



**First Report to Court of
KSV Restructuring Inc. as Proposal
Trustee of O.B. Wiik Canada Ltd.**

May 3, 2021

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COURT FILE NO.: 32-2714829

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
O.B. WIİK CANADA LTD.,
OF THE TOWN OF SIMCOE, IN THE PROVINCE OF ONTARIO

FIRST REPORT TO COURT OF
KSV RESTRUCTURING INC. AS PROPOSAL TRUSTEE

MAY 3, 2021

1.0 Introduction

1. This report (“Report”) has been prepared by KSV Restructuring Inc. (“KSV”) in its capacity as proposal trustee (the “Proposal Trustee”) in connection with a Notice of Intention to Make a Proposal (“NOI”) filed on February 23, 2021 (the “Filing Date”) by O.B. Wiik Canada Ltd. (the “Company”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”).
2. The principal purposes of these proceedings are to create a stabilized environment to allow the Company the opportunity to wind-down its business on an orderly basis and to formulate a proposal to its creditors which provides a result superior to a bankruptcy.
3. On March 24, 2021, the Company filed a proposal (the “Proposal”) with the Official Receiver in accordance with Section 62(1) of the BIA and a Certificate of Filing a Proposal (“Certificate”) was issued by the Office of the Superintendent of Bankruptcy (Canada) (“OSB”) on that date. Copies of the Proposal and the Certificate are attached as Appendices “A” and “B”, respectively.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Company;
 - b) summarize the results of the meeting of creditors held on April 14, 2021 to consider and vote on the Proposal (the “Meeting”);

- c) provide the statutory disclosure required under Sections 58(d) and 59(1) of the BIA; and
- d) provide the Proposal Trustee's recommendation to the Court with respect to the approval of the Proposal.

1.2 Currency

1. All currency references in this Report are to Canadian dollars.

1.3 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by the Company's representatives, the books and records of the Company and discussions with representatives of the Company. The Proposal Trustee has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook*.
2. The Proposal Trustee expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Proposal Trustee in preparing this Report. Any party wishing to place reliance on the Company's financial information should perform its own due diligence and any reliance placed by any party on the financial information presented herein shall not be considered sufficient for any purpose whatsoever. The Proposal Trustee accepts no responsibility for any reliance placed by any party based on the financial information in this Report.

2.0 Background

1. The Company was incorporated under the *Business Corporations Act* (New Brunswick) on January 18, 2017. The Company is a wholly-owned foreign subsidiary of O.B. Wiik A.S. ("O.B. Norway" or the "Sponsor"), which has its head office in Norway.
2. Similar to O.B. Norway, the Company is a supplier of fabric-covered steel buildings, pop-up tents and tarpaulins. The Company serviced a variety of industries including agriculture, construction, waste management, manufacturing and aid and relief.
3. At the time it filed the NOI, the Company had 3 full-time employees and carried on business from leased office premises in Simcoe, Ontario. Pursuant to a Notice of Disclaimer of Lease dated March 8, 2021, the lease was disclaimed, effective 30 days from the date of the notice (being April 7, 2021).
4. In addition to the leased office, the Company leases premises in Dunnville, Ontario, where it stores inventory.
5. Since it commenced operations, the Company continually operated at a deficit, requiring intercompany loans from O.B. Norway to fund its losses.

6. The Company has been winding-down its operations following the filing of the NOI. It is no longer seeking new customers or performing any activities on existing projects.
7. O.B. Norway agreed to sponsor the Proposal by making available a pool of funds for distribution to the Company's creditors. This is discussed further below in Section 4 of the Report.
8. Additional information related to the Company, including its historical operating results, is included in the Proposal Trustee's Report to Creditors dated April 1, 2021 (the "Report to Creditors"). A copy of the Report to Creditors, without appendices, is provided in Appendix "C".

3.0 Creditors

1. A summary of the Company's creditors is provided below¹. A list of known creditors is attached as Appendix "D".

Creditor	Amount (\$000)
Wilcox Door Service Inc.	115
Former Employee	80
Insulcon Insulation Inc.	20
Other	3
	218

2. On April 1, 2021, the Proposal Trustee posted on its website a creditors' package, including a Proof of Claim form, voting letter and the Report to Creditors.

