

**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 SAIL REMAINCO INC.
AND SAIL REMAINCO LLC**

**EIGHTH REPORT OF FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS MONITOR OF SAIL REMAINCO INC.
AND SAIL REMAINCO LLC**

August 10, 2026

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OF SAIL REMAINCO INC.
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EIGHTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS MONITOR

A. INTRODUCTION

1. On March 29, 2025, SAIL RemainCo Inc. (formerly known as “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, amongst other things:
 - (a) 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;
 - (b) approved an administration charge (the “**Administration Charge**”) as security for payment of professional fees and disbursements; and
 - (c) approved a debtor-in-possession credit facility (the “**DIP Facility**”) from Royal Bank of Canada (“**RBC**”, and in its capacity as DIP Facility lender, the “**DIP Lender**”) and granted a corresponding charge (the “**DIP Lender’s Charge**”).

3. On May 13, 2025, the Court granted an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (the “**CCAA**”) with respect to SAIL and SAIL RemainCo LLC (formerly known as “Shaw Almex Fusion, LLC”) (“**Fusion**”, and together with SAIL, the “**Applicants**”), which, amongst other things:
- (a) continued the NOI proceeding commenced by SAIL under the purview of the CCAA;
 - (b) appointed FTI as the Court-appointed monitor of the Applicants (in this capacity, the “**Monitor**”) with enhanced powers;
 - (c) granted a stay of all proceedings until May 30, 2025;
 - (d) authorized the Applicants to borrow an increased amount under the DIP Facility from the DIP Lender pursuant to the terms of an amended and restated DIP Facility loan agreement (the “**Amended DIP Agreement**”); and
 - (e) granted the following charges (as may be amended by further order, the “**Charges**”) over the Applicants’ Property (as defined in the Initial Order), which charges rank in priority to all other security interests, trusts, liens, charges and encumbrances in favour of any person:¹
 - (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 the CCAA proceedings; and
 - (ii) *second* – a DIP Lender’s Charge as security for the Applicants’ obligations under the Amended DIP Agreement.

4. Also on May 13, 2025, the Court entered:

¹ Paragraph 45 of the Initial Order specified that the Charges shall not rank in priority to the mortgage of BDC (the “**BDC Mortgage**”) registered on title on January 7, 2022 against the real property owned by the Applicants at 17 Shaw Almex Road, Parry Sound, Ontario, provided that the rights of the 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.

- (a) an order, amongst other things, approving a sale, refinancing and investment solicitation process; and
 - (b) an order, amongst other things, discharging FTI as Proposal Trustee in connection with the NOI proceeding.
- 5. On May 30, 2025, the Court entered:
 - (a) an order, amongst other things, extending the stay of proceedings to and including July 18, 2025, increasing the maximum principal amount that the Applicants could borrow pursuant to an amendment to the Amended DIP Agreement, and increasing the quantum of the DIP Lender's Charge; and
 - (b) an order, amongst other things, requiring the return of the Applicants' Property, directing that Mr. Timothy Shaw and Mrs. Pamela Shaw conduct themselves in a certain manner, and empowering the Monitor to conduct certain oral examinations.
- 6. On June 27, 2025, the Court entered an order, amongst other things, extending the stay of proceedings to and including August 1, 2025, increasing the maximum principal amount that the Applicants could borrow pursuant to an amendment to the Amended DIP Agreement, and increasing the quantum of the DIP Lender's Charge.
- 7. On July 18, 2025, the Court entered:
 - (a) an order (the "**Approval and Vesting Order**"), amongst 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; and
 - (b) an order, amongst other things, extending the stay of proceedings up to and including September 10, 2025, increasing the maximum principal amount that the Applicants could borrow pursuant to an amendment to the Amended DIP Agreement, and increasing the quantum of the DIP Lender's Charge.
- 8. On September 10, 2025, the Court entered:

- (a) an order, amongst other things, (a) extending the stay of proceedings up to and including January 31, 2026; (b) authorizing the Monitor to make a distribution to the DIP Lender with respect to the DIP Facility and its pre-filing secured indebtedness; and (c) authorizing the Monitor to make a distribution to Business Development Bank of Canada (“**BDC**”) upon satisfaction of certain conditions; and
 - (b) an order (the “**TUV Order**”) that, amongst other things, authorized the Monitor to commence a motion (the “**TUV Motion**”) against Shaw Almex Global Holdings Limited (“**Global Holdings**”) seeking, among other things, a declaration that a certain impugned transaction was a transfer at undervalue for the purposes of s. 96 of the BIA, as incorporated into the CCAA by s. 36.1 thereof, and was void as against the Monitor.
- 9. The TUV Motion was scheduled to be heard on December 4, 2025. On December 4, 2025, the Court entered a consent order approving Minutes of Settlement (as defined below) that resolved the TUV Motion.
- 10. On January 16, 2026, the Court entered:
 - (a) an order, amongst other things, extending the stay of proceedings to and including May 16, 2026; approving the activities and conduct of the Monitor as set out in certain reports; and approving the fees and disbursements of the Monitor and its legal counsel, Stikeman Elliott LLP; and
 - (b) an order (the “**Amended AVO**”) amending and restating the Approval and Vesting Order.
- 11. On May 4, 2026, the Court entered an order (the “**May 4 Order**”), amongst other things:
 - (a) extending the stay of proceedings to and including August 31, 2026;
 - (b) sealing the Sealed Materials (as defined below) until further order of the Court, which order is to be sought on a motion returnable no later than August 31, 2026; and

- (c) to the extent the Monitor or the Applicants have possession of or control over any Shaw Property (as defined below), relieving the Monitor and the Applicants of any obligations to preserve and protect the Shaw Property and authorizing the Monitor or the Applicants to destroy the Shaw Property, provided that such relief and authorization shall be of no effect prior to May 18, 2026.

B. PURPOSE OF THIS REPORT

- 12. The purpose of this Eighth Report of the Monitor (the “**Eighth Report**”) is to provide the Court with the Monitor’s comments and recommendations with respect to the Monitor’s motion returnable August 13, 2026, seeking an order, amongst other things:
 - (a) extending the stay of proceedings up to and including November 27, 2026 (the “**Extended Stay Period**”); and
 - (b) modifying the order sealing the Sealed Materials (as defined below) to extend their sealing until no later than the expiry of the Extended Stay Period.
- 13. This Eighth Report is not intended to provide a comprehensive update on all aspects of these CCAA proceedings or all of the activities of the Monitor. Updates on these CCAA proceedings are posted periodically on the website established by the Monitor at <http://cfcanada.fticonsulting.com/ShawAlmex>. The Proposal Trustee posted materials in connection with the NOI proceeding on the same website.

C. TERMS OF REFERENCE

- 14. In preparing this Eighth Report, the Monitor has relied upon various sources of information including, amongst others, audited and unaudited financial information of the Applicants’ books and records, certain financial information and forecasts prepared by the Applicants, and discussions with various parties, including former senior management of, and advisors to, the Applicants (collectively, the “**Information**”).
- 15. Except as otherwise described in this Eighth Report:

- (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook;
 - (b) the Monitor has not examined or reviewed the financial forecasts or projections referred to in this Eighth Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook; and
 - (c) the Monitor's understanding of factual matters expressed in this Eighth Report concerning SAIL, Fusion and their business is based on the Information, and not independent factual determinations made by the Monitor.
16. Future-oriented financial information referred to or relied on in this Eighth Report is based on assumptions regarding future events. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
17. The Monitor has prepared this Eighth Report in connection with its motion seeking the relief set out in paragraph 12 above. This Eighth Report should not be relied on for any other purpose.
18. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

D. BACKGROUND

19. A more comprehensive overview of the Applicants and the events leading to these CCAA proceedings is available in the Proposal Trustee's and the Monitor's prior reports.
20. SAIL was the parent company of a global business operating under the "Shaw Almex" name. SAIL historically manufactured conveyor belt vulcanizing equipment and related technology and services. Following the sale transaction in these CCAA proceedings, SAIL no longer has an operating business or any employees.

21. Fusion is an indirect subsidiary of SAIL, organized under the laws of the State of Georgia. All of Fusion's employees have been laid off and its material assets sold.

E. THE WINDING-UP OF THE APPLICANTS' BUSINESS AND SUBSIDIARIES

22. The Applicants no longer have an operating business. The Monitor is winding up the Applicants' remaining business interests, including their equity interests in subsidiaries that were not sold in these CCAA proceedings. The Monitor considers these subsidiaries to have little to no value and does not expect any third party to be interested in purchasing them.
23. As described in the Seventh Report of the Monitor dated April 30, 2026 (the "**Seventh Report**"), a copy of which is attached hereto as Appendix "A", the Monitor consulted with advisors and local counsel to determine whether the Applicants' remaining subsidiaries can and should be dissolved, liquidated, or abandoned. The Monitor expects SAIL will abandon most of its subsidiaries.
24. The Monitor is still in the process of obtaining advice from local counsel and determining next steps for a small number of subsidiaries. The Monitor expects to have clarity on these next steps in the coming weeks.

