1 Termination Rights.

- (1) This Agreement will be terminated automatically, without any action by either Party if the conditions set forth in Section 7.3 are not satisfied by the Outside Date.
- (2) This Agreement may, by Notice in writing given on or prior to the Closing Date, be terminated:
 - (a) by mutual consent of the Vendor and the Purchaser;
 - (b) by the Purchaser, if:
 - (i) the Approval and Vesting Order shall fail, once granted, to be in full force and effect or shall have been amended, modified, reversed or dismissed without the prior written consent of the Purchaser;
 - (ii) there has been a material breach of this Agreement by the Vendor and where such breach is capable of being cured, such breach has not been waived by the Purchaser in writing or cured within ten (10) days following written Notice of such breach by the Purchaser;
 - (iii) such termination is permitted pursuant to Section 6.9(3) of this Agreement;
 - (iv) any of the conditions in Section 7.1 or Section 7.3 have not been satisfied and it becomes reasonably apparent that any of such conditions will never be satisfied (other than as result of the failure of the Purchaser to perform any of its material obligations) and the Purchaser has not waived such condition in writing at or prior to Closing;

(c) by the Vendor, if:

- (i) there has been a material breach of this Agreement by the Purchaser and where such breach is capable of being cured, such breach has not been waived by the Vendor in writing or cured within 15 days following written Notice of such breach by the Vendor; or
- (ii) any of the conditions in Section 7.2 or Section 7.3 have not been satisfied and it becomes reasonably apparent that any of such conditions will never be satisfied (other than as result of the failure of the Vendor to perform any of its material obligations) and the Vendor has not waived such condition in writing at or prior to Closing.

Section 9.2 Effect of Termination.

The rights of termination under this Article 9 are in addition to any other rights the respective Party may have under this Agreement or otherwise, and the exercise of a right of termination by a Party will not constitute an election of remedies. If this Agreement is terminated pursuant to Section 9.1, this Agreement will be of no further force or effect; provided, however, (i) this Section 9.2 (Effect of Termination.), Section 9.3 (Deposit.), and Article 10 (Miscellaneous.) and provisions that by their nature should survive, will survive the termination of this Agreement, and (ii) the termination of this Agreement will not relieve any Party from any liability for any breach of this Agreement occurring prior to termination.

Section 9.3 Deposit.

Without limiting the generality of Section 9.2 and notwithstanding anything to the contrary in the SISP, in the event this Agreement is terminated by the Vendor pursuant to Section 9.1(2)(c)(i), the Deposit shall be forfeited by the Purchaser and the Vendor's right of termination under Section 9.1(2)(c)(i) shall be in addition to any other rights it may have under this Agreement or otherwise. In the event this Agreement is terminated pursuant to Section 9.1(1) or Section 9.1(2)(c)(ii), the Deposit shall be promptly returned to the Purchaser and the return of the Deposit shall be the Purchaser's sole and exclusive remedy for such termination of this Agreement. In the event this Agreement is terminated pursuant to Section 9.1 other than in the circumstances described in the two preceding sentences, the Deposit shall be promptly returned to the Purchaser. To the extent subsection 182(1) of the ETA applies to deem the Deposit forfeited or any other payment made pursuant to this Agreement to the Applicants to be inclusive of GST/HST, the Purchaser shall, in accordance with the allocation of the Purchase Price among the Purchased Assets and the Purchased Business Name made in accordance with Section 3.4, pay to the Applicants an additional amount sufficient to ensure that the Applicants receive the same net aggregate amount had such deeming provision not applied.

ARTICLE 10 MISCELLANEOUS

Section 10.1 Notices.

Any notice, direction or other communication given regarding the matters contemplated by this Agreement (each a "**Notice**") must be in writing, sent by personal delivery, courier or email and addressed:

(a) to the Purchaser at:

Almex Canada, Limited
300 Tice Boulevard
Woodcliff Lake, New Jersey 07677

Attention: Vincent Javerzac and Karen Sy-Laughner
Email: vjaverzac@rematiptop.com; ksylaughner@rematiptop.com

with a copy (which shall not constitute notice) to:

Goodmans LLP
3400-333 Bay Street
Toronto, ON M5H 2S7

Attention: Brendan O'Neill and Bradley Wiffen
Email: boneill@goodmans.ca; bwiffen@goodmans.ca

(b) to the Vendor at:

Shaw-Almex Industries Limited
17 Shaw Almex Drive, Box 430
Parry Sound, Ontario P2A 2X4

Attention: Andrew Hustrulid
Email: andrew.hustrulid@almex.com

with a copy (which shall not constitute notice) to:

Reconstruct LLP
80 Richmond Street West
Toronto, ON M5H 2A4

Attention: Brendan Bissell
Email: bbissell@reconllp.com

(c) to the Monitor at:

FTI Consulting Canada Inc., Monitor
TD South Tower, 79 Wellington Street West
Toronto Dominion Centre, Suite 2010, P.O. Box 104
Toronto, ON M5K 1G8

Attention: Jeffrey Rosenberg / Jonathan Joffe
Email: jeffrey.rosenberg@fticonsulting.com / jonathan.joffe@fticonsulting.com

with a copy (which shall not constitute notice) to:

Stikeman Elliot LLP
5300 Commerce Court West
199 Bay Street
Toronto Ontario M5L 1B9

Attention: Maria Konyukhova / Garrett Morin
Email: mkonyukhova@stikeman.com / gmorin@stikeman.com

A Notice is deemed to be given and received on the date of delivery if it is a Business Day and the delivery was made prior to 5:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be

changed. Sending a copy of a Notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that Party.

Section 10.2 Announcements.

The Vendor and the Monitor shall be entitled to disclose this Agreement to the Court. Other than (a) as provided in the preceding sentence or statements made in Court (or in pleadings filed therein), or (b) in the context of discussions between the Purchaser or its representatives with Contract counterparties and current and former employees and consultants of the Vendor and its Subsidiaries as permitted by this Agreement, the Vendor and the Purchaser shall not issue, prior to the granting of the Approval and Vesting Order, any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior written consent of the other Party, which shall not be unreasonably withheld or delayed; provided, however, that a Party may, without the prior consent of the other Party, issue such press release or make such public statement as may, upon the advice of counsel, be required by applicable Laws or by any Governmental Entity with competent jurisdiction including any applicable securities Laws. Notwithstanding any other provision of this Agreement, no Party shall disclose the Purchase Price to any Person prior to the Closing without the prior written consent of the other Party, except as required by applicable Laws.

Section 10.3 Confidentiality

- (1) Following Closing, the Vendor will, and will cause its Affiliates and representatives to, subject to Section 10.3(2), keep confidential after the Closing, and not use or disclose to any Person, any Confidential Information. For purposes of this Agreement, "**Confidential Information**" means any non-public information to the extent relating to the Business or the Purchased Assets, other than information that is or becomes generally available to the public other than as a result of a disclosure or other action (or failure to act) by the Vendor or any of its Affiliates or any of their representatives.
- (2) In the event that the Monitor, the Vendor or any of its Affiliates or any of their respective representatives are requested or required (by deposition, interrogatories, requests for information or documents in legal proceedings, subpoenas, civil investigative demand or similar process), in connection with any proceeding, including in seeking the Approval and Vesting Order to disclose any Confidential Information, the Vendor will give the Purchaser prompt written notice of such request or requirement so that the Purchaser may seek an appropriate protective order, and the Vendor will reasonably cooperate with the Purchaser to obtain such protective order upon the Purchaser's request and at the Purchaser's expense. If, in the absence of a protective order, the Vendor or any of its Affiliates or any of their respective representatives are nonetheless requested or required to disclose Confidential Information to or at the direction of any Governmental Entity, the Vendor and its Affiliates and their respective representatives may disclose such Confidential Information to or at the direction of such Governmental Entity only after first notifying the Purchaser in writing of such disclosure and, upon the request of the Purchaser, after using its commercially reasonable efforts (at the Purchaser's expense) to obtain assurances that confidential treatment will be accorded to such information.

Section 10.4 Third Party Beneficiaries.

Except as otherwise provided in this Agreement, (i) the Vendor, the U.S. Vendor and the Purchaser intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties and (ii) no Person, other than the Parties, is entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum. The Parties reserve their right to vary or rescind the rights at any time and in any way whatsoever, if any, granted by or under this Agreement to any Person who is not a Party, without notice to or consent of that Person.

Section 10.5 No Liability; Monitor Holding Deposit.

