

Court / Estate No.: 32-2714829
District of Ontario
Division No. 07 – Hamilton

ONTARIO
SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF
O.B. WIIK CANADA LTD.

PROPOSAL OF O.B. WIIK CANADA LTD.

WHEREAS O.B. Wiik Canada Ltd. (the "**Debtor**") filed a Notice of Intention to Make a Proposal with the Office of the Superintendent of Bankruptcy on February 23, 2021.

AND WHEREAS KSV Restructuring Inc. was appointed as the Debtor's proposal trustee (in such capacity, the "**Proposal Trustee**").

AND WHEREAS the Debtor ceased conducting business and is in the process of winding down its Canadian operations, and desires to make a proposal to its creditors that would result in better recoveries for those creditors than they would receive in a bankruptcy.

AND WHEREAS the Debtor's sole shareholder, O.B. Wiik A.S. (the "**Sponsor**") has agreed that if this Proposal is accepted by the requisite majority of creditors and approved by the Court, the Sponsor would subordinate its Claim (as defined below) against the Debtor to improve the recoveries of other creditors of the Debtor.

NOW THEREFORE the Debtor submits to its creditors the following Proposal.

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Proposal, the following capitalized terms shall have the following meanings:

- (a) "**Act**" means the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended;
- (b) "**Approval Date**" means the date on which both of the following have occurred: (i) the Proposal has been approved by the Requisite Majority, and (ii) the Approval Order has been issued, has not been stayed, there is no outstanding appeal of the Approval Order and the time for appealing the Approval Order has lapsed.
- (c) "**Approval Order**" means an order of the Court, in form and substance satisfactory to the Debtor, the Sponsor and the Proposal Trustee approving and sanctioning this Proposal in accordance with the provisions hereof and of the Act.

- (d) **"Business Day"** means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Toronto, Ontario.
- (e) **"Claims"** means any right of any Person against the Debtor in connection with any indebtedness, liability or obligation of any nature whatsoever, including, without limitation, claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature, including, for greater certainty: (i) any claim against the Debtor for indemnification by any Director or Officer; and (ii) any right of any Person against the Debtor arising pursuant to sections 65.11 or 65.2 of the Act.
- (f) **"Court"** means the Ontario Superior Court of Justice.
- (g) **"Bankruptcy Proceeding"** means an immediate liquidation of the Debtor's remaining Property and distribution of such proceeds in a bankruptcy proceeding under the Act.
- (h) **"Crown Priority Claims"** means all Claims of Her Majesty in Right of Canada or a Province that were outstanding on the Filing Date and are of a kind that could be subject to a demand under:
 - (i) subsection 224(1.2) of the *Income Tax Act*;
 - (ii) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or
 - (iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - (A) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
 - (B) is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.
- (i) **"Creditor"** means any Person having a Claim, secured, unsecured or otherwise, and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person.

- (j) **"D&O Claim"** means the right of any Person against one or more of the Directors or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, including any right of contribution or indemnity, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer.
- (k) **"Debtor"** means has the meaning given to it in the recitals.
- (l) **"Directors and Officers"** means the current and former directors and officers of the Debtor, in such capacities, and **"Director"** or **"Officer"** means any one of them.
- (m) **"Disputed Claim"** means any Claim or D&O Claim which has been received by the Proposal Trustee in accordance with the terms of this Proposal and the Act, but has not been accepted as proven in accordance with section 135 of the Act or which is being disputed in whole or in part by the Proposal Trustee, or any other person entitled to do so and has not been resolved by agreement or by Order of the Court.
- (n) **"Distributable Funds"** has the meaning given to it in Article 2.3 of this Proposal.
- (o) **"Effective Date"** means the date that is two (2) Business Days following the satisfaction of the conditions listed in Article 6.1 of this Proposal.
- (p) **"Employees"** means Persons who are employees or former employees of the Debtor.
- (q) **"Employee Priority Claims"** means Claims of Employees of amounts at least equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the Act if the Debtor became bankrupt on the Filing Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the court approval of the proposal, together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the bankrupt's business during the same period.
- (r) **"Filing Date"** means February 23, 2021.
- (s) **"Final Dividend Notice"** has the meaning given to it in Article 3.1 of this Proposal.
- (t) **"Inspectors"** means those inspectors duly appointed pursuant to the terms of the Act, as provided for in the Proposal.

