

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

HEMATITE HOLDINGS INC., *et al.*,¹

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 20-12387 (MFW)

Jointly Administered

Objection Deadline: November 30, 2020 at 4:00 p.m. (ET)

Hearing Date: December 7, 2020 at 2:00 p.m. (ET)

NOTICE OF MOTION OF HEMATITE HOLDINGS INC., AS FOREIGN REPRESENTATIVE, FOR AN ORDER RECOGNIZING THE CANADIAN COURT'S (I) CLAIMS PROCEDURE ORDER AND (II) MEETING ORDER

PLEASE TAKE NOTICE that on November 19, 2020, Hematite Holdings Inc., in its capacity as the Canadian Court-appointed and authorized foreign representative (the "Foreign Representative") for the above-captioned debtors which are the subjects of a reorganization proceeding commenced before the Ontario Superior Court Of Justice (Commercial List) in Canada under Canada's *Companies' Creditors Arrangement Act*, by and through the Foreign Representative's undersigned counsel, filed the *Motion of Hematite Holdings Inc., as Foreign Representative, for an Order Recognizing the Canadian Court's (I) Claims Procedures Order and (II) Meeting Order* (the "Motion") with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). A copy of the Motion is served upon you with this notice.

PLEASE TAKE FURTHER NOTICE that objections or responses, if any, to the Motion must be filed with the Bankruptcy Court, 824 North Market Street, Wilmington, Delaware 19801,

¹ The U.S. Debtors in these chapter 15 cases and the last four digits of their U.S. Federal Employer Identification Numbers are as follows: Pavaco Holdings U.S. Inc. (5569); Hematite, Inc. (3799); and Hematite Automotive Products Inc. (5382). The Canadian Debtors in these chapter 15 cases and the last four digits of their unique identifier are as follows: Hematite Holdings Inc. (8581); Hematite Manufacturing Inc. (4900); Hematite Industrial Products Inc. (7706); and Canadian Pavaco Inc. (5315). The U.S. Debtors and the Canadian Debtors are referred to herein, collectively, as the "Debtors." The Debtors' principal offices are located at 659 Speedvale Avenue West, Guelph, Ontario, N1K 1E6, Canada.

on or before **November 30, 2020 at 4:00 p.m. (prevailing Eastern Time)**, and served upon the undersigned counsel to the Foreign Representative.

PLEASE TAKE FURTHER NOTICE that a hearing with respect to the Motion will be held on **December 7, 2020 at 2:00 p.m. (prevailing Eastern Time)** before the Honorable Mary F. Walrath, United States Bankruptcy Judge for the District of Delaware, at the Bankruptcy Court, 824 North Market Street, 5th Floor, Courtroom No. 4, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND TO THE MOTION IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR A HEARING.

Dated: November 19, 2020
Wilmington, Delaware

WOMBLE BOND DICKINSON (US) LLP

/s/ Todd A. Atkinson

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*Counsel for Hematite Holdings Inc.,
in its capacity as Foreign Representative*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

HEMATITE HOLDINGS INC., *et al.*,¹

Debtors in a Foreign Proceeding.

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Case No. 20-12387 (MFW)

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Objection Deadline: November 30, 2020 at 4:00 p.m. (ET)

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**MOTION OF HEMATITE HOLDINGS INC., AS FOREIGN REPRESENTATIVE,
FOR AN ORDER RECOGNIZING THE CANADIAN COURT'S (I)
CLAIMS PROCEDURE ORDER AND (II) MEETING ORDER**

Hematite Holdings Inc. ("Hematite Holdings"), in its capacity as the Canadian Court-appointed and authorized foreign representative (the "Foreign Representative") for the above-captioned debtors (collectively, the "Debtors") which are the subjects of a reorganization proceeding (the "CCAA Proceeding") commenced before the Ontario Superior Court Of Justice (Commercial List) in Canada (the "Canadian Court") under Canada's *Companies' Creditors Arrangement Act* (the "CCAA"), respectfully moves (the "Motion") for the entry of an order, pursuant to sections 105, 1507, 1521, 1525, and 1527 of title 11 of the United States Code (the "Bankruptcy Code"), substantially in the form attached as **Exhibit A**, recognizing the Canadian Court's (i) Claims Procedure Order (the "Claims Procedure Order") and (ii) the Meeting Order (the "Meeting Order" and, together with the Claims Procedure Order, the "Canadian Orders").² In

¹ The U.S. Debtors in these chapter 15 cases and the last four digits of their U.S. Federal Employer Identification Numbers are as follows: Pavaco Holdings U.S. Inc. (5569); Hematite, Inc. (3799); and Hematite Automotive Products Inc. (5382). The Canadian Debtors in these chapter 15 cases and the last four digits of their unique identifier are as follows: Hematite Holdings Inc. (8581); Hematite Manufacturing Inc. (4900); Hematite Industrial Products Inc. (7706); and Canadian Pavaco Inc. (5315). The U.S. Debtors and the Canadian Debtors are referred to herein, collectively, as the "Debtors." The Debtors' principal offices are located at 659 Speedvale Avenue West, Guelph, Ontario, N1K 1E6, Canada.

² True and correct copies of Claims Procedure Order and Meeting Order are annexed hereto as **Exhibit B** and **Exhibit C**, respectively.

support of the relief requested herein, the Foreign Representative, through its undersigned counsel, respectfully represents:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider the Motion pursuant to sections 157 and 1334 of title 28 of the United States Code and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. Matters under chapter 15 of the Bankruptcy Code are core matters under section 157(b)(2)(P) of title 28 of the United States Code.

2. The Foreign Representative, in its capacity as authorized foreign representative, consents to the entry of final orders or judgments by the Court if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

3. Venue is proper in this Court and this District pursuant to 28 U.S.C. § 1410.

BACKGROUND

B. CCAA Proceeding

4. On September 18, 2020, the Canadian Court issued the initial order (the “Initial Order”), appointing KPMG Inc. (“KPMG,” or the “Monitor”) to monitor and assist the Debtors in their business and financial affairs in accordance with section 23 of the CCAA. The Canadian Court also appointed the Foreign Representative to assist the Debtors in accordance with paragraphs 48 and 49 of the Initial Order.