The Purchaser and the Vendor acknowledge and agree that the Monitor, acting in its capacity as the Monitor of the Vendor in connection with the CCAA Proceedings and the consummation of the Transactions, 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 whatsoever (including, without limitation, in connection with the receipt, holding or distribution of the Cash Portion of the Purchase Price, including the Deposit or any portion thereof), other than for its gross negligence, willful misconduct, or in circumstances involving fraud. If, at any time, there shall exist, in the sole and absolute discretion of the Monitor, any dispute between the Vendor and the Purchaser with respect to the holding or disposition of the Cash Portion of the Purchase Price, including the Deposit or any portion thereof or with respect to the Monitor's actions with respect to its obligations hereunder, 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 Laws or otherwise at the sole and absolute discretion of the Monitor, pay the Cash Portion of the Purchase Price, including the Deposit or any portion thereof into the Court for holding and disposition in accordance with the instructions of the Court, or (ii) hold the Cash Portion of the Purchase Price, including the Deposit or any portion thereof and not make any disbursement thereof until: (a) the Monitor receives a written direction signed by the Vendor and the Purchaser directing the Monitor to disburse the Cash Portion of the Purchase Price, including the Deposit or any portion thereof in the manner provided for in such direction, or (b) 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 the cash portion of the Purchase Price, including the Deposit or any portion thereof in the manner provided for in the Court Order.

Section 10.6 Maintenance of Books and Records.

The Purchaser shall use commercially reasonable efforts to preserve and keep the Books and Records existing as of the Closing Date for a period of six years after Closing. The Purchaser shall, at the reasonable request of the Vendor, the Monitor or their respective representatives, and at such requesting party's sole expense, make such Books and Records, as well as electronic copies of such Books and Records (to the extent reasonably feasible), available to the Vendor, the Monitor and their respective representatives and permit any of the foregoing Persons to make electronic copies of such Books and Records relating to the period prior to the Closing.

Section 10.7 Expenses.

Except as otherwise expressly provided in this Agreement, each Party will pay for its own costs and expenses (including the fees and expenses of legal counsel, accountants and other advisors) incurred in connection with this Agreement or any Ancillary Agreements and the Transactions contemplated by them.

Section 10.8 Amendments.

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Vendor and the Purchaser.

Section 10.9 Waiver.

No waiver of any of the provisions of this Agreement or any Ancillary Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's acceptance of any certificate delivered on Closing or failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

Section 10.10 Entire Agreement.

This Agreement together with the Ancillary Agreements, (i) constitutes the entire agreement between the Parties; (ii) supersedes all prior agreements or discussions of the Parties; and (iii) sets forth the complete and exclusive agreement between the Parties, in all cases, with respect to the subject matter herein.

Section 10.11 Successors and Assigns.

- (1) Upon execution of the Agreement by the Parties, it will be binding upon and enure to the benefit of the Vendor, the U.S. Vendor, the Purchaser and their respective successors and permitted assigns.
- (2) Except as provided in this Section 10.11, neither this Agreement nor any of the rights or obligations under this Agreement may be assigned or transferred, in whole or in part, by any Party without the prior written consent of the other Party.
- (3) Upon prior written notice to the Vendor and the Monitor not less than 5 days prior to Closing, the Purchaser shall be permitted to assign all or any portion of its rights or obligations hereunder to one or more of its Affiliates, including its right to acquire some or all of the Purchased Assets (including, without limitation, the Equity Interests of the Vendor in the Purchased Subsidiaries); provided, however, that no such assignment shall relieve the Purchaser of any of its obligations or liabilities pursuant to this Agreement or any of the Ancillary Agreements. The Purchaser will work with the Monitor in advance of Closing to structure the Transactions (including the designee(s) of the Purchaser that will acquire the Purchased Assets) in a tax-efficient manner for the Purchaser.
- (4) After the Closing, the Purchaser shall be permitted to assign its rights or obligations hereunder to any other Person.

Section 10.12 Severability.

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 10.13 Governing Law.

- (1) This Agreement is governed by and will be interpreted and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (2) Each Party irrevocably attorns and submits to the exclusive jurisdiction of the Court and waives objection to the venue of any proceeding in such court or that such court provides an inappropriate forum.


Section 10.14 Counterparts.

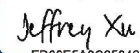
This Agreement may be executed (including by DocuSign or other electronic means) in any number of counterparts, each of which (including any electronic transmission of an executed signature page), is deemed to be an original, and such counterparts together constitute one and the same instrument.

[Remainder of page intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF the Parties have executed this Asset Purchase Agreement.

ALMEX CANADA, LIMITED

By: DocuSigned by:

FD8B442F50A5D437...
Name: Vincent Javerzac
Title: Authorized Signatory

By: DocuSigned by:

FD8055A8C050428...
Name: Zhihui Xu
Title: CFO

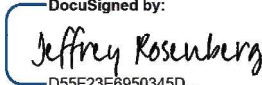
IN WITNESS WHEREOF the Parties have executed this Asset Purchase Agreement.

ALMEX CANADA, LIMITED

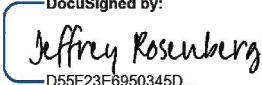
By: _____
Name: Vincent Javerzac
Title: Authorized Signatory

By: _____
Name: Zhihmi Xu
Title: CFO

SHAW-ALMEX INDUSTRIES LIMITED, by FTI Consulting Canada Inc., solely in its capacity as Monitor of Shaw-Almex Industries Limited and not in Its personal capacity

By:  _____
Authorized Signing Officer

SHAW ALMEX FUSION, LLC, by FTI Consulting Canada Inc., solely in its capacity as Monitor of Shaw Almex Fusion, LLC and not in Its personal capacity

By:  _____
Authorized Signing Officer

Schedule 2.1
Permitted Liens

1. Registrations under the *Personal Property Security Act* (Ontario) securing obligations in respect of the Assumed Leased Personal Property.
2. Instrument GB150957, registered January 7, 2022, being a Notice of Security Interest registered against the Parry Sound Real Property in favour of CWB National Leasing Inc. in the amount of \$159,754.16.
3. The matters disclosed by Plan PSR-1703 registered on August 15, 1969.
4. The matters disclosed by Plan 42R-3284 registered on June 4, 1973.

Schedule 2.1(c)
Assumed Leased Real Property

The leased premises located at the following locations:

1. 323 Glover Road, Stoney Creek, Ontario
2. 743 Barton Street, Unit 3, Stoney Creek, Ontario

Schedule 2.1(d)
Assumed Leased Personal Property

The following personal property leased by the Vendor:

1. 2017 Ford Explorer (VIN: 1FM5K8GT5HGA71711) leased from Newport Leasing Ltd.
2. 2017 Ford Expedition (VIN: 1FMJK2AT1HEA67316) leased from Newport Leasing Ltd.
3. 2018 Jeep Grand Cherokee (VIN: 1C4RJFAG5JC405077) leased from Newport Leasing Ltd.
4. 2017 Ram 1500 Sport (VIN: 1C6RR7MT3HS501594) leased from Newport Leasing Ltd.
5. 2019 Ram 1500 Crew Cab (VIN: 1C6RR7KM4KS719465) leased from Newport Leasing Ltd.
6. 2018 Ram 1500 Crew Cab 4X4 (VIN: 1C6RR7TM9JS286139) leased from Newport Leasing Ltd.
7. 2018 Ram 1500 (VIN: 1C6RR7FG3JS276065) leased from Newport Leasing Ltd.
8. Equipment leased from Toyota Industries Commercial Finance Canada, Inc.
9. Equipment leased from Hewlett-Packard Financial Services Canada Company pursuant to Master Lease and Financing Agreement Number 5225920844
10. Equipment leased from CWB National Leasing Inc. pursuant to lease schedule number 3058933, which lease schedule is attached to and forms part of master lease agreement number 50385808
11. Equipment leased from CWB National Leasing Inc. pursuant to lease agreement number 3064109
12. 2018 Heli Forklift Truck CPYD50-TY5-H (VIN: 010509P9140) leased from CWB National Leasing Inc. pursuant to lease agreement number 2916523

Schedule 2.1(e)
Owned Real Property

The owned real property at the following locations:

1. 15 & 17 Shaw Almex Drive, Parry Sound, Ontario (the Parry Sound Property)

PIN: 52183-0395 (LT)

Legal Description: PT LT 144 CON B FOLEY PT 1 PSR1703, PT 1 42R3284 & AS
IN RO37034; SEGUIN

Schedule 2.1(f)
Assumed Contracts

1. Non-Disclosure Agreement (as defined in the Agreement)

Schedule 2.1(i)
Intellectual Property**VENDOR****Unregistered Marks***(i) Word Marks*

1. ALMEX
3. ALMEX INSTITUTE
4. ALMEX LIGHTWEIGHT
5. BAT TOOLS
6. BELTGARD
7. EMSYS
8. FUSION SYSTEMS
9. SHAW ALMEX
10. VOTECH

