

CANADA

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
(Commercial Division)

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N°: 500-11-057549-194

IN THE MATTER OF THE PLAN OF  
ARRANGEMENT OF:

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9227-1584 QUÉBEC INC.  
and  
9336-9262 QUÉBEC INC.

Debtors

and

KPMG INC.

Monitor

and

110302 CANADA INC.  
and  
ARTHUR H. STECKLER

Applicants/Plan Sponsors

and

9325-7277 QUÉBEC INC.

Mise en cause

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**SANCTION AND HOMOLOGATION ORDER**

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**ON READING** the Amended Application for the Issuance of a Sanction Order and for the Homologation of a Transaction (the "**Application**") filed by Applicants 110302 Canada inc. ("**110302**") and Mr. Arthur H. Steckler ("**Mr. Steckler**", together with 110302 the "**Applicants**" or the "**Plan Sponsors**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36 (as amended; the "**CCAA**"), the exhibits and the affidavit filed in support thereof, relying upon the submissions of counsel and being advised that the interested parties, including secured creditors, were given prior notice of the presentation of the Application;

**GIVEN** the order rendered by this Court on November 25, 2019 in the present matter, which was last amended and restated on June 30, 2021 (the "**Initial Order**");

**GIVEN** the Claims Procedure Order issued by this Court on May 21, 2020;

**GIVEN** the Plan Filing and Creditors' Meeting Procedure Order issued by this Court on

April 28, 2021, and later rectified on April 29, 2021 (the “**Meeting Procedure Order**”);

**SEEING** the provisions of the CCAA;

**WHEREFORE, THE COURT:**

[1] **GRANTS** the Application.

**A. DEFINITIONS**

[2] **ORDERS** that any capitalized terms not otherwise defined in this Order shall have the meaning ascribed thereto in the Applicants’ *Re-Stated and Re-Amended Plan of Compromise and Arrangement* dated July 12, 2021 (the “**Steckler Plan**”), and filed as Exhibit R-2 in support of the Application.

**B. SERVICE AND MEETING**

[3] **DECLARES** that the notices given of the presentation of the Application are proper and sufficient, and in accordance with the Meeting Procedure Order.

[4] **DECLARES** that there has been proper and sufficient service and notice of the Meeting Materials to the creditors of 9227-1584 Québec inc. (the “**Debtor**”), and that the Creditors’ Meeting was duly convened, held and conducted in conformity with the CCAA, the Meeting Procedure Order and all other applicable orders of the Court.

**C. SANCTION OF THE PLAN**

[5] **DECLARES** that:

- (a) the Steckler Plan and its implementation have been approved by the required majority of creditors of the Debtor with Proven Claims, in conformity with the CCAA;
- (b) the Debtor has complied with the provisions of the CCAA and all of the orders made by this Court in the context of these proceedings (the “**CCAA Proceedings**”) in all respects;
- (c) the Court is satisfied that the Applicants and the Debtor have not done or purported to do anything that is not authorized by the CCAA; and
- (d) the Steckler Plan (and its implementation) is fair and reasonable, and in the best interests of the Debtor and its creditors.

[6] **ORDERS** that the Steckler Plan and its implementation are sanctioned and approved pursuant to Section 6 of the CCAA and, as at of the date of this Order (the “**Effective Date**”), such Plan will be effective and will enure to the benefit of and be binding upon the Debtor, its creditors, stakeholders and all other Persons stipulated in the Steckler Plan.

**D. PLAN IMPLEMENTATION**

[7] **DECLARES** that the Applicants, the Debtor and the Monitor, as the case may be, are hereby authorized and directed to take all steps and actions necessary or appropriate,

as determined by the Applicants, in accordance with and subject to the terms of the Steckler Plan, to implement and effect same, in the manner and the sequence as set forth in the Steckler Plan and this Order, and such steps and actions are hereby approved.