5. On September 28, 2020, the Debtors sought and obtained additional relief in the Canadian Court, extending the Initial Order and the stay of proceedings until November 27, 2020 (the “Stay Period”), and granting certain other relief appropriate under the circumstances pursuant to an amended and restated initial order (the “Amended Initial Order”).

6. On October 13, 2020, the Canadian Court issued the Claims Procedure Order, approving a procedure for the identification, quantification and resolution of certain claims of creditors of the Debtors and their respective directors and officers.

7. On November 18, 2020, the Canadian Court issued the Meeting Order, authorizing the Debtors to, among other things, file a plan and distribute meeting materials.

C. Chapter 15 Cases

8. On September 22, 2020 (the “Petition Date”), the Foreign Representative commenced these cases by filing voluntary petitions for relief under chapter 15 of the Bankruptcy Code.

9. On September 23, 2020, the Court entered the *Order Granting Provisional Relief* [Docket No. 10], pursuant to which the Court, among other things, recognized and enforced the Initial Order in the United States, on a provisional basis.

10. On October 1, 2020, the Court entered the *Order Granting Additional Provisional Relief* [Docket No. 26], pursuant to which the Court, among other things, recognized and enforced the Amended Initial Order in the United States, on a provisional basis.

11. October 15, 2020, this Court entered the *Order Granting Verified Petition for (I) Recognition of Foreign Main Proceeding (II) Recognition of Foreign Representative, and (III) Related Relief Under Chapter 15 of the Bankruptcy Code* [Docket No. 35] (the “Final Recognition Order”) recognizing the CCAA Proceeding as a foreign main proceeding as well as granting comity and giving full force and effect in the United States to the CCAA Proceeding, the Initial Order and the Amended Initial Order issued by the Canadian Court on September 18, 2020 and September 28, 2020, respectively, and the transactions consummated or to be consummated thereunder. See Final Recognition Order, ¶¶ 2, 6.

12. On October 15, 2020, the Foreign Representative filed *Notice of Entry by Canadian Court of Claims Procedure Order* [Docket No. 38], which notice, among other things, instructed all creditors of the Debtors to file claims in the Canadian Court in accordance with the Claims Procedure Order.

RELIEF REQUESTED

13. By this Motion, the Foreign Representative seeks entry of an order, substantially in the form attached hereto as **Exhibit A**, recognizing and giving full force and effect to, pursuant to sections 105, 1507, 1521, 1525, and 1527 of the Bankruptcy Code, the Canadian Court's (i) Claims Procedure Order; and (ii) Meeting Order.

14. The Claims Procedure Order provides, in pertinent part, as follows:

(a) **Claims.** The claims that are the subject of the claims process include:

- i. any right of claim of any Person that may be asserted or made in whole or in part against any of the Debtors, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (international or unintentional) by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive, or otherwise), and whether or not such indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Debtors with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof that (A) is based in whole or in part on facts existing prior to the Filing Date, (B) relates to a time

period prior to the Filing Date, or (C) is a right or claim of any kind that would be a claim provable in bankruptcy within the meaning of the BIA had the Debtors become bankrupt on the Filing Date, including for greater certainty any claim against any of the Debtors for indemnification by any Directors or Officers in respect of a D&O Claim other than a D&O Restructuring Claim (but excluding any such claim for indemnification that (i) is covered by the Directors' Charge, or (ii) is in respect of an Excluded Claim) (each, a "Pre-Filing Claim"), *see* Claims Procedure Order, ¶ 2(ee);

- ii. any right of claim of any Person against any of the Debtors in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any such Debtor to such Person arising out of the restructuring, disclaimer, repudiation or termination by such Debtor on or after the Filing Date of any contract, lease, employment agreement or arrangement or other agreement or obligation whether written or oral, including for greater certainty any claim against any of the Debtors for indemnification by any Directors or Officers in respect of a Restructuring Claim (but excluding any such claim for indemnification that (i) is covered by the Directors' Charge, or (ii) is in respect of an Excluded Claim) (each, a "Restructuring Claim"), *see* Claims Procedure Order, ¶ 2(ii);
- iii. as against any Director or Officer, in his or her capacity as such, any D&O Restructuring Claim and any and all demands, claims (including claims for contribution or indemnity), actions, causes of action, counterclaims, suits, debts, sums of money, liabilities, accounts, covenants, damages, judgments, orders (including orders for injunctive relief or specific performance and compliance orders), expenses, executions, encumbrances and recoveries on account of any liability, obligation, demand or cause of action of whatever nature that any creditor or other Person has or may be entitled to assert (including for, in respect of or arising out of environmental matters, pensions or post-employment benefits or alleged wrongful or oppressive conduct, misrepresentation, fraud or breach of fiduciary duty), whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under statute, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence that in any way relate to or arise out of or in connection with (i) any Pre-Filing Claim; (ii) the assets, obligations, business or affairs of the Debtors; or (iii) the CCAA

Proceedings or any matter or transaction occurring in or in connection with the CCAA Proceedings, but “D&O Claim” does not include a claim that cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA (each, a “D&O Claim”), *see* Claims Procedure Order, ¶ 2(k); and