(ii) Logos

1.	ALEMEX GROUP	
2.	ALMEX & Design	
4.	ALMEX INSTITUTE & Design	
5.	ALMEX LIGHTWEIGHT & Design	
6.	ALMEX OEM SERVICE PLAN & Design	
7.	BAT & Design	
8.	EMSYS Design	
9.	FUSION SYSTEMS Design	

10.	VOTECH & Design	
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Patents

No.	Patent	Status
1.	DEVICE AND METHOD FOR THE STRUCTURAL MONITORING OF AN OBJECT	Expired App. PCTEP2023078948 Publ. WO2024083894 Fil. 2023-10-18 Pat. - Iss. - Exp. 2025-03-18* Pr. DE102022127728 Pr. Dt. 2022-10-20
2.	Device and method for structural monitoring of an object	Pending App. DE102022127728 Publ. DE102022127728 Fil. 2022-10-20 Pat. - Iss. - Exp. 2042-10-20 Pr. - Pr. Dt. -
3.	DEVICE AND METHOD FOR THE STRUCTURAL MONITORING OF AN OBJECT	Expired App. PCTEP2023078957 Publ. WO2024083900 Fil. 2023-10-18 Pat. - Iss. -
		Exp. 2025-03-18* Pr. DE102022127737 Pr. Dt. 2022-10-20
4.	System and procedure for structural monitoring of an object	Pending App. DE102022127737 Publ. DE102022127737 Fil. 2022-10-20 Pat. - Iss. - Exp. 2042-10-20 Pr. - Pr. Dt. -

5.	A CLAMP ASSEMBLY FOR A CONVEYOR BELT	Pending App. ZA202210285 Publ. ZA202210285 Fil. 2021-09-17 Pat. - Iss. - Exp. 2041-09-17 Pr. - Pr. Dt. -
6.	Cross beam piece assembly, cross beam and vulcanizing machine pressure-bearing fixing frame	In force App. CN201921321692 Fil. 2019-08-15 Pat. CN210732963U Iss. 2020-06-12 Exp. 2029-08-15 Pr. - Pr. Dt. -
7.	Advanced component-based conveyor belt splicer	In force App. AU2016322039 Publ. AU2016322039 Fil. 2016-09-19 Pat. AU2016322039 Iss. 2021-06-24 Exp. 2036-09-19 Pr. GB1516626 Pr. Dt. 2015-09-18
8.	Advanced component based conveyor belt splicer	In force App. AU2020239703 Publ. AU2020239703 Fil. 2020-09-23 Pat. AU2020239703 Iss. 2022-11-17 Exp. 2036-09-19 Pr. GB1516626 Pr. Dt. 2015-09-18
9.	Advanced component based conveyor belt splicer	In force App. AU2021236550 Publ. AU2021236550 Fil. 2021-09-24 Pat. AU2021236550 Iss. 2022-05-02 Exp. 2036-09-19 Pr. GB1516626 Pr. Dt. 2015-09-18

10.	Advanced component based conveyor belt splicer	Pending App. AU2024205476 Publ. AU2024205476 Fil. 2024-08-02 Pat. - Iss. - Exp. 2036-09-19 Pr. GB1516626 Pr. Dt. 2015-09-18
11.	ADVANCED COMPONENT BASED CONVEYOR BELT SPLICER	In force App. CN201680054255 Publ. CN108027013 Fil. 2016-09-19 Pat. CN108027013 Iss. 2021-03-05 Exp. 2036-09-19 Pr. GB1516626 Pr. Dt. 2015-09-18
12.	ADVANCED COMPONENT BASED CONVEYOR BELT SPLICER	In force App. CN202110158343 Publ. CN112984051 Fil. 2016-09-19 Pat. CN112984051 Iss. 2023-02-03 Exp. 2036-09-19 Pr. GB1516626 Pr. Dt. 2015-09-18
13.	ADVANCED COMPONENT BASED CONVEYOR BELT SPLICER	In force App. CN202110158478 Publ. CN112984052 Fil. 2016-09-19 Pat. CN112984052 Iss. 2023-02-03 Exp. 2036-09-19 Pr. GB1516626 Pr. Dt. 2015-09-18
14.	ADVANCED COMPONENT BASED CONVEYOR BELT SPLICER	In force App. CN202110158486 Publ. CN112984053 Fil. 2016-09-19 Pat. CN112984053 Iss. 2023-02-03 Exp. 2036-09-19 Pr. GB1516626 Pr. Dt. 2015-09-18

15.	Conveyor belt splicer based on advanced components	In force App. CL201800709 Publ. CL201800709 Fil. 2016-09-19 Pat. CL68625 Iss. 2024-03-13 Exp. 2036-09-19 Pr. GB1516626 Pr. Dt. 2015-09-18
16.	ADVANCED COMPONENT BASED CONVEYOR BELT SPLICER	Pending App. EP16845434 Publ. EP3350475 Fil. 2016-09-19 Pat. - Iss. - Exp. 2036-09-19 Pr. GB1516626 Pr. Dt. 2015-09-18
17.	ADVANCED COMPONENT BASED CONVEYOR BELT SPLICER	Pending App. EP24215951 Publ. EP4553339 Fil. 2016-09-19 Pat. - Iss. - Exp. 2036-09-19 Pr. GB1516626 Pr. Dt. 2015-09-18
18.	Air-cooled belt splicer	In force* App. AU2014256797 Publ. AU2014256797 Fil. 2014-04-28 Pat. AU2014256797 Iss. 2018-03-29 Exp. 2034-04-28* Pr. GB1307592 Pr. Dt. 2013-04-26
19.	Air-cooled belt splicer	In force App. CN201480023525 Publ. CN105209782 Fil. 2014-04-28 Pat. CN105209782 Iss. 2017-07-25 Exp. 2034-04-28 Pr. GB1307592 Pr. Dt. 2013-04-26

20.	AIR-COOLED BELT SPLICER	In force* App. IN10171DELNP2015 Publ. IN10171DELNP2015 Fil. 2014-04-28 Pat. IN438872 Iss. 2023-07-21 Exp. 2034-04-28* Pr. GB1307592 Pr. Dt. 2013-04-26
21.	Tension link for a belt splicer	In force* App. AU2012239799 Publ. AU2012239799 Fil. 2012-04-04 Pat. AU2012239799 Iss. 2017-02-02 Exp. 2032-04-04* Pr. GB1105764 Pr. Dt. 2011-04-04
22.	TENSION LINK FOR A BELT SPLICER	In force* App. AU2017202932 Publ. AU2017202932 Fil. 2017-05-02 Pat. AU2017202932 Iss. 2019-04-18 Exp. 2032-04-04* Pr. GB1105764 Pr. Dt. 2011-04-04
23.	Pull rod for belt splicer	In force App. CN201711156668 Publ. CN107932975 Fil. 2012-04-04 Pat. CN107932975 Iss. 2020-02-28 Exp. 2032-04-04 Pr. GB1105764 Pr. Dt. 2011-04-04
24.	A coupling assembly for belt splicer machine which is a bar with an elastic means, that is fixed between the profiles of the upper and lower structure of the machine, wherein the coupling includes a plastic shell encasing the components.	In force App. CL2013002859 Publ. CL2013002859 Fil. 2012-04-04 Pat. CL56199 Iss. 2018-06-27 Exp. 2032-04-04 Pr. GB1105764 Pr. Dt. 2011-04-04
25.	Belt splicer	In force App. US15804470 Publ. US20180119774

		Fil. 2012-04-04 Pat. US10724601 Iss. 2020-07-28 Exp. 2032-04-08* Pr. GB1105764 Pr. Dt. 2011-04-04
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Domain Names

The following domain names and all rights, title, and interest therein (including all registrations, renewals, and extensions), together with:

- the websites hosted at such domain names;
- all content, data, and materials displayed on or accessible through those websites, including text, images, audio, video, software, databases, and user-generated content;
- all underlying source code, object code, scripts, and software used to operate or support such websites;
- all accounts, analytics, and related data or metadata associated with the domain names or websites (including Google Analytics, search engine accounts, and webmaster tools); and

1. all social media handles linked to the websitesalmex.com
2. almexgroup.com
3. almexconnect.com
4. almexconnect.ca
5. almexdownload.com
6. fusionsystemscorp.com
7. dynamicgantt.com
8. ruggedizedandroidtablet.ca
9. industrialandroidtablet.ca
10. almex.online
11. alomex-online.info
12. fusionclubpoints.com
13. almex.asia
14. shawalmex.eu
15. fonmar.com
16. almex.com.cn
17. almexgroup.net
18. fonmar.com.cn

Know-How

All know-how and trade secrets used in the Business, including without limitation, the following:



1. Confidential technical data, specifications, and manuals;
2. Business strategies, sales, and marketing plans;
3. Customer and supplier contacts and arrangements;
4. Software, databases, and IT infrastructure containing proprietary data; and
5. Training materials and employee manuals containing proprietary information.

