

**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**

Applicants

**MOTION RECORD OF THE APPLICANTS
(returnable July 18, 2025)**

July 14, 2025

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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**

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INDEX

TAB	DOCUMENT	PG. NO.
1.	Notice of Motion, returnable July 18, 2025	003
2.	Affidavit of Andrew Hustrulid, sworn July 14, 2025	016
	Exhibit "A" – Almex Group's corporate chart	040
	Exhibit "B" – Signed Initial Order and Justice J. Dietrich's Endorsement dated May 13, 2025	042
	Exhibit "C" – Signed SISP Approval Order	078
	Exhibit "D" – Initial Affidavit of Andrew Hustrulid sworn May 8, 2025	103
	Exhibit "E" – Signed Second Stay Extension Order and Justice J. Dietrich's Endorsement dated June 27, 2025	151
	Exhibit "F" – Asset Purchase Agreement dated July 10, 2025 with the redactions	161
3.	Draft Approval and Vesting Order	216
4.	Blackline to Commercial List Model Approval and Vesting Order	286
5.	Draft Ancillary Order	311

TAB 1

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

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**NOTICE OF MOTION
(Approval and Vesting Order and Ancillary Order)
(returnable July 18, 2025)**

Shaw-Almex Industries Limited ("**SAIL**") and Shaw Almex Fusion, LLC ("**Fusion**" and together with SAIL, 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 **July 18, 2025 at 11:00 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 approval and vesting order substantially in the form attached as tab 3 (the “**AVO**”) to the Applicants’ Motion Record (the “**Motion Record**”) that, among other things:
 - (a) approves the Asset Purchase Agreement dated as of July 10, 2025 (the “**Asset Purchase Agreement**”) between, the Applicants, as vendors, and, Almex Canada, Limited (the “**Purchaser**”), as purchaser;
 - (b) approves the transaction contemplated by the Asset Purchase Agreement (the “**Transaction**”) and authorizes the Applicants and the Monitor (on behalf of the Applicants) to sign the Asset Purchase Agreement and to take such additional steps and execute such additional documents as necessary or desirable for the completion of the Transaction;
 - (c) in respect of the Transaction, seeks a declaration that neither Timothy Shaw nor Pamela Shaw, nor any person acting on their behalf or in which they have a legal, economic or beneficial interest, has any legal, economic or beneficial interest in or to the Intellectual Property (as defined in the Asset Purchase Agreement) listed on Schedule 2.1(i) of the Asset Purchase Agreement;

- (d) seals Confidential Exhibit “1” (the “**Confidential Exhibit**”) to the affidavit of Andrew Hustrulid sworn July 14, 2025 (the “**Hustrulid Affidavit**”), which contains an unredacted copy of the Asset Purchase Agreement, until further order of the Court; and
 - (e) seals the confidential supplement (the “**Confidential Supplement**”) to the Third Report of the Monitor, to be filed (the “**Third Report**”) until further order of the Court; and
2. an order substantially in the form attached as tab 5 (the “**Ancillary Order**”) to the Applicants’ Motion Record that, among other things:
- (a) extends the Stay of Proceedings up to and including September 5, 2025 (the “**Extended Stay Period**”);
 - (b) authorizes and empowers the Applicants (or the Monitor on behalf of the Applicants) to enter into the third amendment to the Amended and Restated DIP Facility Loan Agreement made between the Applicants and RBC (the “**Third Amendment**”) and borrow under an amended DIP Facility from the Royal Bank of Canada (in its capacity as lender, the “**DIP Lender**”) to finance the Applicants’ working capital requirements and to pay the costs and expenses of this proceeding;
 - (c) increases the quantum of the DIP Lender’s Charge;
 - (d) approves the First Report dated May 27, 2025 (the “**First Report**”) of FTI Consulting Canada Inc. (“**FTI**”) in its capacity as court-appointed monitor (in such

capacity, the “**Monitor**”) of the Applicants, the Supplement to the First Report of the Monitor dated May 28, 2025 (the “**Supplement**”), the Second Report of the Monitor dated June 27, 2025 (the “**Second Report**”) and the Third Report of the Monitor to be filed (collectively, the “**Reports**”) and the activities of the Monitor and its counsel in the Reports;

- (e) approves the fees and disbursements of the Monitor and its legal counsel (the “**Professional Fees**”), as described in the fee affidavits (the “**Fee Affidavits**”) appended to the Monitor’s Third Report; 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 Asset Purchase Agreement.

Background and Overview

- 5. The Applicants are in the business of providing customized solutions for all aspects of conveyor belt systems (the “**Business**”).
- 6. SAIL is 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 Court-appointed monitor of the Applicants (in this capacity, 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 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, which charges ("**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. Pursuant to the SISP Approval Order, the Court, among other things, approved a sale and investment solicitation process (the “**SISP**”).
10. On June 27, 2025, the Court granted a stay extension order that, among other things, extended the Stay of Proceedings up to and including August 1, 2025 (the “**Stay Period**”), and authorized the Applicants to borrow up to a maximum principal amount of \$3,646,500 pursuant to a second amendment to the DIP Facility.
11. The Monitor supports the Applicants’ requested relief.

The SISP

12. Since the commencement of the CCAA Proceeding, the Applicants have intended to develop and implement the SISP. The SISP was formulated in consultation with the Monitor and the Applicants’ senior secured lender and DIP Lender.
13. The SISP was designed as a two-phase sale process to be administered by the Court-appointed Monitor over a period up to six weeks. The Monitor administered the SISP, with the assistance of the Applicants, in accordance with the terms of the SISP Approval Order.
14. Pursuant to the SISP, the deadline for submitting binding offers under the second phase of the process set for June 12, 2025, at 5:00 p.m. (Toronto time) (the “**Bid Deadline**”).
15. The Monitor reviewed all Qualified Purchase Bids (as defined in the SISP) and Qualified

Investment Bids (as defined in the SISP) received by the Bid Deadline and, in consultation with the DIP Lender, declared that the Purchaser's bid was the highest or otherwise best bid.

Approval of the Transaction

16. The Applicants seek the AVO to approve the Asset Purchase Agreement and the Transaction whereby the Purchaser will acquire the Purchased Assets.
17. The Asset Purchase Agreement and the Transaction contemplated thereunder provides the best outcome for the Applicants' stakeholders given that, among other things:
 - (a) the Asset Purchase Agreement is the product of a broad, transparent, and fair Court-approved SISP and the efforts of the Applicants and the Monitor to consummate a value-maximizing transaction;
 - (b) the consideration to be received for the Purchased Assets is reasonable and fair, taking into account their market value and the broad canvassing of the potentially interested parties during the SISP;
 - (c) the Applicants and certain of SAIL's subsidiaries will continue operating as a going concern which will preserve employment for Canadian and international employees, as well as the ongoing relationships with suppliers and customers; and
 - (d) the approval of the Asset Purchase Agreement is supported by the Monitor.

Intellectual Property

18. The Purchaser considers the Applicants' Intellectual Property to be a key part of the Transaction and the value that the Purchaser is prepared to pay to acquire the Applicants' Business. This includes various registered and unregistered wordmarks, trademarks, and other proprietary assets under which the Applicants conduct their commercial activities.
19. The AVO includes a paragraph that declares that neither Timothy 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 Asset Purchase Agreement.
20. The Purchaser requires certainty that it will acquire clear and unencumbered rights to the Applicants' Intellectual Property as part of the Transaction, and that such rights will not be subject to any competing claims by Mr. Shaw or Mrs. Shaw.

Ancillary Order**Extension of the Stay of Proceedings**

21. The Stay Period expires at the end of day on August 1, 2025. The Applicants seek to extend the Stay Period to and including September 5, 2025.
22. An extension of the Stay Period is necessary for the Applicants to continue their restructuring efforts, including closing the Transaction and preserving the going-concern value of the Business.
23. The Applicants have acted will continue to act with good faith and with due diligence.

24. The updated cash flow statement (the “**Revised Cash Flow Forecast**”) shows that the Applicants will have sufficient liquidity to operate through the proposed Extended Stay Period, subject to the approval of the Third Amendment.
25. The Monitor is supportive of the proposed Extended Stay Period.

Amendment to the DIP Facility and Increase in DIP Lender’s Charge

26. The Applicants seek to increase the permitted borrowings under the Amended DIP Term Sheet pursuant to the Third Amendment and increase the quantum of the DIP Lender’s Charge.
27. I understand that the Monitor is in discussions with the DIP Lender in respect of a third amendment to the DIP Facility and will be reporting on same in its report.

Sealing of the Confidential Exhibit and the Confidential Supplement

28. The Applicants seek a sealing provision for the: (i) Confidential Exhibit, which contains an unredacted copy of the Asset Purchase Agreement; and (ii) Confidential Supplement, which sets out the bids received in the course of the SISP.
29. The information subject to the sealing provisions contains confidential information that, if made public, would be highly prejudicial to any additional marketing efforts that may be needed in the event that the Transaction does not close. There are no reasonable alternative measures to achieve this objective. The benefits of the sealing provision outweigh any negative effects.

Approval of the Monitor's Reports and Professional Fees

30. The Monitor has undertaken numerous activities to facilitate the CCAA Proceeding and reach a consensus on the finalized form of the Asset Purchase Agreement with the Purchaser. The Applicants and Monitor are now seeking approval of such activities pursuant to the Ancillary Order.
31. The Monitor also seeks approval of the Professional Fees of FTI, in its capacity as Monitor, and its legal counsel, as outlined in the Fee Affidavits.

Further Grounds

32. The provisions of the CCAA, and the inherent and equitable discretion of this Honourable Court.
33. Section 137(2) of the *Courts of Justice Act*, RSO 1990, c C.43.
34. Rules 1.04(1), 2.01(1), 2.03, 3.02, 37 and 39 of the *Rules of Civil Procedure*, RSO 1990, Reg 194.
35. 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:

36. the Hustrulid Affidavit, and the exhibits attached thereto;
37. the Third Report; and

38. such further and other materials as counsel may advise and this Honourable Court may permit.

July 14, 2025

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Proceedings commenced at Toronto

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(returnable July 18, 2025)

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TAB 2

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AND SHAW ALMEX FUSION, LLC**

**AFFIDAVIT OF ANDREW HUSTRULID
(sworn July 14, 2025)**

I, **ANDREW HUSTRULID**, of the City of Parry Sound in the Province of Ontario, **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. Since May 13, 2025, I have been 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' motion of the following orders:

- (a) an approval and vesting order (the "**AVO**") substantially in the form of the draft order included at tab 3 of the Applicants' motion record (the "**Motion Record**") that, among other things:
 - i. approves the Asset Purchase Agreement dated as of July 10, 2025 (the "**Asset Purchase Agreement**") between, the Applicants, as vendors, and, Almex Canada, Limited (the "**Purchaser**"), as purchaser;
 - ii. approves the transaction contemplated by the Asset Purchase Agreement (the "**Transaction**") and authorizes the Applicants to take such additional steps and execute such additional documents as are necessary or desirable for the completion of the Transaction;
 - iii. in respect of the Transaction, seeks a declaration that neither Mr. Timothy Shaw nor Mrs. Pamela Shaw, nor any person acting on their behalf or in which they have a legal, economic or beneficial interest, has any legal, economic or beneficial interest in or to the Intellectual Property (as defined in the Asset Purchase Agreement) listed on Schedule 2.1(i) of the Asset Purchase Agreement;
 - iv. seals Confidential Exhibit "1" (the "**Confidential Exhibit**") to the affidavit of Andrew Hustrulid sworn July 13, 2025, which contains an unredacted copy of the Asset Purchase Agreement, until further Order of the Court; and
 - v. seals the confidential supplement (the "**Confidential Supplement**") to the

Third Report of the Monitor, to be filed (the “**Third Report**”) until further order of the Court; and

(b) an order substantially in the form attached as tab 5 (the “**Ancillary Order**”) to the Applicants’ Motion Record that, among other things:

- i. extends the Stay of Proceedings (as defined herein) up to and including September 5, 2025 (the “**Extended Stay Period**”);
- ii. authorizes and empowers the Applicants (or the Monitor on behalf of the Applicants) to enter into the Third Amendment to the Amended and Restated DIP Facility Loan Agreement made between the Applicants and RBC (the “**Third Amendment**”) and borrow under the third amendment to the DIP Facility (the “**Third Amended DIP Facility**”) from the Royal Bank of Canada (in its capacity as lender, the “**DIP Lender**”) to finance the Applicants’ working capital requirements and to pay the costs and expenses of this proceeding;
- iii. increases the quantum of the DIP Lender’s Charge;
- iv. approves the First Report of the Monitor dated May 27, 2025 (the “**First Report**”), the Supplement to the First Report of the Monitor dated May 28, 2025 (the “**Supplement**”), the Second Report of the Monitor dated June 27, 2025 (the “**Second Report**”) and the Third Report of the Monitor to be filed (collectively, the “**Reports**”) and the activities of the Monitor and its counsel in the Reports; and
- v. approves the fees and disbursements of the Monitor and its legal counsel (the “**Professional Fees**”), as described in the fee affidavits (the “**Fee**

Affidavits") appended to the Third Report.

I. BACKGROUND OF THE RESTRUCTURING PROCEEDING

4. The Applicants are in the business of providing customized solutions for all aspects of conveyor belt systems (the "**Business**").

5. 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. A copy of the Almex Group corporate chart is attached hereto as **Exhibit "A"**.

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.

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**”);

- ii. declared that the Applicants are each a “debtor company” to which the CCAA applies;
- iii. appointed FTI as Monitor with enhanced powers in respect of the affairs of the Applicants;
- iv. granted a stay of all proceedings (the “**Stay of 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;
- v. authorized the Applicants to borrow up to a maximum principal amount of \$1,836,000 under a facility (the “**DIP Facility**”) from 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
- vi. 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 (the “**SISP Approval Order**”) approving a sale and investment solicitation process (the “**SISP**”).

A copy of the signed Initial Order and Justice J. Dietrich's endorsement dated May 13, 2025 is appended as **Exhibit “B”**. A copy of the signed SISP Approval Order is appended as **Exhibit “C”**.

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 (as defined below) 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 “D”**.

10. On May 30, 2025, the Court granted a stay extension order that, among other things, extended the Stay of Proceedings up to and including July 18, 2025, and authorized the Applicants to borrow up to a maximum principal amount of \$2,626,500 pursuant to an amendment

to the DIP Facility.

11. On June 27, 2025, the Court granted a second stay extension order (the “**Second Stay Extension Order**”) that, among other things, extended the Stay of Proceedings up to and including August 1, 2025 (the “**Stay Period**”), and authorized the Applicants to borrow up to a maximum principal amount of \$3,646,500 pursuant to a second amendment (the “**Second Amendment**”) to the DIP Facility (the “**Second Amended DIP Facility**”). A copy of the signed Second Stay Extension Order and Justice J. Dietrich’s endorsement dated June 27, 2025 are appended as **Exhibit “E”**.

II. OPERATIONAL RESTRUCTURING

12. Since the granting of the Initial Order, the Applicants have undertaken a series of operational restructuring initiatives aimed at significantly reducing long-term operational costs and improving overall business efficiency. These measures have been strategically implemented across various entities within the Almex Group and include the following initiatives, among others:

- (a) the Applicants have reassigned functions and production responsibilities among the subsidiaries within the Almex Group to optimize resource utilization and enhance operational efficiency.
- (b) the Applicants implemented necessary workforce reductions, primarily within Fusion and certain other underperforming subsidiaries.
- (c) the Applicants engaged with a number of former employees who expressed a willingness to offer their expertise and institutional knowledge to support the Business. These individuals have offered to contribute on a voluntary basis, either under the existing structure or under new ownership.

- (d) pursuant to the Initial Order, the Applicants are authorized to permanently or temporarily downsize or shut down any of its Business and to dispose of redundant or non-material assets not exceeding \$1,000,000 in any one transaction or \$2,000,000 in the aggregate. With the approval and oversight of the Monitor, the Applicants sold a majority of Fusion's inventory and equipment. The proceeds from these sales have generated positive cash flow and have been used to support ongoing operations and restructuring efforts.
- (e) the Applicants have ceased all sale activities through Fusion and have re-directed the entirety of such sale operations to the Canadian operations of the Almex Group, including the transfer of customer accounts, order processing, invoicing and fulfilment responsibilities.