4.0 The Proposal²

1. The terms of the Proposal were summarized in the Report to Creditors and are not repeated herein.
2. The overall purpose of the Proposal is to:
 - a) provide for a structured, coordinated and transparent exit of the Company from Canada;
 - b) give effect to a distribution of funds from the Distributable Funds to the Proven Creditors; and
 - c) effect releases of any and all Proven Claims.
3. The Distributable Funds in the Proposal will include:
 - a) all of the Company's cash on hand, if any;

¹ Represents amounts filed in proofs of claim, where applicable. The claims remain subject to review and determination by the Proposal Trustee.

² Unless otherwise defined, capitalized terms used in this section of the Report have the meanings provided to them in the Proposal.

- b) proceeds from the realization of the Company's remaining Property; and
 - c) any funds paid to the Company by the Sponsor to make \$50,000 available for distribution to the unsecured creditors with Proven Claims (the "Unsecured Creditor Pool").
4. For the purposes of the Proposal, if accepted by the Proven Creditors and approved by the Ontario Superior Court of Justice (Commercial List) (the "Court"), the Sponsor has agreed to subordinate its claim against the Company, estimated to be \$2.5 million (the "Intercompany Claim"). The subordination of the Intercompany Claim will not apply if the Proposal is not implemented for any reason and the Company is deemed to have made an assignment in bankruptcy.
 5. In order to provide liquidity to the Company during these proceedings, the Sponsor agreed to purchase the Company's remaining specialized inventory for 75% of the book value, representing proceeds of approximately \$124,000, and to pay for all costs associated with organizing, loading and shipping the inventory. In the Proposal Trustee's view, this purchase price represents a significant premium to market for these assets whose realizable value, net of costs, in a liquidation scenario would be nominal.
 6. Apart from the cash generated by the inventory sale and any contribution from the Sponsor, the Proposal Trustee estimates that the realizable value of the Company's assets would be nil. This is further discussed in Section 5 of the Report to Creditors, where the Proposal Trustee estimated that there would be a virtually nil recovery for the Company's creditors in the event of a bankruptcy whereas payments under the Proposal could result in a recovery of up to approximately 24¢ on the dollar for the Proven Claims.
 7. The Proposal Trustee conducted a review of the Company's books and records for the period of twelve months preceding the Filing Date and did not identify any transactions which would engage sections 95 to 101 of the BIA, though termination pay was paid to terminated employees at the Filing Date which the Proposal Trustee does not consider a transaction to be pursued under these provisions in these circumstances.
 8. The Proposal contemplates releases affecting D&O Claims. In the Proposal Trustee's view, these are appropriately circumscribed by section 50(14) of the BIA and are therefore reasonable in their scope.
 9. The Proposal also contemplates a release affecting claims against the Sponsor related to the administration and management of the Company. The release was necessary to obtain the Sponsor's support for subordination of the Intercompany Claim and the contribution to the Proposal by the Sponsor to make available the Unsecured Creditors' Pool. Therefore, the Proposal Trustee believes the release forms an integral part of the Proposal and is appropriate in the circumstances.

4.1 Statutory Disclosure

1. On April 1, 2021, the Proposal Trustee provided a Notice of Proposal to Creditors (“Notice”) by regular mail to the Company, the OSB and to every known creditor affected by the Proposal. The Proposal Trustee also posted the Notice (with all attachments) on its website.
2. In order to attend the Meeting and/or vote on the Proposal, creditors were required to submit a proof of claim to the Proposal Trustee.

4.2 The Meeting

1. The Meeting was convened virtually on April 14, 2021 and was chaired by the Proposal Trustee. The Proposal was unanimously accepted by Creditors voting at the Meeting. A copy of the voting register is attached as Appendix “E”.
2. A copy of the minutes of the Meeting is attached as Appendix “F”.

5.0 Conclusion and Recommendation

1. In the Report to Creditors, the Proposal Trustee advised of its view that the Proposal provides creditors with a better outcome than a bankruptcy and therefore recommended that the creditors vote in favour of the Proposal. Specifically, the Proposal Trustee noted that Proposal provides a potential recovery for the Proven Creditors by way of the Unsecured Creditor Pool and subordination of the Intercompany Claim, both of which would not be available in the event of a bankruptcy. The Proposal Trustee’s rationale and recommendation in the Report to Creditors continues to apply.
2. The Proposal Trustee is of the view that the Proposal is reasonable and calculated to benefit the creditors generally based on: a) the unanimous acceptance of the Proposal by voting Creditors; b) the availability of a dividend in circumstances where a bankruptcy would result in a nil recovery; c) the absence of any transactions which might have engaged sections 95 to 101 of the BIA; and d) the reasonable scope of the releases sought, including those affecting D&O Claims and claims against the Sponsor.
3. The Proposal Trustee recommends that the Court issue an order approving the Proposal for the following reasons:
 - a) it was unanimously accepted by creditors at the Meeting;
 - b) it is fair and reasonable and calculated to benefit creditors generally; and
 - c) acceptance and implementation of the Proposal is likely to result in a superior result for creditors than a bankruptcy of the Company, as detailed in the Report to Creditors.

4. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief requested in the Notice of Motion of the Proposal Trustee.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE OF
O.B. WIJK CANADA LTD.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

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. WIİK CANADA LTD.

PROPOSAL OF O.B. WIİK 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.

[Remainder of the page left intentionally blank]

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**

Appendix “B”



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

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

In the Matter of the Proposal of:

O.B. Wiik Canada Ltd.

Debtor

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of Proposal:	March 24, 2021	Security:	\$
Meeting of Creditors:	April 14, 2021, 10:00 Meeting to be held by Zoom https://zoom.us/j/92071901731?pwd=UFhuTW15MXhJNTINS2x1M3FDa29RUT09 , Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: March 25, 2021, 12:12

E-File/Dépôt Electronique

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

Appendix “C”



**Report to Creditors of
O.B. Wiik Canada Ltd.
by KSV Restructuring Inc.
as Proposal Trustee**

April 1, 2021

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COURT FILE NO.: 32-2714829

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
O.B. WIJK CANADA LTD.,
OF THE TOWN OF SIMCOE, IN THE PROVINCE OF ONTARIO
PROPOSAL TRUSTEE'S PRELIMINARY REPORT TO CREDITORS

APRIL 1, 2021

1.0 Introduction

1. This report ("Report") has been prepared by KSV Restructuring Inc. ("KSV") in its capacity as proposal trustee (the "Proposal Trustee") in connection with a Notice of Intention to Make a Proposal ("NOI") filed on February 23, 2021 (the "Filing Date") by O.B. Wiik Canada Ltd. (the "Company") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA").
2. The principal purposes of these proceedings are to create a stabilized environment to allow the Company the opportunity to wind-down its business on an orderly basis and to formulate a proposal to its creditors which provides a result superior to a bankruptcy.
3. On March 24, 2021, the Company filed a proposal (the "Proposal") with the Official Receiver in accordance with Section 62(1) of the BIA and a Certificate of Filing a Proposal ("Certificate") was issued by the Office of the Superintendent of Bankruptcy (Canada) ("OSB") on that date. Copies of the Proposal and the Certificate are attached as Appendices "A" and "B", respectively.

1.1 Meeting to Consider the Proposal

1. The details of the creditors' meeting to consider and vote on the Proposal to be held pursuant to Section 51(1) of the BIA (the "Meeting") are as follows:

Date: April 14, 2021

Time: 10:00 a.m. (EST)

Location: to be convened virtually via Zoom:
<https://zoom.us/j/92071901731?pwd=UFhuTWl5MXhJNTINS2x1M3FDa29RUT09>

2. As described in greater detail below, to vote on the Proposal, a creditor of the Company must file a proof of claim with the Proposal Trustee prior to the Meeting. Creditors can vote at the Meeting by attending in person (virtually) or by submitting voting letters to the Proposal Trustee prior to the Meeting. Creditors can also vote by way of proxy and can identify the Proposal Trustee as their proxy.
3. A proof of claim form, proxy, instruction letter and voting letter are provided in Appendix "C". Creditors should read the instruction letter to understand the voting procedures, including the procedure to register claims with the Proposal Trustee.
4. The Proposal Trustee's Notice of Proposal to Creditors, a summary of the Company's Statement of Affairs and a list of creditors are attached as Appendices "D", "E" and "F", respectively.

1.2 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Company;
 - b) summarize the terms of the Proposal;
 - c) discuss the Company's ability to fulfill the terms of the Proposal;
 - d) provide the Proposal Trustee's opinion as to the reasonableness of the provision in the Proposal that sections 95 to 101 do not apply in respect of the Proposal, as required pursuant to Section 50(10)(b) of the BIA;
 - e) compare the result for creditors under the Proposal to the result if the Proposal is not accepted and the Company is deemed to have made an assignment in bankruptcy; and
 - f) provide the Proposal Trustee's recommendation on the Proposal.