- (u) “**Intercompany Claim**” means the unsecured intercompany Claim owing by the Debtor to the Sponsor, in the estimated aggregate approximate amount of \$2.5 million.
- (v) “**Meeting of Creditors**” means the meeting of Creditors scheduled to consider and vote on the Proposal, and any adjournment thereof.
- (w) “**Meeting Date**” means the date of the Meeting of Creditors selected by the Proposal Trustee.
- (x) “**Official Receiver**” means a federal government employee in the office of the Superintendent of Bankruptcy who, among other things, accepts and reviews documents that are filed in proposals made under the Act.
- (y) “**Person**” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.
- (z) “**Post-Filing Claim**” means a claim arising in respect of goods supplied, services rendered or other consideration given to the Debtor, in the ordinary course of business, subsequent to the Filing Date, but for the avoidance of doubt does not include Termination Claims or claims by Employees for termination or severance.
- (aa) “**Professional Fees**” means, collectively, the fees and disbursements of the Proposal Trustee, the Proposal Trustee's legal counsel, and legal counsel to the Debtor.
- (bb) “**Proof of Claim**” means the form to be delivered to the Creditors by the Proposal Trustee in accordance with the Act.
- (cc) “**Property**” means “**property**” as defined in Section 2 of the Act.
- (dd) “**Proposal**” means this Proposal, as may be varied, amended, modified or supplemented in accordance with the provisions hereof and the Act.
- (ee) “**Proposal Trustee**” has the meaning given to it in the recitals.
- (ff) “**Proven Claim**” means the amount or any portion of a Claim, Termination Claim or D&O Claim that is accepted as proven by the Proposal Trustee pursuant to section 135 of the Act and determined for distribution purposes in accordance with the provisions of the Act or any applicable orders from the Court.
- (gg) “**Proven Creditors**” means Creditors with Proven Claims.
- (hh) “**Related Person**” means “**related persons**” as defined in Section 4(2) of the Act to the Debtor, which for greater certainty, includes the Sponsor.
- (ii) “**Released D&O Claims**” means all D&O Claims that are released pursuant to Article 9 of this Proposal.

- (jj) **“Requisite Majority”** means a majority in number and two-thirds in value of all Proven Claims of Creditors entitled to vote, who are present and voting at the Creditors' Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the Act.
- (kk) **“Superintendent's Levy”** has the meaning given to it in Section 147 of the Act.
- (ll) **“Termination Claim”** means any Claim in contract, tort or otherwise that is based or predicated on by the termination by the Debtor of any contract, business relationship or agreement, or the cessation of services by the Debtor, on or after the Filing Date.
- (mm) **“Unsecured Creditor Pool”** means \$50,000 to be made available to Creditors with Proven Claims that have not otherwise been paid under this Proposal, which will be made available from the Debtor's remaining assets and if necessary, a contribution from the Sponsor.

1.2 Time

All times expressed in this Proposal are local time Toronto, Ontario, unless otherwise stipulated. Time is of the essence in this Proposal.

1.3 Monetary References

All references to currency and to “\$” are to Canadian dollars, unless otherwise indicated.

ARTICLE 2 PURPOSE AND EFFECT OF PROPOSAL

2.1 Background to Proposal

After continually operating at a deficit, requiring intercompany loans and contributions from the Sponsor, the Debtor and the Sponsor made the decision to cease operations in the Canadian marketplace and wind down the Debtor's business. On February 23, 2021, the Debtor filed a notice of intention to make a proposal under Part III of the Act and notified its Employees and Creditors that it would cease operations and present a proposal in accordance with the Act.