F. THE MINUTES OF SETTLEMENT WITH TIMOTHY SHAW

25. On December 4, 2025, the Applicants, Global Holdings, Shaw-Almex Overseas Ltd. ("**SAOL**"), RBC, Mr. Timothy Shaw, and Mrs. Pamela Shaw entered into minutes of settlement (the "**Minutes of Settlement**"). The Court approved the Minutes of Settlement on December 4, 2025.
26. The Minutes of Settlement globally resolve the issues in dispute between the Applicants and the Monitor, on the one hand, and Global Holdings, SAOL, Mr. Shaw and Mrs. Shaw, on the other hand. RBC was included in the Minutes of Settlement because it commenced litigation against Mr. Shaw (the "**RBC Action**") in late 2025.
27. The Minutes of Settlement require the settling parties to take certain actions, including the following:

- (a) **Resolution of the TUV Motion:** The Minutes of Settlement settle the TUV Motion by obligating Global Holdings to transfer certain shares in Shaw Almex Spain Real Estate Holdings, S.L. (“**Real Holdings**”) to SAIL.

Current Status: Complete. On or around February 25, 2026, SAIL became the sole shareholder of Real Holdings’ share capital, thereby becoming the indirect owner of the Spanish real property held through Real Holdings.

- (b) **Resolution of the Ownership of SAOL:** SAIL and the Monitor are to consent to an order declaring that they have no right, title, or interest in any of the share capital of SAOL (the “**Consent Order**”).

Current Status: Outstanding. Mr. Shaw has not provided the Monitor with a draft order.

- (c) **Dismissal of RBC’s Action:** RBC is to dismiss the RBC Action.

Current Status: Outstanding. The Monitor understands that unless and until the Consent Order and the Shaw Property protocol are resolved, RBC will not dismiss the RBC Action or enter into the full and final release contemplated by the Minutes of Settlement.

- (d) **Property Return:** The parties are to discuss a process by which the documents of Global Holdings, SAOL, and the personal documents and personal property of Mr. Timothy Shaw and Mrs. Pamela Shaw that are in SAIL’s possession (such documents and property, which may also be in the possession or control of the Monitor or the Purchaser, the “**Shaw Property**”) can be delivered to such entities within 45 days of the Minutes of Settlement (i.e., by January 18, 2026).

Current Status: Partially outstanding. The May 4 Order relieved the Monitor and the Applicants of obligations to preserve and protect the Shaw Property and authorized its disposal beginning May 18, 2026, at the Monitor’s sole discretion (acting reasonably). The Monitor has not yet destroyed any Shaw Property. On May 20, 2026, Mr. Shaw attended the Monitor’s office and retrieved certain physical

Shaw Property. Since May 20, 2026, limited additional physical Shaw Property has been transferred from SAIL's historic premises (which are now under the Purchaser's control) to the Monitor's office. The Monitor intends to make retrieval arrangements with Mr. Shaw, Mrs. Shaw, and their respective entities with respect to this additional physical Shaw Property. No Electronic Shaw Property has been retrieved by Mr. Shaw, Mrs. Shaw, and their respective entities as of the date of this Eighth Report. The Monitor is of the view that a protocol must be developed before handing over electronic Shaw Property because it is largely commingled with non-Shaw Property (some of which is now an asset of the Purchaser). Separating electronic Shaw Property from non-Shaw Property is proving to be a more difficult process than anticipated. The Monitor is continuing to evaluate options in this regard.

- (e) **Full and Final Release:** The parties are to execute a mutual full and final release in respect of all current, actual, contingent, possible or future claims or disputes that currently exist or may later arise between them, other than the TUV Motion, the RBC Action, and a motion with respect to the ownership of SAOL.

Current Status: Outstanding.

- 28. The Monitor is working to resolve outstanding items from the Minutes of Settlement. However, given the history of delay and inaction by Mr. Shaw, Mrs. Shaw, and their respective entities, it may not be possible to resolve all outstanding items before these proceedings are terminated. Such delay should not cause these CCAA proceedings to continue indefinitely. The Monitor expects to seek approval for the termination of these CCAA proceedings prior to the expiration of the Extended Stay Period (if granted), notwithstanding any outstanding items under the Minutes of Settlement.

G. THE SEALED MATERIALS

- 29. In connection with the Applicants' motion seeking the Approval and Vesting Order, the Applicants filed an affidavit sworn by Andrew Hustrulid on July 13, 2025. Mr. Hustrulid's affidavit at Confidential Exhibit 1 contained an unredacted copy of the Asset Purchase Agreement (the "**Confidential Exhibit**").

30. Also as part of the motion seeking the Approval and Vesting Order, the Monitor filed a Confidential Supplement to the Third Report of the Monitor dated July 17, 2025 (the “**Third Supplement**”). The Third Supplement discussed, amongst other things, (a) the bids received for the Applicants’ business; (b) the confidential terms of the Asset Purchase Agreement; and (c) the Monitor’s commentary on the confidential terms of the Asset Purchase Agreement. In the Third Supplement, the Monitor provided an undertaking to unseal the Confidential Exhibit and the Third Supplement as soon as practicable after the occurrence of certain events.
31. The Court sealed the Confidential Exhibit and the Third Supplement as part of the Approval and Vesting Order (as amended by the Amended AVO). Justice J. Dietrich’s endorsement dated July 18, 2025, which accompanied the Approval and Vesting Order, observed that “[t]he Monitor has undertaken to bring a motion to lift the sealing on the occurrence of certain events as set out in the [Third] Supplement.”
32. The events contemplated in the Third Supplement occurred prior to the Seventh Report and the May 4, 2026 motion. However, as described in the Seventh Report, certain ancillary matters remained incomplete. The Monitor took the view that until those matters were complete, the Confidential Exhibit and Third Supplement should remain sealed to avoid prejudicing their completion.
33. The May 4 Order kept the Confidential Exhibit and the Third Supplement sealed. The May 4 Order also sealed a confidential supplement to the Seventh Report (the “**Seventh Supplement**”, and together with the Confidential Exhibit and the Third Supplement, the “**Sealed Materials**”), which contained information that was confidential inasmuch as it discussed the same subject matter as the Confidential Exhibit and the Third Supplement.
34. The ancillary matters that were incomplete at the time of the Seventh Report remain outstanding. The Monitor expects these ancillary matters to be completed by the expiration of the proposed Extended Stay Period. Accordingly, the Monitor seeks an order maintaining the sealing of the Sealed Materials for the duration of the Extended Stay Period. On the Monitor’s next motion—when the Monitor expects it will seek termination of these CCAA proceedings—the Monitor will seek to unseal the Sealed Materials.

H. EXTENSION OF THE STAY OF PROCEEDINGS

35. The Applicants currently benefit from a stay of proceedings that expires at the end of the day on August 31, 2026. The Applicants seek to extend the stay up to and including November 27, 2026.
36. At the May 4, 2026 motion, the Monitor indicated it expected to bring a termination motion before the current stay period expires on August 31, 2026. Due to challenges with winding up certain subsidiaries and other ancillary matters, the Monitor is of the view that these CCAA proceedings should continue until certain key matters are complete. The Monitor expects that these outstanding matters to be complete in the near term. Accordingly, the Monitor seeks the Extended Stay Period and expects to bring a termination motion before its expiry.
37. The Revised and Extended Cash Flow Projections demonstrate that the Applicants will have sufficient liquidity to fund their obligations and the costs of these CCAA proceedings through to the end of the Extended Stay Period.
38. The Revised and Extended Cash Flow Projections for the 16-week period from August 8, 2026, to November 27, 2026, are attached hereto as **Appendix “B”**.
39. The Monitor intends to bring a termination motion prior to the conclusion of the Extended Stay Period. The Extended Stay Period will provide the Applicants with the time required to resolve remaining matters prior to the termination of the CCAA proceedings. As part of the termination motion, the Monitor expects to seek:
 - (a) the termination of these CCAA proceedings upon the filing of a certificate by the Monitor (as will be further described in a subsequent report, the Monitor expects there to be a delay of several months between the proposed approval of a termination order and the filing of a termination certificate because of the timing of certain statutory procedures being completed by the Applicants);
 - (b) releases in favour of the Monitor and its counsel;
 - (c) the unsealing of the Sealed Materials; and

- (d) approval of the fees and disbursements of the Monitor and its counsel.
40. The Monitor supports the requested Extended Stay Period for the following reasons, among others:
- (a) the Monitor does not believe that any creditor will be materially prejudiced by the requested extension;
 - (b) the Applicants have acted and continue to act in good faith and with due diligence to advance these CCAA proceedings;
 - (c) granting the requested extension allows the Applicants and the Monitor to:
 - (i) conclude matters related to the Minutes of Settlement;
 - (ii) complete the dissolution, liquidation, or abandonment of the Applicants' remaining subsidiaries, to the extent not already completed; and
 - (iii) prepare materials in connection with a motion to terminate these CCAA proceedings; and
 - (iv) take steps to resolve any other outstanding matters;
 - (d) as of the date of this Eighth Report, the Monitor is not aware of any party opposed to the Extended Stay Period; and
 - (e) the Monitor understands that RBC is supportive of the Extended Stay Period.