- iv. any right or claim of any Person against any Director or Officer, in his or her capacity as such, in connection with any indebtedness, liability or obligation of any kind whatsoever by any such Director or Officer to such Person arising out of the restructuring, disclaimer, repudiation or termination by a Debtor on or after the Filing Date of any contract, lease, employment agreement or arrangement or other agreement or obligation whether written or oral but “D&O Restructuring Claim” does not include a claim that cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA (each, a “D&O Restructuring Claim”), *see* Claims Procedure Order, ¶ 2(l).
- (b) **Claims Bar Date.** The Claims Procedure Order provides that any person that wishes to assert a claim against any of the Debtors or their respective Directors or Officers must deliver a completed proof of claim to the Monitor by the following claims bar dates, as applicable: (a) November 9, 2020 at 5:00 p.m. (prevailing Eastern time) for Pre-Filing Claims and D&O Claims (other than the D&O Restructuring Claims) (as each term is defined in the Claims Procedure Order) or (b) for Restructuring Claims (as defined in the Claims Procedure Order), the later of (i) November 9, 2020 at 5:00 p.m. (prevailing Eastern time) and (ii) 21 days after the Claimant is deemed to have received a Claims Package sent by the Monitor with respect to a Restructuring Claim in accordance with paragraph 14 of the Claims Procedure Order. *See* Claims Procedure Order, ¶¶ 19-21.
 - (c) **Excluded Claims.** Pursuant to paragraph 34 of the Claims Procedure Order, Persons holding an Excluded Claim are not required to file a Proof of Claim, unless required to do so by a further order of the Canadian Court. *See* Claims Procedure Order, ¶¶ 2(q), 34.
 - (d) **Publication Notice.** The Monitor (i) posted the Claims Package on the Monitor’s website (URL: <http://home.kpmg/ca/hematitegroup>), and (ii) caused the notice to claimants to be published, for at least one (1) business day, in The Globe and Mail (National Edition) and USA Today (National Edition) by October 20, 2020. *See* Claims Procedure Order, ¶ 15.
 - (e) **Notice to Creditors.** The Monitor delivered a claims package (“Claims Package”) to all known potential claimants listed in Hematite’s books and records, including each party listed in the Consolidated List Required Pursuant to Rule 1007(a)(4) of the Federal Rules of Bankruptcy Procedure

[Docket No. 14], by no later than October 15, 2020. *See* Claims Procedure Order, ¶¶ 12-13. The Claims Package includes, among other things, a notice to claimants, a claim instruction letter, and a blank proof of claim form.

- (f) **Effect of Not Filing a Proof of Claim.** Any Person who does not file a Proof of Claim in accordance with this Claims Procedure Order with the Monitor by the Pre-Filing Claims Bar Date or Restructuring Claims Bar Date, as applicable, shall: (a) not be entitled to receive further notice with respect to, and shall not be entitled to participate as a Claimant or creditor in, the Claims Procedure or the CCAA Proceedings in respect of such Claim; (b) with respect to a Pre-Filing Claim or a Restructuring Claim against any of the Debtors, be forever barred, estopped and enjoined from asserting or enforcing such Claim against such Debtor and such Debtor shall not have any liability whatsoever in respect of such Claim and such Claim shall be extinguished without any further act or notification by the Debtors or the Monitor; (c) with respect to a D&O Claim against any Director or Officer, be forever barred, estopped and enjoined from asserting or enforcing such Claim against such Director or Officer and such Director or Officer shall not have any liability whatsoever in respect of such Claim and such Claim shall be extinguished without any further act or notification by the Debtors, the Monitor or the Directors or Officers; (d) not be permitted to vote at any Meeting on account of such Claim; and (e) not be permitted to participate in any distribution under any Plan related to such Claim or under the CCAA Proceedings.

15. The Meeting Order provides, in pertinent part, as follows:

- (a) accepting the filing of the proposed Plan of Compromise, Arrangement and Reorganization of the Debtors by the Canadian Court under the CCAA and the *Business Corporations Act* (Ontario) (as may be amended, supplemented, or modified, the “CCAA Plan”);³
- (b) approving, pursuant to section 22 of the CCAA, the classification of creditors as set forth in the CCAA Plan;
- (c) authorizing and directing the Debtors to call, hold and conduct a meeting of Affected Creditors⁴ (the “Meeting”) to vote on the CCAA Plan;

³ The Debtors have formulated a plan to restructure its business and obligations to allow them to emerge from the CCAA under new ownership and on a restructured basis, while addressing the interests of all stakeholders in a fair and reasonable manner. The Foreign Representative is not presently seeking approval of a plan. The current version of the CCAA Plan is attached hereto as **Exhibit D** for reference purposes only.

⁴ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to those terms in the Canadian Orders or the CCAA Plan, as applicable.

- (d) authorizing and directing the mailing and distribution of certain meeting materials and other procedures to be followed to provide notice of the Meeting;
- (e) approving the procedures to be followed at the Meeting, including voting procedures;
- (f) setting a date for the hearing of the Debtors' motion for an order (the "Sanction Order") approving the CCAA Plan (the "Sanction Hearing"); and
- (g) extending the Stay Period until and including December 31, 2020.

BASIS FOR RELIEF

A. Recognizing the Canadian Orders is Appropriate Under Sections 105, 1507, 1521, 1525, and 1527

16. Section 105(a) provides a bankruptcy court with broad powers in its administration of a case under the Bankruptcy Code: "The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a). The exercise of its section 105(a) power is proper, provided that a bankruptcy court does not employ its equitable powers to achieve a result not contemplated by the Bankruptcy Code. *See, e.g., In re Combustion Eng'g, Inc.*, 391 F.3d 190, 235-37 (3d Cir. 2005); *In re Fesco Plastics Corp.*, 996 F.2d 152, 154 (7th Cir. 1993).

17. Upon recognizing a foreign proceeding, section 1521(a) provides that, at the request of a foreign representative, the court may grant "any appropriate relief," subject to certain exceptions not applicable here, provided that the court determines that doing so is necessary to effectuate the purpose of chapter 15 and to protect the assets of the debtor or the interests of the creditors. *See* 11 U.S.C. § 1521(a).

18. Recognizing the Claims Procedure Order will further administration of the Canadian Proceeding and these Chapter 15 cases by further allowing (and assisting in) a

coordinated framework for an orderly claims administration process and ensure efficient administration of the Debtors' assets on a uniform basis.

19. Recognizing the Meeting Order is appropriate because it will enable the Foreign Representative and Monitor to ensure that the procedure for the conduct of, and voting at, the Meeting, as well as the notice procedures with respect thereto, are applicable regardless of whether creditors are subject to the Canadian Court's jurisdiction. In that regard and otherwise, the relief requested herein is consistent with well-established policies underlying the Bankruptcy Code and is appropriate under the circumstances.