Since February 23, 2021, the Debtor has worked with the Proposal Trustee to wind-down its business and minimize the associated disruption. Over this period, the Debtor commenced monetizing its remaining Property and prepared this Proposal to present to its Creditors. The remaining tangible equipment and inventory have been repurchased by the Sponsor for 75% of the book value of such Property, which the Debtor believes is significantly in excess of liquidation value of the equipment and inventory.

The Debtor has no secured creditors and does not participate in a prescribed pension plan within the meaning of s. 60(1.5) of the Act.

2.2 Overview of Proposal

The objective of this Proposal is to provide for a structured, coordinated and transparent exit from Canada, and to address Claims of Creditors against the Debtor. This Proposal is designed

to allow the Debtor to distribute the net proceeds of its estate in a manner that will result in the Proven Creditors receiving more than would be recovered in a Bankruptcy Proceeding.

To facilitate the approval and implementation of the Proposal, and to reduce the disruption of the Debtor's wind-down and exit from the Canadian market, the Sponsor has agreed to make available the Unsecured Creditor Pool from the remaining assets of the Debtor and if necessary, an additional payment by the Sponsor. The Sponsor has also agreed to subordinate the Intercompany Claim to the claims of Proven Creditors if the Proposal is approved by the Requisite Majority of Creditors and implemented, without prejudice to its ability to pursue the Intercompany Claim in a Bankruptcy Proceeding.

In the Debtor's view, this makes the Proposal significantly superior to a Bankruptcy Proceeding for Proven Creditors.

This Proposal provides for the payment in full of Crown Priority Claims as required by s. 60(1.1) of the Act, however the Debtor does not believe that any such Crown Priority Claims exist. All Employee Priority Claims required by s. 60(1.3) of the Act are required to be paid by this Proposal. This Proposal does not provide for the payment of an equity claim.

2.3 Proposed Payments

The following amounts will be available for distribution in accordance with Article 2.4 of the Proposal (collectively, the "**Distributable Funds**"):

- (a) All of the Debtor's cash on hand;
- (b) Proceeds from the realization of the Debtor's remaining Property, including collections from accounts receivable, any tax refunds, and any proceeds from the sale of any remaining Property, net of operating and wind-down costs; and
- (c) Any funds paid to the Debtor by the Sponsor to make available the Unsecured Creditor Pool for distribution.

2.4 Proposed Distribution

The Distributable Funds will be paid in accordance with the terms of the Proposal, as follows:

- (a) Professional Fees. Subject to any applicable provisions of the Act, the Professional Fees will be paid in full, as they become due.
- (b) Crown Priority Claims. All Crown Priority Claims that were outstanding as at the Filing Date, if any, shall be paid in full to Her Majesty in right of Canada or a Canadian province or territory, as applicable, within six months after the issuance of the Proposal Approval Order.
- (c) Superintendent's Levy. The Superintendent's Levy will be paid in full.
- (d) Employee Priority Claims. Employee Priority Claims will be paid in full.

- (e) Unsecured Creditors. All other Proven Claims, other than the Intercompany Claim, that are not paid pursuant to (a) through (d) of this Article 2.4 will receive a *pari passu* distribution of the Unsecured Creditor Pool.
- (f) Intercompany Claim. Any remainder of the Distributable Funds after the payments are made for the distributions in (a) through (e), shall be paid to the Sponsor in respect of the Intercompany Claim.

2.5 Post-Filing Claims

Post-Filing Claims shall be paid in full by the Debtor in the ordinary course of business, on regular trade terms, prior to the payment of the Debtor's cash on hand.

2.6 Persons Affected

The Proposal provides for a full and final release and discharge of all Claims and Released D&O Claims and a settlement of and consideration for Claims. The Proposal will become effective at 12:01 a.m. (Toronto time) on the Effective Date in accordance with its terms and shall be binding on and enure to the benefit of the Debtor, the Sponsor and other Persons directly or indirectly named or referred to in or subject to the Proposal.