13. The Applicants' operational restructuring steps implemented during the CCAA Proceeding have resulted in significant cost savings for the Applicants' Business. As a result, the Applicants have increased production at the global manufacturing facility located at the premises municipally known as 17 Shaw Almex Road, Parry Sound, Ontario (the "**Parry Sound Property**").

III. THE SISP

A. SISP Approval Order

14. On May 13, 2025, the Court granted the SISP Approval Order approving the SISP. The SISP was developed in consultation with the Monitor.

15. The purpose of the SISP was to complement the Applicants' ongoing operational restructuring efforts and to maximize value for the Applicants' stakeholders by widely exposing the Applicants' Business and Property to the market. The SISP provided a structured and orderly process for interested parties to perform due diligence and submit offers for a broad range of

transactions, including a sale of the Property or an investment into the Business.

B. Overview of the SISP

16. The SISP was designed as a two-phase process to be administered by the Court-appointed Monitor over a period up to six weeks. Further details on the SISP were detailed in my Initial Affidavit, which is attached hereto as **Exhibit “D”**.

17. The SISP contemplated the following key milestones and deadlines:

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

18. Phase 1 of the SISP (“**Phase 1**”) called for non-binding letters of interest (“**LOIs**”). The Monitor, in consultation with the Applicants and the DIP Lender, was required to assess all LOIs to determine which bids constituted a “**Qualified Bid**” (the bidder of such bid, the “**Qualified Bidder**”) and which bidders could participate in the second phase of the SISP. To be a Qualified Bid, the SISP required the LOI to, among other things:

- (a) specify whether the Prospective Bidder anticipates submitting a proposal for the purchase of the Business or assets (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 that the Prospective Bidder required but had not yet 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 SISF 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; and
- (f) agrees to the proposed Target Closing Date and a timeline to closing with critical milestones.

19. In the event that no Qualified Bidder was identified following the submission of LOIs, or if the Applicants and the Monitor, in consultation with the DIP Lender, determined that it will not be in the best interests of the Applicants to continue with the SISF, then the SISF would not proceed

to its second phase.

20. Phase 2 of the SISP provides the Qualified Bidders with the opportunity to perform due diligence and submit a formal binding offer, being a Qualified Purchase Bid or Qualified Investment Bid (each as defined below).

21. A Sale Proposal would only be considered a “**Qualified Purchase Bid**” where it compiles with certain criteria identified in the SISP including, among other things:

- (a) it includes a duly authorized and executed purchase and sale agreement, together with a markup outlining and highlighting all proposed changes from the template asset purchase agreement, and specifying the purchase price;
- (b) 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;
- (c) it does not include any request or entitlement to any break-fee, expense reimbursement or similar type of payment;
- (d) 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;
- (e) 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;
- (f) 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;

- (g) it includes the proposed treatment of stakeholders; and
- (h) it provides for the closing of the Qualified Purchase Bid by no later than the Target Closing Date.

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

- (a) 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;
- (b) 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;
- (c) it does not include a request or entitlement to a break-fee, expense reimbursement or any other similar type of payment;
- (d) 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;

- (e) 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; and
- (f) it provides for closing of the Qualified Investment Bid by no later than the Target Closing Date.

23. 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.

C. Implementation of the SISP

24. I am advised by Jeff Rosenberg of FTI that the Monitor administered the SISP, with the assistance of the Applicants and in consultation with the DIP Lender, in accordance with the terms of the SISP Approval Order. Specifically, the Monitor took the following steps prior to the commencement of the SISP, being May 2, 2025:

- (a) prepared a list of approximately 147 known prospective purchasers and investors (**"Prospective Bidders"**);
- (b) prepared and sent a solicitation letter summarizing the acquisition and investment opportunity with respect to the Business and Property and a form of non-disclosure agreement (**"NDA"**) to Prospective Bidders; and
- (c) developed a virtual data room (**"VDR"**) containing due diligence information and documentation in relation to the Applicants.

25. I understand that the Monitor will set out in more detail in its Third Report the steps that it took to administer the SISP, including the results it obtained.

26. I understand that the Monitor broadly canvassed the market in the course of the SISP. Multiple parties entered into NDAs and were granted access to the VDR, with several parties conducting due diligence, including requesting additional financial and operational diligence items from the Monitor.

27. I dedicated significant time and resources responding to due diligence requests throughout the SISP. The Monitor was a conduit for all information between the Applicants and any Prospective Bidders. I personally coordinated the Applicants' efforts in providing fulsome information to the Monitor.

28. I understand, after reviewing the Qualified Purchase Bids and Qualified Investment Bids, the Monitor - after consulting with the DIP Lender - determined that the Qualified Purchase Bid submitted by an affiliate of Rema Tip Top of America, Inc. was in the best interests of the Applicants and their stakeholders.

IV. THE TRANSACTION

29. I am advised by the Monitor that the Asset Purchase Agreement was negotiated extensively between counsel for the Purchaser and counsel to the Monitor. A copy of the signed Asset Purchase Agreement and with certain commercially sensitive information redacted is attached hereto as **Exhibit "F"**. A signed copy of the Asset Purchase Agreement will be filed with the Court as the Confidential Exhibit.

30. The principal terms of the Asset Purchase Agreement are summarized below. All terms not otherwise defined herein have the meaning ascribed to such terms in the Asset Purchase Agreement.

Term	Details
Vendor	Shaw-Almex Industries Limited, as Vendor and Shaw Almex Fusion, LLC, as U.S. Vendor
Purchaser	Almex Canada, Limited, as Purchaser
Transaction Structure	Approval and vesting structure for an asset purchase agreement.
Purchased Assets	Effective as of Closing Time, 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 Machinery, Equipment and Supplies, Inventory, Leased Real Property, Leased Personal Property, Owned Real Property, Receivables, Assumed Contracts, Authorizations, Intellectual Property, Books and Records, Claims, Vehicles, Business Names, Prepaid Expenses and Deposits, Goodwill, and Purchased Subsidiaries.
Purchased Business Name	Effective as of Closing Time, 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) shall transfer to the Purchaser, free and clear of all Liabilities and Liens.
Purchased Subsidiaries	<p>Effective as of Closing Time, the Purchaser shall acquire all of the Equity Interests of the Vendor in the capital of the Purchased Subsidiaries, which consist of:</p> <ul style="list-style-type: none"> • Fonmar Group, S.L.; • Shaw Almex Mine Equip. (Tianjin) Co. Ltd.; • Shaw Almex Pacific Pty Ltd.; • Shaw Almex Europe B.V.; • Shaw Almex Chile SpA; • Almex Peru S.A.C.; and • PT. Shaw Almex Indonesia.
Excluded Assets	The Excluded Assets include, among others:

	<ul style="list-style-type: none"> • all cash held by the Vendor at the Closing Time; • 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; • the Vendor's rights under or pursuant to the Asset Purchase Agreement and the Ancillary Agreements; • all employment contracts with Union Employees and Non-Union Employees; • rights under Employee Plans of the Vendor and the assets of any Employee Plans of the Vendor; • all Contracts that are not Assumed Contracts; • any leasehold interest of the Vendor in any real property other than the Assumed Leased Real Property; • any leasehold interest of the Vendor in any personal property other than the Assumed Leased Personal Property; • any owned Real Property of the Vendor that is not listed on Schedule 2.1(e); and • any Equity Interests of the Vendor in the capital of any Person other than the Purchased Subsidiaries.
Assumed Liabilities	<ul style="list-style-type: none"> • all Liabilities of the Vendor relating to the Purchased Assets arising solely from and after the Closing Date; • all Cure Costs in respect of the Assumed Contracts; and • certain Liabilities related to the Transferred Employees.
Excluded Liabilities	<ul style="list-style-type: none"> • any Liability relating to any deposit or other amount prepaid to the Vendor by any Person prior to Closing, including any deposit or other payment received from a customer in respect of any order that has not been delivered by the Vendor as of Closing; and • any Environmental Liability.
Key Conditions to Closing	<p>The key conditions to the Closing of the Transaction are, among other things:</p> <p>(a) The Approval and Vesting Order shall have been granted by the Court in form and substance satisfactory to the Purchaser and the Monitor, in each case, acting reasonable.</p> <p>(b) The Vendor shall deliver vacant possession of all residences</p>

	<p>situated on the Parry Sound Property.</p> <p>(c) The Spain Real Property Lease remains in full force and effect and, except with the prior written consent of the Purchaser, shall not be amended or modified in any respect during the Interim Period. Fonmar continues to occupy or have access to the Spain Real Property in accordance with the terms of the Spain Real Property Lease.</p> <p>(d) 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.</p> <p>(e) Key employees of the Vendor essential to the operation of the Business shall be Transferred Employees or shall have entered into such other employment or consulting arrangements with the Purchaser.</p>
Closing Date	The date upon which all conditions to Closing have been satisfied.

A. Outcome of the Transaction

31. In accordance with the terms of the Asset Purchase Agreement, if the AVO is granted and the Transaction is completed, the Transaction will result in the following:

- (a) the Business will substantially continue as a going concern, enabling the continued employment of certain employees of the Applicants and the ongoing provision of services to customers;
- (b) the Purchaser will acquire the equity interests in certain SAIL subsidiaries, allowing the Almex Group's international operations to continue as a going concern and preserving employment for associated staff;
- (c) the purchase price will generate significant proceeds for the benefit of the

Applicants' secured creditors;

- (d) the Purchaser will purchase the global manufacturing facility located at the Parry Sound Property;
- (e) the Purchaser will acquire the Applicants' Intellectual Property, equipment leases and certain real property leases;
- (f) any cure costs under Assumed Contracts will be assumed and paid in cash by the Purchaser; and
- (g) the Transaction will provide certainty to the Almex Group's creditors and stakeholders.

V. RELIEF SOUGHT

A. Approval of the Transaction

32. The Applicants seek the AVO to approve the Asset Purchase Agreement and Transaction whereby, the Purchaser will acquire the Purchased Assets and assume the Assumed Liabilities.

33. The Asset Purchase Agreement is the product of a Court-approved SISP and in my view is commercially reasonable in the circumstances. The parties to the Asset Purchase Agreement are sophisticated and were advised by professional legal advisors.

34. I believe that the market has been broadly and adequately canvassed through the SISP. The SISP identified as many interested parties as possible in the circumstances. The Transaction is the preferred actionable transaction that has materialized after solicitation and marketing by the Monitor through the Court-approved SISP. The Asset Purchase Agreement represents the best opportunity for the Business to continue as a going-concern for the benefit of its many

stakeholders including employees, suppliers and customers.

35. The Applicants are of the view that the Asset Purchase Agreement and the proposed Transaction provides the best outcome for their creditors in the circumstances given that, among other things:

- (a) the Asset Purchase Agreement is the product of a broad, transparent, and fair Court-approved SISP and the efforts of the Applicants and the Monitor to consummate a value-maximizing transaction;
- (b) the Asset Purchase Agreement is the best offer obtained in the SISP to maximize value for the Applicants' stakeholders;
- (c) the consideration to be received for the Purchased Assets is reasonable and fair, taking into account their market value and the broad canvassing of the potentially interested parties during the SISP; and
- (d) the Asset Purchase Agreement is supported by the Monitor.

36. Based on the results of the SISP, it appears unlikely that a better transaction would emerge to acquire the Business as a going concern should the Transaction not proceed.

Intellectual Property

37. Paragraph 6 of the proposed AVO declares that neither Timothy Shaw nor Pamela Shaw 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 Asset Purchase Agreement (the "**Intellectual Property Schedule**").

38. I understand that the relief is being sought at the request of the Purchaser.

39. The Applicants' Business operations, and the value that the Purchaser is prepared to pay to acquire the Business, are heavily dependent on their intellectual property, which includes various registered and unregistered wordmarks, trademarks, and other proprietary assets under which the Applicants conduct their commercial activities.

40. The Purchaser requires certainty that it will acquire clear and unencumbered rights to the Applicants' Intellectual Property as part of the Transaction, and that such rights will not be subject to any post-closing competing claims by Mr. Shaw or Mrs. Shaw that would undermine the Transaction. As previously reported by the Monitor, there are ongoing concerns that Mr. Shaw may be currently using, or intends to use, the Applicants' Intellectual Property in connection with a competing business, thereby potentially infringing on the rights that are intended to be transferred to the Purchaser.

41. The proposed AVO intends to resolve any uncertainty with respect to the ownership of the Applicants' Intellectual Property. The Applicants believe that all of the Intellectual Property listed on the Intellectual Property Schedule is owned by SAIL or its affiliate, Shaw Almex Mine Equip. (Tianjin) Co. Ltd. To the extent that Mr. Shaw or Mrs. Shaw believe they have an interest in the Intellectual Property listed on the Intellectual Property Schedule, they can express their position to the Applicants, the Monitor and/or the Court.

B. Extension of the Stay Period

42. The Applicants are seeking to extend the Stay of Proceedings up to and including September 5, 2025. The extension of the Stay of Proceedings is necessary and appropriate in the circumstances, as it will provide the Applicants with the necessary breathing room to close the Transaction contemplated by the Asset Purchase Agreement and to prepare the materials

needed to seek approval of, among other things, the distribution of proceeds derived from the Transaction and the termination of the CCAA Proceeding.

43. Since the granting of the Second Stay Extension Order, the Applicants have, among other things, engaged with the Purchaser on the implementation of the Transaction, communicated with the Applicants' employees and stakeholders to keep them informed about the progress of the CCAA Proceeding, and stabilized their going-concern operations.

44. Accordingly, the Applicants have acted and are continuing to act in good faith and with due diligence in these CCAA Proceeding.

45. With the assistance of the Monitor, the Applicants have prepared a cash flow forecast for the period ending the week of September 5, 2025 (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.

C. Third Amendment to the DIP Facility and Increase in DIP Lender's Charge

46. The Second Amended DIP Facility under the Second Amendment, and the quantum of the DIP Lender's Charge granted in the Second Stay Extension Order, was based on the needs of the Applicants for the Stay Period.

47. I understand that the Monitor is in discussions with the DIP Lender in respect of a further amendment to the Second Amended DIP Facility and will be reporting the same in its Third Report.

D. Sealing Provision

48. The Applicants seek, as part of the AVO, the sealing of the Confidential Exhibit to this Affidavit, being an unredacted copy of the Asset Purchase Agreement, and the Confidential Supplement, which contains a summary of the bids received throughout the SISF.

49. The Confidential Exhibit contains an unredacted copy of the Asset Purchase Agreement. At this time, the Applicants only consider it appropriate to publicly disclose a redacted copy of the executed Asset Purchase Agreement which is filed as **Exhibit “F”** to this Affidavit. The redactions are limited to commercially sensitive information related to the Transaction.

50. The disclosure of the Purchaser’s valuation of the Business prior to the closing of the Transaction would be highly prejudicial to any additional marketing efforts that may be needed in the event that the Transaction fails to close. Any such disclosure would undermine the integrity of the process and prevent the maximization of value to the detriment of all stakeholders.

51. The Confidential Supplement is expected to contain information related to the bids submitted in the course of the SISP and additional commentary on some of the commercially sensitive aspects of the Asset Purchase Agreement. Disclosing such information prior to the closing of the Transaction would be highly prejudicial to any additional marketing efforts that may be needed in the event that the Transaction fails to close.

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

E. Approval of the Monitor’s Reports and Professional Fees

53. As described in the Monitor’s Reports, the Monitor has undertaken numerous activities to facilitate the CCAA Proceeding. The Applicants are now seeking approval of such conduct and activities pursuant to the proposed Ancillary Order.

54. The proposed Ancillary Order also seeks approval of the fees and disbursements of FTI, in its capacity as Monitor, and its counsel. To this end, I understand that the Monitor and its

counsel will prepare and file respective Fee Affidavits with the Court in advance of the hearing of this motion.

VI. CONCLUSION

55. 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 AVO and the Ancillary Order.

56. 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 Parry Sound in the Province of)
 Ontario, before me at City of Oakville in)
 the Province Ontario, this 14th day of July,)
 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 PARRY SOUND IN THE PROVINCE OF
ONTARIO BEFORE ME AT THE CITY OF OAKVILLE, IN THE PROVINCE OF ONTARIO THIS
14TH DAY OF JULY 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

Shaw Almex Industries Ltd.

