



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

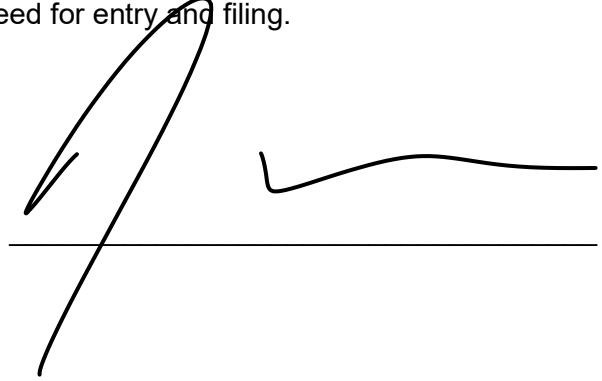
9. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their powers and duties under the SISP.

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.

A handwritten signature, consisting of a large, stylized 'A' or similar character, is written over a horizontal line. To the right of the signature, there is a separate, smaller handwritten mark that resembles a checkmark or a stylized 'L'.

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 of 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**

Court File No./N° du dossier du greffe : CV-25-00743136-00CL

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

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

Proceedings commenced at Toronto

SALE PROCESS APPROVAL ORDER

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