20. In addition, section 1507 provides that "the court, if recognition is granted, may provide additional assistance to a foreign representative under this title" and "shall consider whether such additional assistance, consistent with the principles of comity, will reasonably assure ... the just treatment of all holders of claims against or interests in the debtor's property [and] the protection of claim holders in the United States against prejudice and inconvenience." 11 U.S.C. § 1507.

21. Recognizing the Canadian Orders is permitted by section 1507 because it will help ensure the consistent and just treatment of all creditors of the Debtors and their directors and officers and provide the Foreign Representative and all parties in interest with certainty that the procedures and conduct of the Meeting will be enforceable both in Canada and in the United States. Recognizing the Canadian Orders will protect, and prevent prejudice to, creditors by ensuring uniform application of the Canadian Orders' provisions. Moreover, the substantive provisions of the Canadian Orders are similar both to the claims process and the relief afforded to plan proponents under chapter 11 of the Bankruptcy Code and to the relief granted by bankruptcy courts in chapter 11 cases.

22. Section 1525(a) provides that “consistent with section 1501, the court shall cooperate to the maximum extent possible with a foreign court or a foreign representative,” and section 1527(3) explicitly provides that one form of cooperation may include “coordination of the administration and supervision of the debtor’s assets and affairs.” 11 U.S.C. §§ 1525(a) & 1527(3),

23. Here, the Canadian Orders will promote cooperation between the Canadian Court and this Court. Failure to recognize the Claims Procedure Order and Meeting Order could undermine the Canadian Court’s ability to effectively administer and supervise the Debtors’ restructuring proceedings. Moreover, both the Claims Procedure Order and Meeting Order include a request from the Canadian Court, as it has done in previous circumstances, for this Court’s aid and assistance in giving effect to these particular orders. *See* Claims Procedure Order, ¶ 44 & Meeting Order, ¶ 56.

B. Recognizing the Canadian Orders is Consistent with Public Policy

24. Even if chapter 15’s requirements for recognition of a foreign order are satisfied, recognition can nevertheless be denied where it would be “manifestly contrary to the public policy of the United States.” 11 U.S.C. § 1506. This “public policy” exception has been “narrowly construed, because the word manifestly in international usage restricts the public policy exception to the most fundamental policies of the United States.” *In re ABC Learning Ctrs. Ltd.*, 728 F.3d 301, 309 (3d Cir. 2013) (citations and quotations omitted); *see also In re Ephedra Prods. Liability Litig.*, 349 B.R. 333, 336 (S.D.N.Y. 2006).

25. Recognizing the Canadian Orders does not contravene United States public policy. The Foreign Representative submits that: (a) the Claims Procedure Order and Meeting Order are consistent with similar orders granted to chapter 11 debtors and the Foreign Representative believes that the terms of the Canadian Orders are fair and reasonable; (b) the relief requested herein is appropriate, authorized under the Bankruptcy Code, and in the best interests of the

Debtors, their creditors, and other parties in interest; and (c) the relief requested herein is not manifestly contrary to United States public policy. Accordingly, section 1506 presents no barrier to entry of the Canadian Orders, and the Foreign Representative respectfully requests that this Court enter such order recognizing the Claims Procedure Order and Meeting Order.

26. Relief similar to that requested herein has been granted by courts in this district in the context of chapter 15 proceedings. *See, g., In re Angiotech Pharms., Inc.*, Case No. 11-10269 (KG) (Bank. D. Del. March 4, 2011) (recognizing and enforcing claims procedure order of the Canadian Court); *In re Artic Glacier Int'l, Inc.*, Case No. 12-10605 (KG) (Bank. D. Del. June 6, 2014) (recognizing and enforcing meeting order of the Canadian Court); *In re Grant Forest Prods. Inc.*, Case No. 10-11132 (PJW) (Bank. D. Del. July 21, 2010) (recognizing Canadian claims procedure order related to claims against debtors' directors and officers); *In re Nortel Networks Corp.*, Case No. 09-10164 (KG) (Bank. D. Del. Aug. 31, 2009) (recognizing and enforcing claims procedure order and meeting order of the Canadian Court); *see also Ephedra Prods. Liab. Litig.*, 349 B.R. 333 (S.D.N.Y. 2006) (approving foreign claims process not entirely consistent with U.S. law).

REQUEST FOR WAIVER OF STAY

27. The Foreign Representative respectfully requests a waiver of any stay of effectiveness imposed by the Federal Rules of Bankruptcy Procedure or the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware so that the relief requested herein can take effect immediately upon entry of an order approving this Motion.

NOTICE

28. The Foreign Representative will provide notice of this Motion to (i) counsel to the DIP Lender; (ii) the Canadian Department of Justice; (iii) the United States Internal Revenue Service; (iv) counsel to the Debtors in the CCAA Proceeding; (v) the Monitor in the CCAA Proceeding; (vi) the Office of the United States Trustee for the District of Delaware; (vii) the Ministry of Finance for the Province of Ontario; (viii) the Office of the United States Attorney for the District of Delaware; (ix) the Delaware Secretary of State; (x) the United States Securities and Exchange Commission; (xi) the Delaware State Treasury; and (xii) any party that has filed a notice of appearance in these Chapter 15 Cases, via overnight courier and electronic mail to the extent available. The Foreign Representative submits that, in view of the facts and circumstances, such notice is sufficient and no other or further notice need be provided.

CONCLUSION

WHEREFORE, for all of the reasons stated above, the Foreign Representative respectfully requests that this Court: (a) enter an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein; and (b) grant such other and further relief as this Court deems just and proper.