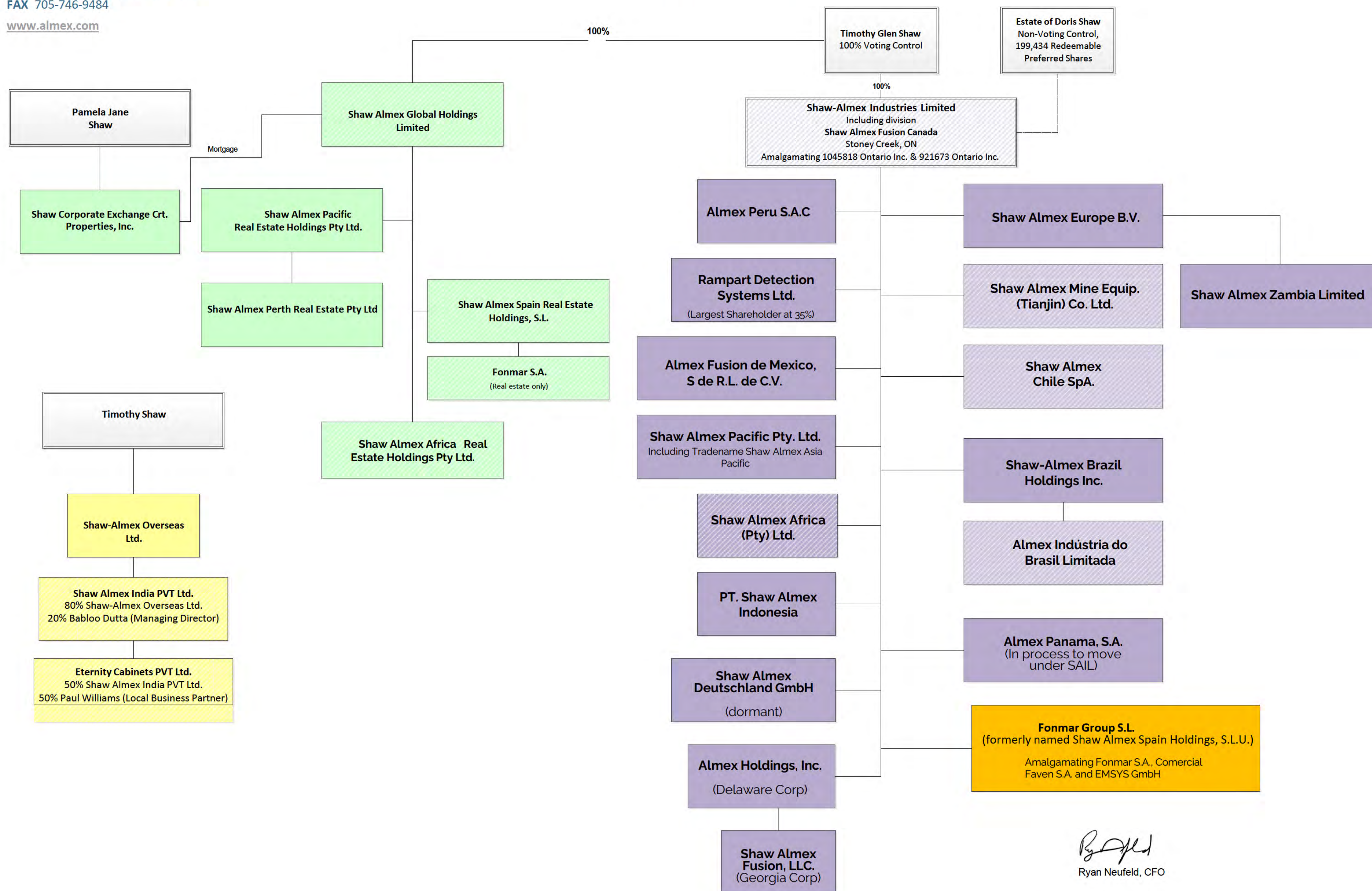
P.O. Box 430
Parry Sound, ON P2A 2X4 Canada

TEL 705-746-5884 or 800-461-4351

FAX 705-746-9484

www.almex.com

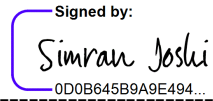
ALMEX GROUP Corporate Chart



Ryan Neufeld, CFO

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 PARRY SOUND IN THE PROVINCE OF
ONTARIO BEFORE ME AT THE CITY OF OAKVILLE, IN THE PROVINCE OF ONTARIO THIS
14TH DAY OF JULY 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)	TUESDAY, THE 13TH
)	
JUSTICE J. DIETRICH)	DAY OF MAY, 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

INITIAL ORDER

THIS MOTION, made by Shaw Almex Industries Limited ("**SAIL**") and Shaw Almex Fusion, LLC ("**Fusion**" and together with SAIL, the "**Applicants**"), to continue the proceedings commenced by Shaw Almex Industries Limited ("**SAIL**") by the filing of a notice of intention to make a proposal under Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**") bearing court file number BK-25-03205249-0031 (the "**NOI Proceeding**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day.

ON READING the Affidavit of Andrew Hustrulid sworn May 8, 2025 and the exhibits thereto (the "**Hustrulid Affidavit**"), the pre-filing report/second report of FTI Consulting Canada Inc. ("**FTI**") dated May 11, 2025, as the proposed monitor and the supplemental report dated May 12, 2025 (the "**Supplemental Report**"), and the consent of FTI to act as monitor (in such capacity, the "**Monitor**"), and on being advised that FTI was appointed as the proposal trustee in the NOI

Proceeding (in such capacity, the “**Proposal Trustee**”) and that the secured creditors who are likely to be affected by the Charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Royal Bank of Canada (“**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 lawyer’s certificate of service of Jessica Wuthmann dated May 9, 2025, filed,

SERVICE

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.

APPLICATION AND CONTINUANCE UNDER THE CCAA

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are each a debtor company to which the CCAA applies.

3. **THIS COURT ORDERS AND DECLARES** that effective May 13, 2025, the NOI Proceeding is hereby taken up and continued under the CCAA and that, as of such date, the provisions of the BIA shall have no further application to SAIL, provided that: (a) nothing herein impacts the validity of any Orders made in the NOI Proceeding or any actions or steps taken by any person pursuant thereto and any and all steps, agreements and procedures validly taken, done or entered into by SAIL or the Proposal Trustee/Monitor shall remain valid and binding, except to the extent the Charges (as defined herein) are continued or amended pursuant to this Order; (b) nothing herein shall affect, vary derogate from, limit or amend, and FTI and its counsel shall continue to have the benefit of, any and all of the rights, approvals and protections in favour of the Proposal Trustee and its counsel at law or pursuant to the BIA or Order of this Court made in the NOI Proceeding or otherwise; and (c) nothing herein shall impact the validity of any steps

taken by the Proposal Trustee/Monitor with respect to the sale and investment solicitation process of the Applicants.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of its business (the “**Business**”) and Property. Subject to paragraph 23 hereof, the Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Hustrulid Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or

otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan under the CCAA with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges; and
- (c) with the consent of the Monitor and the DIP Lender, up to the maximum amount of \$250,000 owing for goods or services actually supplied to the Applicants prior to the date of this Order 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.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

9. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) income taxes, and (iv) all other amounts related to such deductions or employee wages payable for periods following the date of this Order pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of

municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. **THIS COURT ORDERS** that, subject to paragraph 23 herein, the Applicants shall subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its Business or operations, and to dispose of redundant or non-material assets not exceeding \$1,000,000 in any one transaction or \$2,000,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or in part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

13. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants’ intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants’ entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days’ notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants’ claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice; and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. **THIS COURT ORDERS** that until and including May 30, 2025 or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against or in respect of the Applicants, the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants, the Monitor or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower the Applicants to carry on any

business which they are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or Proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, licence, or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

PRE-FILING VS POST-FILING SET-OFF

18. **THIS COURT ORDERS** that, no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the date of this Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of this Order, in each case without the consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall prejudice any arguments any person may want to make in seeking leave of the Court or following the granting of such leave.

CONTINUATION OF SERVICES

19. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of materials,

goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

20. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

21. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be

liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

APPOINTMENT OF MONITOR

22. **THIS COURT ORDERS** that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors and Assistants shall not take any steps with respect to the Applicants, the Business or the Property, save and except under the direction of the Monitor, pursuant to paragraph 23 herein, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, and without altering in any way the powers, abilities, limitations and obligations of the Applicants within, or as a result of these proceedings, be and is hereby authorized, directed and empowered to:

- (a) conduct the sale and investment solicitation process;
- (b) exercise any powers which may be properly exercised by a board of directors of the Applicants;
- (c) exercise, or cause the Applicants to exercise any shareholder, partnership, joint venture or other rights which the Applicants may have, including the right to elect or to cause the election or removal of any of the directors of the Applicants' subsidiaries;

- (d) cause the Applicants to terminate employees;
- (e) cause the Applicants, or any one of them, to exercise rights under and observe their obligations under paragraphs 7, 8, 9, 10, and 11 above;
- (f) cause the Applicants to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the Applicants in dealing with the Property;
- (g) cause the Applicants to administer the Property and operations of the Applicants, including the control of receipts and disbursements, as the Monitor considers necessary or desirable for the purposes of completing any transaction, or for purposes of facilitating a Plan or Plans for some or all Applicants, or parts of the Business;
- (h) take any and all actions and steps, and execute all documents and writings, on behalf of, and in the name of the Applicants to facilitate the performance of any ongoing obligations of the Applicants and to carry out the Monitor's duties under this Order or any other Order of this Court in this CCAA proceeding;
- (i) propose or cause the Applicants or any one or more of them to propose one or more Plans in respect of the Applicants or any one or more of them;
- (j) cause the Applicants to engage the services of any person as an employee, consultant, appraiser, agent, expert, auditor, accountant, manager, counsel, and such other persons from time to time and on whatever basis, including on a temporary basis, all under the supervision and direction of the Monitor and on the terms as agreed with the Monitor;

- (k) apply to this Court for any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter, and including any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers;
- (l) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of the Applicants in the name of or on behalf of the Applicants;
- (m) claim or cause the Applicants to claim any and all insurance refunds or tax refunds, including refunds of harmonized sales taxes, to which the Applicants are entitled;
- (n) initiate, manage and direct, or cause the Applicants to initiate, manage and direct, all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Applicants, the Property, or the Business, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;
- (o) consult with or cause the Applicants to consult with the Canada Revenue Agency or any other governmental authority with respect to any issues arising in respect of this CCAA proceeding;
- (p) meet and consult with the directors of the Applicants as the Monitor deems necessary or appropriate;
- (q) meet with and direct management of the Applicants with respect to any of the foregoing including, without limitation, operational and restructuring matters;
- (r) execute or cause the Applicants to execute administrative filings as may be required on behalf of the Applicants;

- (s) monitor the Applicants' receipts and disbursements;
- (t) approve and make any funding requests under the DIP Facility;
- (u) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (v) assist the Applicants in their preparation of the Applicants' cash flow statements and reporting required in connection with the DIP Facility or the Court;
- (w) assist the Applicants, to the extent required by the Applicants, in its dissemination, to the DIP Lender and its counsel, on a timely basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (x) advise the Applicants in its development of the Plan and any amendments to the Plan;
- (y) hold and administer creditors' or shareholders' meetings for voting on the Plan;
- (z) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' Business and financial affairs or to perform their duties arising under this Order;
- (aa) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

- (bb) perform such other duties as are required by this Order or by this Court from time to time,

provided, however, that the Monitor shall comply with all applicable law and shall not have any authority or power to elect or to cause the election or removal of directors of any of the Applicants.

24. **THIS COURT ORDERS** that the Applicants and their advisors shall cooperate fully with the Monitor and any directions it may provide pursuant to this Order and shall provide the Monitor with such assistance as the Monitor may request from time to time to enable the Monitor to carry out its duties and powers as set out in this Order or any other Order of this Court under the CCAA or applicable law generally.

25. **THIS COURT ORDERS** that the Monitor shall not take Possession (as defined herein) of the Property and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained Possession or control of the Business or Property, or any part thereof.

26. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Monitor is not and shall not be deemed to be a director, officer, or employee of the Applicants.

27. **THIS COURT ORDERS** that nothing in this Order, or anything done in pursuance of the Monitor's duties and powers under this Order, shall deem the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental**

Legislation”), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in Possession.

28. **THIS COURT ORDERS** that, without limiting the provisions herein, all employees of the Applicants shall remain employees of the Applicants until such time as the Applicants may terminate the employment of such employees. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities or duties, including, without limitation, wages, severance pay, termination pay, vacation pay and pension or benefit amounts, as applicable.

29. **THIS COURT ORDERS** that the banks and/or financial institutions that maintain the Applicants’ Cash Management System (which includes, for the avoidance of doubt, each of the Applicants’ bank accounts) are directed to recognize and permit the Monitor and its representatives to complete any and all transactions on behalf of the Applicants in connection with such Cash Management System and for such purpose, the Monitor and its representatives are empowered and shall be permitted to execute documents for or on behalf of and in the name of any of the Applicants and shall be empowered and permitted to add and remove persons having signing authority with respect to the Applicants’ Cash Management System. The financial institutions maintaining such Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken in accordance with the instructions of the Monitor for and on behalf of the Applicants and/or as to the use or application of funds transferred, paid, collected or otherwise dealt with in accordance with such instructions and such financial institutions shall be authorized

to act in accordance with and in reliance upon such instructions without any liability in respect thereof to any person.

30. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

31. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

32. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of the Applicants within the meaning of any relevant legislation and that any distributions to creditors of the Applicants by the Monitor will be deemed to have been made by the Applicants.

ADMINISTRATION CHARGE

33. **THIS COURT ORDERS** that the Monitor, counsel to Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel

for the Applicants as such accounts are rendered. The Monitor and its counsel shall be authorized to immediately apply any such payments made by the Applicants to their fees and disbursements and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court. For the purposes of this paragraph, paragraphs 34 and 35, the fees and disbursements of the Monitor and its counsel shall include any fees and disbursements of the Proposal Trustee and its counsel related to the NOI Proceeding that were not approved and paid in the course of the NOI Proceeding.

34. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

35. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$350,000, as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 42 and 44 hereof.

DIP FINANCING

36. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility (the "**DIP Facility**") from RBC (the "**DIP Lender**") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$1,836,000 unless permitted by further Order of this Court.

37. **THIS COURT ORDERS THAT** such credit facility shall be on the terms and subject to the conditions set forth in the amended and restated commitment letter between the Applicants and the DIP Lender dated as of May 9, 2025 (the “**Commitment Letter**”) attached as Appendix “A” to the Supplemental Report.

38. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

39. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the “**DIP Lender’s Charge**”) on the Property, which DIP Lender’s Charge shall not secure an obligation that exists before this Order is made. The DIP Lender’s Charge shall have the priority set out in paragraphs 42 and 44 hereof.

40. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents, the Commitment Letter or the DIP Lender’s Charge, the DIP Lender, upon five (5) days notice to the Applicants and the Monitor, may cease making advances to the

Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, provided that any other enforcement steps shall require leave or further order of this Court, including an application for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

41. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any Plan filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the BIA, with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES

42. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge (together, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$350,000); and

Second – DIP Lender's Charge (to the maximum principal amount of \$1,836,000 plus interest, fees, and costs).

43. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as

against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

44. **THIS COURT ORDERS** that, subject to paragraph 45 of this Order, each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

45. **THIS COURT ORDERS** that notwithstanding any other provision of this Order, the Charges shall not rank in priority to the mortgage of Business Development Bank of Canada in the principal amount of \$2,000,000 and registered on title on January 7, 2022 against the real property owned by the Applicants located at 17 Shaw Almex Road, Parry Sound, Ontario (the “**BDC Mortgage**”), provided that the rights of beneficiaries of the Administration Charge to seek priority of that charge over the BDC Mortgage, is specifically reserved and may be argued at a later hearing.

46. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Charges (collectively, the “**Chargees**”), or further Order of this Court.

47. **THIS COURT ORDERS** that the Charges, the Commitment Letter, and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors

made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

48. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants’ interest in such real property leases.