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are to Canadian dollars.

1.4 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by the Company's representatives, the books and records of the Company and discussions with representatives of the Company. The Proposal Trustee has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook*.

2. The Proposal Trustee expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Proposal Trustee in preparing this Report. Any party wishing to place reliance on the Company's financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever. The Proposal Trustee accepts no reliance to any party based on the information in this Report.

2.0 Background

2.1 Overview

1. The Company was incorporated under the *Business Corporations Act* (New Brunswick) on January 18, 2017. The Company is a wholly owned foreign subsidiary of O.B. Wiik A.S. ("O.B. Norway" or the "Sponsor"), which has its head office in Norway.
2. Similar to O.B. Norway, the Company is a supplier of fabric covered steel buildings, pop-up tents and tarpaulins. The Company serviced a variety of industries including agriculture, construction, waste management, manufacturing and aid and relief.
3. At the time it filed the NOI, the Company had 3 full-time employees and carried on business from leased office premises in Simcoe, Ontario.
4. In addition to the leased office, the Company leases premises in Dunnville, Ontario, where it stores inventory.
5. Since it commenced operations, the Company continually operated at a deficit, requiring intercompany loans from O.B. Norway to fund its losses.
6. The Company has been winding-down its operations following the filing of the NOI. It is no longer seeking new customers or performing any activities on existing projects.
7. O.B. Norway has agreed to sponsor the Proposal by making available a pool of funds for distribution to the Company's creditors. This is discussed further below in Section 3 of the Report.

2.2 Historical Operating Results

1. The Company has incurred losses and generated negative cash flow from operations since inception. These losses have been funded primarily through intercompany loans and contributions from the Sponsor.

2. The Company's internal unaudited financial results for the fiscal year ending December 31, 2020 are summarized in the table below:

(\$000s)	Year Ended Dec. 31, 2020 (unaudited)
Revenue	373
Gross profit	(96)
Operating costs	
Selling, general and administrative	506
Interest expense	35
Depreciation and amortization	5
Inventory write-off	221
Loss from operations	(863)
Net other costs	(16)
Income tax expense	-
Net loss for the period	(879)
Deficit, beginning of period	(1,987)
Net loss for the period	(879)
Deficit, end of period	(2,866)

3. As presented above, the Company: a) generated \$863,000 in operating losses for the year ending December 31, 2020; and b) has an accumulated deficit of approximately \$2.9 million, reflecting its history of losses.

3.0 The Proposal

1. This section provides an overview of the terms of the Proposal. Review of this section is not a substitute for reading the Proposal. Creditors are strongly encouraged to read the Proposal in its entirety prior to voting on the Proposal. Creditors are encouraged to discuss the terms of the Proposal with their legal counsel. A copy of the Proposal is provided in Appendix "A".
2. Capitalized terms used in this section and not otherwise defined in the Report have the meaning given to them in the Proposal.

3.1 Purpose and Effect

1. The overall purpose of the Proposal is to:
 - a) provide for a structured, coordinated and transparent exit of the Company from Canada;
 - b) give effect to a distribution of funds from the Distributable Funds to the Proven Creditors; and
 - c) effect releases of any and all Proven Claims.

2. The Distributable Funds in the Proposal will include:
 - a) all of the Company's cash on hand, if any;
 - b) proceeds from the realization of the Company's remaining Property; and
 - c) any funds paid to the Company by the Sponsor to make \$50,000 available for distribution to the unsecured creditors with Proven Claims (the "Unsecured Creditor Pool").
3. For the purposes of the Proposal, if accepted by the Proven Creditors and approved by the Ontario Superior Court of Justice (Commercial List) (the "Court"), the Sponsor has agreed to subordinate its claim against the Company, estimated to be \$2.5 million (the "Intercompany Claim"). The subordination of the Intercompany Claim will not apply if the Proposal is not implemented for any reason and the Company is deemed to have made an assignment in bankruptcy.