I. CONCLUSION

41. Based on the foregoing, the Monitor respectfully recommends that this Court grant the relief set out in paragraph 12 above.

All of which is respectfully submitted this 10th day of August 2026.

FTI Consulting Canada Inc.,
solely in its capacity as Monitor of SAIL
RemainCo Inc. and SAIL RemainCo LLC and
not in its personal or corporate capacity



Jeffrey Rosenberg
Senior Managing Director

APPENDIX “A”

[ATTACHED]

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**SEVENTH REPORT OF FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS MONITOR OF SAIL REMAINCO INC.
AND SAIL REMAINCO LLC**

April 30, 2026

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Confidential Supplement (not attached)

ONTARIO
SUPERIOR COURT OF JUSTICE
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SEVENTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.
IN ITS CAPACITY AS MONITOR

A. INTRODUCTION

1. On March 29, 2025, SAIL RemainCo Inc. (formerly known as “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:
 - (a) 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;
 - (b) approved an administration charge (the “**Administration Charge**”) as security for payment of professional fees and disbursements; and
 - (c) approved a debtor-in-possession credit facility (the “**DIP Facility**”) from Royal Bank of Canada (“**RBC**”, and in its capacity as DIP Facility lender, the “**DIP Lender**”) and granted a corresponding charge (the “**DIP Lender’s Charge**”).

3. On May 13, 2025, 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 SAIL RemainCo LLC (formerly known as “Shaw Almex Fusion, LLC”) (“**Fusion**”, and together with SAIL, the “**Applicants**”), which, among other things:
- (a) continued the NOI proceeding commenced by SAIL under the purview of the CCAA;
 - (b) appointed FTI as the Court-appointed monitor of the Applicants (in this capacity, the “**Monitor**”) with enhanced powers;
 - (c) granted a stay of all proceedings until May 30, 2025;
 - (d) authorized the Applicants to borrow an increased amount under the DIP Facility from the DIP Lender pursuant to the terms of an amended and restated DIP Facility loan agreement (the “**Amended DIP Agreement**”); and
 - (e) granted the following charges (“**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:¹
 - (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 the CCAA proceedings; and
 - (ii) *second* – a DIP Lender’s Charge as security for the Applicants’ obligations under the Amended DIP Agreement.

4. Also on May 13, 2025, the Court entered:

¹ Paragraph 45 of the Initial Order specified that the Charges shall not rank in priority to the mortgage of BDC (the “**BDC Mortgage**”) registered on title on January 7, 2022 against the real property owned by the Applicants at 17 Shaw Almex Road, Parry Sound, Ontario, provided that the rights of the 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.

- (a) an Order (the “**SISP Order**”), among other things, approving a sale, refinancing and investment solicitation process (the “**SISP**”); and
 - (b) an Order, among other things, discharging FTI as Proposal Trustee in connection with the NOI proceeding.
- 5. On May 30, 2025, the Court entered:
 - (a) an order, amongst other things, extending the stay of proceedings to and including July 18, 2025, increasing the maximum principal amount that the Applicants could borrow pursuant to an amendment to the Amended DIP Agreement, and increasing the quantum of the DIP Lender’s Charge; and
 - (b) an order (the “**Property Preservation Order**”), amongst other things, requiring the return of the Applicants’ Property, directing that Mr. Timothy Shaw and Mrs. Pamela Shaw conduct themselves in a certain manner, and empowering the Monitor to conduct certain oral examinations.
- 6. On June 27, 2025, the Court entered an order, amongst other things, extending the stay of proceedings to and including August 1, 2025, increasing the maximum principal amount that the Applicants could borrow pursuant to an amendment to the Amended DIP Agreement, and increasing the quantum of the DIP Lender’s Charge.
- 7. On July 18, 2025, the Court entered:
 - (a) an order (the “**Approval and Vesting Order**”), amongst 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; and
 - (b) an order, amongst other things, extending the stay of proceedings up to and including September 10, 2025, increasing the maximum principal amount that the Applicants could borrow pursuant to an amendment to the Amended DIP Agreement, and increasing the quantum of the DIP Lender’s Charge.

8. On September 10, 2025, the Court entered:
 - (a) an order, amongst other things, (a) extending the stay of proceedings up to and including January 31, 2026; (b) authorizing the Monitor to make a distribution to the DIP Lender with respect of the DIP Facility and on their pre-filing secured indebtedness; and (c) authorizing the Monitor to make a distribution to Business Development Bank of Canada (“**BDC**”) upon satisfaction of certain conditions; and
 - (b) an order that, amongst other things, authorized the Monitor to commence a motion (the “**TUV Motion**”) against Shaw Almex Global Holdings Limited (“**Global Holdings**”) seeking, among other things, a declaration that the Impugned Transaction (as defined below) was a transfer at undervalue for the purposes of section 96 of the BIA, as incorporated into the CCAA by section 36.1 thereof, and was void as against the Monitor.
9. The TUV Motion was scheduled to be heard on December 4, 2025. On December 4, 2025, the Court entered a consent order approving Minutes of Settlement (as defined below) that resolved the TUV Motion.
10. On January 16, 2026, the Court entered:
 - (a) an order, amongst other things, extending the stay of proceedings to and including May 16, 2026; approving the activities and conduct of the Monitor as set out in certain reports; and approving the fees and disbursements of the Monitor and its legal counsel, Stikeman Elliott; and
 - (b) an order (the “**Amended AVO**”) amending and restating the Approval and Vesting Order, a copy of which is attached hereto as **Appendix “A”**.

B. PURPOSE OF THIS REPORT

11. The purpose of this Seventh Report of the Monitor (the “**Seventh Report**”) is to provide the Court with the Monitor’s comments and recommendations with respect to:
 - (a) the Monitor’s motion returnable May 4, 2026, seeking, among other things:

- (i) an order (the “**Stay Extension Order**”):
 - (A) extending the stay of proceedings up to and including August 31, 2026 (the “**Extended Stay Period**”);
 - (B) modifying the order sealing the Sealed Materials (as defined below) to allow for the public disclosure of the Sealed Materials, other than with respect to the Bidder Names (as defined below), following the conclusion of certain matters and by no later than the expiry of the Extended Stay Period; and
 - (C) to the extent the Monitor or the Applicants have possession of or control over any Shaw Property (as defined below), relieving the Monitor and the Applicants of any obligations to preserve and protect the Shaw Property and authorizing the Monitor or the Applicants to destroy the Shaw Property, provided that such relief and authorization shall be of no effect prior to May 18, 2026;
 - (b) the status of the winding-up of the Applicants’ business;
 - (c) the status of the resolution of the TUV Motion; and
 - (d) the activities of the Monitor since January 12, 2026.
12. This Seventh Report is not intended to provide a comprehensive update on all aspects of the CCAA proceedings or all of the activities of the Monitor. Updates on the 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

13. In preparing this Seventh Report, the Monitor has relied upon various sources of information including, among others, audited and unaudited financial information of the Applicants’ books and records, certain financial information and forecasts prepared by the

Applicants, and discussions with various parties, including former senior management of, and advisors to, the Applicants (collectively, the “**Information**”).

14. Except as otherwise described in this Seventh Report:
 - (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook;
 - (b) the Monitor has not examined or reviewed the financial forecasts or projections referred to in this Seventh Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook; and
 - (c) the Monitor’s understanding of factual matters expressed in this Seventh Report concerning SAIL, Fusion and their business is based on the Information, and not independent factual determinations made by the Monitor.
15. Future-oriented financial information referred to or relied on in this Seventh Report is based on assumptions regarding future events. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
16. The Monitor has prepared this Seventh Report in connection with its motion seeking the relief set out in paragraph 11 above. This Seventh Report should not be relied on for any other purpose.
17. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

D. BACKGROUND

18. A more comprehensive overview of the Applicants and the events leading to the CCAA proceedings is available in the Proposal Trustee's and the Monitor's prior reports.
19. SAIL was the parent company of a global business that operated under the "Shaw Almex" name. On account of the Sale Transaction (as defined and described in paragraph 22 below), SAIL no longer has an operating business or any employees. Prior to the Sale Transaction, SAIL was in the business of manufacturing conveyor belt vulcanizing equipment and related technology and services. SAIL's head office was in Stoney Creek, Ontario, it had a leased office in Hamilton, Ontario, and a manufacturing facility in Parry Sound, Ontario.
20. Fusion is an indirect subsidiary of SAIL that is organized pursuant to the laws of the State of Georgia in the United States of America. Prior to the cessation of its operations during the CCAA proceedings, Fusion operated from Atlanta, Georgia, and manufactured machinery and products. All of Fusion's employees have been laid off and its material assets sold.
21. SAIL has subsidiaries other than Fusion, as further described in Sections E and F below.