SHAW ALMEX MINE EQUIP. (TIANJUN) CO. LTD.**Patents**

No.	Patent	Status
1.	Safety protection device for conveying belt	Pending App. CN202111238235 Publ. CN113753527 Fil. 2021-10-25 Pat. - Iss. - Exp. 2041-10-25 Pr. - Pr. Dt. -
2.	Integral type cross beam, cross beam support and cross beam pressure-bearing fixing frame system	Pending App. CN202111228829 Publ. CN113799400 Fil. 2021-10-21 Pat. - Iss. - Exp. 2041-10-21 Pr. - Pr. Dt. -
3.	Mining explosion-proof vulcanizing machine control box	In force App. CN202022286729 Fil. 2020-10-14 Pat. CN212463782U Iss. 2021-02-02 Exp. 2030-10-14 Pr. - Pr. Dt. -
4.	Novel explosion-proof bolt	In force App. CN202022286730 Fil. 2020-10-14 Pat. CN212908399U Iss. 2021-04-06 Exp. 2030-10-14 Pr. - Pr. Dt. -
5.	Novel anti-explosion vulcanizing machine	In force App. CN202022288513 Fil. 2020-10-14 Pat. CN213829928U Iss. 2021-07-30 Exp. 2030-10-14 Pr. -

		Pr. Dt. -
6.	Light cross beam	In force App. CN202022286583 Fil. 2020-10-14 Pat. CN214082383U Iss. 2021-08-31 Exp. 2030-10-14 Pr. - Pr. Dt. -
7.	Light vulcanized plate easy to carry	In force App. CN202022287840 Fil. 2020-10-14 Pat. CN214353635U Iss. 2021-10-08 Exp. 2030-10-14 Pr. - Pr. Dt. -

Industrial Designs

No.	Design	Status
8.	Crossbeam 	Registered App. CN202330626987 Fil. 2023-09-25 Des. CN308561614S Reg. 2024-04-05 Exp. 2038-09-25 Pr. - Pr. Dt. -
9.	Cooling plates for water channels 	Registered App. CN202330625624 Fil. 2023-09-25 Des. CN308607154S Reg. 2024-04-26 Exp. 2038-09-25 Pr. - Pr. Dt. -

Schedule 2.2(f)
Excluded Assets

This schedule is subject to modification in accordance with Section 2.6 of the Agreement.

Schedule 5.1(10)(b)
Outstanding Work Orders

- Continuous Safety Services Report dated Jun 19, 2025 issued with respect to 17 Shaw Almex Drive, Seguin, ON outlining certain electrical deficiencies.

**SCHEDULE “B”
FORM OF MONITOR’S CERTIFICATE**

Court File No. CV-25-00743136-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES’ CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SHAW-ALMEX INDUSTRIES
LIMITED AND SHAW ALMEX FUSION, LLC

MONITOR’S CERTIFICATE

RECITALS

1. Pursuant to the Initial Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated May 13, 2025, Shaw-Almex Industries Limited (the “**Vendor**”) and Shaw Almex Fusion, LLC (the “**U.S. Vendor**” and, together with the Vendor, the “**Vendors**” or the “**Applicants**”) were granted protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and FTI Consulting Canada Inc. was appointed as the monitor of the Applicants (the “**Monitor**”).
2. Pursuant to an Approval and Vesting Order (the “**Order**”) of the Court dated July 18, 2025, the Court *inter alia*, approved the Asset Purchase Agreement dated July 10, 2025 (including the exhibits and schedules attached thereto, the “**Purchase Agreement**”) between the Vendors and Almex Canada, Limited (“**Almex Canada**”) and provided for the vesting in Almex Canada or one or more designee(s) of Almex Canada as designated pursuant to the Purchase Agreement and listed

on this Monitor's Certificate (in each case, the "**Purchaser**") of all of (a) the Vendor's right, title and interest in and to the Purchased Assets, and (b) the U.S. Vendor's right, title and interest in and to the Purchased Business Name, upon the delivery of this Monitor's Certificate confirming (i) the payment by the Purchaser of the Purchase Price; (ii) that the conditions to Closing as set out in the Purchase Agreement have been satisfied or waived by the Parties in accordance with the Purchase Agreement; and (iii) the Transactions have been completed to the satisfaction of the Monitor.

3. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Order or Purchase Agreement, as applicable.

THE MONITOR HEREBY CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price payable on the Closing Date pursuant to the Purchase Agreement.
2. The conditions to Closing as set out in the Purchase Agreement have been satisfied or waived by the Parties in accordance with the Purchase Agreement.
3. The Transactions have been completed to the satisfaction of the Monitor.
4. The following Persons, as designated by the Purchaser pursuant to the Purchase Agreement, shall be the Purchaser for all purposes of the Order and the Purchase Agreement with respect to the particular Purchased Assets or Purchased Business Name listed opposite their name:

[Insert list of Purchaser(s) and the particular Purchased Assets or Purchased Business Name acquired.]

5. The Effective Time is deemed to have occurred at the date and time set forth immediately below.

This Monitor's Certificate was delivered by the Monitor at _____ on _____, 2025.

**FTI CONSULTING CANADA INC., solely in
its capacity as Monitor of the Applicants, and
not in its personal capacity**

SCHEDULE “C”
CLAIMS AND ENCUMBRANCES

Claims and Encumbrances Registered under the *Personal Property Security Act* (Ontario)

	Reference File No.	Registration No.	Secured Party
1.	794058615	20230606 1518 6005 7494	CWB National Leasing Inc.
2.	778885839	20211208 1502 1590 8347	Business Development Bank of Canada
3.	778841757	20211207 1059 1590 8028	Business Development Bank of Canada
4.	776332827	20210913 1538 6083 3376	VFI KR SPE I LLC
5.	773638299	20210618 1837 6005 3043	CWB National Leasing Inc.
6.	761750118	20200506 1047 1590 3034	BDC Capital Inc.
7.	683016111	20121121 1051 1862 2713	HSBC Bank Canada
8.	683016129	20121121 1051 1862 2714	HSBC Bank Canada
9.	683016138	20121121 1051 1862 2715	HSBC Bank Canada

Registered Encumbrances and Executions in respect of the Parry Sound Property and/or the Vendor

1. Instrument GB150129, registered January 7, 2022, being a Charge from Shaw-Almex Industries Limited in favour of Business Development Bank of Canada in the principal amount of \$2,000,000.
2. Instrument GB150130, registered January 7, 2022, being a Notice of Assignment of Rents-General from Shaw-Almex Industries Limited in favour of Business Development Bank of Canada with respect to Charge GB150129.
3. Execution issued January 13, 2025 and effective January 14, 2025 – Creditor: Anixter Canada Inc. – Judgment: \$36,450.43 (Interest at 6% from December 31, 2024), plus costs of \$262.00 (Interest at 6% from December 31, 2024) – Expiry January 13, 2031.
4. Execution issued January 14, 2025 and effective January 24, 2025 – Creditor: Morton Metals (A Division of 1124178 Ontario Inc.) – Judgment: \$116,597.63 (Interest at 6% from December 17, 2024), plus costs of \$1,313.45 (Interest at 6% from December 17, 2024) – Expiry January 13, 2031.
5. Execution issued February 11, 2025 and effective February 12, 2025 – Creditor: Sew-Eurodrive Company of Canada Ltd.. – Judgment: \$305,828.51 (Interest at 5% from January 16, 2025), plus costs of \$1,270.00 (Interest at 5% from January 16, 2025) – Expiry February 10, 2031.