3.2 Classes of Creditors

1. For the purpose of voting on the Proposal, there shall be one class of Creditors.

3.3 Treatment of Claims

1. 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.
2. On the Effective Date, being two Business Days following the satisfaction of the conditions listed in Article 6.1 of the Proposal (discussed further below in Section 3.7), in accordance with the terms of the Proposal and in accordance with the provisions of the Approval Order:
 - a) the treatment of all Claims and Released D&O Claims shall be final and binding on the Company, the Sponsor, the Directors and Officers, all Creditors (and their respective heirs, executors, administrators, legal and personal representatives, successors and assigns); and
 - b) all Claims and Released D&O Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Company, the Sponsor and the Directors and Officers shall thereupon have no further obligation whatsoever in respect of the Claims and Released D&O Claims.

3.4 Proposed Distributions

1. The Distributable Funds will be paid in accordance with the terms of the Proposal, as follows:
 - a) Professional Fees, representing the fees and disbursements of the Proposal Trustee, the Proposal Trustee's legal counsel, and the Company's legal counsel;
 - b) Crown Priority Claims that were outstanding as at the Filing Date, if any, shall be paid in full;

- c) Superintendent's Levy, being the statutory levy of 5% payable to the OSB under the BIA, shall be paid in full;
 - d) Employee Priority Claims shall be paid in full;
 - e) Unsecured Creditors, representing all other Proven Claims other than the Intercompany Claim; and
 - f) Intercompany Claim.
2. To facilitate the approval and implementation of the Proposal, the Sponsor has agreed to make available the Unsecured Creditor Pool and also agreed to subordinate the Intercompany Claim to the claims of Proven Creditors if the Proposal is approved and implemented.
 3. In order to provide liquidity to the Company during these proceedings, the Sponsor has agreed to purchase the Company's remaining specialized inventory for 75% of the book value, representing proceeds of approximately \$124,000.
 4. Upon the Proposal Trustee issuing the Final Dividend Notice, the Company shall transfer to the Proposal Trustee all cash on hand (the "Final Payment") and any funds received from the realization of the Company's remaining Property. If the Final Payment is less than the Unsecured Creditor Pool (\$50,000) and other amounts payable under this Proposal, including Professional Fees and Post-Filing Claims, the Sponsor shall pay to 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 the Proposal, including Professional Fees and Post-Filing Claims.

3.5 Voting on the Proposal

1. To vote at the Meeting, each Creditor shall file a valid Proof of Claim with the Proposal Trustee and thereafter the Proposal Trustee shall determine the claims in accordance with the provisions of Section 135 of the BIA. The Proof of Claim form is attached as Appendix "C".
2. In order to receive a distribution from the Proposal, a Creditor must submit a valid Proof of Claim prior to the time the Proposal Trustee distributes the funds in accordance with the Proposal.

3.6 Dividend Amount

1. As at the date the Proposal was filed, Creditors were owed \$2.7 million, of which \$2.5 million represents the Intercompany Claim. Excluding the Intercompany Claim, Creditors were owed approximately \$202,000.
2. Based on the list of known creditors attached in Appendix "F", the distributions to Creditors from the Unsecured Creditor Pool (excluding the Sponsor, in respect of the Intercompany Claim) under the Proposal may be up to 24¢ on the dollar.
3. The creditors' list reflects a balance owing to several creditors of \$1, which means that the balance is unknown.

4. As set out above, the Sponsor has agreed to subordinate the Intercompany Claim and is not participating in the Unsecured Creditor Pool.
5. Pursuant to Section 147 of the BIA, payments under the Proposal are subject to the statutory levy of 5% payable to the OSB.

3.7 Proposal Conditions

1. Implementation of the Proposal is conditional upon:
 - a) acceptance of the Proposal by the statutory majority of the Creditors as required under the BIA (described in Section 3.9 below);
 - b) an order of the Court approving the Proposal;
 - c) payments by the Company, and if applicable, the Sponsor, of the Distributable Funds to the Proposal Trustee; and
 - d) the effect and execution of all other actions, documents and agreements necessary to implement the Proposal, in the reasonable judgement of the Proposal Trustee.

3.8 Other Proposal Terms

1. Other Proposal terms are summarized below:
 - a) 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, subject to any exception set out in sections 149(2), (3), (4) and 150 of the BIA, regardless of whether such Person was sent a Final Dividend Notice or whether such Person received such Final Dividend Notice; and
 - b) Sections 95 to 101 of the BIA do not apply to the Proposal or the proceedings related to the Proposal and may not be invoked or relied upon by any Creditor or the Proposal Trustee. All transactions as between the Company 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 Company. Additional details regarding this provision are provided in Section 4 below.
 - c) The Company, with the assistance and oversight of the Proposal Trustee, may take any actions and steps necessary or desirable to realize upon the Property, including: a) sell or otherwise dispose of the Property; b) compromise and settle any debts owing to the Company; and c) bring or institute any action or legal proceeding relating to a Claim of the Company.