Dated: November 19, 2020
Wilmington, Delaware

WOMBLE BOND DICKINSON (US) LLP

/s/ Todd A. Atkinson

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*Counsel for Hematite Holdings Inc.,
in its capacity as Foreign Representative*

EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

HEMATITE HOLDINGS INC., *et al.*,¹

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 20-12387 (MFW)

Jointly Administered

Related Docket No: ____

**ORDER RECOGNIZING CLAIMS PROCEDURE ORDER
AND MEETING ORDER OF THE CANADIAN COURT**

Upon consideration of the motion (the “Motion”)² of the Foreign Representative for entry of an order, pursuant to sections 105, 1507, 1521, 1525, and 1527 of the Bankruptcy Code, recognizing the Canadian Court’s Claims Procedure Order and Meeting Order (together, the “Canadian Orders”); and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334, 11 U.S.C. §§ 109 and 1501, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated as of February 29, 2012; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P); and the Debtors having consented to the Court’s authority to enter a final order consistent with Article III of the U.S. Constitution; and venue being proper before this Court pursuant to 28 U.S.C. § 1410; and due and proper notice of the relief sought in the Motion having been provided; and it appearing that no

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² Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Motion.

other or further notice need be provided; and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, creditors, and all parties in interest, and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. Pursuant to sections 105, 1507, 1521, 1525, and 1527 of the Bankruptcy Code, the Canadian Orders, and all of their terms, including any amendments thereto, are fully recognized and given full force and effect in the United States.
3. This Order shall be effective and enforceable immediately upon entry and shall constitute a final order within the meaning of 28 U.S.C. § 158(a).
4. This Court shall retain jurisdiction to enforce and interpret the provisions of this Order.

EXHIBIT B

Claims Procedure Order



Court File No. CV-20-00647824-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) TUESDAY, THE 13TH
MR. JUSTICE HAINEY) DAY OF OCTOBER, 2020

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HEMATITE HOLDINGS INC., HEMATITE MANUFACTURING INC., HEMATITE
INDUSTRIAL PRODUCTS INC., CANADIAN PAVACO INC., PAVACO HOLDINGS U.S.
INC., HEMATITE, INC. AND HEMATITE AUTOMOTIVE PRODUCTS INC.

Applicants

CLAIMS PROCEDURE ORDER

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an order (the "**Claims Procedure Order**") approving a procedure for the identification, quantification, and resolution of certain claims of creditors of the Applicants and their respective directors and officers, was heard this day by way of judicial videoconference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the Notice of Motion, the affidavit of Jacques Nadeau sworn October 7, 2020 and the Exhibits thereto, and the Second Report of KPMG Inc. in its capacity as monitor of the Applicants (the "**Monitor**") dated October 9, 2020 (the "**Second Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor and those other parties that were present as listed on the counsel slip, no other party appearing although duly served as appears from the affidavit of service, filed.

SERVICE AND INTERPRETATION

1. **THIS COURT ORDERS** that the time for service and filing of the Motion Record of the Applicants and the Second Report is hereby abridged and validated such that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that, in addition to terms defined elsewhere herein, the following terms shall have the following meanings:

- (a) “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (b) “**Business Day**” means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (c) “**CCAA Proceedings**” means the within proceedings in respect of the Applicants under the CCAA;
- (d) “**CCAA Charges**” means the Administration Charge, the DIP Lender’s Charge and the Directors’ Charge (as each such term is defined in the Initial Order) and any other court-ordered charge over the property of the Applicants that may be granted by the Court;
- (e) “**Claim**” means a Pre-Filing Claim, a Restructuring Claim and a D&O Claim, provided, however, that “Claim” shall not include an Excluded Claim;
- (f) “**Claimant**” means any Person asserting a Claim and includes the transferee or assignee of a Claim, transferred and recognized in accordance with paragraphs 35 and 36 hereof or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person;
- (g) “**Claims Officer**” means one or more individuals appointed in accordance with paragraph 31 of this Claims Procedure Order to act as a claims officer for the purposes of this Claims Procedure Order;

- 3 -

- (h) “**Claims Package**” means the Proof of Claim form, the Notice to Claimants, the Instruction Letter, and any other documentation the Applicants, in consultation with the Monitor, may deem appropriate;
- (i) “**Claims Procedure**” means the procedures outlined in this Claims Procedure Order, including the Schedules hereto;
- (j) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (k) “**D&O Claim**” means, as against any Director or Officer, in his or her capacity as such, any D&O Restructuring Claim and any and all demands, claims (including claims for contribution or indemnity), actions, causes of action, counterclaims, suits, debts, sums of money, liabilities, accounts, covenants, damages, judgments, orders (including orders for injunctive relief or specific performance and compliance orders), expenses, executions, encumbrances and recoveries on account of any liability, obligation, demand or cause of action of whatever nature that any creditor or other Person has or may be entitled to assert (including for, in respect of or arising out of environmental matters, pensions or post-employment benefits or alleged wrongful or oppressive conduct, misrepresentation, fraud or breach of fiduciary duty), whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under statute, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence that in any way relate to or arise out of or in connection with (i) any Pre-Filing Claim; (ii) the assets, obligations, business or affairs of the Applicants; or (iii) the CCAA Proceedings or any matter or transaction occurring in or in connection with the CCAA Proceedings, but “D&O Claim” does not include a claim that cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA;
- (l) “**D&O Restructuring Claim**” means, any right or claim of any Person against any Director or Officer, in his or her capacity as such, in connection with any indebtedness, liability or obligation of any kind whatsoever by any such Director

or Officer to such Person arising out of the restructuring, disclaimer, repudiation or termination by an Applicant on or after the Filing Date of any contract, lease, employment agreement or arrangement or other agreement or obligation whether written or oral but “D&O Restructuring Claim” does not include a claim that cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA;

- (m) “**Director**” means any former or present director of any of the Applicants or any Person of similar position or any other Person who by applicable law is deemed to be or is treated similarly to a director of any of the Applicant or who currently manages or supervises the management of the business and affairs of any of the Applicants or did so in the past;
- (n) “**Directors’ Charge**” has the meaning given to such term in the Initial Order;
- (o) “**Dispute Package**” means the Proof of Claim filed by a Claimant, the Notice of Revision or Disallowance delivered by the Monitor in respect of that Proof of Claim, the Notice of Dispute filed by the Claimant in respect of the Notice of Revision or Disallowance, and any ancillary documentation as determined by the Monitor;
- (p) “**Equity Claim**” has the meaning set forth in Section 2(1) of the CCAA;
- (q) “**Excluded Claim**” means:
 - (i) any claim pursuant to, or related to, the master lease agreements, as amended, supplemented or otherwise modified from time to time, between Hematite Manufacturing Inc. and TD Equipment Finance Canada, a division of The Toronto-Dominion Bank, listed in Schedule “F” hereto;
 - (ii) any claim by Woodbridge Foam Corporation (“**Woodbridge**”) or its affiliates, including, without limitation, pursuant to, or related to:
 - (1) the Assignment and Assumption Agreement dated September 21, 2020 between The Toronto-Dominion Bank, Woodbridge and certain of the Applicants, among others;