**SCHEDULE “D”
PARRY SOUND REAL PROPERTY**

Description of Parry Sound Property

PIN: 52183-0395 (LT)
Legal Description: PT LT 144 CON B FOLEY PT 1 PSR1703, PT 1 42R3284 & AS IN
RO37034; SEGUIN

Claims and Encumbrances to be Deleted and Expunged from Title to the Parry Sound Property

1. Instrument GB150129, registered January 7, 2022, being a Charge from Shaw-Almex Industries Limited in favour of Business Development Bank of Canada in the principal amount of \$2,000,000.
2. Instrument GB150130, registered January 7, 2022, being a Notice of Assignment of Rents-General from Shaw-Almex Industries Limited in favour of Business Development Bank of Canada with respect to Charge GB150129.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED

Court File No: CV-25-00743136-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SHAW-ALMEX INDUSTRIES LIMITED AND SHAW ALMEX FUSION, LLC

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER

RECONSTRUCT LLP

80 Richmond Street West, Suite 1700
Toronto, ON M5H 2A4

R. Brendan Bissell LSO No. 40354V

bbissell@reconllp.com

Tel: 416.613.0066

Caitlin Fell LSO No. 60091H

cfell@reconllp.com

Tel: 416.613.8282

Jessica Wuthmann LSO No. 72442W

jwuthmann@reconllp.com

Tel: 416.613.8288

Simran Joshi LSO No. 89775A

sjoshi@reconllp.com

Tel: 416.613.6589

Lawyers for the Applicants



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00743136-00CL

DATE: July 18, 2025

NO. ON LIST: 2

TITLE OF PROCEEDING: In the Matter of the Companies Creditors Arrangement of Shaw-Almex Industries Limited et al

BEFORE: MADAM JUSTICE J. DIETRICH

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Brendan Bissell Simran Joshi	Counsels for Applicants Shaw-Almex Industries Limited et al	bbisell@reconllp.com sjoshi@reconllp.com

For Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Nicholas Avis Maria Konyukhova	Counsel for Monitor	NAvis@stikeman.com mkonyukhova@stikeman.com

For Other, Party:

Name of Person Appearing	Name of Party	Contact Info
Cristina Fulp Bruce Darlington	Counsel for BDC Capital Inc.	Cristina.fulop@ca.dlapiper.com bruce.darlington@ca.dlapiper.com
Steven Kelly	Counsel for Business Development Bank of Canada	skelly@blaney.com

For Other, Party:

Name of Person Appearing	Name of Party	Contact Info
Jason Wadden Maria Naimark	Counsel to Timothy Shaw	jwadden@tyrllp.com mnaimark@tyrllp.com
Kristina Adhikari	Counsel for USW	kadhikari@usw.ca
Robert Kennedy	Counsel for DIP Lender	Robert.kennedy@dentons.com
Bradley Wiffen	Counsel for Almex Canada, Limited	bwiffen@goodmans.ca

ENDORSEMENT OF JUSTICE J. DIETRICH:**Introduction**

- [1] The Applicants seek two orders.
- [2] First, an approval and vesting order (the “**AVO**”) is sought: (i) approving the Asset Purchase Agreement dated as of July 10, 2025 (the “**Asset Purchase Agreement**”) between, the Applicants and Almex Canada, Limited (the “**Purchaser**”) and the transaction contemplated thereby (the “**Transaction**”); (ii) declaring that Timothy Shaw or Pamela Shaw have no interest in the Intellectual Property as defined in the Asset Purchase Agreement; and (iii) sealing Confidential Exhibit "1" to the Affidavit of Andrew Hustrulid sworn July 14, 2025 (the “**Confidential Exhibit**”) and the Confidential Supplement to the Third Report of the Monitor (the “**Confidential Supplement**”) until further order of the Court.
- [3] Second, an order (the “**Ancillary Order**”) is sought: (i) approving an amended DIP Facility in the maximum principal amount of \$4,641,000 and increasing the DIP Lender’s Charge accordingly; (ii) extending the Stay of Proceedings up to and including September 5, 2025; (iii) approving the First Report dated May 27, 2025 of FTI Consulting Canada Inc. (“**FTI**”) in its capacity as court-appointed monitor (the “**Monitor**”) of the Applicants, the Supplement to the First Report of the Monitor dated May 28, 2025, the Second Report of the Monitor dated June 27, 2025 and the Third Report of the Monitor dated July 16, 2025 (collectively, the “**Reports**”) and the activities of the Monitor and its counsel in the Reports; and (iv) approving the fees and disbursements of the Monitor and its legal counsel (the “**Professional Fees**”), as described in the fee affidavits appended to the Monitor's Third Report.
- [4] No opposition was raised to any of the requested relief by any person.

- [5] Terms used but not otherwise defined herein have the meaning provided to them in the factum of the Applicants filed on this motion.

Background

- [6] On March 29, 2025, SAIL filed a notice of intention to make a proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended. FTI consented to act as the proposal trustee of SAIL's estate.
- [7] On May 13, 2025, I granted an Initial Order which, among other things: (a) continued the NOI proceeding commenced by SAIL under the purview of the CCAA and granted Shaw Almex Fusion, LLC protection under the CCAA; (b) appointed FTI as the Monitor of the Applicants with enhanced powers; (c) granted a stay of all proceedings until May 30, 2025; (d) authorized the Applicants to borrow up to a maximum principal amount of \$1,836,000 under a facility (the "**DIP Facility**") from Royal Bank of Canada in its capacity as DIP Lender; and (e) granted an administration charge and a DIP Lender's Charge over the Property.
- [8] Further background on the proceedings was provided in my endorsement of May 13, 2025. On May 13, 2025, I also granted an order approving a sale and investment solicitation process (the "**SISP Approval Order**").
- [9] Most recently, on June 27, 2025, I approved an increase in the DIP Facility and an extension of the Stay of Proceedings until today.
- [10] The SISP has now run its course and the Applicants have entered into the Asset Purchase Agreement. If approved, the Transaction is contemplated to close August 12, 2025. The amendment to the DIP Facility for which approval is sought is intended to support the Applicants through to the extended target closing date.

Issues

- [11] The issues to be determined today are:
- a. Should the Asset Purchase Agreement and the Transaction be approved;
 - b. Is the declaration that Timothy Shaw and Pamela Shaw have no interest in the Intellectual Property appropriate;
 - c. Should the Confidential Exhibit and the Confidential Supplement be subject to a limited sealing order;
 - d. Should the DIP Facility be further amended with a corresponding increase to the DIP Lender's Charge;
 - e. Should the Stay Period be Extended; Should the Reports and the activities of the Monitor as set out therein be approved; and

f. Should the Professional Fees be approved?

Analysis

Approval of Asset Purchase Agreement and the Transaction

- [12] Pursuant to s. 36 of the CCAA, the Court has the jurisdiction to approve a sale transaction within the context of CCAA proceedings. Subsection 36(3) sets out the following factors for the Court to consider when determining whether to authorize a sale of assets by a debtor company in a CCAA proceeding: (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances; (b) whether the monitor approved the process leading to the proposed sale or disposition; (c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy; (d) the extent to which the creditors were consulted; (f) the effects of the proposed sale or disposition on the creditors and other interested parties; and (g) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.
- [13] As set out in *Re Canwest Publishing Inc./Publications Canwest Inc.*, 2010 ONSC 2870 at para. 13. The criteria enumerated in s. 36(3) of the CCAA largely overlap with the traditional common law criteria established in *Royal Bank of Canada v Soundair Corp.*, 1991 ONCA 2727 [*Soundair*] at para. 16 for approval of a sale of assets in an insolvency scenario and those principles remain relevant when considering the statutory test, as follows: (a) whether the Court-appointed officer has made sufficient effort to get the best price and has not acted improvidently; (b) the interest of all parties; (c) the efficacy and integrity of the process by which the offers are obtained; and (d) whether there has been unfairness in the working out of the process.
- [14] In considering the above criteria, it is appropriate to approve the Transaction in the present circumstances. The SISP was developed with significant input from the Monitor and was administered by the Court-appointed Monitor. The evidence is that the Monitor administered the SISP in accordance with the terms of the SISP Approval Order in an even-handed and fair manner. Diligent and comprehensive efforts to obtain the highest and best price available in the circumstances were made. The process was designed to canvass a wide range of potential transaction structures, including a sale of, or investment in, the Business. To ensure broad market exposure, the Monitor prepared a detailed solicitation letter outlining the acquisition opportunity in respect of the Business and the Property, which was distributed to approximately 147 known and credible prospective purchasers and investors.
- [15] The purchase price as contemplated in the Asset Purchase Agreement is superior to the other bids that were submitted in the course of the SISP. The Transaction provides material value for the Applicants' creditors and permits the Business to continue under a new entity that will preserve employment for most of the Applicants' employees, provide

continued services to its customers, provide for the continuation of the Assumed Contracts, and maintain ongoing revenue for the Applicants' critical vendors.