49. **THIS COURT ORDERS** that, for greater certainty, nothing in this Order:

- (a) determines the issue of how many amounts payable under the Charges are to be allocated as against the Property and the interests of secured creditors in it, which

issue shall remain for further determination by the Court on motion if necessary;
and

(b) provides any priority to the Charges over the BDC Mortgage.

SERVICE AND NOTICE

50. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in *The National Post* a notice containing the information prescribed under the CCAA, (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner or by electronic message to the e-mail addresses as last shown in Fusion's records, a notice to every known creditor who has a claim against Fusion of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

51. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a case website shall be established in accordance with the Protocol with the following URL: <https://cfcanada.fticonsulting.com/ShawAlmex/> (the "**Monitor's Website**").

52. **THIS COURT ORDERS** that the Monitor shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in these proceedings (the “**Service List**”). The Monitor shall post the Service List, as may be updated from time to time, on the Monitor’s Website, provided that the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

53. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, or facsimile transmission to the Applicants’ creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

54. **THIS COURT ORDERS** that the Applicants, the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and Orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants’ creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

CHAPTER 15 PROCEEDINGS

55. **THIS COURT ORDERS** that the Applicant, Fusion, is hereby authorized and empowered, but not required, to act as the foreign representative (in such capacity, the “**Foreign**

Representative") in respect of the within proceedings for the purpose of having these proceedings recognized and approved in a jurisdiction outside of Canada.

56. **THIS COURT ORDERS** that the Foreign Representative is hereby authorized to apply for recognition of these proceedings, as necessary, in any jurisdiction outside of Canada, including in the United States Bankruptcy Court (the "**Foreign Bankruptcy Court**") pursuant to chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532.

57. **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, including the Foreign Bankruptcy Court, to give effect to this Order and to assist the Applicants, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Foreign Representative, the Applicants and to 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 and the Monitor and their respective agents in carrying out the terms of this Order.

GENERAL

58. **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.

59. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business, or the Property.

60. **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.

61. **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.

62. **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*

INITIAL ORDER

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SUPERIOR COURT OF JUSTICE

COUNSEL SLIP/ENDORSEMENTCOURT FILE NO.: BK-25-03205249-0031DATE: 13 May 2025NO. ON LIST: 3

TITLE OF PROCEEDING: **SHAW-ALMEX INDUSTRIES LIMITED v.
FTI CONSULTING CANADA INC.**

BEFORE JUSTICE: **J. DIETRICH****PARTICIPANT INFORMATION****For Plaintiff, Applicant, Moving Party, Crown:**

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ENDORSEMENT OF JUSTICE J. DIETRICH

Introduction

[1] Shaw-Almex Industries Limited (“**SAIL**”) and Shaw Almex Fusion, LLC (“**Fusion**” and together with SAIL, the “**Applicants**”) seek three orders:

[2] First an Initial Order under the *Companies' Creditors Arrangement Act* (the “**Initial Order**”) which provides for:

- approval of the Amended DIP Term Sheet and DIP Lender's Charge
- approval of the Administration Charge
- approval for the Applicants to pay certain pre-filing obligations with the consent of the Monitor and DIP Lender;
- the appointment of FTI Consulting Canada Inc. ("FTI") as Monitor with certain enhanced powers; and
- the authorization for Fusion to act as foreign representative of the Applicants.

[3] Second, a sale and investment solicitation process (SISP) approval order (the “**SISP Approval Order**”) is sought.

[4] Third an order discharging FTI in its capacity as proposal trustee of SAIL and approving the fees and disbursements of the Proposal Trustee (the “**Discharge Order**”) is sought.

[5] No opposition to the relief sought by the Company was raised at the hearing.

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

Background

[7] SAIL filed a Notice of Intention to Make a Proposal under the Bankruptcy and Insolvency Act (the “**BIA**”) on March 29, 2025. FTI was appointed as Proposal Trustee under the NOI.

[8] On April 25, 2025, I granted an order, among other things, extending the stay period under the NOI proceeding until today, authorizing SAIL to borrow up to a maximum principal amount of \$1,000,000 under a debtor-in-possession credit facility (the “**DIP Facility**”) from RBC (in such capacity, the “**DIP Lender**”) and granting an Administration Charge in the amount of \$350,000 and a DIP Lender's Charge as security for the DIP Facility.

[9] The Applicants are in the business of providing conveyor belt vulcanizing equipment technology, services and expertise. The Business began over 67 years ago in Parry Sound, Ontario as a small, family-run operation. Since that time, the business has grown significantly. Its customers are in a diverse range of industries including mining, steel mills, ports, power generation, package handling, and aerospace.

[10] 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 the Almex Group, the Company now services customers across 123 countries worldwide.

[11] SAIL manufactures the majority of the Business’ products and ships them to its subsidiaries or local distributors worldwide. The other principal manufacturing operations in the Almex Group are conducted by wholly owned subsidiaries in the United States, China, and Spain. 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.

[12] SAIL operates a manufacturing facility in Parry Sound, has its head office in Stoney Creek, Ontario, and an office and manufacturing facility in Hamilton, Ontario. SAIL owns the real property from which it operates in Parry Sound, Ontario.

[13] SAIL currently employs approximately 80 employees across Canada, 35 of which are unionized.

[14] Fusion is an indirect subsidiary of SAIL and is the other principal manufacturing operation of the Almex Group. Specifically, Fusion primarily manufactures Almex presses and Fusion rubber products from a sales, manufacturing, and distribution facility located in Atlanta, Georgia. Fusion previously employed approximately 30 individuals, but after recent workforce reductions presently have only approximately 4 employees.

[15] 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. Fusion’s financial statements show that Fusion has assets and does business in Canada, this includes loaning money to SAIL, purchasing inventory from SAIL in Canada and providing managements services to SAIL. SAIL is the largest customer of Fusion.

[16] As of December 31, 2024, the Applicants’ liabilities significantly exceed the book value of their assets by approximately \$32 million.

[17] The Applicants have several secured creditors, including RBC, Business Development Bank of Canada, BDC Capital Inc., two counterparties to agreements for the sale of future receipts, and various equipment financiers. All secured creditors have been served.

[18] The Applicants are current in their government remittances, property taxes, and wages except that Fusion has USD \$195,000 owed to its employees with respect to unpaid prior bonuses and \$134,000 for payroll accruing during the week of May 2, 2025 but which was unpaid due to lack of funds.

[19] The Applicants’ primary unsecured liabilities include approximately \$5.7 million in trade payables, \$2.1 million owed to Monex and Corpay for currency hedging transactions, \$270,541 owed by Fusion to its Georgia facility landlord, and numerous default judgments totaling over \$470,000. The Applicants are also involved in multiple ongoing lawsuits in Canada and the U.S., which represent contingent liabilities.

[20] The Company's financial and operational challenges in recent years include difficulties securing a reliable rubber supplier after a competitor purchased the Company's former rubber supplier in or around 2022, and quality control issues arising from a replacement rubber supplier. As well, the Company was faced with large losses arising from currency hedging transactions conducted under the supervision of its former Chief Financial Officer.

[21] 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 Applicants’ cash flow forecast (“**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 stay of proceedings.

[22] The proposed DIP Facility is to be provided by the DIP Lender pursuant to an amended and restated debtor-in-possession loan agreement to be appended to the supplemental report of FTI as the Proposal Trustee and proposed Monitor dated May 12, 2025 (the “**Amended DIP Term Sheet**”).

[23] In large part the terms of the Amended DIP Term Sheet are consistent with those previously approved. However, it is also a term of the Amended DIP Term Sheet that the Court grant the FTI as monitor enhanced powers to preserve, protect and exercise control of over the Applicants' business. As outlined in the report of FTI as the Proposal Trustee and proposed Monitor dated May 11, 2025, this follows certain concerns encountered by the Proposal Trustee during the NOI proceeding. The Proposal Trustee has not yet had an opportunity to investigate all of the concerns raised with respect to the conduct of Mr. Shaw, but those concerns are outlined in the report. Mr. Shaw takes issue with certain of the concerns identified in the report, but there is no opposition to the request for enhanced powers to be provided to the Monitor.

[24] The Applicants also seek approval of the SISP which was developed in consultation with the Monitor and the DIP Lender.

[25] The SISP was designed to be broad and flexible in order 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. The SISP is intended to solicit a broad range of potential transactions, including a sale or recapitalization.

[26] The proposed SISP is a two-phase process, with a proposed deadline for submission of LOI's by May 22, 2025 and, if there are qualified bidders, with a binding offer deadline of June 12, 2025.

[27] The Monitor has already commenced the SISP by, among other things, compiling a list of known prospective bidders, preparing a virtual data room, and preparing and circulating a solicitation letter describing the SISP to approximately 70 prospective bidders.

Issues

[28] The issues to be determined today are:

- a. should the Applicants be granted protection under the CCAA, including a stay of proceedings
- b. should the Amended DIP Term Sheet and DIP Lender's Charge be approved;
- c. should the Administration Charge be approved;
- d. should the Applicants be permitted to pay certain pre-filing obligations with the consent of the Monitor and the DIP Lender;
- e. should FTI be appointed as Monitor with enhanced powers;
- f. should Fusion be authorized to act as foreign representative for the Applicants;
- g. should the SISP be approved; and
- h. should the Discharge Order be granted?

Analysis

Initial Order

[29] The Court may order that a NOI proceeding under the BIA be continued under the CCAA where the debtor satisfies a three-part test: (1) the debtor has not filed a proposal under the BIA; (2) the proposed continuation is consistent with the purposes of the CCAA; and (3) the debtor has provided the Court with the information that would otherwise form part of an initial CCAA application under section 10(2) of the CCAA see *(Re) Clothing for Modern Times Ltd.*, 2011 ONSC 7522 at para 9 and *In the Matter of The Body Shop Canada Limited*, 2024 ONSC 3882 (“*Body Shop*”) at para 10.

[30] I am satisfied that with respect to SAIL, the conversion to a CCAA proceeding has met the above criteria will have the benefit of reducing administrative and legal costs, given the flexibility with respect to reporting and attendances.

[31] The Applicants have provided all of the information that would otherwise be filed on a CCAA Initial Order application, including but not limited to a cash flow forecast for the period ending May 30, 2025 and the Applicants most recent financial information, as well as a report demonstrating that the Proposal Trustee and proposed Monitor believe the cash flow analysis is reasonable and that they support the request for conversion.

[32] I am also satisfied that the Applicants qualify as a debtor company with liabilities that exceed \$5 million.

Stay of Proceedings

[33] I am satisfied that the stay of proceedings can and should be extended to and including May 30, 2025. Such period of time is appropriate and a stay of longer than 10 days has been authorized by this Court in previous cases on a conversion from a BIA proceeding, such as is this case, notwithstanding section 11.02(1) of the CCAA: see *Body Shop* at para 19-21. In this case, the extended stay requested is only 17 days.

Amended DIP Term Sheet and DIP Lender's Charge

[34] The Applicants seek approval of the Amended DIP Term Sheet and a DIP Lender’s Charge over the Applicants’ assets, property and undertakings in favour of the DIP Lender. The proposed DIP Lender’s Charge ranks behind the Administration Charge and BDC’s mortgage but above all other encumbrances.

[35] Section 11.2 of the CCAA permits the Court to grant the 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.

[36] In determining whether the DIP Lender’s Charge is appropriate, the Court is required to consider the following factors under section 11.2(4) of the CCAA: (a) the period during which the company is expected to be subject to proceedings under the CCAA; (b) how the company’s business and financial affairs are to be managed during the proceedings; (c) whether the company’s management has the confidence of its major creditors; (d) whether the loan would enhance the prospects of a viable compromise or arrangement being made in respect of the company; (e) the nature and value of the company’s property; (f) whether any creditor would be materially prejudiced as a result of the security or charge; and (g) the monitor’s report, if any: see *In Re Hudson’s Bay Company*, 2025 ONSC 1530 (“*Hudson’s Bay*”) at para 84.

[37] In this case, the Cash Flow Forecast demonstrates that further interim financing is required to provide the Applicants with the required liquidity for continued operations in the ordinary course. Ordinary course operations will preserve the value and going concern operations of the Applicants’ Business, which is in the best interests of the Applicants and their stakeholders during the proposed SISF. The Applicants are not able to obtain interim financing without a charge given that the DIP Facility requires the DIP Lender’s Charge. The DIP Lender is SAIL’s primary secured creditor, RBC and is already the DIP Lender to SAIL in the existing NOI Proceeding. Notice has been given to the registered secured creditors to be primed by the DIP Lender’s Charge and the proposed DIP Lender’s Charge does not secure any pre-filing obligations of the Applicants. Finally, the Proposal

Trustee and proposed Monitor supports this relief and believes the economic terms of the DIP Facility are reasonable in the circumstances.

[38] In the circumstances, the Initial DIP Facility and the DIP Lender's Charge are approved.

Administration Charge

[39] The Court granted an Administration Charge in the NOI Proceeding in the maximum amount of \$350,000. The Applicants seek to continue the Administration Charge in the same amount of \$350,000 in order to secure the fees and disbursements of the Monitor, its counsel, and the Applicants' counsel. Section 11.52 of the CCAA gives this Court jurisdiction to grant a priority charge for the fees and expenses of financial, legal and other advisors or experts. Courts have considered the following non-exhaustive factors in determining whether an administration charge is appropriate: (a) the size and complexity of the business being restructured; (b) the proposed role of the beneficiaries of the charge; (c) whether there is an unwarranted duplication of roles; (d) whether the quantum of the proposed charge appears to be fair and reasonable; (e) the position of the secured creditors likely to be affected by the charge, and (f) the position of the Monitor: see *Hudson's Bay* at para 100.

[40] The quantum of the proposed Administration Charge is reasonable in the circumstances and not opposed by any person. The proposed Administration Charge is appropriate in the circumstances is approved.

Authorization to Pay Certain Pre-Filing Amounts

[41] The proposed Initial Order authorizes the Applicants to pay up to \$250,000 owing for goods or services supplied to the Applicants prior to the date of the Initial Order, if in the opinion of the Applicants and the Monitor, the payment is necessary or desirable to avoid disruption to the operations of the Business or the property of the Applicants during the CCAA proceedings.

[42] Courts have granted orders allowing CCAA applicants to pay pre-filing amounts to critical suppliers with the consent of the monitor. In doing so, Courts have considered the following criteria: (a) whether the goods and services concerned are integral to the business; (b) the applicant's need for the uninterrupted supply of the goods or services; (c) the Monitor's support and willingness to work with the applicant to ensure that payments to suppliers in respect of pre-filing liabilities are appropriate; and (d) the effect on the applicant's ongoing operations and ability to restructure if it were unable to make pre-filing payments to its critical suppliers: see *Hudson's Bay* at para 114.

[43] The Applicants rely heavily on a small number of suppliers and contractors who provide specialized services and materials. To avoid disruption to the Business, the Applicants seek the flexibility to make pre-filing payments as necessary to maintain the Business and avoid impairing their restructuring efforts.

[44] In the circumstances, the approval to pay certain pre-filing creditors is appropriate and is approved.

Appointment of Monitor and Enhanced Monitor's Powers

[45] The firm currently acting in the capacity as Proposal Trustee, FTI, is qualified to act as Court-appointed Monitor, has consented to do so and is not affected by any restrictions as set out in section 11.7(2) of the CCAA.

[46] Section 23(1)(k) of the CCAA permits monitors to be granted enhanced powers depending on the applicable circumstances.

[47] In this case, the DIP Lender requires such powers as a term of advancing funds that are necessary to support a going concern sale process, which the Applicants and Timothy Shaw as their director do not object to and which FTI as the proposed Monitor consents to and supports.

[48] In the circumstances, including the concerns outlined above, the enhanced powers granted to the Monitor are appropriate.

Appointment of Fusion as Foreign Representative

[49] The Applicants may seek recognition of the CCAA proceedings in the United States pursuant to Chapter 15 of the U.S. Bankruptcy Code. Accordingly, the Applicants seek authorization for Fusion to act as the foreign representatives with respect to the CCAA proceedings.

[50] Section 56 of the CCAA grants the Court authority to appoint “any person or body” to act as a representative for the purpose of having CCAA proceedings recognized in any jurisdiction outside of Canada, including the U.S. In the circumstances the appointment of Fusion as Foreign Representative is appropriate and is approved.