3.9 Acceptance and Approval of the Proposal

1. In order for the Proposal to be accepted, two-thirds in dollar value and over 50% in number of the Proven Creditors present and voting, in person or by proxy, must vote in favour of the Proposal.
2. Related Persons, including the Sponsor, may vote against but not in favour of the Proposal.
3. Rejection of the Proposal by the creditors would result in the Company being deemed to have made an assignment in bankruptcy.
4. Upon being accepted by creditors, the Proposal must be approved by the Court. If the Court fails to approve the Proposal, the Company is deemed to have made an assignment in bankruptcy.

4.0 Preferences and Transfers at Undervalue

1. As part of its statutory duties under the BIA, the Proposal Trustee conducted a review of the Company's bank statements and cancelled cheques for the twelve-month period (the "Review Period") immediately preceding the Filing Date to identify transactions that could be considered preferences or transfers at undervalue. The focus of the Review Period was transactions above \$10,000. The Proposal Trustee's review did not identify any transaction that could be considered a preference or transfer at undervalue.
2. The Proposal Trustee understands that two of the Company's employees were terminated on the Filing Date. These employees subsequently received their accrued wages and vacation pay, as well as their termination amounts pursuant to their employment contracts¹. Based on the amounts and nature of the payments, the Proposal Trustee does not consider these to be transactions that would be pursued as preferences.
3. As described in Section 3.8 above, Article 10.1 of the Proposal provides that Sections 95 to 101 of the BIA, being the relevant sections under the BIA dealing with transactions that may be challenged by a Proposal Trustee, do not apply to the Proposal and may not be relied upon by the creditors or by the Proposal Trustee. Therefore, by voting in favour of the Proposal, creditors will be giving up their right to pursue any of the remedies under these sections of the BIA.
4. As the Proposal Trustee did not identify any transactions that could be considered a preference or transfer at undervalue during the Review Period, the Proposal Trustee is of the view that Article 10.1 of the Proposal is not unreasonable.

¹ The total amount paid was \$19,000, of which \$10,000 represents the termination pay.

5.0 Estimated Distribution in the Event of a Bankruptcy

1. A summary of the book value² and estimated realizable value of the Company's assets in a bankruptcy is included in the table below:

(\$000s)	As at March 24, 2021	
Assets	Book Value	Estimated Realizable Value
	1	
Cash	19	19
Inventory	2	Nil
Fixed Assets	3	Nil
Prepays and deposits	4	Nil
Total Assets before costs of realization	<u>150</u>	<u>19</u>
Creditor claims		2,726
Estimated recovery		<1¢

Notes

1 – Unless otherwise noted, the book value is assumed to equal the estimated realizable value.

2 – The Company's primary asset is inventory that is located at its leased premises in Dunnville. This inventory consists of parts and other specialized materials for custom buildings that have not been completed. The Proposal Trustee understands that a portion of the inventory has sustained damage due to improper storage and extended exposure to the elements. As set out in Section 3.4 above, the Sponsor has agreed to purchase this inventory for 75% of its book value, estimated to result in proceeds of \$124,000. In the Proposal Trustee's view, the realizable value of the inventory in a liquidation scenario would be nominal.

3 – Represents office furniture from the Company's head office in Simcoe. The office furniture is aged and is not expected to generate any recoveries.

4 – Represents security and rent deposits. These are not expected to be collectible.

2. As reflected in the table above, aside from the cash, the estimated realizable value of the Company's assets in a bankruptcy is nil. The above table does not account for professional and other costs associated with administering a bankruptcy, which would further reduce the realizations. This represents an estimated recovery of less than 1¢ on the dollar for the Company's creditors.

² The book value of the assets is based on the values in the Statement of Affairs sworn on March 24, 2021 by a representative of the Company.

6.0 Conclusion and Recommendation

1. For the reasons set out above, it is the Proposal Trustee's view that Proven Creditors will not have any opportunity for recovery should the Proposal not be accepted and approved by the Court. Payments under the Proposal could result in a recovery of up to approximately 24¢ on the dollar for the Proven Claims versus the alternative, which is a virtually nil recovery if the Proposal is rejected and the Company becomes bankrupt. **Accordingly, the Proposal Trustee strongly recommends that the Company's creditors vote in favour of the Proposal.**
2. If the Proposal is accepted by the Proven Creditors at the Meeting, the Proposal Trustee will seek the Court's approval shortly thereafter.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE OF
O.B. WIJK CANADA LTD.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “D”

O.B. Wiik Canada Ltd.