- [16] The Monitor is of the view that the Transaction presents the best possible outcome for the stakeholders in the circumstances. The Monitor also is of the view that a bankruptcy and/or liquidation would be a suboptimal outcome as compared to the Transaction because the Applicants' secured creditors will likely recover significantly less proceeds in a liquidation, employees would be terminated, and customers and vendors would suffer losses.
- [17] There is no opposition to the Transaction and is supported by the DIP Lender.
- [18] The requested AVO contains a provision (the **"Waiver Provision"**) that provides that any Person that is a party any Agreement (a) that constitutes a Purchased Asset or Purchased Business Name and is transferred to the Purchaser at Closing (an **"Assigned Agreement"**), or (b) to which any Purchased Subsidiary is a party as of Closing is forever barred from exercising any right or remedy under such Agreement by reason of the insolvency of the Applicants, the commencement of the CCAA proceedings or NOI proceedings, the completion of the Transaction, any assignment or change of control occurring in connection with the Transaction, and any default under such Agreement that is not continuing after Closing.
- [19] As it relates to Assigned Agreements, relief in the nature of the Waiver Provision is consistent with precedent and is commonly granted in assignment and approval and vesting orders in CCAA proceedings (see the various cases referenced at para 39 of the Applicants' factum). The Waiver Provision in relation to the Purchased Subsidiary Agreements is particularly important in the circumstances of this case, where the Purchaser is agreeing to purchase the shares of foreign subsidiaries without the benefit of local insolvency or recognition proceedings. There is precedent in the context of corporate restructurings for the Court to grant relief similar to the Waiver Provision to protect and preserve the value of contracts held by non applicants (see references at para 42-43 of the Applicants' factum). In the circumstances I am satisfied that the provision is appropriate under s. 11 of the CCAA.

Declaration re Intellectual Property

- [20] The Applicants seek a declaration that neither Timothy Shaw nor Pamela Shaw, has any interest in or to the Intellectual Property. This relief is being sought at the request of the Purchaser and as a condition to the completion of the Transaction. The Applicants' Business operations are fundamentally reliant on the use of their Intellectual Property, which include various registered and unregistered wordmarks, trademarks, and other proprietary assets under which the Applicants conduct their commercial activities. It is essential to the Purchaser that it obtain unambiguous, exclusive, and unencumbered rights to the Applicants' Intellectual Property.

- [21] In *S.A. v. Metro Vancouver Housing Corp.* 2019 SCC 4 (CanLII), [2019] 1 SCR 99 at para. 60., the Supreme Court of Canada summarized the legal test for the granting of declaratory relief: “Declaratory relief is granted by the courts on a discretionary basis, and may be appropriate where (a) the court has jurisdiction to hear the issue, (b) the dispute is real and not theoretical, (c) the party raising the issue has a genuine interest in its resolution, and (d) the responding party has an interest in opposing the declaration being sought.”
- [22] In my view these criteria are met in this case. The Court has the jurisdiction under s. 11 of the CCAA, on notice to any other person or without notice as it may see fit, to make any order that it considers appropriate in the circumstances. Further, under s. 97 of the *Courts of Justice Act* the Court has the jurisdiction to make binding declarations of right, whether or not any consequential relief is or could be claimed. The need for declaratory relief in relation to the Applicants’ Intellectual Property is a real and important issue given the terms of the Asset Purchase Agreement and the concerns expressed by FTI, in its capacity as proposal trustee and subsequently as Monitor, that Mr. Shaw may be currently using, or intends to use, the Applicants’ Intellectual Property in connection with a competing business. The Applicants, the Monitor and the Purchaser have a genuine interest in confirming the Applicants’ ownership of the Intellectual Property to the exclusion of Mr. and Mrs. Shaw. The value that the Purchaser is prepared to pay for the Applicants’ Business and assets are heavily dependent on the Applicants’ Intellectual Property. The Applicants do not believe, and there is no evidence, that Mr. Shaw or Mrs. Shaw have any legal, economic or beneficial interest in the Intellectual Property listed on the Intellectual Property Schedule. Counsel for Mr. Shaw confirmed that he does not oppose the requested relief. Although served, Mrs. Shaw did not appear or take a position.
- [23] Accordingly, I find that the requested declaration is appropriate in the circumstances.

Limited Sealing Order

- [24] The limited sealing order being sought is necessary to preserve the Applicants and Monitor's ability to maximize the value of the Applicants' assets. I am satisfied that the requested sealing order for the Confidential Exhibit and the Confidential Supplement meets the test in *Sherman Estate v. Donovan* 2021 SCC 25 at para 38 and that disclosure of this information would pose a risk to the public interest in enabling stakeholders of a company in insolvency proceedings to maximize the realization of assets. The Monitor has undertaken to bring a motion to lift the sealing on the occurrence of certain events as set out in the Confidential Supplement. I direct counsel for the Applicant and the Monitor to file a hard copy of the respective confidential material with the Commercial List Office in a sealed envelope with a copy of the relevant order and this endorsement.

DIP Facility and DIP Lender's Charge

- [25] Most Recently, the Amended DIP Facility was approved up to the maximum amount of \$3,646,500. The Applicants are now requesting approval of a further amendment to the DIP Facility which extends certain milestones and increases the maximum amount to be borrowed by the Applicants to \$4,641,000 million.
- [26] Section 11.2 of the CCAA permits the Court to approve the Third Amended DIP Facility and the DIP Lender's Charge on notice to those secured creditors that would be affected and in an amount that the Court considers appropriate having regard to the Applicants' cash flow forecast.
- [27] All secured creditors who are affected by the proposed DIP Lender's Charge, including the increase thereof, have been served with a copy of the Applicants' motion record and the Revised and Extended Cash Flow Forecast Projections discussed in the Third Report show that the Applicants require access to the Third Amended DIP Facility to provide the Applicants with necessary funding to continue their Business and operations and to advance their restructuring efforts, including to a completion of the Transaction.
- [28] The Monitor supports the third amendment to the DIP Facility and the corresponding increase to the DIP Lender's Charge. No person opposes the requested increase and, in the circumstances, I am satisfied that approval of the Third Amended DIP Facility and corresponding increase to the DIP Lenders' Charge is appropriate.

Stay of Proceedings

- [29] The Applicants sought in their material to extend the Stay Period to September 5, 2025. As discussed at the hearing, the request to extend the Stay Period was adjusted to September 10, 2025. The DIP Lender confirmed that additional extension was satisfactory to the DIP Lender.
- [30] It is anticipated that the Transaction will close by August 12, 2025. Section 11.02(2) of the CCAA gives this Court the authority to grant an extension of the stay of proceedings for any period "it considers necessary". To do so, this Court must be satisfied that circumstances exist that make the order appropriate and that the Applicants have acted, and are acting, in good faith and with due diligence.
- [31] As set out in the Supplement to the Third Report, the Applicants have acted and are continuing to act in good faith and with due diligence. As confirmed at the hearing by the Monitor with respect to the extended date of September 10, 2025, the Revised and Extended Cash Flow Forecast Projections demonstrates that the Applicants are expected to have sufficient liquidity to operate through the proposed Extended Stay Period, subject to the approval of the Third Amended DIP Facility. The Applicants with the support of the Monitor are of the view that the Extended Stay Period is necessary and appropriate in the circumstances to provide the Applicants with the breathing space and operational stability

to continue preserve the Business as a going concern while maximizing value for the benefit of their stakeholders through these CCAA proceedings. I agree.

Approval of Reports

[32] The Applicants seek approval of the Reports and the activities set out therein. There are good policy and practical reasons to grant the approval of a monitor's reported activities see *Target Canada Co (Re)*, 2015 ONSC 1487, at paras 2, 22-23. The evidence is that the Monitor has carried out its duties in a reasonable and efficient manner, consistent with its powers as set out in the CCAA and in the interests of the Applicants' stakeholders generally. There are no objections to the Reports and accordingly they are approved. The draft order provides that only the Monitor may rely on such approval.

Approval of Professional Fees

[33] The Applicants also seek approval of the Professional Fees, being the fees and disbursements of the Monitor and its legal counsel as set out in the Third Report. In this respect, as the Court of Appeal for Ontario held in *Bank of Nova Scotia v Diemer* 2014 ONCA 851 at paras 33 and 45, this Court does not undertake a line-by-line analysis of the invoices. Rather, the guiding principles on fee approvals of this nature are whether the fees are fair, reasonable, and proportionate given the value of the Applicants' assets and liabilities, as well as the complexity of the Applicants' Business and the Proceeding. In considering these guiding principles, the fees of the Monitor and its counsel are appropriate and are approved.

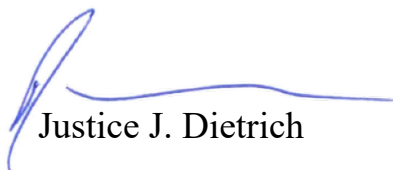
Disposition

[34] Orders to go in the form signed by me this day.

[35] A further hearing is booked before me for **60 minutes on September 10, 2025 at 10:00 am (virtual)**. It is anticipated at that hearing a further extension of the stay period will be sought along with approval to make a distribution from the proceeds of the Transaction.

[36] As well, counsel advises that the motion scheduled before me for July 21, 2025 in this matter is substantially settled, subject to certain documentation that is expected to be exchanged this afternoon. Accordingly, the hearing on Monday, July 21, 2025. is converted to a 60 minute case conference (virtual) commencing at 10:00 am.