E. UPDATE ON THE SALE TRANSACTION

22. The Applicants sold substantially all of their business to the Purchaser following a robust SISP. This sale transaction (the "**Sale Transaction**") was set out in the Asset Purchase Agreement. The Asset Purchase Agreement was approved by the Court on July 18, 2025, pursuant to the Approval and Vesting Order. The Sale Transaction closed on August 27, 2025 (the "**Closing Date**"), upon the delivery of the Monitor's certificate.
23. The Asset Purchase Agreement provides for, amongst other things, the sale of the "Purchased Subsidiaries" to the Purchaser. The "Purchased Subsidiaries" are the equity interests held by SAIL in the capital of Almex Pacific Pty Ltd. (an Australian entity), Almex Peru S.A.C. (a Peruvian entity), Fonmar Group, S.L., PT. Shaw Almex Indonesia ("**PT SAI**", an Indonesian entity), Shaw Almex Chile SpA (a Chilean entity), Shaw Almex

Europe B.V. (a Dutch entity), and Shaw Almex Mine Equip. (Tianjin) Co. Ltd. (a Chinese entity).

24. On the Closing Date, (a) SAIL’s beneficial interest in the equity of all of the “Purchased Subsidiaries” was transferred to the Purchaser; and (b) SAIL’s legal interest in three of the Purchased Subsidiaries was immediately transferred to the Purchaser.² SAIL’s legal interest in the other four Purchased Subsidiaries (the “**Beneficial Subsidiaries**”) was not immediately transferred to the Purchaser on the Closing Date due to, *inter alia*, local laws and regulations that complicate share transfers and ultimately made it impractical to transfer legal ownership of the Beneficial Subsidiaries on the Closing Date. The Applicants had until December 15, 2025, to transfer to the Purchaser legal title to the Beneficial Subsidiaries, or else such Beneficial Subsidiary would cease to be a “Purchased Subsidiary” for the purposes of the Asset Purchase Agreement. Around mid-October 2025, SAIL’s legal interest in all of the Beneficial Subsidiaries other than PT SAI was transferred to the Purchaser. SAIL’s legal interest in PT SAI was not ultimately transferred to the Purchaser, as described in greater detail in the Sixth Report.

25. Following the Closing Date, the Applicants changed their names as follows:

Former Name	New Name
Shaw-Almex Industries Limited	SAIL RemainCo Inc.
Shaw Almex Fusion, LLC	SAIL RemainCo LLC

26. The title of these CCAA proceedings was changed to reflect the Applicants’ new names.

Registration of the Amended AVO

27. The Approval and Vesting Order had attached to it as Schedule “A” a redacted form of the Asset Purchase Agreement. One of the assets purchased by the Purchaser under the Asset Purchase Agreement is real property in Parry Sound, Ontario (defined as the “Parry Sound Property” in the Asset Purchase Agreement). The Land Registry Office for the Land Titles Division of Parry Sound (LRO 42) (the “**Parry Sound LRO**”) took the position that it

² The Purchased Subsidiaries whose legal interest was immediately transferred to the Purchaser were Shaw Almex Pacific Pty Ltd., Shaw Almex Europe B.V., and Almex Peru S.A.C.

could not register the Approval and Vesting Order if it contained redactions. Accordingly, on January 16, 2026, this Court granted the Amended AVO. The Amended AVO is, in substance, identical to the Approval and Vesting Order, except that the Amended AVO does not attach a redacted version of the Asset Purchase Agreement.

28. The Monitor is informed by Purchaser's counsel that the Parry Sound LRO registered the Amended AVO on or around January 22, 2026.

F. STATUS OF THE WINDING-UP OF THE APPLICANTS' BUSINESS AND SUBSIDIARIES

29. The Applicants no longer have an operating business on account of the Sale Transaction. Accordingly, the Monitor has been winding up the Applicants' remaining business interests, including dealing with the Applicants' equity interests in subsidiaries that are not Purchased Subsidiaries. The Monitor considers these subsidiaries to be of little to no value and does not foresee any third-party being interested in purchasing them.³
30. The Monitor has consulted with advisors and local counsel to determine whether the Applicants' remaining subsidiaries should and can be dissolved, liquidated, or abandoned. The decision for each jurisdiction is highly dependent on the local situation. In general, dissolution is an option for solvent entities, liquidation an option for insolvent entities, and abandonment an option where a dissolution or liquidation is impractical or too onerous. Other factors that influence this decision include:
- (a) whether the Monitor has sufficient power vis-à-vis the subsidiary to authorize a dissolution or liquidation. In the absence of such power, abandonment may be a more practical outcome (and possibly the only available outcome);
 - (b) the complexity of the dissolution or liquidation process and the amount of effort required on the part of the Applicants and/or the Monitor; and
 - (c) the limited remaining resources available to fund and facilitate a dissolution or liquidation.

³ No offers with respect to these subsidiaries were received in the course of the SISF.

31. The Applicants expect to abandon most of their subsidiaries. Abandonment is primarily driven by one or more of the following considerations:
- (a) the subsidiary lacks the resources to fund a dissolution or liquidation process, and there are no sources of outside funding for such a process. This is a key concern with respect to the subsidiaries in Mexico, the United States, and South Africa; or
 - (b) the timeline for dissolution or liquidation is excessively long, or there are other procedural elements that make a dissolution or liquidation challenging. This is a key concern with respect to the subsidiaries in Brazil and Indonesia.
32. The Monitor expects that the subsidiary in the Netherlands will be liquidated. The Monitor is still exploring options with respect to the subsidiaries in Spain. The Spanish subsidiaries are likely to be either dissolved or abandoned.
33. The following chart sets out SAIL’s subsidiaries, the jurisdictions in which they exist, and their expected outcome:

Subsidiary	Jurisdiction	Expected Outcome
Almex Fusion de Mexico, S de R.L. de C.V.	Mexico	Abandonment, no name change
SAIL RemainCo, Inc. (<i>f/k/a Almex Holdings, Inc.</i>)	USA (Delaware)	Abandonment, name already changed
Almex Industria do Brasil Limitada	Brazil	Abandonment, no name change
Fonmar S.A.	Spain	Dissolution or abandonment, no name change
Holcroft Holding B.V.	Netherlands	Liquidation, no name change
PT. Shaw Almex Indonesia	Indonesia	Abandonment, no name change
Shaw Almex Africa (Pty) Ltd.	South Africa	Abandonment, no name change
Shaw Almex Brazil Holdings Inc.	Canada (Ontario)	Abandonment, no name change
SAIL RemainCo LLC (<i>f/k/a Shaw Almex Fusion, LLC</i>)	USA (Georgia)	Abandonment, name already changed
Shaw Almex Mexico, S.A. de C.V.	Mexico	Abandonment, no name change

Shaw Almex Spain Real Estate Holdings, S.L.	Spain	Dissolution or abandonment, no name change
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34. Under the terms of the Asset Purchase Agreement, SAIL is obligated to 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. The Monitor does not expect any of the Applicants’ remaining subsidiaries to change their names unless otherwise noted in the table at paragraph 32. The process to change names in many of the applicable jurisdictions is complex, costly and requires significant effort on the part of the Applicants and/or the Monitor, comparable to commencing a wind-up procedure. There is a general lack of resources (including funding) to support name change efforts. Accordingly, it is the Monitor’s view that such an endeavour is commercially unreasonable.

Special Considerations with Respect to Brazil

35. The Monitor flagged special considerations with respect to the abandonment of the Brazilian subsidiaries in the Sixth Report.

Special Considerations with Respect to Indonesia

36. The Monitor flagged special considerations with respect to the abandonment of PT SAI in the Sixth Report. Since then, the Monitor has received emails from two former employees and/or officers and directors (“**Employee 1**” and “**Employee 2**”). The emails from Employee 1 allege that PT SAI, among other things, was treated inconsistently compared to SAIL’s subsidiaries in other jurisdictions. Employee 1 notes that they have not received any formal notice of termination, continuation, or transition, and they ask the Monitor to take appropriate steps to determine their employment status in accordance with applicable Indonesian law.
37. The Monitor’s counsel responded to Employee 1’s emails. In respect of this correspondence, the Monitor observes the following:

- (a) the Monitor does not hold a formal position with respect to PT SAI. The Monitor's court-ordered mandate is with respect to only SAIL and SAIL RemainCo LLC;
 - (b) the Monitor is not in a position to opine on employment matters with respect to PT SAI. The Monitor is not managing, and has not managed, PT SAI's day-to-day business operations;
 - (c) the Monitor has conducted investigations into PT SAI in the course of the Applicants' CCAA proceedings, and based on these investigations it understands that PT SAI has effectively ceased business operations; and
 - (d) to the Monitor's knowledge, the only insolvency proceeding affecting the Applicants is this CCAA proceeding. The Monitor is not aware of any foreign proceedings involving the Applicants or their subsidiaries, and in particular the Monitor is not aware of an insolvency proceeding involving PT SAI.
38. Employee 1's correspondence copied various Indonesian and Canadian government officials. The Monitor has not received any outreach from either government with respect to this matter.
39. Employee 2 sought to clarify their position with respect to PT SAI and understand legal and liability matters on account of them being named as a PT SAI representative on certain records, and being a point of contact for certain stakeholders (including in respect of tax and import/export matters).
40. The Monitor intends to send a courtesy copy of this Seventh Report to Employee 1 and Employee 2.