- [8] **ORDERS** that, from and after the Effective Date, and conditional upon the performance of the obligations and conditions set forth in the Steckler Plan, all Persons stipulated in the Steckler Plan shall be deemed to have waived any and all defaults or alleged defaults of the Debtor, then existing or previously committed by the Debtor or caused by the Debtor, directly or indirectly, or non-compliance with any covenant, undertaking, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease, deed, instrument, license, permit, or other agreement of whatever nature, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Debtor, or any of them, arising directly or indirectly from the filing by the Debtor under the CCAA or the implementation of the Steckler Plan, and any and all notices of default and demands for payment under any Instrument, including any guarantee arising from such default, shall be deemed to have been rescinded and shall be of no further force or effect.
- [9] **DECLARES** that, subject to article 1.16 of the Transaction Agreement as regards the claims of the Pessoa Group only, the determination of Proven Claims in accordance with the Claims Procedure Order shall be final and binding on the Debtor and all of its creditors.
- [10] **ORDERS** that upon fulfillment or waiver of the Conditions Precedent set forth in the Plan, which waivers shall not be effected without the consent of the Pessoa-Nadon Group and the Steckler Group prior to the Acquisition Closing Date, the Monitor shall deliver and file with this Court, as soon as reasonably practicable, in accordance with the terms of the Steckler Plan, a certificate declaring that all of the conditions set forth in the Steckler Plan have been met or waived, and shall post a copy of such certificate, once filed, on the Monitor's website.

#### **E. RELEASES AND DISCHARGES**

- [11] **ORDERS** and **DECLARES** that, subject to the terms of the Transaction Agreement as regards the parties thereto only, each of the releases contemplated by Article 8 of the Plan, including those in favour of the Plan Sponsors, as set forth in Sub-Article 8.1(b) of the Steckler Plan, are approved and shall be enforceable as against all parties as of the Plan Implementation Date.
- [12] **ORDERS** and **DECLARES**, except as otherwise provided herein or in the Steckler Plan, that on the Plan Implementation Date, all Claims (excluding the Excluded Claims) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred.
- [13] **ORDERS** that, without limitation to the terms set forth in the Claims Procedure Order, any holder of a Claim who did not file a Proof of Claim Form in accordance with the provisions of the Claims Procedure Order, shall be and is hereby forever barred from making any Claim against the Debtor and its directors and officers, and any of its successors and assigns, as well as against the Plan Sponsors, and shall not be entitled to any distribution under the Steckler Plan, and that such their respective Claims is and

shall be forever extinguished.

- [14] **PRECLUDES**, except as otherwise provided herein or in the Steckler Plan, the prosecution against the Debtor, its directors or officers or their respective successors and assigns, as well as against the Plan Sponsors, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debit, right, cause of action, liability or interest released, discharged or terminated pursuant to the Steckler Plan.

#### F. MONITOR

- [15] **ORDERS** that all Monitor's reports filed with this Court (the "**Monitor's Reports**") be and are hereby approved, that all actions and conduct of the Monitor in connection with the Claims, the CCAA Charges, the Plan and the CCAA Proceedings, including the actions and conduct of the Monitor disclosed in the Monitor's Reports, are hereby approved, and that the Monitor has satisfied all of its obligations up to and including the date of this Order.
- [16] **APPROVES** all conduct of the Monitor in relation to the Debtor referred to in the various Monitor's Reports and bars all Claims against the Monitor arising from or relating to the present CCAA Proceedings, save and except any liability or obligation arising from a breach of its duties to act honestly, in good faith and in accordance with the terms of the Transaction Agreement.
- [17] **DECLARES** that the protections afforded to KPMG inc., as Monitor and as officer of this Court pursuant to the terms of the Initial Order and the other Orders made in the CCAA Proceedings shall not expire or terminate on the Effective Date and, subject to the terms hereof, shall remain effective and in full force and effect.
- [18] **ORDERS** that as of the Acquisition Closing Date, or, in the event that the Acquisition does not close by the Acquisition Closing Date, as of September 30, 2021, the Monitor shall be authorized and directed to administer and finally determine the Proven Claims of the Debtor's creditors and to manage the distribution of the Sponsors' Contribution in accordance with the Claims Procedure Order and the Steckler Plan.
- [19] **ORDERS** and **DECLARES** that the Monitor shall not incur any liability under the Tax Statutes in respect of its making of any payments, ordered or permitted hereunder, and is thereby forever released, remised and discharged from any Claims against it under or pursuant the Tax Statutes arising in respect of payments made under the Steckler Plan and this Order and any Claims of such nature are thereby forever barred.
- [20] **ORDERS** and **DECLARES** that the Monitor, the Debtor and its successors and assigns, as necessary, are authorized to take any and all actions as may be necessary or appropriate to comply with applicable Tax withholding and reporting requirements. All amounts withheld on account of Taxes shall be treated for all purposes as having been paid to the Affected Creditors in respect of which such withholding was made, provided such withheld amounts are remitted to the appropriate Governmental Authority.