July 18, 2025



Justice J. Dietrich

Amended as of: July 21, 2025, to reflect correct participation information.

THIS IS **EXHIBIT "C"** REFERRED TO IN THE
AFFIDAVIT OF **ANDREW HUSTRULID** SWORN REMOTELY BY **ANDREW HUSTRULID**
STATED AS BEING LOCATED IN THE CITY OF DALLAS IN THE STATE OF TEXAS
BEFORE ME AT THE CITY OF OAKVILLE, IN THE PROVINCE OF ONTARIO THIS 8TH
DAY OF SEPTEMBER 2025, IN ACCORDANCE WITH O. REG 431/20,
ADMINISTERING OATH OR DECLARATION REMOTELY

Signed by:

0D0B645B9A9E494...

A COMMISSIONER FOR TAKING AFFIDAVITS

SIMRAN JOSHI
LSO # 89775A

Court File No. CV-25-00743136-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE**

(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SHAW-ALMEX INDUSTRIES
LIMITED AND SHAW ALMEX FUSION, LLC

MONITOR'S CERTIFICATE

RECITALS

1. Pursuant to the Initial Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated May 13, 2025, Shaw-Almex Industries Limited (the “**Vendor**”) and Shaw Almex Fusion, LLC (the “**U.S. Vendor**” and, together with the Vendor, the “**Vendors**” or the “**Applicants**”) were granted protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and FTI Consulting Canada Inc. was appointed as the monitor of the Applicants (the “**Monitor**”).

2. Pursuant to an Approval and Vesting Order (the “**Order**”) of the Court dated July 18, 2025, the Court *inter alia*, approved the Asset Purchase Agreement dated July 10, 2025 (including the exhibits and schedules attached thereto, the “**Purchase Agreement**”) between the Vendors and Almex Canada, Limited (“**Almex Canada**”) and provided for the vesting in Almex Canada or one or more designee(s) of Almex Canada as designated pursuant to the Purchase Agreement and listed on this Monitor's Certificate (in each case, the “**Purchaser**”) of all of (a) the Vendor's right, title and interest in and to the Purchased Assets, and (b) the U.S. Vendor's right, title and interest in and to the Purchased Business Name, upon the delivery of this Monitor's Certificate confirming

(i) the payment by the Purchaser of the Purchase Price; (ii) that the conditions to Closing as set out in the Purchase Agreement have been satisfied or waived by the Parties in accordance with the Purchase Agreement; and (iii) the Transactions have been completed to the satisfaction of the Monitor.

3. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Order or Purchase Agreement, as applicable.

THE MONITOR HEREBY CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price payable on the Closing Date pursuant to the Purchase Agreement.

2. The conditions to Closing as set out in the Purchase Agreement have been satisfied or waived by the Parties in accordance with the Purchase Agreement.

3. The Transactions have been completed to the satisfaction of the Monitor.

4. The Purchaser has designated Almex Canada, Limited as the Purchaser for all purposes of the Order and the Purchase Agreement with respect of (a) all Purchased Assets other than the Equity Interests of the Purchased Subsidiaries listed in the table below (collectively, the “**Purchased Shares**”), and (b) the Purchased Business Name. The following Persons, as designated by the Purchaser pursuant to the Purchase Agreement, shall be the Purchaser for all purposes of the Order and the Purchase Agreement with respect to the particular Purchased Shares listed opposite their name in the table below:

Purchaser(s)	Purchased Asset or Purchased Business Name Acquired by Such Purchaser
REMA Tip Top Holding GmbH	All of the Equity Interests of the Vendor in the capital of Formar Group S.L.
REMA TIP TOP ASIA PTE. LTD. Rema Tip Top Singapore PTE Ltd.	All of the Equity Interests of the Vendor in the capital of PT. Shaw Almex Indonesia
Rema Tip Top Chile Holding, SpA	All of the Equity Interests of the Vendor in the capital of Shaw Almex Chile SpA
REMA Tip Top Holding Benelux B.V.	All of the Equity Interests of the Vendor in the capital of Shaw Almex Europe B.V.
REMA TIP TOP ASIA PTE. LTD.	All of the Equity Interests of the Vendor in the capital of Shaw Almex Mine Equip. (Tianjin) Co. Ltd.
Rema Tip Top Industry Holding Australia Pty. Ltd	All of the Equity Interests of the Vendor in the capital of Shaw Almex Pacific Pty Ltd.
Almex Holding, Inc.	All of the Equity Interests of the Vendor in the capital of Almex Peru S.A.C.

5. The Effective Time is deemed to have occurred at the date and time set forth immediately below.

This Monitor's Certificate was delivered by the Monitor at Toronto, ON on August 27, 2025.

DocuSigned by:

Jeffrey Rosenberg

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FTI CONSULTING CANADA INC., solely in its capacity as Monitor of the Applicants, and not in its personal or corporate capacity

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c.C-36 AS AMENDED

Court File No. CV-25-00743136-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SHAW-ALMEX INDUSTRIES LIMITED AND
SHAW ALMEX FUSION, LLC

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

AFFIDAVIT OF ANDREW HUSTRULID
(sworn September 8, 2025)

RECONSTRUCT LLP
80 Richmond Street West
Suite 1700
Toronto, ON M5H 2A4

Brendan Bissell LSO No. 40354V
bbissell@reconllp.com
Tel: 416.613.0066

Simran Joshi LSO No. 89775A
sjoshi@reconllp.com
Tel: 416.613.6589

Lawyers for the Applicants

TAB 3

Court File No. CV-25-00743136-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)	WEDNESDAY, THE 10 TH
)	
JUSTICE J. DIETRICH)	DAY OF SEPTEMBER, 2025

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SHAW-ALMEX INDUSTRIES LIMITED
AND SHAW ALMEX FUSION, LLC

Applicants

STAY EXTENSION ORDER

THIS MOTION, made by Shaw-Almex Industries Limited ("**SAIL**") and Shaw Almex Fusion, LLC (together with SAIL, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, among other things: (i) extends the stay of proceedings up to and including January 31, 2026; (ii) authorizes the interim Distributions (as defined herein) to Royal Bank of Canada ("**RBC**") and Business Development Bank of Canada ("**BDC**"); and (iii) seals the confidential supplements (the "**Confidential Supplements**") to the fourth report of FTI Consulting Canada Inc., in its capacity as monitor of the Applicants (in such capacity, the "**Monitor**"), dated September 4, 2025 (the "**Fourth Report**") was heard this day by videoconference.

ON READING the Affidavit of Andrew Hustrulid sworn September 8, 2025 and the exhibits thereto, the Fourth Report and on being advised that the secured creditors were given notice, and

on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for RBC, and such other parties as listed on the participant information form, with no one appearing for any other person although duly served as appears from the affidavit of service of ● sworn September ●, 2025, filed,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Initial Order in these proceedings dated May 13, 2025 (the “**Initial Order**”) and the Affidavit of Andrew Hustrulid sworn May 8, 2025, as applicable.

STAY OF PROCEEDINGS

3. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 15 of the Initial Order) is hereby extended up to and including January 31, 2026.

INTERIM DISTRIBUTIONS

4. **THIS COURT ORDERS** that the Monitor is authorized, without further order of this Court, to distribute some of the proceeds from the transaction contemplated by the asset purchase agreement dated as of July 10, 2025 between the Applicants, as vendors, and Almex Canada, Limited, as purchaser as follows, in the following order of priority:

- (a) to pay the outstanding indebtedness owing to RBC under the DIP Facility and a portion of its pre-filing secured obligations owing by SAIL to RBC in respect of the amount outstanding under the RBC Facility Letter; and

- (b) subject to receiving a satisfactory opinion confirming the validity and enforceability of BDC's security interest in the real property of SAIL, to pay the secured obligations owing by SAIL to BDC in respect of the amount outstanding under the BDC Letter (together, the "**Distributions**").

5. **THIS COURT ORDERS** that, subject to sub-paragraph 4(b) above, the Monitor is authorized to make the Distributions pursuant to this order from time to time from cash proceeds held by the Applicants in such amounts and at such times as are acceptable to the Applicants and the Monitor to repay the obligations owing to RBC and BDC.

6. **THIS COURT ORDERS** that the Distributions shall be made in Canadian dollars, regardless of the currency of the indebtedness, as calculated by the Monitor using the prevailing exchange rates at the date of Distributions.

7. **THIS COURT ORDERS** that the Applicants, and the Monitor are hereby authorized and directed, without further order of the Court, to take all necessary steps and actions to effect the Distributions to be made accordance with the provisions of this Order and shall not incur any liability as a result of the Applicants or the Monitor making such Distributions.