On the Effective Date in accordance with the terms of this Proposal and in accordance with the provisions of the Approval Order, the treatment of all Claims and Released D&O Claims shall be final and binding on the Debtor, the Sponsor, the Directors and Officers, all Creditors (and their respective heirs, executors, administrators, legal and personal representatives, successors and assigns), and all Claims and Released D&O Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Debtor, the Sponsor and the Directors and Officers shall thereupon have no further obligation whatsoever in respect of the Claims and Released D&O Claims; provided that nothing herein releases the Debtor or the Sponsor or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Proposal, and provided further that such discharge and release of the Debtor and the Directors and Officers shall be without prejudice to the right of a Creditor in respect of a Disputed Claim to prove such Disputed Claim in accordance with the Act so that such Disputed Claim may become a Proven Claim.

ARTICLE 3 CLAIMS PROCESS

3.1 Claims Process

In order to be eligible to vote at the Meeting of Creditors, each Creditor shall file a Proof of Claim with the Proposal Trustee in accordance with the applicable provisions of the Act, and shall specify every Claim and every D&O Claim it asserts against the Debtor and/or the Directors and Officers, as applicable. Thereafter, the Proposal Trustee shall examine every Proof of Claim and determine whether such Claims are Proven Claims or Disputed Claims, and whether such Claims are Crown Priority Claims, Employee Priority Claims, as applicable.

In order to receive a distribution from the Distribution Fund, a Creditor must submit, or be deemed to have submitted, a Proof of Claim prior to the time the Proposal Trustee distributes funds in accordance with the Proposal and the Act.

In accordance with section 149 of the Act, prior to the final distribution from the Distributable Funds, the Proposal Trustee shall give notice (the "**Final Dividend Notice**") by e-mail (if available) or by regular mail to every Person with a Claim of which the Proposal Trustee has notice or actual knowledge but who did not file a Proof of Claim.

3.2 Landlord Claims

In the case of any lease of real property disclaimed by the Debtor pursuant to section 65.2 of the Act, the landlord affected by the disclaimer may file a Proof of Claim for their actual losses resulting from such disclaimer.

3.3 Claims for Voting Purposes

Each Creditor shall be entitled to a single vote valued at the amount of its Claim or a portion of its Claim, if any, that has been accepted by the Proposal Trustee for voting purposes without prejudice to the rights of the Debtor, the Proposal Trustee and the Creditor to have the quantum of any Disputed Claim finally determined for the purposes of receiving its share of the Creditors' Fund, if any, or for the purposes of determining whether this Proposal was approved by the Requisite Majority.

Without limiting the foregoing, Disputed Claims shall be tracked by the Proposal Trustee as if such claims were Proven Claims but Disputed Claims will not be considered for the purposes of determining the Requisite Majority. The Proposal Trustee will report to the Court on the impact on the Requisite Majority had the Disputed Claims constituted accepted claims for voting purposes.

3.4 Disputed Claims

Any Creditor with a Disputed Claim shall not be entitled to receive any distribution hereunder with respect to such Disputed Claim unless and until such Claim becomes a Proven Claim. Distributions pursuant to Article 2.4 of this Proposal shall be made in respect of any Disputed Claim that is finally determined to be a Proven Claim.

3.5 Claims Bar

Any Person who does not file its Claim or D&O Claim within thirty days of the issuance of the Final Dividend Notice, shall forever be barred from making a Claim or D&O Claim or sharing in any dividend hereunder, subject to any exception set out in sections 149(2), (3), (4) and 150 of the Act, regardless of whether such Person was sent a Final Dividend Notice or whether such Person received such Final Dividend Notice, provided that the Proposal Trustee shall be entitled, in its reasonable discretion, to waive strict compliance with this Article 3.5 in respect of specific Claims if such waiver would not materially prejudice Proven Creditors.

3.6 Class of Creditors

There shall be one class of Creditors for voting purposes.

3.7 Set-Off

The law of set-off applies to all Claims.