Creditors List - Proposal

(\$; unaudited)

Creditor	Amount
Bank of Montreal	40,000.00
Canada Revenue Agency - Account: 733316897	1.00
Canadas-Printer.com Inc.	463.30
Cognito	6,676.09
Emterra Environmental	1.00
Employees - various	1.00
GBI Experts-Conseils Inc.	6,898.50
Google LLC	583.72
Insulcon Insulation Inc.	20,337.50
MacDonald Equipment Sales	2,825.00
Michael Lefler	1.00
Muskoka Rock Company	509.23
O.B. Wiik AS	2,523,868.11
Omnitrans Inc.	278.64
Sambren Group Ltd.	1,076.50
Stikeman Elliott	7,263.08
Wilcox Door Service Inc.	115,327.36
Total	<u>2,726,111.03</u>

Appendix “E”

District of Ontario
 Division No. 09 - Toronto
 Court No. 32-2714829
 Estate No. 32-2714829

Voting Summary

In the matter of the Notice of Intention to make a proposal of
 O.B. Wiik Canada Ltd.
 of the Town of Simcoe, in the Province of Ontario

Insolvency Date: 24-Mar-2021
 Estate Number: 32-2714829

Result of Voting

Class	Total #			Dollar Value of Claims		Percentage by Votes		Percentage by Value		Result	
	Votes	Yes	No	Yes	No	Yes	No	Yes	No	By Votes	By Value
	5	5	0	218,799.09	0.00	100.00	0.00	100.00	0.00	App.	App.

List of creditors

Class	Creditor Name	Type	Account #	\$ Admitted for Voting	Voted By	Vote
	Insulcon Insulation Inc.	U		20,337.50	In Person	For
	Lewis, Jon	U		79,800.00	Letter	For
	MacDonald Equipment Sales	U		2,825.00	Letter	For
	Muskoka Rock Company	U		509.23	Letter	For
	Wilcox Door Service Inc.	U		115,327.36	In Person	For

Appendix “F”

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
O.B. WIJK CANADA LTD.,
OF THE TOWN OF SIMCOE, IN THE PROVINCE OF ONTARIO**

MINUTES OF GENERAL MEETING OF CREDITORS

1. The following are the minutes of the General Meeting of Creditors in the Proposal proceedings of O.B. Wijk Canada Ltd. (the "Company") held via video conference on the 14th day of April 2021 at 10:00 a.m. (the "Meeting").
2. An attendance list of those present is attached as Appendix "A".
3. Mitch Vininsky of KSV Restructuring Inc. ("KSV"), the Proposal Trustee, called the Meeting to order at 10:02 a.m., announced the presence of a quorum and that the meeting was duly constituted.
4. Mr. Vininsky informed the Meeting that he would act as Chair pursuant to Section 51(3) of the *Bankruptcy and Insolvency Act* ("BIA") and Murtaza Tallat of KSV would act as the Recording Secretary. Mr. Vininsky introduced the other representatives of the Proposal Trustee, the Proposal Trustee's counsel, the Company and its counsel.
5. The Chair advised that the Recording Secretary would make available the following documents should any creditors wish to review them:
 - Proposal (the "Proposal");
 - Notice of Meeting of Creditors;
 - Trustee's Report to Creditors ("Report");
 - Proofs of Claim, as filed; and
 - Affidavit of Service relating to the Proposal.

Review of Report and Proposal

6. The Chair reviewed the Report, including background on the Company and the proposal, noting that the purpose of the proposal proceeding is to create a stabilized environment to allow the Company the opportunity to wind-down its business on an orderly basis and to formulate a proposal to its creditors which provides a result superior to a bankruptcy.
7. The Chair provided background on the Proposal, noting that the purpose of the Proposal is to:
 - provide for a structured, coordinated and transparent exit of the Company from Canada;
 - give effect to a distribution of funds from the Distributable Funds to the Proven Creditors; and
 - effect releases of any and all Proven Claims (as defined in the Proposal).