8. **THIS COURT ORDERS** that the Distributions made in accordance with this Order shall be the permanent and indefeasible payments of the Applicants' obligations owing to RBC and BDC under the RBC Facility Letter and BDC Letter, as applicable.

9. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these CCAA proceedings;
- (b) any application for bankruptcy or receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**") or other applicable legislation in respect of the Applicants and any bankruptcy or

receivership order issued pursuant to any such applications;

- (c) any assignment in bankruptcy made in respect of the Applicants; and
- (d) any provisions of any federal or provincial legislation;

the Distributions made pursuant to this Order shall be made free and clear of all Encumbrances (including the any charges pursuant to the Initial Order) and shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Applicants 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, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. **THIS COURT ORDERS** that the Monitor and Applicants or any other person facilitating Distributions pursuant to this order shall be entitled to deduct and withhold from any Distributions such amounts as may be required to be deducted or withheld with respect to such distribution under the Statutes (as defined herein) or other applicable laws and to remit such amounts to the appropriate governmental authority or other Person entitled thereto as may be required by such law.

THE MONITOR

11. **THIS COURT ORDERS** that the Monitor shall not incur any liability in connection with assisting the Applicants with respect to the Distributions contemplated herein, whether in its personal capacity or in its capacity as the Monitor.

12. **THIS COURT ORDERS** that in carrying out the terms of this Order, the Monitor whether in its personal capacity or in its capacity as the Monitor: (a) shall have all the protections provided to it as an officer of the Court, including the protections granted pursuant to the CCAA and other

orders granted in these CCAA proceedings, including the Stay of Proceedings; and (b) shall incur no liability or obligation as a result of carrying out any duties or work in connection with this Order, save and except for any gross negligence or willful misconduct on its part.

13. **THIS COURT ORDERS** that: (a) by causing the Applicants to distribute any funds or in making any payments hereunder; and (b) any payments or deliveries made in accordance with this Order that are assisted by the Monitor, shall not constitute a "distribution" and the Monitor shall not constitute a "legal representative" or "representative" of the Applicants or "other person" for the purposes of Section 159 of the *Income Tax Act* (Canada), Section 270 of the *Excise Tax Act* (Canada), Section 46 of the *Employment Insurance Act* (Canada), Section 22 of the Retail Sales Tax Act (Ontario), Section 107 of the *Corporations Tax Act* (Ontario), or any other similar federal, provincial or territorial tax legislation in the Provinces or Territories that the Applicants conducted business in (collectively, the "**Statutes**"), and the Monitor in making any such payment or deliveries of funds in accordance with this Order is not "distributing", nor shall it be considered to have "distributed", such funds or assets for the purposes of the Statutes, and the Monitor shall not incur any liability under the Statutes for making any payments or deliveries in accordance with this Order or failing to withhold amounts, ordered or permitted hereunder, and the Monitor shall not have any liability for any of the Applicants' tax liabilities regardless of how or when such liabilities may have arisen, and is hereby forever released, remised and discharged from any claims against either the Monitor under or pursuant to the Statutes or otherwise at law, arising as a result of the Distributions and deliveries in accordance with this Order, and any claims of such nature are hereby forever barred.

SEALING

14. **THIS COURT ORDERS** that the Confidential Supplements to the Fourth Report are hereby sealed, shall not form part of the public record and shall be kept confidential until further

Order of the Court.

GENERAL

15. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

16. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

17. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

18. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order without any need for entry and filing.

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SHAW-
ALMEX INDUSTRIES LIMITED AND SHAW ALMEX FUSION, LLC

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at *Toronto*

STAY EXTENSION ORDER

RECONSTRUCT LLP

80 Richmond Street West, Suite 1700
Toronto, ON M5H 2A4

R. Brendan Bissell LSO No. 40354V

bbissell@reconllp.com

Tel: 416.613.0066

Simran Joshi LSO No. 89775A

sjoshi@reconllp.com

Tel: 416.613.6589

Lawyers for the Applicants

TAB 4

Court File No. CV-25-00743136-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)	WEDNESDAY, THE 10 TH
)	
JUSTICE J. DIETRICH)	DAY OF SEPTEMBER, 2025

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF SHAW-ALMEX INDUSTRIES LIMITED
AND SHAW ALMEX FUSION, LLC**

**ORDER
(Monitor Authorization to Commence TUV Proceedings)**

THIS MOTION is brought by FTI Consulting Canada Inc., in its capacity as court-appointed monitor (the “**Monitor**”) of Shaw-Almex Industries Limited and Shaw Almex Fusion, LLC (the “**Applicants**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), for an order authorizing, directing and empowering the Monitor to commence certain proceedings was heard this day via videoconference.

ON READING the Notice of Motion dated September 8, 2025 (the “**Notice of Motion**”) and the Fourth Report of the Monitor dated September 8, 2025 (the “**Fourth Report**”), and on hearing the submissions of counsel for the Monitor, and those other parties present, no one appearing for any other person on the service list, although duly served as appears from the affidavit of service, filed:

DEFINITIONS

1. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined have the meaning given to them in the Initial Order of this Court dated May 13, 2025 (the “**Initial Order**”) and in Fourth Report.

TUV PROCEEDINGS

2. **THIS COURT ORDERS** that the Monitor is authorized and empowered pursuant to section 36.1 of the CCAA to commence and continue proceedings against Shaw Almex Global Holdings Limited under section 96 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, as incorporated into the CCAA under section 36.1 of the CCAA, in respect of the provisions of the share sale and purchase agreement dated December 31, 2021 (the “**Share Purchase Agreement**” and the transactions thereunder, the “**Impugned Transactions**”) were transfers at undervalue, as further described in the Notice of Motion and the Fourth Report (the “**TUV Proceedings**”) *nunc pro tunc*.

3. **THIS COURT ORDERS** that all issues raised in the Notice of Motion by the Monitor regarding the merits of the TUV Proceedings may be raised in the course of the TUV Proceedings. The granting of this Order permitting the Monitor to commence the TUV Proceedings does not constitute a determination of any issue, or of any liability, that may be asserted in the TUV Proceedings.

4. **THIS COURT ORDERS** that the Monitor is authorized to bring the TUV Proceedings in this Court.

PROTECTIONS TO THE MONITOR

5. **THIS COURT ORDERS** that in relation to all matters connected with the TUV Proceedings, the Monitor shall continue to have all of the rights, powers and protections provided for pursuant to the Initial Order, this Order, the CCAA, and otherwise at law.

6. **THIS COURT ORDERS** that in addition to the powers provided to the Monitor pursuant to the Initial Order and the obligations imposed upon those with information and records pertaining to the Applicants, the Applicants shall cooperate fully with the Monitor in

relation to the TUV Proceedings and the Applicants shall incur no liability by reason of the cooperation referred to in this paragraph.

7. **THIS COURT ORDERS** that the foregoing does not preclude the Court from awarding legal costs associated with the TUV Proceedings in favour of a party to the TUV Proceedings and in the event that such costs are awarded against the Monitor, the Monitor shall have a claim for indemnity against the Property to satisfy any such costs award (“**Monitor’s Cost Indemnity Claim**”) and such indemnity claim shall be secured by the Administration Charge, as amended by this Order (as such terms are defined in the Initial Order).

8. **THIS COURT ORDERS** that the Initial Order be and is hereby amended such that the maximum aggregate amount of the Administration Charge shall be equal to the sum of \$350,000 plus the amount of the Monitor’s Cost Indemnity Claim.

GENERAL

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States or any other jurisdiction to give effect to this Order and to assist the Monitor and its 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 an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, C
C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SHAW-ALMEX INDUSTRIES LIMITED AND SHAW ALMEX
FUSION, LLC

Court File No. CV-25-00743136-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER
(Monitor Authorization to Commence
TUV Proceedings)

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova LSO#: 52880V
Email: mkonyukhova@stikeman.com
Tel: 416-869-5230

Nicholas Avis LSO#: 76781Q
Email: navis@stikeman.com
Tel: 416-869-5563

Chloe Duggal LSO#: 88142K
Email: cduggal@stikeman.com
Tel: 416-684-5453

Lawyers for the Monitor

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36, AS AMENDED AND

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF SHAW-ALMEX INDUSTRIES LIMITED AND SHAW ALMEX FUSION,
LLC

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

**MOTION RECORD OF THE APPLICANTS
(returnable September 10, 2025)**

RECONSTRUCT LLP

80 Richmond Street West, Suite 1700
Toronto, ON M5H 2A4

R. Brendan Bissell LSO No. 40354V

bbissell@reconllp.com

Tel: 416.613.0066

Simran Joshi LSO No. 89775A

sjoshi@reconllp.com

Tel: 416.613.6589

Lawyers for the Applicants