- 5 -

- (2) the Plan Sponsor Agreement dated September 17, 2020 between Woodbridge and the Applicants, among others; or
 - (3) the Revolving DIP Loan Agreement dated September 17, 2020 between Woodbridge and the Applicants;
- (iii) any claim pursuant to, or related to, the Letter of Offer of Financing no. 076542-03 dated December 21, 2017, as amended, supplemented and otherwise modified from time to time, between BDC Capital Inc. and Hematite Manufacturing Inc., among others;
 - (iv) any claim by Toyota Motor Engineering & Manufacturing North America, Inc., FCA US LLC, or Ford Motor Company (and including each of their subsidiaries and affiliates, collectively, the “**Customers**”) in relation to any warranty, recall, product liability or other obligations of the Applicants to the Customers pursuant to the purchase agreements, purchase orders, and/or other contracts set out in the arrangements entered into between the Customers, Hematite Holdings Inc. and Woodbridge, as applicable;
 - (v) any claim secured by any of the CCAA Charges;
 - (vi) any claim by any of the Applicants against one or more of the other Applicants; and
 - (vii) any investigation, action, suit, order or proceeding in respect of the Applicants or any of them by or before a regulatory body (as defined in the CCAA), unless such investigation, action, suit, order or proceeding constitutes a “claim” within the meaning of the CCAA.
- (r) “**Filing Date**” means September 18, 2020;
 - (s) “**Initial Order**” means the Initial Order of the Honourable Mr. Justice Hailey made September 18, 2020 in these CCAA Proceedings, as amended, restated or varied from time to time;

- 6 -

- (t) “**Instruction Letter**” means the instruction letter to Claimants, substantially in the form attached as Schedule “**B**” hereto, regarding the completion of a Proof of Claim by a Claimant and the Claims Procedure described herein;
- (u) “**Meeting**” means a meeting of the creditors of the Applicants called for the purpose of considering and voting in respect of a Plan;
- (v) “**Monitor**” means KPMG Inc., in its capacity as the Court-appointed monitor of the Applicants;
- (w) “**Monitor’s Website**” means the case website established by the Monitor with the following URL: <http://home.kpmg/ca/hematitegroup>.
- (x) “**Notice to Claimants**” means the notice for publication by the Monitor as described in paragraph 15 hereof, in the form attached as Schedule “**A**”;
- (y) “**Notice of Dispute**” means the notice referred to in paragraph 27 hereof substantially in the form attached as Schedule “**E**” hereto which must be delivered to the Monitor by any Claimant wishing to dispute a Notice of Revision or Disallowance, with reasons for its dispute;
- (z) “**Notice of Revision or Disallowance**” means the notice referred to in paragraph 26 hereof, substantially in the form of Schedule “**D**” advising a Claimant that the Applicants, with the consent of the Monitor, have revised or rejected all or part of such Claimant’s Claim as set out in its Proof of Claim;
- (aa) “**Officer**” means any former or present officer of any of the Applicants or any Person of similar position or any other Person who by applicable law is deemed to be or is treated similarly to an officer of any of the Applicants;
- (bb) “**Orders**” means any and all orders issued by the Court within the CCAA Proceedings, including the Initial Order;
- (cc) “**Person**” means any individual, corporation, firm, limited or unlimited liability company, general or limited partnership, association (incorporated or

unincorporated), trust, unincorporated organization, joint venture, trade union, government authority or any agency, regulatory body or officer thereof or any other entity, wherever situate or domiciled, and whether or not having legal status, and whether acting on their own or in a representative capacity;

- (dd) “**Plan**” means a plan of compromise or arrangement contemplated by the Initial Order;
- (ee) “**Pre-Filing Claim**” means any right of claim of any Person that may be asserted or made in whole or in part against any of the Applicants, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (international or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive, or otherwise), and whether or not such indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Applicants with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof that (A) is based in whole or in part on facts existing prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be a claim provable in bankruptcy within the meaning of the BIA had the Applicant become bankrupt on the Filing Date, including for greater certainty any claim against any of the Applicants for indemnification by any Directors or Officers in respect of a D&O

- 8 -

Claim other than a D&O Restructuring Claim (but excluding any such claim for indemnification that (i) is covered by the Directors' Charge, or (ii) is in respect of an Excluded Claim);

- (ff) **"Pre-Filing Claims Bar Date"** means 5:00 p.m. (Eastern Time) on November 9, 2020;
- (gg) **"Proof of Claim"** means the Proof of Claim referred to in paragraphs 18 to 21 hereof to be filed by Claimants, substantially in the form attached hereto as Schedule "C";
- (hh) **"Proven Claim"** means the amount and Status of a Claim of a Claimant as finally determined in accordance with this Claims Procedure Order;
- (ii) **"Restructuring Claim"** means a D&O Restructuring Claim and any right of claim of any Person against any of the Applicants in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any such Applicant to such Person arising out of the restructuring, disclaimer, repudiation or termination by such Applicant on or after the Filing Date of any contract, lease, employment agreement or arrangement or other agreement or obligation whether written or oral, including for greater certainty any claim against any of the Applicants for indemnification by any Directors or Officers in respect of a Restructuring Claim (but excluding any such claim for indemnification that (i) is covered by the Directors' Charge, or (ii) is in respect of an Excluded Claim);
- (jj) **"Restructuring Claims Bar Date"** means the later of:
 - (i) the Pre-Filing Claims Bar Date; and
 - (ii) 5:00 p.m. (Eastern Time) on the day which is twenty one (21) days after the Monitor sends a Claims Package with respect to a Restructuring Claim in accordance with paragraph 14 hereof;
- (kk) **"Secured Claim"** means that portion of a Claim that is (i) secured by security validly charging or encumbering property or assets of the Applicants (including

statutory and possessory liens that create security interests) taking into account the value of such collateral and the priority of such security, and (ii) duly and properly perfected in accordance with the relevant legislation in the appropriate jurisdiction, as of the Filing Date or after the Filing Date if permitted by the Initial Order;

(ll) “**Status**” means, with respect to a Claim, whether such claim is an unsecured Claim, Secured Claim or Equity Claim; and

(mm) “**U.S. Court**” means the United States Bankruptcy Court for the District of Delaware.

3. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.

4. **THIS COURT ORDERS** that all references to the word “including” shall mean “including without limitation”.

5. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

GENERAL PROVISIONS

6. **THIS COURT ORDERS** that the Applicants, in consultation with the Monitor, are hereby authorized (i) to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed, and may, where they are satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Procedure Order as to completion and execution of such forms, and (ii) to request any further documentation from a Claimant that the Applicants or the Monitor may reasonably require in order to determine the validity and/or Status of a Claim.

7. **THIS COURT ORDERS** that notwithstanding any other provisions of this Claims Procedure Order, the solicitation by the Applicants or the Monitor of Claims and the filing by

any Claimant of any Claims shall not, for that reason only, grant any Person standing in these proceedings.

8. **THIS COURT ORDERS** that nothing in this Claims Procedure Order shall constitute or be deemed to constitute an allocation or assignment of a Claim or an Excluded Claim into particular affected or unaffected classes for the purpose of a Plan and, for greater certainty, the treatment of Claims, Excluded Claims or any other claims are to be subject to a Plan and the class or classes of creditors for voting and distribution purposes shall be subject to the terms of any proposed Plan or further order of the Court.

9. **THIS COURT ORDERS** that all Claims filed shall be denominated in the original currency of the Claim. Where no currency is indicated, the Claim shall be presumed to be in Canadian Dollars. Any Claims denominated in a foreign currency shall be converted to Canadian Dollars based on the Bank of Canada's daily average exchange rate for that currency against the Canadian Dollar on the Filing Date.

MONITOR'S ROLE

10. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, shall assist the Applicants in connection with the administration of the Claims Procedure, including the determination of Claims of the Claimants and the referral of a particular Claim to the Court, as requested by the Applicants from time to time, and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Claims Procedure Order or incidental thereto.

11. **THIS COURT ORDERS** that (i) in carrying out the terms of this Claims Procedure Order, the Monitor shall have all of the protections given it by the CCAA, the Initial Order, and this Claims Procedure Order, and as an officer of this Court, including the stay of proceedings in its favour, (ii) the Monitor shall incur no liability or obligation as a result of the carrying out of the provisions of this Claims Procedure Order, except to the extent that the Monitor has acted with gross negligence or willful misconduct, (iii) the Monitor shall be entitled to rely on the books and records of the Applicants and any information provided by the Applicants, all without

independent investigation, and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information or in any information provided by any Claimant, except to the extent that the Monitor has acted with gross negligence or willful misconduct.

NOTICE TO CLAIMANTS

12. **THIS COURT ORDERS** that the Applicants shall provide to the Monitor a complete list of known potential Claimants, listed in the books and records of the Applicants (the “**Known Claimants**” and each a “**Known Claimant**”) as at the Filing Date, showing for each Known Claimant, their name, address, email address (where available) and amount owed pursuant to the Applicants’ books and records, which list shall include those parties listed on the Consolidated List Required Pursuant to Rule 1007(a)(4) of the Federal Rules of Bankruptcy Procedure filed on September 24, 2020 with the U.S. Court.

13. **THIS COURT ORDERS** that the Monitor shall send a Claims Package to each Known Claimant by email to the last known email address of the Known Claimant set out in the books and records of the Applicants, or by ordinary mail, courier or facsimile to the last known mailing address or facsimile address of the Known Claimant if an email address for such Known Claimant is not known, by no later than October 15, 2020.

14. **THIS COURT ORDERS** that the Monitor shall send the Claims Package by email to the last known email address, or by ordinary mail, courier or facsimile to the last known mailing address or facsimile address if an email address is not known, of each Claimant with a Restructuring Claim:

- (a) if the Restructuring Claim arose prior to the date of the Claims Procedure Order, no later than three (3) Business Days following the time the Monitor actually becomes aware of the existence of the Restructuring Claim; and
- (b) if the Restructuring Claim arises from the restructuring, disclaimer, resiliation or termination of any lease, contracts, employment agreement or arrangement or other agreement or obligation, on or after the date of the Claims Procedure Order, no later than three (3) Business Days following the time the Monitor actually

becomes aware of the effective date of such restructuring, disclaimer, resiliation or termination of any lease, contract, employment agreement or arrangement or other agreement or obligation.

15. **THIS COURT ORDERS** that as soon as practicable, but no later than 5:00 p.m. on October 20, 2020, the Monitor shall cause the Notice to Claimants to be published, for at least one (1) Business Day, in *The Globe and Mail* (National Edition) and USA Today (National Edition). The Monitor shall also cause the Notice to Claimants to be published, as soon as practicable, in any local newspapers, trade journals or similar publications, if any, as the Applicants, in consultation with the Monitor and the DIP Lender (as defined in the Initial Order), deem appropriate.

16. **THIS COURT ORDERS** that the Monitor shall cause the Notice to Claimants, the Claims Package and the Claims Procedure Order to be posted to the Monitor's Website as soon as reasonably possible and cause it to remain posted thereon until its discharge as Monitor of the Applicants.

17. **THIS COURT ORDERS** that upon request by a Claimant for a Claims Package or documents or information relating to the Claims Procedure prior to the Pre-Filing Claims Bar Date or Restructuring Claims Bar Date, as applicable, the Monitor shall forthwith send a Claims Package, direct such Person to the documents posted on the Monitor's Website, or otherwise respond to the request for information or documents as the Monitor considers appropriate in the circumstances.