SISP Approval Order

[51] I am satisfied that the proposed SISP should be approved. The factors set out in *Re Nortel Networks Corporation*, 2009 CanLII 39492 at para. 49, together with the additional factors identified in subsequent cases such as *CCM Master Qualified Fund v. blutip Power Technologies Inc.*, 2012 ONSC 1750 at para. 6 are satisfied.

[52] The broad flexibility afforded by the SISP is designed to solicit the highest value available for the property and Business. The SISP was developed by the Applicants, with the assistance of the Monitor and the DIP Lender. It is a condition of the Amended DIP Term Sheet that the SISP be commenced.

[53] FTI as Proposal Trustee and proposed Monitor is of the view that the SISP is an appropriate continuation of the efforts of SAIL and the during the NOI proceeding and the proposed SISP is typical in terms of duration and process of sales process typically granted in an NOI or CCAA proceeding and represents the best opportunity to identify a potential going concern transaction for the Applicants and maximize value for the benefit of their stakeholders.

Discharge Order

[54] It follows from all of the above that the SAIL NOI proceeding should be terminated and the conduct and fees of the Proposal Trustee and its counsel approved, and those parties be released from claims relating to this proceeding (other than claims arising from gross negligence or willful misconduct): see *Body Shop* at para 27 and 28.

[55] 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 is whether the fees are fair, reasonable, and proportionate given the value of the Applicants’ assets and liabilities, as well as the complexity of the business and the NOI Proceeding.

[56] In considering these guiding principles, the fees of the Proposal Trustee and its counsel are appropriate and are approved as are the releases sought by the Proposal Trustee and its counsel, together with counsel for the Company. The approval of the Proposal Trustee and its counsel fees is without prejudice to the rights of BDC to challenge the scope and quantum of those fees if any priority is sought for the Administration Charge in the NOI proceeding over the BDC mortgage.

Disposition

[57] Orders to go in the form signed by me.

[58] Nothing in the relief sought today prevents BDC from bringing a motion to lift the stay to enforce its mortgage in the future.

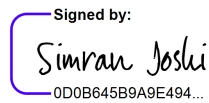
[59] Counsel for Corpay requests that the Monitor provide certain reporting regarding hedging contracts and serve it with various motions. If Corpay wishes to have notice of matters in this proceeding, they should file a notice of appearance. Corpay has not yet discussed the requested reporting with the Monitor and that should occur prior to any order being made.

[60] A further hearing is scheduled before me in this matter on **May 30, 2025 at 10:00 a.m. for 2 hours** (virtually).

May 13, 2025

Justice J. Dietrich

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 PARRY SOUND IN THE PROVINCE OF
ONTARIO BEFORE ME AT THE CITY OF OAKVILLE, IN THE PROVINCE OF ONTARIO THIS
14TH DAY OF JULY 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

)

TUESDAY, THE 13TH

)

DAY OF MAY, 2025

JUSTICE J. DIETRICH

)

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

SALE PROCESS APPROVAL ORDER

THIS APPLICATION, 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 approving, among other things, the procedures for the Sale and Investment Solicitation Process attached hereto as Schedule "A" (the "**SISP**"), was heard this day.

ON READING the Affidavit of Andrew Hustrulid sworn May 8, 2025 and the exhibits thereto, the pre-filing report of FTI Consulting Canada Inc. in its capacity as monitor of the Applicants (in such capacity, the "**Monitor**") dated May 11, 2025, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, 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 lawyer's certificate of service of Jessica Wuthmann dated May 9, 2025, filed,

SERVICE

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

APPROVAL OF THE SALE AND INVESTMENT SOLICITATION PROCESS

2. **THIS COURT ORDERS** that the SISP (subject to such amendments as may be made in accordance with the terms of the SISP) be and is hereby approved and the Applicants and the Monitor are hereby authorized to implement the SISP pursuant to the terms thereof.

3. **THIS COURT ORDERS** that the Monitor and the Applicants are authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with its terms and this Order.

4. **THIS COURT ORDERS** that each of the Monitor, the Applicants and their respective affiliates, partners, employees, directors, representatives, and agents shall have no liability with respect to any and all losses, claims, damages or liability, of any nature or kind, to any person in connection with or as a result of performing their duties under the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Monitor or the Applicants, as applicable, in performing their obligations under the SISP, as determined by this Court.

5. **THIS COURT ORDERS** that in implementing the SISP, the Monitor shall have all of the benefits and protections granted to it under the CCAA, the Initial Order dated May 13, 2025, and any other order of the Court in the within proceedings.

6. **THIS COURT ORDERS** that notwithstanding anything contained herein or in the SISP, the Monitor shall not take possession of the property, assets, and undertakings of the Applicants (the “**Property**”) or be deemed to take possession of the Property.

7. **THIS COURT ORDERS** that the Applicants and the Monitor are hereby authorized to disclose to any Bidder (as defined in the SISP) any information or documentation contained in the Applicants’ records (including, without limitation, confidential or commercially sensitive information or documentation) regarding the assets and/or parties with whom the Applicants transact (collectively, “**Confidential Information**”); provided that the Applicants and the Monitor shall only disclose such Confidential Information that the Applicants and the Monitor determine is reasonably necessary to permit a SISP participant to conduct the necessary due diligence with respect to a potential transaction or that is otherwise necessary to implement the SISP.

PROTECTION OF PERSONAL INFORMATION

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Monitor, the Applicants and their respective advisors are hereby authorized and permitted to disclose personal information of identifiable individuals (“**Personal Information**”) to prospective bidders or offerors and to their advisors, including human resources and payroll information, records pertaining to the Applicants’ past and current employees, and information on specific customers, but only to the extent desired or required to negotiate or attempt to complete a transaction in the SISP. Each prospective bidder or offeror to whom any Personal Information is disclosed shall maintain and protect the privacy of such Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial legislation. Each prospective bidder or offeror to whom any Personal Information is disclosed shall also limit the use of such Personal Information to its participation in the SISP.

GENERAL

9. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under the SISP.

10. **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.

11. **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 to give effect to this Order and to assist the Applicants, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to 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 and the Monitor and their respective agents in carrying out the terms of this Order.

12. **THIS COURT ORDERS** that, pursuant to section 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS), the Monitor, the Applicants and their respective counsel are hereby authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors (each a “**SISP Participant**”) and to their advisors, or any interested party that the Monitor or the Applicants consider appropriate, but only to the extent required to provide information with respect to the SISP in these proceedings.

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

**Schedule “A”
SISP Procedures**

[*See next page.*]

SALE AND INVESTMENT SOLICITATION PROCESS

Recitals

- A. On March 29, 2025, Shaw-Almex Industries Limited ("**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 Proceedings**"). FTI Consulting Canada Inc. ("**FTI**") was appointed as proposal trustee (the "**Proposal Trustee**").
- B. On April 25, 2025, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted an Order which: (i) extended the time to file a proposal with the Official Receiver in the NOI Proceedings; (ii) granted a charge over all of the property, assets and undertakings (the "**Property**") of SAIL in favour of the Proposal Trustee, counsel to the Proposal Trustee and counsel to SAIL in the amount of \$350,000; and (iii) approved an interim financing facility term sheet extended by Royal Bank of Canada (the "**DIP Lender**") in the maximum principal amount of \$1,000,000 (as amended, the "**DIP Facility**") and granted a corresponding charge over the Property (the "**DIP Charge**") in favour of the DIP Lender in order to secure the obligations of SAIL under the DIP Facility (the "**Proposal Order**").
- C. On May 13, 2025, the NOI Proceedings were continued under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and the Court granted an initial order (the "**Initial Order**") which, among other things, (i) granted CCAA protection (the "**CCAA Proceedings**") to SAIL as well as its indirect subsidiary, Shaw Almex Fusion. LLC (collectively, the "**Company**"); (ii) terminated the NOI Proceedings provided that, notwithstanding the conversion of the NOI Proceedings, the approval of the DIP Facility and DIP Charge pursuant to the Proposal Order granted in the NOI Proceedings would continue to apply in the CCAA Proceedings; (iii) appointed FTI as monitor in the CCAA Proceedings (in such capacity, the "**Monitor**"); and (iv) approved an amended and restated interim financing facility term sheet extended by the DIP Lender pursuant to which the DIP Lender would extend a maximum principal amount of \$1,800,000; and (v) approved the granting of a DIP Charge to secure the obligations under the DIP Facility.
- D. On May 13, 2025, the Court granted an order (the "**SISP Order**") authorizing the Monitor, with the assistance of the Company, to undertake a sale and investment solicitation process ("**SISP**"). The SISP is intended to canvass the market and solicit interest in, and opportunities for, a sale of, investment in or recapitalization of, all or part of the Company, its Property, including their wholly owned subsidiaries, and business operations (the "**Business**") in accordance with the procedures, terms and conditions set out herein (the "**SISP Procedures**").
- E. The SISP Procedures set out the manner in which: (i) bids and proposals for a broad range of executable transaction(s), including, without limitation, a sale of the Property, a restructuring or recapitalization involving the Business, as more particularly described in the Teaser Letter (as defined herein), whether *en bloc* or piecemeal, will be solicited from interested parties; (ii) bids received will be negotiated; (iii) Successful Bid(s), if any, will be selected; and (iv) the Court's approval of any Successful Bid(s) will be sought.

- F. The SISP Order, the SISP Procedures, and any other orders of the Court made in the CCAA Proceedings relating to the SISP shall exclusively govern the process for soliciting and selecting bids for the sale of the Property or investment in the Business pursuant to a broad range of executable transaction alternatives.
- G. Unless otherwise stated or unless the subject matter or context otherwise requires, the capitalized terms used in the SISP Procedures have the meaning ascribed to them herein.

Conduct of the SISP

1. The SISP will be carried out by the Monitor, with the assistance of the Company, and in consultation with the DIP Lender. Unless otherwise provided for herein, and in accordance with the SISP Order, the Monitor is fully and exclusively authorized, empowered and directed to take any and all actions and steps pursuant to the SISP, subject to the terms and conditions contained herein.
2. The Monitor, with the assistance of the Company, shall be responsible for contacting Prospective Bidders, communicating with Prospective Bidders as well as Qualified Bidders, Authorized Bidders, the Backup Bidder and the Successful Bidder (each as defined herein and collectively, "**Bidders**" and each, a "**Bidder**"), negotiating with Bidders, providing them with the Teaser Letter, coordinating the execution of any means a form of a non-disclosure agreement satisfactory to the Monitor (the "**Confidentiality Agreement**"), managing the process of answering all reasonable inquiries from Prospective Bidders and Bidders and arranging for visits, when applicable, by Bidders.
3. The Monitor, in consultation with the Company and the DIP Lender, shall review and assess all LOIs as well as all Phase II Bids, Aggregated Bids, Backup Bids and Successful Bids (each as defined herein and collectively, "**Bids**", each a "**Bid**").
4. At any time during the SISP, the Monitor may consult with the Company, the DIP Lender and such parties as it considers appropriate in respect of the conduct of the SISP.
5. After the issuance of the SISP Order, the Monitor may at any time and from time to time and in consultation with the Company and with the approval of the DIP Lender, modify, amend, vary or supplement the SISP or the SISP Procedures, without the need for obtaining an order of the Court or providing notice to any Bidders, provided that the Monitor determines that such modification, amendment, variation or supplement would not have a material impact on the implementation of the SISP and is necessary or useful in order to give effect to the substance of the SISP, the SISP Procedures or the SISP Order. The Monitor shall post on the Monitor's Website, as soon as possible, any such modification, amendment, variation or supplement to the SISP Procedures and inform Prospective Bidders and Bidders reasonably impacted by any such modification, amendment, variation or supplement to the SISP Procedures (each as defined below)
6. The Monitor may, at any time and on notice to the service list in the CCAA Proceedings as posted on the Monitor's website, as it may be updated from time to time (the "**Service List**"), apply to the Court for directions in connection with the implementation of the SISP or the SISP Procedures.
7. Notwithstanding anything else contained herein, any shareholder, director or officer of the Company (a "**Related Person**") that desires to submit or participate in the SISP must

declare such intention to the Monitor in writing. Until any Related Person declares that they will not submit a bid in the SISP, all consultation and consent rights herein shall be paused and the Monitor may place such limitations on the consultation and consent rights contained herein as they may consider appropriate, so as to ensure and preserve the integrity of the SISP.

Solicitation of Interest

8. To facilitate the due diligence by Prospective Bidders, the Monitor, with the assistance of the Company has:
 - (a) compiled a listing (the "**Contact List**") of prospective purchasers and investors (collectively, "**Prospective Bidders**").
 - (b) sent to each Prospective Bidder teaser materials, including a solicitation letter summarizing the acquisition and investment opportunity with respect to the Business and Property (the "**Teaser Letter**");
 - (c) set up an electronic data room with confidential information in respect of the Business and Property (the "**Data Room**");
 - (d) sent and will continue to send to each Prospective Bidder, a form of Confidentiality Agreement and written acknowledgement of receipt of the SISP Procedures wherein such Prospective Bidder agrees to accept and be bound by the provisions of the SISP Procedures (the "**Written Acknowledgement**"). Prospective Bidders are required, among other things, to sign a Confidentiality Agreement in order to gain access to confidential information (including access to the Data Room). For greater certainty, only Prospective Bidders who submit an executed Confidentiality Agreement and Written Acknowledgement shall be granted access to the Data Room and management presentations, if available; and
 - (e) prepared the form of a template asset purchase agreement (the "**Template APA**") to be used by Prospective Bidders in submitting a Sale Proposal and post same in the Data Room.
9. The Monitor, in consultation with the Company, reserves the right to limit any Prospective Bidder's or Bidder's access to any confidential information (including any information in the Data Room) where, in the Monitor's sole discretion, such access could negatively impact the SISP, the ability to maintain the confidentiality of the confidential information, the Business or the value of the Property.
10. Any and all requests for additional information are to be made to the Monitor.

Sale or Investment Opportunities

11. Bidders will have the opportunity to submit a bid in the form of either a Sale Proposal or an Investment Proposal (each as defined below). Sale Proposals and Investment Proposals may be in respect of only some of the Property and any such proposal will not be precluded from consideration as an acceptable Bid.
12. In the event of an offer to acquire all or part of the Property (a "**Sale Proposal**"), all of the

Company's relevant right, title and interest in and to the Property may be acquired pursuant to an approval and vesting order of the Court, including pursuant to a reverse vesting order if necessary and appropriate, free and clear of all pledges, liens, security interests, charges, options, hypothecs, mortgages and interest thereon, except to the extent otherwise set forth in a definitive purchase agreement executed with a Successful Bidder.

13. In the event of an offer for a broad range of executable transaction alternatives (restructuring, recapitalization, and/or refinancing) involving an investment in the Company (a "**Investment Proposal**") for any or all of the Business, same can be implemented by way of a combined Plan and Arrangement.

"As is, Where is"

14. Any Bid by way of a Sale Proposal or Investment Proposal shall be made on an "as is, where is" basis, without surviving representations or warranties of any kind or nature.
15. The Company and the Monitor are not responsible for, and will have no liability with respect to, any information obtained by any Prospective Bidder or Bidder in connection with the Business or Property. The Company, the Monitor and their advisors, as applicable, do not make any representations or warranties whatsoever as to the information or the materials provided through the due diligence process or otherwise made available to any Prospective Bidder or Bidder including any information contained in the Teaser Letter or Data Room.