Special Considerations with Respect to Germany and Panama

41. Based on the corporate chart (the "**Original Corporate Chart**") attached at Exhibit "E" to the affidavit of Andrew Hustrulid sworn May 8, 2025, in support of the Applicants' CCAA application, a copy of which chart is attached hereto as **Appendix "B"**, the Monitor was of the view that Shaw Almex Deutschland GmbH ("**Shaw Germany**") and Almex Panama, S.A. ("**Shaw Panama**") were direct subsidiaries of SAIL.

42. The Monitor has worked with local counsel to determine the ownership of Shaw Germany and Shaw Panama. As reported in the Sixth Report, the publicly available shareholder registry for Shaw Germany names Timothy Shaw, Robert Shaw, and Jonathan Shaw as Shaw Germany's shareholders. Since the Sixth Report, the Monitor has been advised by Shaw Panama's counsel that Shaw Panama's shareholders are Mr. Timothy Shaw and Mr. Andrew Hustrulid.
43. The available records do not show SAIL as a shareholder of Shaw Germany or Shaw Panama. On this basis, the Monitor is of the view that the Original Corporate Chart was wrong inasmuch as SAIL has no ownership interest in Shaw Germany or Shaw Panama. SAIL therefore has no authority to change Shaw Germany or Shaw Panama's names, wind them up, or otherwise deal with their affairs. Shaw Germany and Shaw Panama are therefore not included in the table at paragraph 32.

Special Considerations with Respect to India

44. The Applicants' business in India was conducted through Shaw-Almex Overseas Ltd. ("SAOL") and its subsidiaries. The Original Corporate Chart showed the shares of SAOL being held in their entirety by Mr. Timothy Shaw. As discussed in the Third Report of the Monitor dated July 16, 2025, the Monitor uncovered information to suggest that SAIL held at least 50% of the shares of SAOL. Mr. Shaw disputed SAIL's ownership interest in SAOL.
45. The dispute over the ownership of SAOL's shares was resolved by means of the Minutes of Settlement. The Minutes of Settlement, including their current status, are discussed beginning at paragraph 53 below. Pursuant to the Minutes of Settlement, SAIL and the Monitor are to consent to an order declaring that they have no right, title, or interest in any of the share capital of SAOL (the "**Consent Order**"). As discussed at paragraph 57 below, the Consent Order—like many of the other actions contemplated by the Minutes of Settlement—remains outstanding. Notwithstanding the status of the Consent Order, the Monitor is of the view that, in light of the Minutes of Settlement, SAIL does not have an equity interest in SAOL. SAOL and its subsidiaries are, accordingly, not included in the table at paragraph 32.

G. MODIFYING THE SEALING ORDER RE: ASSET PURCHASE AGREEMENT

46. In connection with the Applicants' motion seeking the Approval and Vesting Order, the Applicants filed an affidavit sworn by Andrew Hustrulid on July 13, 2025. Mr. Hustrulid's affidavit at Confidential Exhibit 1 contained an unredacted copy of the Asset Purchase Agreement (the "**Confidential Exhibit**").
47. Also as part of the motion seeking the Approval and Vesting Order, the Monitor filed a Confidential Supplement to the Third Report of the Monitor dated July 17, 2025 (the "**Third Supplement**", and together with the Confidential Exhibit, the "**Sealed Materials**"). The Third Supplement discussed, amongst other things, (a) the bids received for the Applicants' business (including the names of the bidders (the "**Bidder Names**")); (b) the confidential terms of the Asset Purchase Agreement; (c) the Monitor's commentary on the confidential terms of the Asset Purchase Agreement. In the Third Supplement, the Monitor provided an undertaking to unseal the Sealed Materials as soon as practicable after the occurrence of certain events.
48. The Court sealed the Sealed Materials as part of the Approval and Vesting Order (as amended by the Amended AVO). Justice J. Dietrich's endorsement dated July 18, 2025, which accompanied the Approval and Vesting Order, observed that "[t]he Monitor has undertaken to bring a motion to lift the sealing on the occurrence of certain events as set out in the [Third] Supplement."
49. The events contemplated in the Third Supplement have occurred; however, there are certain ancillary matters that remain outstanding. The Monitor expects that such ancillary matters will be completed in the near term. Until such ancillary matters are complete, the Monitor is of the view that the Sealed Materials should remain sealed so as to not prejudice their completion. Accordingly, the Monitor is now seeking an order modifying the order sealing the Sealed Materials such that:
- (a) the Sealed Materials shall be made part of the public record, but only at such time as the Monitor is satisfied that all ancillary matters have been completed, provided that the Monitor shall release the Sealed Materials by no later than the expiry of the Extended Stay Period; and

(b) the Bidder Names are to be redacted and permanently sealed.

50. The Monitor is seeking to permanently seal the Bidder Names on the basis that it does not have consent to release their identities, and that releasing such information could impact the willingness of bidders to become involved in future sales process. The Monitor does not believe that material prejudice will arise as a result of redacting the Bidder Names.
51. The Monitor has prepared a confidential supplement to the within report (the “**Seventh Supplement**”). The Seventh Supplement discusses, amongst other things, the particulars of the events that now give rise to the request to modify the sealing of the Sealed Materials. The information contained in the Seventh Supplement is confidential inasmuch as it discusses the same subject matter as the Sealed Materials. Should this Court modify the order sealing the Sealed Materials, then the Seventh Supplement can be made public (and the Monitor intends to post it on the Monitor’s Webpage) once the Sealed Materials enter the public record.
52. If this Court does not order the unsealing of the Sealed Materials, then the Monitor will request that the Seventh Supplement be subject to its own sealing order.

H. THE MINUTES OF SETTLEMENT WITH MR. SHAW

53. On December 4, 2025, the Applicants, Global Holdings, SAOL, RBC, Mr. Timothy Shaw, and Mrs. Pamela Shaw entered into minutes of settlement (the “**Minutes of Settlement**”). A copy of the Minutes of Settlement is attached hereto as **Appendix “C”**. The Court approved the Minutes of Settlement on December 4, 2025.
54. 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, SAOL, Mr. Shaw and Mrs. Shaw, on the other hand. RBC was included in the Minutes of Settlement because it commenced litigation against Mr. Shaw (the “**RBC Action**”) in late 2025.
55. The Minutes of Settlement broadly contemplate the following actions:

- (a) **Resolution of the TUV Motion:** The Minutes of Settlement settle the TUV Motion by obligating Global Holdings to transfer certain shares in Shaw Almex Spain Real Estate Holdings, S.L. (“**Real Holdings**”) to SAIL;
 - (b) **Resolution of the Ownership of SAOL:** SAIL and the Monitor are to consent to the Consent Order;
 - (c) **Dismissal of RBC’s Action:** RBC is to dismiss the RBC Action;
 - (d) **Property Return:** The parties are to discuss a process by which the documents of Global Holdings, SAOL, and the personal documents and personal property of Mr. Timothy Shaw and Mrs. Pamela Shaw that are in SAIL’s possession (such documents and property, which may also be in the possession or control of the Monitor or the Purchaser, the “**Shaw Property**”) can be delivered to such entities within 45 days of the Minutes of Settlement (i.e., by January 18, 2026); and
 - (e) **Full & Final Release:** The parties are to execute a mutual full and final release in respect of all current, actual, contingent, possible or future claims or disputes that currently exist or may later arise between them, other than the TUV Motion, the RBC Action, and a motion with respect to the ownership of SAOL.
56. The Monitor made the transfer of the shares of Real Holdings to SAIL by Global Holdings a priority in late 2025 and early 2026. Pursuant to the Minutes of Settlement, such transfer was to take place by no later than January 18, 2026; however, Global Holdings did not abide by this timeline. The Monitor and counsel for Global Holdings attended case conferences on January 27, 2026, February 2, 2026, and February 10, 2026, to discuss Global Holdings’ non-compliance. On or around February 12, 2026, Global Holdings finally provided all of the necessary documents to effect the transfer of Real Holdings’ shares to SAIL. The Monitor provided these documents to Spanish counsel. On or around February 25, 2026, SAIL became the sole shareholder of Real Holdings’ share capital, thereby becoming the indirect owner of the Spanish real property held through Real Holdings.