ARTICLE 4 MEETING OF CREDITORS

4.1 Meeting of Creditors

The Meeting of Creditors will be held on the Meeting Date. Due to the uncertain duration of social- distancing measures currently mandated by provincial governments in response to the COVID-19 epidemic, the Meeting of Creditors will be held virtually, on such terms and parameters as the Proposal Trustee considers appropriate, with video and teleconference access for any Creditors who wish to virtually attend. The Proposal Trustee shall provide all known Creditors with the necessary connection, dial-in and other information about the Meeting of Creditors.

4.2 Voting Virtually

Persons virtually in attendance at the Meeting of Creditors by video or teleconference who are eligible to vote shall cast their vote in the manner prescribed by the Proposal Trustee. All votes will be recorded and tabulated by the Proposal Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes.

4.3 Proxies and Voting Letters

Proxies, as provided for in the Act indicating a Person authorized to act on behalf of a Creditor holding a Proven Claim, may be submitted to the Proposal Trustee at, or any time prior to, the commencement of the vote on the Proposal at the Meeting of Creditors.

Voting letters as provided for in the Act submitted to the Proposal Trustee prior to the Meeting of Creditors must indicate whether the Creditor wishes to cast its vote in favour of or against the Proposal. Voting letters that do not indicate either preference will be deemed to indicate a vote in favour of the Proposal.

4.4 Quorum

A quorum shall be constituted for the Meeting of Creditors or any adjournment thereof if there is one Creditor, entitled to vote, present virtually by video or teleconference, or by proxy or if one Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the Act and this Proposal. If the requisite quorum is not virtually present at the Meeting of Creditors or if the Meeting of Creditors has to be postponed for any reason, then the Meeting of Creditors shall be adjourned by the Proposal Trustee to such date, time and pursuant to such virtual parameters as determined by the Proposal Trustee.

4.5 Votes by Related Persons

Related Persons may vote against but not in favour of the Proposal.

4.6 Creditor Approval

In order to be approved, the Proposal must receive the affirmative vote of the Requisite Majority.

ARTICLE 5 MODIFICATION OF PROPOSAL

5.1 Modifications

Subject to the consent of the Proposal Trustee, at any time prior to the Meeting of Creditors or at any time prior to the date to which the Meeting of Creditors is adjourned, if it is adjourned, the Debtor reserves the right at any time to file any modification, amendment or supplement of and to the Proposal, by way of amended proposal, and file such amended proposal with the Official Receiver as soon as practical, in which case any such amended proposal or proposals shall, for all purposes, be and be deemed to be part of and incorporated into the Proposal.

At the Meeting of Creditors, the Proposal Trustee shall provide all Creditors in attendance with details of any modifications or amendments of and to the Proposal prior to the vote being taken to approve the Proposal. After the Meeting of Creditors (and both prior to and subsequent to the issuance of the Approval Order) and subject to the consent of the Proposal Trustee, the Debtor may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Approval Order

ARTICLE 6 CONDITIONS

6.1 Conditions of the Proposal

The implementation of the Proposal and distribution thereunder is subject to the satisfaction of the following conditions precedents:

- (a) The Approval Date has occurred;
- (b) The Debtor and if applicable, the Sponsor, have made the payments contemplated by Article 8.2 hereof; and
- (c) All other actions, documents and agreements necessary to implement the Proposal, in the reasonable judgment of the Proposal Trustee, shall have been effected and executed.

6.2 Waiver

Each of the other conditions set out in this Article 6.1 may be waived in whole or in part by the Debtor, with the consent of the Proposal Trustee and the Sponsor, provided that, the Approval Order must have been issued by the Court prior to implementation of this Proposal.

ARTICLE 7 BINDING EFFECT

7.1 Binding Effect

On the Effective Date, this Proposal will become effective and binding on and enure to the benefit of the Debtor, the Sponsor, the Directors and Officers and all creditors affected by this Proposal and all other Persons named or referred to in, or subject to, this Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

ARTICLE 8 ADMINISTRATION

8.1 Administration by the Debtor

The Debtor, with the assistance and oversight of the Proposal Trustee, may take any actions and steps necessary or desirable to realize upon the Debtor's remaining Property, including:

- (a) sell or otherwise dispose of the Property, including equipment and inventory, of the Debtor;
- (b) compromise and settle any debts owing to the Debtor; and
- (c) bring or institute any action or other legal proceeding relating to a Claim of the Debtor.