Submission of Non-Binding Letters of Intent & Other Participation Requirements

16. Unless otherwise provided for herein, ordered by the Court or agreed to by the Monitor, in order to participate in the SISP and be considered for qualification as a Qualified Bidder, a Prospective Bidder must deliver to the Monitor, so as to be received by the Monitor no later than **May 22, 2025 at 5:00 p.m. (Toronto time)**, or such later date or time as the Monitor, in consultation with the Company and approved by the DIP Lender, may determine appropriate (the "**LOI Deadline**") a non-binding letter of intent (an "**LOI**") which:
 - (a) specifies whether the Prospective Bidder anticipates submitting a Sale Proposal or an Investment Proposal as well as the information required by paragraph 17 herein;
 - (b) has been duly executed by all required parties;
 - (c) is received before the LOI Deadline; and
 - (d) includes a letter setting forth the identity of the Prospective Bidder, the contact information for such Prospective Bidder, and the contact information for any business, financial or legal advisors retained or to be retained in connection with the contemplated transaction, and full disclosure of the direct and indirect owners of the Prospective Bidder and their principals, and a description of the Prospective Bidder's plans regarding the business of the Company.
17. An LOI in respect of a Sale Proposal or Investment Proposal must:

- (a) include an acknowledgement that the Sale Proposal or Investment Proposal will be made on an "as is, where is" basis;
 - (b) include a detailed description of any remaining due diligence required by the Prospective Bidder to be completed;
 - (c) describe 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 Company, to determine the reasonableness of such conditions;
 - (d) provide written evidence, satisfactory to the Monitor, in consultation with the Company, of the Prospective Bidder's ability to consummate the transaction within the timeframe contemplated by the SISF 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) include confirmation that the Prospective Bidder will be responsible for its own costs incurred in connection with its investigation of the Company and any transaction, including those of its advisors, attorneys, and agents;
 - (f) provide that the Qualified Bidder will comply with the proposed Target Closing Date (as defined herein);
 - (g) include any other terms and conditions which the Prospective Bidder believes are material to the transaction;
 - (h) include that the LOI is governed by the laws of the Province of Ontario and the laws of Canada, applicable therein; and
 - (i) include such other information reasonably requested by the Monitor in consultation with the Company and the DIP Lender.
18. In addition to the requirements set out in paragraph 17 herein, an LOI in respect of a Sale Proposal must include:
- (a) 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;
 - (b) the low and high range of the proposed Purchase Price for such Sale Proposal, the proposed allocation of Purchase Price among the applicable Property and an explanation of what contingencies and variables may influence the range in which the final Purchase Price will fall (each as defined herein);
 - (c) details as to the Purchase Price for all or part of the Property subject to the Sale Proposal;

- (d) 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";
 - (e) whether the proposed transaction is to be implemented by way of a "approval and vesting order" or a "reverse vesting order"; and
 - (f) a description of any liabilities to be assumed by the Prospective Bidder and the Prospective Bidder's estimated value of such assumed liabilities.
19. In addition to the requirements set out in paragraph 17 herein, an LOI in respect of an Investment Proposal must include:
- (a) a description of the structure of the Investment Proposal;
 - (b) a description of the type and amount of consideration to be allocated to secured creditors, unsecured creditors and shareholders of the Company;
 - (c) the proposed treatment of the Company's stakeholders; and
 - (d) a description of any liabilities to be assumed by the Prospective Bidder's estimated value of such assumed liabilities.
20. For greater certainty, the Monitor shall be entitled, either prior to or following the LOI Deadline, to seek to clarify the terms of an LOI or with respect to any of the other requirements of paragraphs 16, 17, 18, and 19 above, and the Monitor may accept a revised and/or clarified LOI, provided that the initial LOI was received prior to the LOI Deadline.

Identification of Qualified Bidders

21. The Monitor and the Company, in consultation with the DIP Lender, shall review and consider each LOI and the other materials submitted by a Prospective Bidder and if: (i) the LOI meets requirements specified in paragraphs 16, 17, and 18, or 19; (ii) it is determined that it will be in the best interests of the Company and its stakeholders to permit the Prospective Bidder to continue to participate in the SISF based upon the terms set out in the applicable LOI; and (iii) such Prospective Bidder's financial information and credit support or enhancement demonstrate to the satisfaction of the Monitor the capability of such Prospective Bidder to consummate a transaction and that such Prospective Bidder is likely (based on availability of financing, experience and other considerations) to consummate either a Sale Proposal or an Investment Proposal, such Prospective Bidder shall constitute a **"Qualified Bidder"**.
22. The determination by the Company and the Monitor as to whether a Prospective Bidder is a Qualified Bidder will be made as promptly as practicable, in consultation with the DIP Lender, after such Prospective Bidder has satisfied the requirements described in paragraph 16, 17 and 18 or 19, as applicable, and any clarification that may be sought by the Monitor pursuant to paragraph 20 and in any event prior to **May 26, 2025 at 5 p.m.** If it is determined that a Prospective Bidder is a Qualified Bidder, the Monitor will promptly notify the Prospective Bidder that it is a Qualified Bidder.

Due Diligence

23. Each Qualified Bidder shall have such access to due diligence materials and information relating to the Business and Property as the Monitor, in consultation with the Company, deems appropriate.
24. At the discretion of the Monitor, in consultation with the Company, due diligence access may include presentations (as may be scheduled by the Monitor), access to the Data Room, on-site inspections and such other matters as a Qualified Bidder may reasonably request and as to which the Monitor, in its reasonable business judgment, deems appropriate. The Monitor shall not be obligated to furnish any due diligence materials or information after the Bid Deadline.
25. Unless otherwise agreed in writing by the Monitor, no Prospective Bidder or Bidder shall be permitted to have any discussions with any counterparty to any contract with the Company or with any regulatory authority responsible for the Company or any other Prospective Bidder or Bidder in connection with any bid submitted in accordance with the terms hereof or in contemplation thereof.

Submission of Qualified Bids

26. In order to continue participation in the SISP, a Qualified Bidder must deliver a Qualified Purchase Bid or Qualified Investment Bid (each as defined below) to the Monitor and such bids must be received by the Monitor by no later than **June 12, 2025 at 5:00 p.m. (Toronto time)**, or at such later date or time as the Monitor, in consultation with the Company and approved by the DIP Lender and in accordance with the SISP Procedures, may determine appropriate (the "**Bid Deadline**").
27. A Sale Proposal submitted by a Qualified Bidder will be considered a "**Qualified Purchase Bid**" only if the Sale Proposal complies with all of the following:
 - (a) it includes a letter stating that the Sale Proposal is irrevocable until 25 business days, meaning any day other than a Saturday or Sunday or a day which is a statutory holiday in Toronto, Ontario ("**Business Day**"). Business Days following the Bid Deadline; provided, however, that if such Sale Proposal is selected as the Successful Bid or the Backup Bid, it shall remain irrevocable until the closing of the Successful Bid or the Backup Bid, as the case may be;
 - (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, specifying the purchase price, expressed in Canadian dollars, including the cash component thereof and/or the liabilities to be assumed by the Bidder (or the combination of both - the "**Purchase Price**"), together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such ancillary agreements) and such ancillary agreements;
 - (c) it contains a detailed listing and 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, as well as the value and breakdown of the allocation of the Purchase

Price;

- (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, 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 fully discloses the identity of each entity that is bidding or otherwise that will be sponsoring or participating in the Sale Proposal, including the identification of the Qualified Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (h) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property to be acquired and liabilities to be assumed in making its Sale Proposal; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets and/or liabilities to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Company or the Monitor, except as expressly stated in the purchase and sale agreement submitted by it; (iii) is a sophisticated party capable of making its own assessments in respect of making its Sale Proposal; and (iv) has had the benefit of independent legal advice in connection with its Sale Proposal;
- (i) it includes evidence, in form and substance reasonably satisfactory to the Monitor of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Sale Proposal;
- (j) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of **FTI Consulting Canada Inc. in trust**, in an amount equal to **10%** of the proposed gross Purchase Price, to be held and dealt with in accordance with the SISP Procedures;
- (k) it contains full details of the proposed number of employees of the Company who will become employees of the Qualified Bidder and the proposed terms and conditions of employment to be offered to those employees;

- (l) it includes an acknowledgement and representation that the Qualified Bidder will assume the obligations of the Company under executory contracts, unexpired leases, and licenses proposed to be assigned (or identifies clearly the particular contracts, leases, and licenses of the Company, as applicable, that the Qualified Bidder wishes not to assume, or alternatively wishes to assume), contains full details of the Qualified Bidder's proposal for the treatment of related cure costs; and which the assumption of which is a condition of closing;
 - (m) to the extent not addressed elsewhere, it includes the proposed treatment of stakeholders;
 - (n) it provides for the closing of the Qualified Purchase Bid by no later than **July 4, 2025**, or such later date or time as the Monitor, in accordance with the SISP Procedures, may determine appropriate (the "**Target Closing Date**");
 - (o) if the Qualified Bidder is an entity newly formed for the purpose of the transaction, the bid shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the Monitor and names the Company as a third-party beneficiary of any such commitment letter with recourse by the Company and the Monitor against such parent entity or sponsor;
 - (p) it includes evidence, in form and substance reasonably satisfactory to the Monitor of compliance or anticipated compliance with any and all applicable regulatory approvals (including, if applicable, anti-trust regulatory approval), the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals;
 - (q) it contains other information reasonably requested by the Monitor in consultation with the Company and the DIP Lender;
 - (r) it is governed by the laws of the Province of Ontario and the laws of Canada applicable therein; and
 - (s) it is received by no later than the Bid Deadline.
28. An Investment Proposal submitted by a Qualified Bidder will be considered a "**Qualified Investment Bid**" only if the Investment Proposal compiles with all of the following:
- (a) it includes a letter stating that the Investment Proposal is irrevocable for a period of 25 Business Days following the Bid Deadline; provided, however, that if such Investment Proposal is selected as the Successful Bid or the Backup Bid, it shall remain irrevocable until the earlier of: (i) the closing of the Successful Bid or the Backup Bid, as the case may be; and (ii) the outside date stipulated in the Successful Bid or the Backup Bid, as applicable;
 - (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 Company, if applicable, following completion of the proposed transaction (a "**Definitive Investment Agreement**");

- (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 Company;
- (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 fully discloses the identity of each entity that is bidding or that is sponsoring or participating in the Investment Proposal, including the identification of the Qualified Bidder's direct and indirect owners and their principals, and the complete terms of any such participation;
- (h) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its Investment Proposal; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business of the Company or the completeness of any information provided in connection therewith, including by the Company and the Monitor, except as expressly stated in the Definitive Investment Agreement; (iii) is a sophisticated party capable of making its own assessments in respect of making its Investment Proposal; and (iv) has had the benefit of independent legal advice in connection with its Investment Proposal;
- (i) it includes evidence, in form and substance reasonably satisfactory to the Monitor, or authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Investment Proposal;
- (j) it is accompanied by a Deposit in the form of a wire transfer (to a trust account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of **FTI Consulting Canada Inc., in trust**, in an amount equal to **10%** of the total proposed investment, to be held and dealt with in accordance with the SISP Procedures;
- (k) it provides for closing of the Qualified Investment Bid by no later than the Target Closing Date;

- (l) if the Qualified Bidder is an entity newly formed for the purpose of the transaction, the Investment Proposal shall contain an equity or debt commitment letter from the parent entity or sponsor, and satisfactory to the Monitor, that names the Company as a third-party beneficiary of any such commitment letter with recourse by the Company and the Monitor against such parent entity or sponsor;
 - (m) it includes evidence, in form and substance reasonably satisfactory to the Monitor, of compliance or anticipated compliance with any and all applicable regulatory approvals (including, if applicable, anti-trust regulatory approval), the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals;
 - (n) it contains other information reasonably requested by the Monitor;
 - (o) it is governed by the laws of the Province of Ontario and the laws of Canada applicable therein; and
 - (p) it is received by no later than the Bid Deadline.
29. For greater certainty, Sale Proposals and Investment Proposals may be in respect of only a part or parts of the Business or Property and such proposal shall constitute a **"Qualified Portion Bid"** if it satisfies the requirements in paragraph 27 or 28 herein, as applicable, in respect of the Business or Property subject to such proposal, and in such case, such Bidder shall constitute a **"Qualified Portion Bidder"**. Each Qualified Portion Bid shall be deemed to be a Phase II Bid, and each Qualified Portion Bidder shall be deemed to be a Qualified Bidder, for all purposes of the SISP.

PHASE II BIDS

30. Qualified Purchase Bids and Qualified Investment Bids shall hereinafter together be referred to as **"Phase II Bids"** and each a **"Phase II Bid"** and each Bidder who has submitted a Phase II Bid shall hereinafter be referred to as an **"Authorized Bidder"**.
31. Notwithstanding paragraphs 27 and 28, the Monitor, in consultation with the Company and the DIP Lender, may waive compliance with any one or more of the Phase II Bid requirements specified herein, and deem such non-compliant bids to be Qualified Purchase Bids or Qualified Investment Bids, as the case may be.

ASSESSMENT OF PHASE II BIDS

32. The Monitor and the Company, in consultation with the DIP Lender, will review and assess the Phase II Bids in respect of a Sale Proposal, and in making such assessment will consider, among other things, the following criteria (the **"Sale Proposal Bid Criteria"**):
- (a) the Purchase Price and net value (including all assumed liabilities and other obligations to be performed by the Authorized Bidder) provided by such Phase II Bid and the proposed allocation of the Purchase Price among the applicable Property;
 - (b) the firm, irrevocable commitment for financing the transaction or other evidence of ability to consummate the Sale Proposal;

- (c) the claims, if any, likely to be created against the Company by the transaction contemplated by the Sale Proposal, relative to alternatives available to the Company;
 - (d) the nature and amount of debt and other liabilities to be assumed or acquired by the Authorized Bidder;
 - (e) the proposed revisions to the Template APA and the terms of the proposed sale transaction documents;
 - (f) the Property included in or excluded from the Sale Proposal and the transaction costs and risks associated with closing multiple transactions versus a single sale transaction for all or substantially all of the Property;
 - (g) any transition services required from the Company post-closing and any related restructuring costs;
 - (h) the planned treatment of stakeholders; and
 - (i) other factors affecting the speed, certainty and value of the Sale Proposal (including any regulatory approvals and other conditions required to close the Sale Proposal by the applicable Target Closing Date), including the likelihood of closing the Sale Proposal on or before the applicable Target Closing Date.
33. The Monitor and the Company, in consultation with the DIP Lender, will review and assess the Phase II Bids in respect of an Investment Proposal, and in making such assessment will consider among other things, the following criteria (the “**Investment Proposal Bid Criteria**”):
- (a) the type and amount of consideration, including equity, if any, to be allocated to secured creditors; unsecured creditors and shareholders of the Company and the planned treatment of such persons under the proposed Investment Proposal;
 - (b) the firm, irrevocable commitment for financing the investment or other evidence of ability to consummate the Investment Proposal;
 - (c) the cost, risks and timing associated with obtaining the approval of the requisite majority of creditors and approval of the Court in respect of a Plan, if needed;
 - (d) the estimated number of employees of the Company that will be offered post-closing employment by the Bidder and any proposed measures associated with their continued employment;
 - (e) the transition services required from the Company post-closing and any related tasks;
 - (f) the planned treatment of stakeholders; and
 - (g) other factors affecting the speed, certainty and value of the Investment Proposal (including any regulatory approval and other conditions required to close the Investment Proposal by the applicable Target Closing Date), including the

likelihood of closing the Investment Proposal on or before the applicable Target Closing Date.

34. For greater certainty, the Monitor, in consultation with the Company and the DIP Lender, shall be entitled, either prior to or following the Bid Deadline, to seek to clarify the terms of Phase II Bid and the Monitor may accept a revised and/or clarified Phase II Bid provided that the initial Phase II Bid was received prior to the Bid Deadline.
35. The Monitor in consultation with the Company and with the approval of the DIP Lender, may waive compliance with any one or more of the requirements specified in paragraph 27 or 28, as applicable and deem any non-compliant Bid to be a Phase II Bid.
36. The Monitor and the Company shall apply the Sale Proposal Bid Criteria and Investment Proposal Bid Criteria, as applicable, and consider each Phase II Bid upon its submission for determination. Such determination will be made as promptly as practicable after the Bid Deadline.
37. If the Company, in consultation with the Monitor and the DIP Lender, determines that any Phase II Bid was received that is in the best interests of the Company's stakeholders (or any combination of non-overlapping Qualified Portion Bids was received that is in the best interests of the Company's stakeholders), the Company, in consultation with the Monitor and the DIP Lender, may choose to accept such Phase II Bid (in which case, such Phase II Bid shall be a **"Successful Bid"** and the Authorized Bidder making the Successful Bid shall be a **"Successful Bidder"**) and take such steps as are necessary to finalize and complete an agreement for the Successful Bid with the Successful Bidder. For greater certainty, the Company, in consultation with the Monitor and the DIP Lender, may accept a combination of non-overlapping Qualified Portion Bids (collectively, an **"Aggregated Bid"**) to create one Successful Bid and in such case, the applicable Authorized Bidders will become **"Successful Bidders"**.
38. The Monitor, with the consent of the DIP Lender and in consultation with the Company, may at any time (including prior to or during any Auction (as defined below)), in accordance with the terms herein: (a) reject any Bid that is: (i) inadequate or insufficient; and/or (ii) not in conformity with the requirements of the CCAA, the SISP Procedures or any orders of the Court applicable to the Company; (b) accept Phase II Bids not in conformity with the SISP Procedures that are determined to be more favourable; (c) extend the Bid Deadline, and/or change the Auction Date (as defined herein); and/or (d) reject all Phase II Bids. For greater certainty, the Company shall be under no obligation to accept the highest or best offer and the selection of the Successful Bid shall be entirely in the discretion of the Company, in consultation with the Monitor and the DIP Lender.

