

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

THIRD SUPPLEMENT TO THE
FIFTH REPORT OF FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS MONITOR OF SHAW-ALMEX INDUSTRIES LIMITED
AND SHAW ALMEX FUSION, LLC

December 4, 2025

CONTENTS

Section	Page
A. Introduction.....	1
B. Purpose of this Report.....	2
C. Terms of Reference.....	3
D. Background	3
E. The Minutes of Settlement.....	3
F. Conclusion	5

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FIFTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS MONITOR**

A. INTRODUCTION

1. On March 29, 2025, Shaw-Almex Industries Limited (“**SAIL**”) filed a notice of intention to make a proposal (“**NOI**”) pursuant to the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) with the Office of the Superintendent of Bankruptcy. FTI Consulting Canada Inc. (“**FTI**”) consented to act as the proposal trustee (the “**Proposal Trustee**”) of SAIL’s estate.
2. On April 25, 2025, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an Order that, among other things, extended the time to file a proposal, and expanded and extended the stay of proceedings triggered under the BIA by the NOI filing, until and including May 13, 2025.
3. On May 13, 2025, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”) with respect to SAIL and Shaw Almex Fusion, LLC (“**Fusion**”, and together with SAIL, the “**Applicants**”), which, among other things, continued the NOI proceeding commenced by SAIL under the purview of the CCAA and appointed FTI as the Court-appointed monitor of the Applicants (in this capacity, the “**Monitor**”) with enhanced powers.

4. On July 18, 2025, the Court entered orders, among other things, approving the Asset Purchase Agreement (the “**Asset Purchase Agreement**”) dated July 10, 2025, between the Applicants, as vendors, and Almex Canada, Limited (the “**Purchaser**”), as purchaser and approving the transactions thereunder.
5. On June 18, 2025, the Monitor brought a motion seeking an Order (the “**TUV Authorization Order**”), among other things, authorizing the Monitor to commence an application (such application, which was eventually authorized to proceed by way of motion, the “**TUV Motion**”) against Shaw Almex Global Holdings Limited (“**Global Holdings**”) seeking the relief set out in paragraph 5 of the Fifth Report of the Monitor dated September 27, 2025 (the “**Fifth Report**”) (such relief, as modified by the Monitor’s Amended Notice of Motion dated November 25, 2025).
6. On September 10, 2025, the Court, among other things, entered the TUV Authorization Order. The hearing of the TUV Motion was scheduled for December 4, 2025.
7. The Fifth Report set out the Monitor’s position in the TUV Motion. On October 7, 2025, the Monitor issued a supplement to the Fifth Report (the “**First Supplemental Report**”). The First Supplemental Report provided further information with respect to the TUV Motion and included a report from a Spanish law expert. On November 25, 2025, the Monitor issued a further supplement to the Fifth Report (the “**Second Supplemental Report**”). The Second Supplemental Report replied to Mr. Timothy Glen Shaw’s responding motion record dated November 20, 2025, and which included an affidavit affirmed by Mr. Shaw.

B. PURPOSE OF THIS REPORT

8. The purpose of this report (the “**Third Supplemental Report**”) is to provide this Court with an update on the status of the TUV Motion. This Third Supplemental Report should be read in conjunction with the Fifth Report, the First Supplemental Report, and the Second Supplemental Report. The Fifth Report, the First Supplemental Report, and the Second Supplemental Report and other materials filed in connection with these CCAA proceedings are posted periodically on the website established by the Monitor at

<http://cfcanada.fticonsulting.com/ShawAlmex> (the “**Monitor’s Website**”). The Proposal Trustee posted materials in connection with the NOI proceeding on the same website.

C. TERMS OF REFERENCE

9. This Third Supplemental Report adopts the same terms of reference as set out in the Fifth Report. All capitalized terms that are not otherwise defined herein have the meaning given to them in the Fifth Report.

D. BACKGROUND

10. A more comprehensive overview of the Applicants and the events leading to the CCAA proceeding is provided in the Proposal Trustee’s and the Monitor’s prior reports, which are available on the Monitor’s Website.