57. Other than the transfer of the shares of Real Holdings to SAIL, the actions contemplated by the Minutes of Settlement have not been completed. These outstanding actions are predominantly for the benefit of Global Holdings and Mr. Timothy Shaw, rather than the Applicants or the Monitor. On this basis, the Monitor asked counsel for Global Holdings and Mr. Shaw (“**Mr. Wadden**”) to advance the Consent Order and a protocol by which the Shaw Property could be returned to its owners. Mr. Wadden advised in or around January 2026 that he would advance these actions.
58. On April 8, 2026, counsel for the Monitor sought an update from Mr. Wadden. Counsel to the Monitor spoke with Mr. Wadden on April 14 and again on April 23, 2026. The Monitor was advised by Mr. Wadden that he was working with his client to advance the outstanding settlement actions. Mr. Wadden was warned by counsel for the Monitor that the Monitor would take steps to dispose of the Shaw Property if it was not retrieved in a timely manner. As of this date of this report, the Monitor has not seen any progress on the Consent Order or a protocol for dealing with the Shaw Property.
59. The Monitor understands that unless and until the Consent Order and the Shaw Property protocol are resolved, RBC will not dismiss the RBC Action or enter into the full and final release contemplated by the Minutes of Settlement.

Authorization to Dispose of the Shaw Property

60. The Monitor has provided Mr. Shaw, Mrs. Shaw, and their related parties ample time and opportunity to retrieve the Shaw Property. The Monitor cannot indefinitely hold the Shaw Property, nor should it be expected to continue being burdened with the Shaw Property (the Monitor is, for example, storing some of the physical Shaw Property in its own limited office space). The Purchaser is likewise burdened with the Shaw Property, since it is storing some of the digital Shaw Property on its servers.
61. Accordingly, the Monitor seeks this Court’s authorization to start disposing of the Shaw Property in any method that it considers reasonable beginning on or after May 18, 2026, to the extent that the Shaw Property is still in the possession or control of the Monitor or the Applicants.

62. The Monitor has selected May 18, 2026, as the deadline for retrieving the Shaw Property because this date is two weeks after the May 4, 2026, hearing date. The Monitor considers this a reasonable amount of time during which Mr. Shaw, Mrs. Shaw, and their related parties can make arrangements to retrieve their property.

Outstanding Settlement Matters

63. Prior to the conclusion of the Extended Stay Period, the Monitor intends to bring a motion seeking to terminate these CCAA proceedings, which will include a request to discharge the Monitor. Given the current status of the Minutes of Settlement, there is a very real possibility that certain actions contemplated thereby, including the issuance of the Consent Order, will still be outstanding at the time of such termination motion.
64. The Monitor intends to bring the termination motion irrespective of whether there are outstanding actions under the Minutes of Settlement, provided that such outstanding actions are a result of delays or inaction on the part of Mr. Shaw, Mrs. Shaw, and their related entities. In the Monitor's view, such delay or inaction should not operate to cause these CCAA proceedings to continue indefinitely. To the extent that actions remain outstanding following the termination of these CCAA proceedings, responsibility for addressing those matters will rest with Mr. Shaw, Mrs. Shaw, and their related entities.

I. UPDATE ON CREDITOR DISTRIBUTIONS

65. The Sale Transaction resulted in the Applicants receiving cash proceeds from the Purchaser. Pursuant to an order entered by the Court on September 10, 2025, the Monitor distributed:
- (a) \$4,429,978.30 to the DIP Lender on September 15, 2025, which constituted full repayment of the DIP Facility, including interest;
 - (b) \$647,692.25 to the DIP Lender on October 6, 2025, in relation to the DIP Lender's legal and advisory fees; and
 - (c) \$12,000,000 to RBC on October 17, 2025, which constituted an interim distribution in respect of the Applicants' pre-filing secured indebtedness owing to RBC.

66. Approximately \$5.2 million of secured pre-filing indebtedness, including interest, remains owing to RBC.
67. BDC held a security interest in the Parry Sound Property that was sold by the Applicants pursuant to the Sale Transaction. As of August 22, 2025, BDC was owed approximately \$1,931,944.61. The Monitor made a distribution to BDC in the amount of \$1,946,241.45 on October 10, 2025, which constituted full repayment of SAIL's pre-filing indebtedness to BDC.
68. BDC Capital (which is separate from BDC) is SAIL's second ranking secured creditor behind RBC. BDC Capital is owed approximately \$3.39 million under a secured term loan. No distributions have been made to BDC Capital as of the date of this report.

J. UPDATE ON THE MONITOR'S ACTIVITIES

69. In addition to the matters described above, since the last stay extension motion on January 16, 2026, the Monitor has, *inter alia*:
 - (a) engaged in discussions and met with the Applicants' former management regarding the CCAA proceeding;
 - (b) monitored, reviewed, processed and tracked the Applicants' receipts and disbursements;
 - (c) prepared a 19-week cash flow forecast (the "**Revised and Extended Cash Flow Projection**");
 - (d) completed financial analyses;
 - (e) corresponded with the Applicants' local counsel in foreign jurisdictions in relation to various legal matters, including winding-up subsidiaries;
 - (f) engaged post-closing transaction matters with the Purchaser;
 - (g) participated in discussions with and responded to inquiries from stakeholders, including, among others, RBC, creditors and former employees;

- (h) attended to various matters involving Mr. Shaw and his related entities, including matters related to the ownership of certain assets and the return of the Shaw Property;
- (i) reviewed and summarized the weekly receipts and disbursements of the Applicants and SAIL's subsidiaries;
- (j) managed the Monitor's Website;
- (k) prepared this Seventh Report; and
- (l) engaged with the Monitor's legal counsel in connection with the foregoing activities.

K. PROPOSED EXTENSION TO THE STAY OF PROCEEDINGS

- 70. The Applicants benefit from a stay of proceedings, which is set to expire at the end of the day on May 16, 2026. As part of the relief sought in the proposed Stay Extension Order, the Applicants are seeking to extend the stay of proceedings to and including August 31, 2026.
- 71. As is demonstrated in the Revised and Extended Cash Flow Projections, the Applicants are forecasted to have sufficient liquidity to fund their obligations and the costs of the CCAA proceedings through to the end of the Extended Stay Period by accessing the DIP Facility.
- 72. The Revised and Extended Cash Flow Projections for the 19-week period from April 25, 2026, through to September 4, 2026, are attached hereto as **Appendix "D"**.
- 73. It is the Monitor's intention to bring a motion seeking to terminate these CCAA proceedings within the next few months, and by no later than the expiry of the Extended Stay Period. The Extended Stay Period will therefore provide the Applicants with the breathing room required to resolve remaining matters in these CCAA proceedings prior to their termination.
- 74. The Monitor supports the Extended Stay Period for the following reasons, among others:

- (a) the Monitor does not believe that any creditor will be materially prejudiced by the length of the Extended Stay Period;
- (b) the Applicants have acted and continue to act in good faith and with due diligence to advance the CCAA proceedings;
- (c) granting the Extended Stay Period allows the Applicants to:
 - (i) conclude matters related to the Minutes of Settlement;
 - (ii) make decisions, to the extent possible, with respect to the dissolution, liquidation, or abandonment of the Applicants' subsidiaries;
 - (iii) prepare materials in connection with a motion terminating these CCAA proceedings; and
 - (iv) take steps to resolve any other outstanding matters;and
- (d) as of the date of this Seventh Report, the Monitor is not aware of any party opposed to the Extended Stay Period.

L. CONCLUSION

75. Based on the foregoing the Monitor respectfully recommends that this Court grant the relief set out in paragraph 11 above.

All of which is respectfully submitted this 30th day of April, 2026.

FTI Consulting Canada Inc.
solely in its capacity as Monitor of SAIL
RemainCo Inc. and SAIL RemainCo LLC and
not in its personal or corporate capacity



Jeffrey Rosenberg
Senior Managing Director

APPENDIX “A”

[ATTACHED]

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

THE HONOURABLE	)	FRIDAY, THE 18 TH
	)	DAY OF JULY, 2025
JUSTICE J. DIETRICH	)	AS AMENDED ON FRIDAY, THE 16 TH
		DAY OF JANUARY, 2026

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

AMENDED 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 Exhibit "F" to the affidavit of Andrew Hustrulid sworn July 14, 2025 (the "**Hustrulid Affidavit**"), and the transactions contemplated therein (collectively, the "**Transactions**"), (ii) transferring to and vesting in Almex Canada or one or more designee(s) of Almex Canada as designated pursuant to the Purchase Agreement and listed on the Monitor's

Certificate (in each case, the “**Purchaser**”) all of the Vendor’s right, title and interest in and to the Purchased Assets, and all of the U.S. Vendor’s right, title and interest in and to the Purchased Business Name, in each case free and clear of all Claims and Encumbrances other than Assumed Liabilities and Permitted Liens; and (iii) sealing Confidential Exhibit “1” appended to the Hustrulid Affidavit and the Confidential Exhibit appended to the Third Report until further Order of the Court, was heard this day by videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants, the Hustrulid Affidavit and the exhibits attached thereto, the Third Report of FTI Consulting Canada Inc. in its capacity as Court-appointed Monitor (in such capacity, the “**Monitor**”) dated July 16, 2025 (the “**Third Report**”), the Supplement to the Third Report of the Monitor dated July 17, 2025, and the Sixth Report of the Monitor dated January 12, 2026, and on hearing the submissions of counsel for the Applicants, the Monitor, the Purchaser and such other counsel that were present and wished to be heard, no one else appearing although duly served as appears from the affidavit of service of Levi Rivers sworn July 18, 2025, and the certificates of service of Nicholas Avis dated January 12, 13, and 15, 2026:

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 effective as of August 27, 2025 (the “**Effective Time**”), being the date on which the Monitor delivered to the Purchaser a certificate (the “**Monitor’s Certificate**”) substantially in the form attached as Schedule “A” hereto, 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 “B” and “C” 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 “C” hereto (the “**Parry Sound Property**”) in fee simple, free and clear of any Claims or Encumbrances listed on Schedules “B” and “C” 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 “C” hereto.