Auction

39. If the Monitor, in consultation with the Company and the DIP Lender, determine that more than one Phase II Bids (and/or more than one Aggregated Bid) should be considered, then the Monitor may, without being obligated to do so, conduct an auction (the **"Auction"**), to determine the highest and/or best Sale Proposal or Investment Proposal or Aggregated Bid.

40. If an Auction is to be conducted pursuant to paragraph 39, the Auction shall commence on a date as the Monitor, may determine is appropriate (the "**Auction Date**"). The Auction shall be conducted virtually through a platform to be determined by the Monitor or such other location as the Monitor may determine.
41. If there is an Auction, the Monitor, in consultation with the Company and the DIP Lender shall develop the Auction procedures. Notice of the platform or place, date and time of the Auction will be delivered to all Authorized Bidders by the Monitor not less than three (3) Business Days before the Auction Date.

Backup Bid

42. In the event a Successful Bid is accepted in accordance with paragraph 37, or further to an Auction in accordance with paragraph 41, the Company, in consultation with the Monitor and the DIP Lender, may also select any Phase II Bid or Aggregated Bid, as the case may be, as the "**Backup Bid**" (the Bidder of such Backup Bid, the "**Backup Bidder**") and take such steps as are necessary to finalize and complete an agreement for the Backup Bid with the Backup Bidder. In the event the closing of the Successful Bid accepted in accordance with paragraphs 37 or 41, as the case may be, does not occur, the Backup Bid shall, upon confirmation of the Monitor, become the Successful Bid and be dealt with as such in accordance with the SISP Procedures.

Approval Motion

43. After a definitive agreement(s) in respect of a Successful Bid has been finalized in accordance with the SISP Procedures, if such Successful Bid relates to the Business or Property, the Company shall apply to the Court as soon as reasonably practicable for an order approving such Successful Bid and authorizing the Company to enter into any and all necessary agreements with respect to such Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to such Successful Bid, including for the approval of any Plan(s) pursuant to the CCAA or Arrangement pursuant to the CBCA, as applicable (an "**Approval Motion**").
44. An Approval Motion will be held on a date to be scheduled by the Court and to be heard as soon as possible. The Company reserves its right, as may be necessary or appropriate, to seek to proceed on an expedited basis and abridge any notice period provided for in any Court order. An Approval Motion may be adjourned or rescheduled by the Company, in consultation with the Monitor and the DIP Lender, by an announcement of the adjourned date at an Approval Motion or by notice to the Service List and no further notice shall be required.
45. All Phase II Bids (other than the Successful Bid and the Backup Bid, as the case may be) will be deemed rejected at 11:59 p.m. (Toronto Time) on the Business Day after the acceptance of the Successful Bid relating to the same Business and/or Property.
46. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.

Treatment of Deposit

47. If there is a Successful Bid, the Deposit (plus accrued interest) paid by a Successful Bidder whose bid is approved by the Court will be released by the Monitor and applied to the Purchase Price to be paid, or investment to be made, by such Successful Bidder upon closing of the approved transaction or as otherwise set out in the definitive agreement.
48. The Deposits of Bidders not selected as a Successful Bidder or a Back Up Bidder, will be returned to such Bidders within ten (10) Business Days upon selection of the Back Up Bid and/or Successful Bid. If there is no Successful Bid with respect to the Business or the Property, subject to the following paragraph 49, all Deposits with respect to such Business or Property will be returned to all Bidders with respect to that Business or Property, within ten (10) Business Days of the date on which the SISP with respect to that Business or Property is terminated in accordance with the SISP.
49. If: (i) a Successful Bidder breaches any of its obligations under the terms of the SISP Procedures or any definitive transaction documentation; or (ii) a Bidder fails to complete the transaction contemplated by its Bid if required by the Monitor to complete such transaction; or (iii) an Authorized Bidder fails to provide proof of its ability to complete the transaction to the Monitor (other than with respect to conditions specifically provided in its Bid), within five (5) Business Days of a request to that effect from the Monitor, then, in each case, such Bidder's Deposit will be forfeited to the Company as liquidated damages and not as a penalty. The forfeiture of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Company and the Monitor have or may have against such breaching entity.

Reservation of Rights and Conduct of the SISP

50. The SISP does not and will not be interpreted to create any contractual or other legal relationship between the Company or the Monitor and any Prospective Bidder and Bidder, other than as specifically set forth in a definitive agreement that any such Bidder may enter into with the Monitor.
51. The Monitor and the Company, with the consent of the DIP Lender, may reject, at any time any Bid that is: (i) inadequate or insufficient; (ii) not in conformity with the requirements of the SISP Procedures; or (iii) contrary to the best interests of the Company, its estate, and stakeholders as determined by the Company and the Monitor. The Monitor may accept bids not in conformity with the SISP Procedures to the extent that the Company and the Monitor, in consultation with the DIP Lender determine, in their reasonable business judgment, that doing so would benefit the Company, its estate, and stakeholders.
52. The Monitor, in its reasonable discretion and in consultation with the Company and the DIP Lender, may shorten the dates provided for herein or terminate the SISP if there are no credible opportunities for the conclusion of a transaction in the process.
53. The Monitor will at all times prior to the selection of a Successful Bid(s) use commercially reasonable efforts to facilitate a competitive bidding process in the SISP including, without limitation, by actively soliciting participation by all persons who would be customarily identified as high-potential bidders in a process of this kind or who may be reasonably proposed by any of the Company's stakeholders as a high-potential bidder.

54. Prior to seeking Court approval for any transaction or bid contemplated by this SISP, the Monitor will provide a report to the Court on the SISP process, parts of which may be filed under seal, including in respect of any and all bids received.
55. Pursuant to the applicable Approval Motion and to the extent permitted by law, all of the rights, title and interests of the Company in and to the Property or the Business to be acquired will be sold free and clear of, *inter alia*, all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein (collectively, the “**Claims and Interests**”) pursuant to the CCAA, such Claims and Interests to attach to the net proceeds of the sale of such Property or Business (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant transaction documents with a Successful Bidder and the applicable Approval Motion.
56. Without limiting the discretion afforded to the Monitor and the Company herein, and notwithstanding the process and timeline for Qualified Bids and the continuation of the SISP into Phase 2, the Monitor and the Company, in consultation with the DIP Lender, may at any time prior to the Bid Deadline: (i) subject to Court approval, enter into a stalking horse agreement involving a transaction with respect to some or all of the Property with a party identified through the SISP or otherwise; or (ii) subject to Court approval, enter into a definitive transaction agreement with respect to a transaction involving some or all of the Property with a party identified through the SISP or otherwise and suspend or terminate the SISP.
57. The Company shall co-operate fully with the Monitor in the exercise of its powers and duties and discharge of its obligations under the SISP and provide the Monitor with the assistance, information and documentation that is necessary to enable the Monitor to adequately carry out the Monitor’s functions herein.

Notice to the Company and the Monitor

58. Any notice or other communication to be given to the Company in connection with this SISP shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the Company as follows:

To counsel to the Company:

RECONSTRUCT LLP

80 Richmond St W
Suite 1700
Toronto, ON M5H 2A3

Attention:

Brendan Bissell – bbisell@reconllp.com
Caitlin Fell – cfell@reconllp.com

59. Any notice or other communication to be given to the Monitor in connection with this SISP shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the Monitor as follows:

FTI CONSULTING INC.

TD South Tower
79 Wellington Street W, Suite 2010
Toronto, Ontario M5K 1G8
Canada

Attention:

Jeffrey Rosenberg – jeffrey.rosenberg@fticonsulting.com

With a copy to counsel to the Monitor

STIKEMAN ELLIOTT LLP

5300 Commerce Court West
199 Bay Street
Toronto, Ontario M5L 1B9
Canada

Attention:

Maria Konyukhova - mkonyukhova@stikeman.com

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

SALE PROCESS APPROVAL ORDER

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Lawyers for the Applicants

THIS IS **EXHIBIT “D”** REFERRED TO IN THE
AFFIDAVIT OF **ANDREW HUSTRULID** SWORN REMOTELY BY **ANDREW HUSTRULID**
STATED AS BEING LOCATED IN THE CITY OF PARRY SOUND IN THE PROVINCE OF
ONTARIO BEFORE ME AT THE CITY OF OAKVILLE, IN THE PROVINCE OF ONTARIO THIS
14TH DAY OF JULY 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 SISF. 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 SISF.

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

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

Court File No. BK-25-03205249-0031

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

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

Proceedings commenced at TORONTO

AFFIDAVIT OF ANDREW HUSTRULID
(sworn May 8, 2025)

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Lawyers for the Applicants

THIS IS **EXHIBIT “E”** REFERRED TO IN THE
AFFIDAVIT OF **ANDREW HUSTRULID** SWORN REMOTELY BY **ANDREW HUSTRULID**
STATED AS BEING LOCATED IN THE CITY OF PARRY SOUND IN THE PROVINCE OF
ONTARIO BEFORE ME AT THE CITY OF OAKVILLE, IN THE PROVINCE OF ONTARIO THIS
14TH DAY OF JULY 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 MADAM)	FRIDAY, THE 27 TH
)	
JUSTICE J. DIETRICH)	DAY OF JUNE, 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 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) extending the stay of proceedings up to and including August 1, 2025; and (ii) approving the Second Amended DIP Facility (as defined herein) was heard this day by videoconference.

ON READING the Affidavit of Andrew Hustrulid sworn June 24, 2025 and the exhibits thereto, the second report of FTI Consulting Canada Inc., in its capacity as monitor of the Applicants (in such capacity, the "**Monitor**") dated June 26, 2025 (the "**Second 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 the Royal Bank of Canada ("**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 Sofia Guido sworn June 25, 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 Stay Extension Order dated May 30, 2025.

STAY OF PROCEEDINGS

3. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 15 of the Initial Order) be and hereby is extended up to and including August 1, 2025.

AMENDED DIP FACILITY

4. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under the second amended credit facility (the “**Second Amended DIP Facility**”) from RBC (the “**DIP Lender**”) and the Applicants are hereby authorized and empowered to borrow up to an additional \$1,020,000 (\$3,646,500 in the aggregate) under the Second Amended DIP Facility.

5. **THIS COURT ORDERS** that the Second Amended DIP Facility shall be on the terms and subject to the conditions set forth in the Second Amendment to the Amended and Restated DIP Facility Loan Agreement made between the Applicants and the DIP Lender dated as of June 25, 2025 attached as **Appendix “A”** to the Second Report (the “**Second Amendment**”).

6. **THIS COURT ORDERS** that: (a) paragraphs 23 and 36 of the Initial Order shall apply to the DIP Facility (as amended by the Amended DIP Facility and Second Amended DIP Facility) and all references to the DIP Facility contained in the Initial Order shall be deemed to be

references to the DIP Facility (as amended by the Amended DIP Facility and Second Amended DIP Facility); (b) the DIP Lender's Charge shall secure all amounts owing by the Applicants to the DIP Lender under the DIP Facility (as amended by the Amended DIP Facility and Second Amended DIP Facility) and the applicable Definitive Documents; and (c) for greater certainty, paragraphs 36 and 42 is hereby amended to replace the reference to "\$1,836,000" with "\$3,646,500".

7. **THIS COURT ORDERS** that paragraphs 37-38, 40, and 47 of the Initial Order shall apply to the Commitment Letter (as amended by the First Amendment and Second Amendment) and all references to the Commitment Letter contained in the Initial Order shall be deemed to be references to the Commitment Letter (as amended by the First Amendment and Second Amendment).

GENERAL

8. **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.

9. **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.

10. **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.

11. **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*

SECOND STAY EXTENSION ORDER

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ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

ENDORSEMENT

COURT FILE NO.: CV-25-00743136-00CL DATE: June 27, 2025

NO. ON LIST: 3

TITLE OF PROCEEDING: **SHAW-ALMEX INDUSTRIES LIMITED et al**

BEFORE JUSTICE: **Justice J. Dietrich**

PARTICIPANT INFORMATION

For Applicant or Moving Party:

Name of Person Appearing	Name of Party	Contact Info
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For Defendant, Respondent or Responding Party:

Name of Person Appearing	Name of Party	Contact Info

For Other or Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Nicholas Avis Maria Konyukhova	Counsel for Monitor, FTI CONSULTING CANADA INC	navis@stikeman.com mkonyukhova@stikeman.com
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ENDORSEMENT OF JUSTICE J. DIETRICH:

Introduction

[1] The Applicants seek an order (i) extending the stay of proceedings up to and including August 1, 2025; and; (ii) approving an amended DIP Facility in the maximum principal amount of \$3,646,500 and increasing the DIP Lender's Charge accordingly.

[2] The Monitor filed its Second Report to the Court dated June 26, 2025 supporting the relief requested. No opposition was raised to any of the requested relief by any person.

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

Background

[4] 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 Consulting Canada Inc. ("FTI") consented to act as the proposal trustee of SAIL's estate.

[5] 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; 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 (d) granted an administration charge and a DIP Lender's Charge over the Property.

[6] 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**").

[7] On May 30, 2025, I granted an order (the "**First Extension Order**") (i) extending the stay of proceedings up to and including July 18, 2025; and; (ii) approving an amended DIP Facility in the maximum principal amount of \$2,828,500 and increasing the DIP Lender's Charge accordingly.

[8] The Monitor has advised that a number of binding orders were received on June 12, 2025 and the Monitor is currently negotiating definitive documents and expects to seek approval of a transaction shortly. A motion for such approval is scheduled for **July 18, 2025 at 11:00 am for 2 hours (virtual)**.

[9] The SISP provided that a transaction was to close by July 4, 2025 or such later date as the Monitor in accordance with the SISP may determine is appropriate. The Monitor has obtained the approval of the DIP Lender to extend the target closing date to August 1, 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

[10] The issues to be determined today limited to approval of the Second Amended DIP Facility and increased DIP Lender's Charge be granted and the extension of the Stay Period until August 1, 2025.

Analysis

DIP Facility and DIP Lender's Charge

[11] Pursuant to the Initial Order, I approved the Applicants' Amended DIP Term Sheet and granted a corresponding DIP Lender's Charge in the maximum principal amount of \$1,836,000 plus interest and fees. Pursuant to the First Extension Order, I approved an amended DIP Term Sheet and granted a corresponding increase to the DIP Lender's Charge to the maximum principal amount of \$2,626,500 plus interest and fees. The Applicants are now seeking approval to increase the Amended DIP Facility to the maximum amount of \$3,646,500 and approval of the corresponding increase of the DIP Lender's Charge. The milestone in the amended DIP Term Sheet for court approval of transaction identified by the SISP is July 17, 2025, however counsel for the DIP Lender indicated during today's hearing the DIP Lender would consent to an extension to coincide with the scheduled hearing for July 18, 2025.

[12] Section 11.2 of the CCAA permits the Court to approve the Second 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.

[13] 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 Second Report show that the Applicants require access to the Second Amended DIP Facility to provide the Applicants with necessary funding to continue their Business and operations and to advance their restructuring efforts, including the on-going continuation of the SISP.

[14] The Monitor supports the second 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 Second Amended DIP Facility and corresponding increase to the DIP Lenders' Charge is appropriate.

Stay of Proceedings

[15] The Applicants seek to extend the Stay Period to August 1, 2025.