E. THE MINUTES OF SETTLEMENT

11. The Monitor and Global Holdings have engaged in discussions to resolve the TUV Motion. On December 4, 2025, the Applicants, Royal Bank of Canada, Global Holdings, Shaw Almex Overseas Ltd. (“**Overseas**”), Mr. Shaw and Mrs. Pamela Shaw entered into minutes of settlement (the “**Minutes of Settlement**”).
12. The Minutes of Settlement are a global resolution of the issues in dispute between the Applicants and the Monitor, on the one hand, and Global Holdings, Overseas, Mr. Shaw and Mrs. Shaw, on the other hand. Royal Bank of Canada is included in the Minutes of Settlement because it recently commenced litigation against Mr. Shaw (the “**RBC Action**”).
13. A copy of the Minutes of Settlement are attached in Confidential Appendix “**A**”. At the request of Global Holdings, Overseas, Mr. Shaw, and Mrs. Shaw, the Monitor is seeking to seal the Minutes of Settlement.
14. The Monitor is seeking this Court’s approval of a consent order authorizing the Applicants and the Monitor to enter into the Minutes of Settlement and approving the Minutes of Settlement. The Monitor intends to seek this relief on December 4, 2025, during the time that was originally set aside by this Court to hear the TUV Motion.

15. The Minutes of Settlement broadly have three prongs:
- (a) **Resolution of the TUV Motion:** The Minutes of Settlement resolve the TUV Motion by providing that Global Holdings is to transfer the Shares to SAIL. This means that SAIL will gain indirect title to the Spanish Real Property. Before the Shares are transferred, the Jaén Home is to be transferred to Mr. Shaw or such other person as he may direct (to the extent that the Jaén Home has not already been transferred out of Real Holdings to Mrs. Shaw);
 - (b) **Resolution of the Ownership of Overseas:** The Monitor is of the view that SAIL holds at least 50% of the shares of Overseas, and a further 25% is held either by Mr. Shaw or SAIL. Mr. Shaw disputes SAIL's ownership interest in Overseas and claims to be the owner of these shares. As part of the Minutes of Settlement, SAIL will relinquish its and its subsidiaries' claims in any equity interest in Overseas; and
 - (c) **Dismissal of RBC's Action:** The Minutes of Settlement resolve the RBC Action.
16. The Monitor is of the view that the Minutes of Settlement are fair and appropriate in the circumstances, and they represent a favourable outcome to a months-long process. By entering into a settlement agreement, the Applicants' estate can reduce litigation costs and avoid the uncertainty associated with continued litigation.
17. The return of the Spanish Real Property to the Applicants' estate represents a significant recovery for the Applicants' creditors. The Monitor is not concerned about carving out the Jaén Home because (a) the Jaén Home is not part of SAIL's business operations; (b) the value of the Jaén Home is significantly less than the Spanish Real Property; and (c) the Monitor has been operating on the basis that the Jaén Home was transferred away from Real Holdings some time ago, meaning that it has not been part of Real Holdings in recent months.
18. Royal Bank of Canada, the Applicants' senior secured creditor, is a party to the Minutes of Settlement and supports their approval. BDC Capital Inc., the Applicants' secured creditor, has been appraised of the Minutes of Settlement and supports their approval.

19. The Monitor has also notified the Purchaser of the Minutes of Settlement. The Purchaser purchased substantially all of the Applicants' business as part of the Asset Purchase Agreement. The transaction contemplated thereunder closed on August 27, 2025.

F. CONCLUSION

20. Based on the foregoing, the Monitor is of the view that the Minutes of Settlement represent a favourable outcome for the Applicants' stakeholders and respectfully recommends that this Court grant the relief set out in the proposed consent order.

All of which is respectfully submitted this 4 day of December, 2025.

FTI Consulting Canada Inc.
solely in its capacity as Monitor of Shaw-Almex
Industries Limited and Shaw Almex Fusion,
LLC and not in its personal or corporate capacity



Jeffrey Rosenberg
Senior Managing Director

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

THIRD SUPPLEMENT TO THE
FIFTH REPORT OF THE MONITOR
(December 3, 2025)

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