8. The Chair noted that the funds available for distribution to the Company's creditors will include:
 - all of the Company's cash on hand, if any;
 - proceeds from the realization of the Company's remaining property; and
 - any funds paid to the Company by O.B. Wiik A.S., being the Company's parent company in Norway and the Proposal sponsor (the "Sponsor"), to make \$50,000 available for distribution to the unsecured creditors with Proven Claims.
9. The Chair noted that for the purposes of the Proposal, the Sponsor has agreed to subordinate its claim against the Company, estimated to be \$2.5 million (the "Intercompany Claim"). Specifically, the Proposal Trustee advised that the subordination of the Intercompany Claim will not apply if the Proposal is not implemented for any reason and the Company is deemed to have made an assignment in bankruptcy.
10. The Chair noted that the Proposal Trustee provided its recommendation that creditors vote in favour of the Proposal in Section 6 of the Report. Specifically, the Proposal Trustee advised that creditors with Proven Claims will not have any opportunity for recovery should the Proposal not be accepted and approved by the Court. Payments under the Proposal could result in a recovery of up to approximately 24¢ on the dollar for the Proven Claims versus the alternative, which is a virtually nil recovery if the Proposal is rejected and the Company becomes bankrupt.
11. The Chair reported that it had received four voting letters representing claims of \$102,962. The Chair reported that it had also received a proof of claim from Wilcox Door Service Inc. ("Wilcox") in the amount of \$115,327, without a voting letter. The Chair advised that the vote of Wilcox would be the deciding vote on whether the Proposal is accepted, as it represents over 50% of the dollar value of the claims admitted for voting purposes. The Chair reported that the claim of one of the voting creditors, a former employee of the Company, is being allowed for voting purposes but is being reviewed for distribution purposes.
12. The Chair requested questions from the floor. There was a brief discussion on a question pertaining to the quantum of other proofs of claim submitted, but no further questions were asked.

Vote to Accept the Proposal

13. The Chair requested that a motion be tabled to accept the Proposal. Jeremy Sacks of Miller Thomson LLP, representing Wilcox, tabled a motion to accept the Proposal. The motion was unanimously carried. Mr. Sacks then advised that Wilcox would be voting in favour of the Proposal.
14. The Chair announced the voting results. The Proposal was unanimously accepted by the creditors voting on the Proposal. Accordingly, the Chair declared that the vote on the Proposal had been carried.

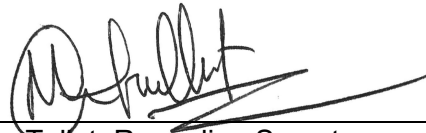
15. The Chair advised that the next step is to schedule a motion for Court approval of the Proposal. The Chair advised that a notice of the hearing date would be sent to the creditors.

16. There being no further business, the meeting was terminated at 10:17 a.m.

Dated at Toronto, Ontario this 19th day of April, 2021.



Mitch Vininsky, Chair



Murtaza Talat, Recording Secretary

Appendix “A”

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
O.B. WIİK CANADA LTD.,
OF THE TOWN OF SIMCOE, IN THE PROVINCE OF ONTARIO**

**FIRST MEETING OF CREDITORS
ATTENDANCE REGISTER**

Date: April 14, 2021 at 10:00 am
Estate File No: 32-2714829

No.	Name (Print)	Representing	Amount of Claim	Remarks
1	Mitch Vininsky	KSV Restructuring Inc., Proposal Trustee	N/A	
2	Murtaza Tallat	KSV Restructuring Inc., Proposal Trustee	N/A	
3	Mario Forte	Goldman Sloan Nash & Haber LLP, counsel to KSV Restructuring Inc., Proposal Trustee	N/A	
4	Lee Nicholson	Stikeman Elliot LLP, counsel to O.B. Wiik Canada Ltd.	N/A	
5	Jon Herman Holmoy	O.B. Wiik A.S. (the Sponsor)	N/A	
6	Ole Gregersen	O.B. Wiik A.S. (the Sponsor)	N/A	
7	Jeremy Sacks	Miller Thomson LLP, counsel to Wilcox Door Service Inc.	\$115,327.36	
8	Claudio Mannarino	Muskoka Rock Company	\$509.23	
9	Elaine Tzagadouris	Insulcon Insulation Inc. Proxy to Insulcon Insulation Inc.	\$20,337.50	
10	Nemesia Demelo	Insulcon Insulation Inc.	\$20,337.50	