[16] Pursuant to the SISP, qualified bidders were required to submit a Qualified Purchase Bid or Qualified Investment Bid (each as defined in the SISP) by no later than June 12, 2025. As

noted above, the Monitor received competitive bids. The Monitor continues to finalize a definitive agreement in respect of the highest or otherwise best bid from the SISF and the Applicants or Monitor intend to apply to this Court for an order approving the transaction contemplated by such Successful Bid in accordance with the revised target closing date of August 1, 2025.

[17] 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.

[18] As set out in the Second Report, the Applicants have acted and are continuing to act in good faith and with due diligence. The Revised and Extended Cash Flow Forecast Projections demonstrate that the Applicants are expected to have sufficient liquidity to operate through the proposed Extended Stay Period, subject to the approval of the Second 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 and SISF. I agree.

Disposition

[19] Order to go in the form signed by me this day.

June 27, 2025

Justice Dietrich J.

THIS IS **EXHIBIT “F”** REFERRED TO IN THE
AFFIDAVIT OF **ANDREW HUSTRULID** SWORN REMOTELY BY **ANDREW HUSTRULID**
STATED AS BEING LOCATED IN THE CITY OF PARRY SOUND IN THE PROVINCE OF
ONTARIO BEFORE ME AT THE CITY OF OAKVILLE, IN THE PROVINCE OF ONTARIO THIS
14TH DAY OF JULY 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

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

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;

- (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:

F06DA12F52A5B437...
Name: Vincent Javerzac
Title: Authorized Signatory

By: DocuSigned by:

F060E6A8C050428...
Name: Zhihui Xu
Title: CFO


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

ALMEX CANADA, LIMITED

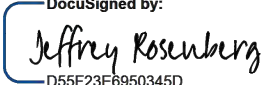
By: _____
Name: Vincent Javerzac
Title: Authorized Signatory

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. -
	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.

**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 July 14, 2025)

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Toronto, ON M5H 2A4

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Lawyers for the Applicants

TAB 3

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) granting related relief, 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 [●], 2025 (the “**Third Report**”), 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 ● sworn July [●], 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**") that (i) 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 and 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 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, (ii) such default is capable of being cured by the Purchaser or the Purchased Subsidiary, as applicable, and (iii) 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” of 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.

**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

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;

- (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:

F06DA12F52A5B437...
Name: Vincent Javerzac
Title: Authorized Signatory

By: DocuSigned by:

F060E6A8C050428...
Name: Zhihui Xu
Title: CFO


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

ALMEX CANADA, LIMITED

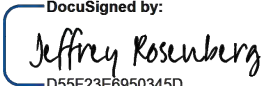
By: _____
Name: Vincent Javerzac
Title: Authorized Signatory

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. 20224-05-02 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

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Lawyers for the Applicants

TAB 4

Court File No. — CV-25-00743136-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

<u>THE HONOURABLE</u>)	<u>FRIDAY, THE 18TH</u>
)	
THE HONOURABLE)	WEEKDAY, THE #
)	
JUSTICE — <u>J. DIETRICH</u>)	DAY OF MONTH <u>JULY</u> , 20YR <u>2025</u>

~~B E T W E E N:~~

~~PLAINTIFF~~

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

Plaintiff

~~—and—~~

~~DEFENDANT~~

Defendant

~~APPROVAL AND VESTING~~ APPROVAL AND VESTING ORDER

~~THIS MOTION, made by [RECEIVER'S NAME] in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and [NAME OF PURCHASER] (the "Purchaser") dated [DATE] and appended to the Report of the Receiver dated [DATE] (the "Report"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets~~

~~described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.~~

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) granting related relief, was heard this day by videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the ~~Report~~ 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 [●], 2025 (the "Third Report"), and on hearing the submissions of counsel for the ~~Receiver, [NAMES OF OTHER PARTIES APPEARING], no one~~ appearing for any other person on the service list, although properly 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 [NAME] service of [●] sworn [DATE] filed¹:
July [●], 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. ~~1. THIS COURT ORDERS AND DECLARES that the Transaction is~~that the Purchase Agreement and the Transactions are hereby approved,² and the execution of the ~~Sale~~Purchase Agreement by the ~~Receiver~~³Vendors (or the Monitor on behalf of the Vendors) is hereby authorized, ratified, and approved, ~~with such minor amendments as the Receiver may deem necessary. The Receiver is.~~ 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

¹~~This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.~~

²~~In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.~~

³~~In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.~~

execute such additional documents as may be necessary or desirable for the completion of the ~~Transaction~~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. ~~2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's~~
~~certificate~~that at the time (the "Effective Time") at which the Monitor delivers to the Purchaser a
certificate substantially in the form attached as Schedule ~~A~~"B" hereto (the ~~"Receiver's"~~"Monitor's
Certificate"), all of (a) the ~~Debtor's~~Vendor's right, title and interest in and to the Purchased
Assets ~~described in the Sale Agreement [and listed on Schedule B hereto]~~⁴, 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, ~~or other~~ 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"~~"Claims"⁵) including,

⁴~~To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

⁵~~The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.~~

without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order of ~~the Honourable Justice [NAME] dated [DATE]~~ 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 ~~or claims~~, Liabilities and Liens evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal or movable property ~~registry~~registration system; and (iii) those Claims and Liens listed on ~~Schedule~~ Schedules “C” and “D” hereto (all of which are collectively referred to as the “Encumbrances”, which term shall not include the ~~permitted encumbrances, easements and restrictive covenants listed on Schedule D~~ Permitted Liens) and, for greater certainty, this Court orders that all ~~of the~~ 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. ~~3.~~ THIS COURT ORDERS that upon the registration in the Land Registry Office for the ~~[Registry Division of {LOCATION} of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver]~~ [Land Titles Division of ~~{LOCATION}~~ 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*⁶, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule ~~B~~“D” hereto (the “~~Real~~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 ~~Real~~Parry Sound Property all of the Claims and Encumbrances listed in Schedule ~~C~~“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.

⁶~~Elect the language appropriate to the land registry system (Registry vs. Land Titles).~~

9. ~~4-~~**THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ 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 ~~Receiver's~~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 sale⁸, 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. ~~5-~~**THIS COURT ORDERS AND DIRECTS** the ~~Receiver~~Monitor to file with the Court a copy of the ~~Receiver's~~Monitor's Certificate, forthwith after delivery thereof.

11. ~~6-~~**THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the ~~Canada~~Personal Information Protection and Electronic Documents Act (Canada), the ~~Receiver is~~Vendors and the Monitor are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the ~~Company's~~Vendors' records pertaining to the ~~Debtor's~~ past and current employees, ~~including personal information of those employees listed on Schedule "●" to the Sale Agreement~~ of the Vendors and their subsidiaries and affiliates. The Purchaser shall maintain and protect the privacy of such information ~~and~~in accordance with

⁷~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

⁸~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

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 ~~Debtor~~Vendors.

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

- (a) the pendency of these ~~proceedings~~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 ~~Bankruptcy and Insolvency Act (Canada)~~BIA or any other applicable legislation in respect of either of the ~~Debtor~~Vendors and any bankruptcy or receivership order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy ~~made~~or other bankruptcy or insolvency proceeding in any jurisdiction in respect of either of the ~~Debtor~~Vendors,

the Purchase Agreement and the Transactions, including, without limitation, the transfer and vesting of the Purchased Assets ~~in~~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 ~~Debtor and~~Vendors, (ii) shall not be void or voidable by creditors of either of the ~~Debtor~~Vendors, nor shall ~~it~~they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the ~~Bankruptcy and Insolvency Act (Canada)~~CCAA, the BIA or any other applicable federal or provincial ~~legislation, nor~~law, and (iii) shall ~~it not~~ constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial ~~legislation~~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") that (i) 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 and 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 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, (ii) such default is capable of being cured by the Purchaser or the Purchased Subsidiary, as applicable, and (iii) 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” of 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.

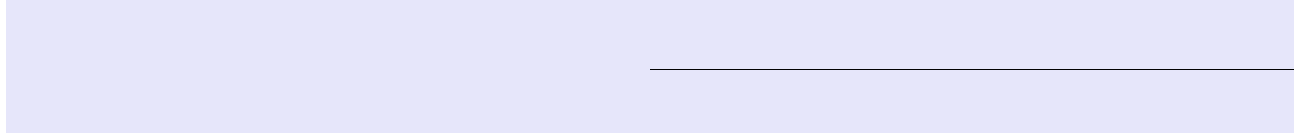
GENERAL

16. ~~8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the Bulk Sales Act (Ontario)~~ that this Order shall have full force and effect in all provinces and territories in Canada.

17. ~~9. 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 ~~Receiver and its~~ 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 ~~Receiver~~ 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 ~~Receiver and its~~ 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.



SCHEDULE “A”
PURCHASE AGREEMENT

(see attached)

SCHEDULE “B”
~~Schedule A~~—FORM OF ~~Receiver’s~~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

~~BETWEEN:~~

~~PLAINTIFF~~

~~Plaintiff~~

~~—and—~~

~~DEFENDANT~~

~~Defendant~~

~~RECEIVER’S~~MONITOR’S CERTIFICATE

RECITALS

1. ~~A.~~ Pursuant to ~~an~~the Initial Order of the ~~Honourable [NAME OF JUDGE]~~ of the Ontario Superior Court of Justice (Commercial List) (the ~~“Court”~~) dated ~~[DATE OF ORDER], [NAME OF RECEIVER]~~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 ~~receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor"~~ monitor of the Applicants (the "Monitor").

2. ~~B.~~ Pursuant to an Approval and Vesting Order (the "Order") of the Court dated ~~[DATE]~~ July 18, 2025, the Court inter alia, approved the ~~agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "Sale"~~ Asset Purchase Agreement" dated July 10, 2025 (including the exhibits and schedules attached thereto, the "Purchase Agreement") between the ~~Receiver [Debtor] and [NAME OF PURCHASER] (the "Purchaser"~~ Vendors and Almex Canada, Limited ("Almex Canada") and provided for the vesting in ~~the~~ 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 Debtor's Vendor's right, title and interest in and to the Purchased Assets, ~~which vesting is to be effective with respect~~ and (b) the U.S. Vendor's right, title and interest in and to the Purchased ~~Assets~~ Business Name, upon the delivery ~~by the Receiver to the Purchaser of a certificate~~ of this Monitor's Certificate confirming (i) the payment by the Purchaser of the Purchase Price ~~for the Purchased Assets~~; (ii) that the conditions to Closing as set out in ~~section 1 of the Sale~~ Purchase Agreement have been satisfied or waived by the ~~Receiver and the Purchaser~~ Parties in accordance with the Purchase Agreement; and (iii) the ~~Transaction has~~ Transactions have been completed to the satisfaction of the ~~Receiver~~ Monitor.

3. ~~C.~~ Unless otherwise indicated herein, capitalized terms ~~with initial capitals~~ have the meanings set out in the ~~Sale~~ Order or Purchase Agreement, as applicable.

THE ~~RECEIVER~~ MONITOR HEREBY CERTIFIES the following:

1. ~~1.~~ The Purchaser has paid and the ~~Receiver~~ Monitor has received the Purchase Price

~~for the Purchased Assets~~ payable on the Closing Date pursuant to the ~~Sale~~Purchase Agreement~~;~~.

2. ~~2.~~ The conditions to Closing as set out in ~~section 2.1 of~~ the ~~Sale~~Purchase Agreement have been satisfied or waived by the ~~Receiver and the Purchaser; and~~ Parties in accordance with the Purchase Agreement.

3. ~~3.~~ The ~~Transaction has~~Transactions have been completed to the satisfaction of the ~~Receiver~~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.

4. This Monitor's Certificate was delivered by the ~~Receiver~~ at _____ ~~[TIME]~~ on Monitor at _____ ~~[DATE]~~ on _____, 2025.

~~[NAME OF RECEIVER];~~ FTI CONSULTING CANADA INC., solely in its capacity as ~~Receiver of the undertaking, property and assets of [DEBTOR];~~ 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)

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

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

~~Schedule C—Claims to be deleted and expunged from title to Real Property~~

**~~Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property~~**

~~(unaffected by the Vesting Order)~~

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

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Tel: 416.613.6589

Lawyers for the Applicants

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Summary report: Litera Compare for Word 11.5.0.74 Document comparison done on 7/14/2025 8:29:15 PM	
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Delete	196
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Move To	0
Table Insert	16
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Embedded Excel	0
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TAB 5

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

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

THE HONOURABLE)	FRIDAY, THE 18 TH
)	
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

Applicants

ANCILLARY ORDER

THIS MOTION, made by 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) extending the stay of proceedings up to and including September 5, 2025; (ii) approving the third amendment to the DIP Facility (as defined herein); (iii) approving the First Report of FTI Consulting Canada Inc. in its capacity as court-appointed monitor (the "**Monitor**") of the Applicants dated May 27, 2025 (the "**First Report**"), the Supplement to the First Report of the Monitor dated May 28, 2025 (the "**Supplement**"), the Second Report of the Monitor dated June 27, 2025 (the "**Second Report**") and the Third Report of the Monitor (the "**Third Report**"), dated July 1, 2025; and (iv) approving the fees and disbursements of the Monitor pursuant to the fee affidavit of 1 sworn 1 (the "**FTI Fee Affidavit**") appended to the Third Report and the fees and disbursements of the Monitor's counsel, Stikeman Elliott LLP, pursuant to the fee affidavit of 1

sworn ● (the “**Stikeman Fee Affidavit**”) appended to the Third Report; was heard this day by videoconference.

ON READING the Affidavit of Andrew Hustrulid sworn July 14, 2025, and the exhibits thereto, the Third 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 the Royal Bank of Canada (“**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 July ●, 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**”).

STAY OF PROCEEDINGS

3. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 15 of the Initial Order) be and hereby is extended up to and including September 5, 2025.

AMENDED DIP FACILITY

4. **THIS COURT ORDERS** that the Applicants (or the Monitor on behalf of the Applicants) are hereby authorized and empowered to enter into the Third Amendment to the Amended and Restated DIP Facility Loan Agreement made between the Applicants and RBC (in its capacity as lender, the “**DIP Lender**”) dated as of ●, 2025 attached as **Appendix “●”** to the Third Report (the

“Third Amendment”).

5. **THIS COURT ORDERS** that paragraph 36 of the Initial Order shall be deleted and replaced with the following:

36. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility (the **“DIP Facility”**) from the Royal Bank of Canada (the **“DIP Lender”**) in order to finance the Applicants’ working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$[●] in the aggregate unless permitted by further Order of this Court.

6. **THIS COURT ORDERS** that paragraph 37 of the Initial Order shall be deleted and replaced with the following:

37. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the amended and restated commitment letter between the Applicants and the DIP Lender dated as of May 9, 2025 and attached as Appendix “A” to the Supplemental Report (the **“Commitment Letter”**, as amended by the First Amendment to the Amended and Restated DIP Facility Loan Agreement dated as of May 28, 2025, the Second Amendment to the Amended and Restated DIP Facility Loan Agreement dated as of June 25, 2025, and the Third Amendment to the Amended and Restated DIP Facility Loan Agreement dated as of July [●], 2025).

7. **THIS COURT ORDERS** that paragraph 42 of the Initial Order shall be deleted and replaced with the following:

42. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge (together, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$350,000); and

Second – DIP Lender's Charge (to the maximum principal amount of \$[●] plus interest, fees, and costs).

APPROVAL OF THE MONITOR'S PROFESSIONAL FEES AND ACTIVITIES

8. **THIS COURT ORDERS** that the activities of the Monitor described in the First Report, Supplement, Second Report and Third Report are hereby approved, provided, however, that only the Monitor in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

9. **THIS COURT ORDERS** the fees and disbursements of the Monitor, for the period from May ●, 2025 to July ●, 2025 in the total amount of \$● - which is comprised of \$● in fees and disbursements plus HST of \$● - as set out in the Third Report and the FTI Fee Affidavit attached as Appendix "●" to the Third Report, be and are hereby approved.

10. **THIS COURT ORDERS** that the fees and disbursements of the Monitor's counsel, Stikeman Elliott LLP, for the period from May ●, 2025 to July ●, 2025 in the total amount of \$X - which is comprised of \$● in fees and disbursements plus HST of \$● - as set out in the Third Report and the Stikeman Fee Affidavit attached as Appendix "●" to the Third Report, be and are hereby approved.

GENERAL

11. **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.

12. **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.

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*

ANCILLARY ORDER

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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 July 18, 2025)**

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