[21] **DECLARES** that notwithstanding:

- (a) the pendency of the CCAA Proceedings and declarations of insolvency made therein;
- (b) the pendency of any applications for bankruptcy orders hereafter issued pursuant to the BIA in respect of the Debtor and any bankruptcy orders issued in respect of the Debtor; or
- (c) the provisions of any Federal or Provincial statute, including section 36.1 of the CCAA and sections 95 to 101 of the BIA;

the distributions, payments, releases and compromises contemplated to be performed or effected pursuant to the Steckler Plan, do not and shall not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions, or conduct giving rise to an oppression remedy under any applicable law, nor will they constitute a distribution of property requiring the Monitor, the Debtor, or any officer or director thereof to seek and obtain a certificate or authorization of any nature whatsoever.

[22] **DECLARES** that the Steckler Plan, including the transactions contemplated therein, shall be binding upon any trustee in bankruptcy or receiver that may be appointed in respect of any of the Debtor and shall not be void or voidable by its creditors.

#### G. AID AND RECOGNITION OF OTHER COURTS

[23] **REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body in any Province of Canada and any Canadian federal court and any court or administrative body elsewhere, to give effect to this Order and to assist the Debtor, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Debtor and the Monitor as may be necessary or desirable to give effect to this Order, and to act in aid of and to be complementary to this Court, in carrying out the terms of this Order.

#### H. APPROVAL AND HOMOLOGATION OF THE TRANSACTION AGREEMENT

[24] **HOMOLOGATES** the Transaction Agreement entered into on June 30, 2021, by and between 110302 Canada inc., Mr. Arthur H. Steckler, Groupe Nadon, Mr. Marc-André Nadon, KPMG inc., Groupe Pessoa, Mr. Jean Pessoa and Groupe Trudeau, a copy of which was filed in support of the Application as Exhibit R-8 (the "**Transaction Agreement**").

[25] **DECLARES** that the Transaction Agreement is enforceable and executory and **ORDERS** the parties to comply with its provisions in a timely fashion and in accordance with its terms and conditions.

[26] **ORDERS** and **DECLARES** that, subject to the fulfillment of its terms and conditions, the Transaction Agreement, is hereby homologated for all intents and purposes, including, *inter alia*, for the purposes of the *Demande modifiée en partage d'un bien indivis*, bearing file number 500-11-057518-199, and that the termination of the indivision shall be effective in consideration for the payment by 110302 Canada Inc. to 9325-7277

Québec Inc. of the Nadon Credit (as such term is defined in the Transaction Agreement).

[27] **ORDERS** that the unredacted version of the Transaction Agreement (Exhibit R-8 to the Application) be kept confidential and under seal until further order of this Court.

**I. GENERAL PROVISIONS**

[28] **ORDERS** that all orders made in the CCAA Proceedings shall continue in full force and effect in accordance with their respective terms, except to the extent that such Orders are varied by, or inconsistent with, this Order, the Claims Procedure Order, the Meeting Procedure Order, or any further Order of this Court.

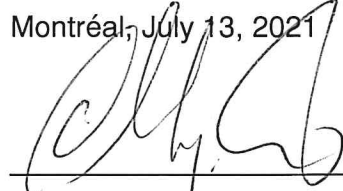
[29] **DECLARES** that the Debtor or the Monitor may, from time to time, apply to this Court for directions concerning the exercise of their respective powers, duties and rights hereunder or in respect of the proper execution of this Order on notice to the service list.

[30] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

[31] **ORDERS** the provisional execution of this Order notwithstanding appeal and without the need to furnish security.

[32] **WITHOUT COSTS.**

Montréal, July 13, 2021



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The Honourable Philippe Bélanger, j.s.c.