8.2 Timing and Payment of the Distributable Funds to the Proposal Trustee

Upon the Proposal Trustee issuing the Final Dividend Notice, or earlier if agreed between the Proposal Trustee and the Debtor, the Debtor shall transfer to the Proposal Trustee all cash on hand (the "Final Payment") and subsequently, the Debtor shall promptly transfer the Proposal Trustee any funds received from the realization of the Debtor's remaining Property. If the Final Payment is less than the Unsecured Creditor Pool and other amounts payable under this Proposal, including Professional Fees and Post-Filing Claims, the Sponsor shall pay the Proposal Trustee the difference between the Unsecured Creditor Pool and the Final Payment plus any additional amounts required to satisfy outstanding amounts payable under this Proposal, including Professional Fees and Post-Filing Claims. For the avoidance of doubt, any payment by the Sponsor as contemplated under this Article 8.2 is intended to replenish the Unsecured Creditor Pool if needed.

8.3 Effect of Payments

Upon the Debtor and the Sponsor making the payments to the Proposal Trustee in accordance with Article 8.2 hereof, the Debtor and the Sponsor and its respective successors and assigns, and the Directors and Officers shall be deemed to have fully satisfied the terms of this Proposal.

ARTICLE 9 RELEASES

9.1 Proposal Releases

On the Effective Date, (i) the Debtor, the Debtor's Employees, the Directors and Officers, and their respective heirs and assigns, (ii) the Sponsor, the Sponsor's employees, each director and officer of the Sponsor, and (iii) the Proposal Trustee, the Proposal Trustee's counsel, and each and every present and former shareholder, affiliate, subsidiary, director, officer, member, partner, employee, auditor, financial advisor, legal counsel and agent of any of the foregoing Persons (each of the Persons named in (i) through (iii) of this Article 9.1, in their capacity as such, being herein referred to individually as a "**Released Party**" and all referred to collectively as "**Released Parties**") shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, including claims for contribution or indemnity which any Creditor, the Debtor or other Person may be entitled to assert, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory in nature, existing or taking place on or prior to the Effective Date that constitute or are in any way relating to, arising out of or in connection with any Claims, and any indemnification obligations with respect thereto, the business and affairs of the Debtor whenever or however conducted, the administration and/or management of the Debtor, the Proposal, or any document, instrument, matter or transaction involving the Debtor taking place in connection with the Proposal (referred to collectively as the "**Released Claims**"), shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, all to the fullest extent permitted by governing law; provided that nothing herein will waive, discharge, release, cancel or bar (a) the right to enforce the Debtor's obligations under the Proposal, or (b) any D&O Claim that is not permitted to be released pursuant to section 50(14) of the Act.

9.2 Release of D&O Claims

All Released D&O Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Effective Date. For greater certainty, any Claim of a Director or Officer against the Debtor for indemnification or contribution in respect of any D&O Claim shall be treated for all purposes under the Proposal as a Claim and will be compromised, released, discharged, cancelled and barred.

ARTICLE 10 GENERAL

10.1 Reviewable Transactions

The provisions of Sections 95 to 101, inclusively, of the Act and any similar provision of any federal or provincial statute shall not apply to this Proposal. All transactions as between the Debtor and the Sponsor, shall be deemed to be confirmed and to have been consummated at a value that is not conspicuously different than the fair market value of the property or services of

the subject transactions, including the purchase of the remaining equipment and inventory by the Sponsor from the Debtor.

10.2 Further Assurances

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such actions and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

10.3 Governing Law

This Proposal will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

10.4 Annulment

If the Proposal is annulled by an Order of the Court, all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of the applicable Creditors.

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DATED at Simcoe, in the Province of Ontario, this 24 day of March, 2021.

O.B. WIJK CANADA LTD.

Per: J Lewis

Name:

Title: **Director**