8. **THIS COURT ORDERS** that upon the registration in the appropriate intellectual property office worldwide, including without limitation, the Canadian Intellectual Property Office, the United States Patent and Trademark Office, and such other trademark or patent offices as may be necessary to reflect the transfer of rights set out herein (each a “**Register**”) of a copy of this Order and the Monitor’s Certificate, the applicable Registrar is hereby directed to transfer all of the respective right, title and interest of the Vendor and the U.S. Vendor, respectively, in and to the Intellectual Property owned by it constituting Purchased Assets (including, without limitation, the Intellectual Property listed on Schedule 2.1(i) to the Purchase Agreement) or the Purchased Business Name to the applicable Purchaser, free and clear of all Claims and Encumbrances, and the applicable Registrar is hereby further directed to cancel, discharge, delete and expunge all Claims and Encumbrances recorded as against such Intellectual Property.

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

10. **THIS COURT ORDERS** the Monitor to file with the Court a copy of the Monitor’s

Certificate, forthwith after delivery thereof.

11. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Vendors and the Monitor are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Vendors' records pertaining to the past and current employees of the Vendors and their subsidiaries and affiliates. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable laws. The Purchaser shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Vendors.

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

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

the Purchase Agreement and the Transactions, including, without limitation, the transfer and vesting of the Purchased Assets and the Purchased Business Name in and to the Purchaser pursuant to this Order, (i) shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of either of the Vendors, (ii) shall not be void or voidable by creditors of either of the

Vendors, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial law, and (iii) shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial law.

TITLE OF PROCEEDINGS

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

NO EXERCISE OF RIGHTS OR REMEDIES

14. **THIS COURT ORDERS** that, from and after the Effective Time, any Person that is party to any contract, agreement, credit agreement, financing agreement, mortgage, security agreement, indenture, trust indenture, note, loan agreement, guarantee, commitment letter, agreement for sale, lease, license or other legally binding agreement or arrangement, written or oral and any and all amendments or supplements thereto (each, an "**Agreement**") (i) that constitutes a Purchased Asset or Purchased Business Name and is transferred to and vested in the Purchaser at the Effective Time,

or (ii) to which any Purchased Subsidiary is a party as of the Effective Time, shall be forever barred, enjoined and estopped from exercising any right or remedy under such Agreement by reason of:

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

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

SEALING

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

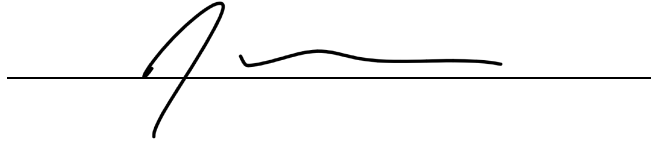
GENERAL

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

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

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

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

A handwritten signature, consisting of a large, stylized 'J' followed by a wavy line, is written over a horizontal line.

**SCHEDULE “A”
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 "B"
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 “C”
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

AMENDED APPROVAL AND VESTING ORDER

RECONSTRUCT LLP

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sjoshi@reconllp.com

Tel: 416.613.6589

Lawyers for the Applicants

APPENDIX “B”

[ATTACHED]

www.almex.com

100%



APPENDIX “C”

[ATTACHED]

Timothy Glen Shaw

and

Shaw Almex Global Holdings Limited

and

Shaw Almex Overseas Ltd.

and

Pamela Shaw

and

Shaw-Almex Industries Limited and Shaw Almex Fusion LLC

(by their Monitor (defined below))

and

Royal Bank of Canada

(together, the “**Parties**”)

MINUTES OF SETTLEMENT

WHEREAS Shaw-Almex Industries Limited (“**SAIL**”) filed a Notice of Intention (the “**NOI**”) to make a proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended on March 29, 2025 (Court File No. BK-25-03205249-0031);

AND WHEREAS FTI Consulting Canada Inc. (“**FTI**”) consented to act as the proposal trustee of SAIL;

AND WHEREAS the Ontario Superior Court of Justice (the “**Court**”) granted an Initial Order under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”), with respect to SAIL and Shaw Almex Fusion LLC (the “**Applicants**”) on May 13, 2025 (Court File No. CV-25-00743136-00CL), which had the effect of continuing SAIL’s NOI proceeding under the CCAA;

AND WHEREAS FTI was appointed by the Court as the Monitor of the Applicants (in such capacity, the “**Monitor**”);

AND WHEREAS the Court, among other things, entered an order on September 10, 2025, authorizing the Monitor to bring a motion (the “**TUV Motion**”) against Shaw Almex Global Holdings Limited (“**Global Holdings**”) pursuant to section 96 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and as incorporated into the CCAA under section 36.1, seeking, amongst other things, a declaration that the transfer of 2,400,600 shares of Shaw Almex Spain Real Holdings,

S.L. (“**Real Holdings**”) from SAIL to Global Holdings pursuant to a share sale and purchase agreement between SAIL and Global Holdings dated December 31, 2025, was a transfer at undervalue;

AND WHEREAS on September 27, 2025, the Monitor commenced the TUV Motion by way of notice of motion;

AND WHEREAS TIMOTHY GLEN SHAW served a responding record to the TUV Motion on November 20, 2025;

AND WHEREAS Royal Bank of Canada (“**RBC**”) has brought an action in the Court to enforce a guarantee against Timothy Glen Shaw (Court File No. CV-25-00092256-0000) (the “**RBC Action**”);

AND WHEREAS Timothy Glen Shaw intends to commence a motion against SAIL for a declaration that he is the lawful owner of certain shares of Shaw Almex Overseas Ltd. (“**Overseas**”) that the Monitor claims are owned by SAIL, which motion is scheduled for February 2026 (the “**Overseas Motion**”);

AND WHEREAS there are other disputes between the Applicants and the Monitor, on the one hand, and Timothy Glen Shaw, Pamela Shaw and entities related to them on the other hand;

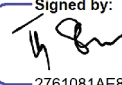
AND WHEREAS the Parties are desirous of settling the TUV Motion, the RBC Action, and the Overseas Motion, any claims or disputes about monies owing (including, but not limited to, rent during the post-filing period) and any and other current, actual, contingent, possible or future claims or disputes that currently exist or may later arise between them (together, the “**Disputes**”);

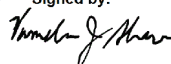
NOW THEREFORE, in consideration of the promises, covenants and agreements hereinafter contained, the Parties agree to a full and final settlement of their Disputes on the following terms:

1. With respect to the TUV Motion: (a) subject to paragraph 1(b), Global Holdings shall transfer the shares of Real Holdings to SAIL or an entity designated by SAIL for €1.00 and shall take all steps as may be reasonably necessary to effect a transfer of the shares of Real Holdings to SAIL; and (b) prior to the transfer of the shares in paragraph 1(a) above, Real Holdings will transfer title to the residential home known as CT Catena 11, 23160 Los Villares, Jaén (title expressed in the property registry number two of those of Jaén in volume 2169, book 188, folio 86, property number 13,372, entry 1; land registry reference number 0376210VG3607N0001QE) (the “**Jaén Home**”), to the extent Real Holdings holds title to the Jaén Home, to Timothy Glen Shaw or such other person as he may direct for €1.00; (c) the definitive agreements and documents to give effect to the transactions contemplated by paragraph 1(a) and 1(b) shall be agreed to by counsel for the Parties, acting reasonably, and the Parties agree that such agreements and documents may be structured in a manner providing better tax treatment for one or more of the Parties provided that such changes to the transaction are in keeping with the spirit of the transactions and without delaying the closing of such transactions beyond January 18, 2026; (d) the Parties shall bear their own costs with respect to the completion of the transactions contemplated in this paragraph; and (e) the Parties shall use their best efforts to complete the transactions contemplated under this paragraph by January 18, 2026.

2. With respect to the Overseas Motion: the Parties consent to an Order, in a form acceptable to counsel acting reasonably: (i) declaring that neither the Monitor nor SAIL (or any of its subsidiaries or affiliated companies) has any right, title or interest in any of the share capital in Overseas; and (ii) authorizes and directs SAIL and the Monitor to take such reasonable steps as may be necessary or desirable to document such ownership in the books and records of SAIL.
3. RBC shall dismiss the RBC Action on a with prejudice and without costs basis.
4. The Parties shall execute a Mutual Full and Final Release, wording to be agreed upon by counsel to the Parties acting reasonably, in respect to all other Disputes (including, for greater certainty and without limitation, any and all claims for other payments of any other monies whether in respect to a claim for debt or otherwise), and which shall be held in escrow by counsel for the Parties pending the Parties meeting their obligations under these Minutes of Settlement. For greater certainty, the Mutual Full and Final Releases will not release any acts of fraud, fraudulent concealment, gross negligence or wilful misconduct in connection with the entering into of this Agreement or in the execution or implementation of the Agreement or the transactions contemplated herein.
5. The Parties shall consent to an Order of the Court (in the form attached as Schedule "A") approving this Agreement and authorizing the Monitor to enter into this Agreement and directing Global Holdings and Timothy Glen Shaw to perform their obligations under this Agreement.
6. The Parties shall discuss a process by which the documents of Global Holdings, Overseas, and personal documents and personal property of Timothy Glen Shaw and Pamela Shaw that are in SAIL's possession can be delivered to such entities within 45 days of this Settlement Agreement which process for greater certainty shall not be at the expense of the Monitor.
7. These Minutes of Settlement and Mutual Full and Final Release (together, the "**Agreement**") constitute the entire agreement between the Parties concerning the settlement of the Disputes, and there is no collateral agreement affecting this Agreement. There are also no representations, warranties, conditions, other agreements or acknowledgements, whether direct or collateral, express or implied, that form part of or affect this Agreement other than as set forth herein.
8. If any provision of the Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction from which no further appeal lies or is taken, that provision shall be deemed to be severed from the Agreement, and the remaining provisions of the Agreement shall not be affected thereby and shall remain valid and enforceable.
9. The Agreement shall be construed and interpreted by the laws of the Province of Ontario and the laws of Canada, as applicable, and the Parties irrevocably attorn to the exclusive jurisdiction of the Ontario Superior Court of Justice.
10. The Parties agree that the Agreement may be executed and delivered in counterparts, each of which, when executed and delivered, shall be deemed original and such counterparts shall constitute the same agreement.

11. The Parties agree that the Agreement shall be considered validly executed and delivered upon a copy of the executed document being transmitted to the other party by electronic means such as portable document format (.pdf). Such electronically transmitted copy shall be deemed to have the same force and effect as an executed original.
12. The Parties agree and acknowledge that they have each had the opportunity to seek and receive independent legal advice concerning the Agreement and that they have read and duly understand the terms of the Agreement. The Parties enter this agreement voluntarily and execute the Agreement freely, voluntarily, and without duress.
13. The Parties agree that they will keep strictly confidential the terms of the settlement and will not disclose them to any third party, without the prior written consent of every other Party or unless required to do so by law or as may be necessary to give effect to the Agreement and the transactions contemplated herein, and will request that the Court grant a sealing order with respect to this Agreement; notwithstanding the foregoing, the Parties acknowledge that the Monitor may share this Agreement with the Applicants' secured creditors (including Royal Bank of Canada, BDC Capital Inc., Business Development Bank of Canada and Export Development Canada) and Almex Canada, Limited and its related parties (in their capacity as the purchaser of the Applicants' business).

Signed by:

2761081AE800490...
TIMOTHY GLEN SHAW

Signed by:

F0EB8F866094443...
PAMELA SHAW

DATED AT STONEY CREEK, ONTARIO, this 4TH 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

Per:

Title:

I have the authority to bind the corporation.

DATED _____, ONTARIO, this ____ day of _____, 2025

ROYAL BANK OF CANADA

Per:

Title:

I have the authority to bind the corporation.

DATED _____, ONTARIO, this ____ day of _____, 2025

Signed by:



2761081AE800490...

SHAW ALMEX GLOBAL HOLDINGS LIMITED

Per: Timothy Shaw

Title: President

I have the authority to bind the corporation.

DATED AT STONEY CREEK, ONTARIO, this 4TH 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

Per:

Title:

I have the authority to bind the corporation.

DATED AT TORONTO, ONTARIO, this 4TH day of DECEMBER, 2025

ROYAL BANK OF CANADA

Per:

Title:

I have the authority to bind the corporation.

DATED _____, ONTARIO, this ____ day of _____, 2025

SHAW ALMEX GLOBAL HOLDINGS LIMITED

Per:

Title:

I have the authority to bind the corporation.

DATED _____, ONTARIO, this ____ day of _____, 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

Per:

Title:

I have the authority to bind the corporation.

DATED _____, ONTARIO, this ____ day of _____, 2025

Andrew O'Coin

ROYAL BANK OF CANADA

Per: Andrew O'Coin

Title: Senior Director

I have the authority to bind the corporation.

DATED Toronto, ONTARIO, this 4 day of December, 2025

SHAW ALMEX GLOBAL HOLDINGS LIMITED

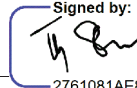
Per:

Title:

I have the authority to bind the corporation.

DATED _____, ONTARIO, this ____ day of _____, 2025

Signed by:



2761081AE800490...

SHAW ALMEX OVERSEAS LTD.

Per: Timothy Shaw

Title: Director

I have the authority to bind the corporation.

DATED AT STONEY CREEK, ONTARIO, this 4TH day of DECEMBER, 2025

APPENDIX “D”

[ATTACHED]

Shaw-Almex Industries Limited (consolidated)
Projected Cash Flow Statement for the Period of April 25, 2026 to September 4, 2026

Notes

General Note:

Shaw-Almex Industries Limited (referred to as the "Company"), with the assistance of the Monitor has prepared this Cash Flow Statement and the accompanying Notes to the Cash Flow Statement (collectively the "Cash Flow Statement") in support of the proposed stay extension under the Companies' Creditors Arrangements Act. The Cash Flow Statement is solely for the purposes of determining the liquidity requirements of the Company during the period of April 25, 2026 to September 4, 2026. This Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1 through 6. Consequently, actual results will likely vary from actual performance and such variances may be material.

1. Represents an estimate of operating expenses for goods or services received during the pre-acquisition period. Comprised of anticipated expenses from vendors that invoice in arrears including for materials, freight, utilities, IT, insurance and leases.
2. Represents the wind down costs associated with foreign entities that were not purchased in the Sale Transaction.
3. Represents the sale proceeds related to the sale of Spanish real estate, net of taxes payable on the sale. The Monitor is in the process of arranging for the transfer of the proceeds from the Company's indirect Spanish subsidiary to the Company.
4. The Monitor intends to review and issue an interim distribution following receipt of the net proceeds from the sale of the Spanish real estate.
5. Professional Fees include estimates for the Monitor, the Monitor's legal counsel and the Company's legal counsel.
6. Opening cash balances in the Monitor's accounts and the Company's operating accounts are based on closing account balances on April 25, 2026.
7. The debtor-in-possession loan owing to Royal Bank of Canada, including interest and other fees was fully repaid in September, 2025.

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, C
C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SAIL REMAINCO INC. AND SAIL REMAINCO LLC**

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

**SEVENTH REPORT OF
MONITOR
(April 30, 2026)**

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
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Chloe Duggal LSO#: 88142K
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Tel: 416-684-5453

Lawyers for the Monitor

APPENDIX “B”

[ATTACHED]

Projected Cash Flow Statement for the Period of August 8, 2026 to November 27, 2026

[illegible]

SAIL RemainCo Inc. (consolidated)

Projected Cash Flow Statement for the Period of August 8, 2026 to November 27, 2026

Notes

General Note:

Shaw-Almex Industries Limited (referred to as the "Company"), with the assistance of the Monitor has prepared this Cash Flow Statement and the accompanying Notes to the Cash Flow Statement (collectively the "Cash Flow Statement") in support of the proposed stay extension under the Companies' Creditors Arrangements Act. The Cash Flow Statement is solely for the purposes of determining the liquidity requirements of the Company during the period of August 8, 2026 to November 27, 2026. This Cash Flow Statement is based on probable and hypothetical assumptions detailed in Notes 1 through 6. Consequently, actual results will likely vary from actual performance and such variances may be material.

1. Represents an estimate of operating expenses for goods or services received during the pre-acquisition period. Comprised of anticipated expenses from vendors that invoice in arrears including for materials, freight, utilities, IT, insurance and leases.
2. Represents the wind down costs associated with foreign entities that were not purchased in the Sale Transaction.
3. Represents sale proceeds related to the sale of certain real estate, net of taxes payable on the sale. The Monitor is in the process of arranging for the sale proceeds to be distributed to SAIL RemainCo.
4. The Monitor intends to review and issue an interim distribution related to the receipt of the net proceeds from the sale of the real estate upon the occurrence of certain events, which may not occur until approximately August, 2027.
5. Professional Fees include estimates for the Monitor, the Monitor's legal counsel and the Company's legal counsel.
6. Opening cash balances in the Monitor's accounts and the Company's operating accounts are based on closing account balances on August 8, 2026.
7. The debtor-in-possession loan owing to Royal Bank of Canada, including interest and other fees was fully repaid in September, 2025.

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, C
C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SAIL REMAINCO INC. AND SAIL REMAINCO LLC**

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

**EIGHTH REPORT OF
MONITOR**
(August 10, 2026)

STIKEMAN ELLIOTT LLP
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5300 Commerce Court West
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Lawyers for the Monitor