18. **THIS COURT ORDERS** that the form and substance of each of the Notice to Claimants, Proof of Claim form, Instruction Letter, Notice of Revision or Disallowance and Notice of Dispute, substantially in the forms attached as schedules hereto, are hereby approved. Despite the foregoing, the Monitor may, from time to time, make such minor changes to such forms as the Monitor, in consultation with the Applicants, considers necessary or desirable.

PROOFS OF CLAIMS

19. **THIS COURT ORDERS** that any Person that wishes to assert a Pre-Filing Claim must deliver to the Monitor on or before the Pre-Filing Claims Bar Date a completed Proof of Claim,

including all relevant supporting documentation in respect of such Claim, in the manner set out in this Claims Procedure Order.

20. **THIS COURT ORDERS** that any Person that wishes to assert a D&O Claim other than a D&O Restructuring Claim must deliver to the Monitor on or before the Pre-Filing Claims Bar Date a completed Proof of Claim form, together with all relevant supporting documentation in respect of such Claim, in the manner set out in this Claims Procedure Order.

21. **THIS COURT ORDERS** that any Person that wishes to assert a Restructuring Claim must deliver to the Monitor on or before the Restructuring Claims Bar Date a completed Proof of Claim form, together with all relevant supporting documentation in respect of such Claim, in the manner set out in this Claims Procedure Order.

22. **THIS COURT ORDERS** that any Person wishing to assert a Claim shall: (i) include any and all Claims it asserts against an Applicant or a Director or Officer of that Applicant in a single Proof of Claim; and (ii) file separate Proofs of Claim against each Applicant that it wishes to assert a Claim against.

23. **THIS COURT ORDERS** that any Person who does not file a Proof of Claim in accordance with this Claims Procedure Order with the Monitor by the Pre-Filing Claims Bar Date or Restructuring Claims Bar Date, as applicable, shall:

- (a) not be entitled to receive further notice with respect to, and shall not be entitled to participate as a Claimant or creditor in, the Claims Procedure or the CCAA Proceedings in respect of such Claim;
- (b) with respect to a Pre-Filing Claim or a Restructuring Claim against any of the Applicants, be forever barred, estopped and enjoined from asserting or enforcing such Claim against such Applicant and such Applicant shall not have any liability whatsoever in respect of such Claim and such Claim shall be extinguished without any further act or notification by the Applicants or the Monitor;
- (c) with respect to a D&O Claim against any Director or Officer, be forever barred, estopped and enjoined from asserting or enforcing such Claim against such

Director or Officer and such Director or Officer shall not have any liability whatsoever in respect of such Claim and such Claim shall be extinguished without any further act or notification by the Applicants, the Monitor or the Directors or Officers;

- (d) not be permitted to vote at any Meeting on account of such Claim; and
- (e) not be permitted to participate in any distribution under any Plan related to such Claim or under these CCAA Proceedings.

ADJUDICATION OF CLAIMS

24. **THIS COURT ORDERS** that the Monitor, in consultation with the Applicants (and in the case of a D&O Claim, in consultation with the applicable Director or Officer) shall review all Proofs of Claim filed in accordance with this Claims Procedure Order, and at any time may:

- (a) request additional information from a Claimant;
- (b) request that a Claimant file a revised Proof of Claim;
- (c) attempt to resolve and settle any issue arising in a Proof of Claim or in respect of a Claim;
- (d) accept (in whole or in part), the amount and/or Status of any Claim and so notify the Claimant in writing; and
- (e) revise or disallow (in whole or in part) the amount and/or Status of any Claim and so notify the Claimant in writing.

25. **THIS COURT ORDERS** that where a Claim has been accepted by the Monitor in accordance with this Claims Procedure Order, such Claim shall constitute such Claimant's Proven Claim. The acceptance of any Claim or other determination of same in accordance with this Claims Procedure Order, in full or in part, shall not constitute an admission of any fact, thing, liability, or quantum or status of any claim by any Person, save and except in the context of the CCAA Proceedings.

26. **THIS COURT ORDERS** that where a Claim is revised or disallowed (in whole or in part, and whether as to amount and/or Status), the Monitor shall deliver to the Claimant a Notice of Revision or Disallowance, attaching the form of Notice of Dispute.

27. **THIS COURT ORDERS** that any Person who intends to dispute a Notice of Revision or Disallowance sent pursuant to paragraph 26 hereof shall deliver a Notice of Dispute to the Monitor in writing by 5:00 p.m. (Eastern Time) on the day that is not later than ten (10) days after such Claimant is deemed to have received the Notice of Revision or Disallowance in accordance with paragraph 38 of this Claims Procedure Order or such longer period as may be agreed to by the Monitor in writing. The receipt of a Notice of Dispute by the Monitor within the ten (10) day period specific in this paragraph shall constitute an application to have the amount and/or Status of such claim determined pursuant to the Claims Procedure as provided in this Claims Procedure Order.

28. **THIS COURT ORDERS** that if any Person who received a Notice of Revision or Disallowance does not return a Notice of Dispute in accordance with paragraph 27 of this Claims Procedure Order, the value and Status of such Claim shall be deemed to be set out in the Notice of Revision or Disallowance for voting and distribution purposes, and the Claimant will be barred from disputing or appealing same, and the balance of such Claimant's Claim, if any, shall be forever barred and extinguished.

RESOLUTION OF CLAIMS

29. **THIS COURT ORDERS** that as soon as practicable after a Notice of Dispute is received by the Monitor in accordance with this Claims Procedure Order, the Monitor, in consultation with the Applicants, may attempt to resolve and settle the Claim with the Claimant.

30. **THIS COURT ORDERS** that in the event that a dispute raised in a Notice of Dispute is not settled within a reasonable time period or in a manner satisfactory to the Applicants, the Monitor and the applicable Claimant, the Monitor, in consultation with the Applicants, shall either: (i) send a Dispute Package to a Claims Officer, or (ii) on notice to the disputing Claimant, schedule an appointment with the Court for the purpose of scheduling a motion to seek a determination by the Court of the disputed Claim, at which appointment directions will be sought

from the Court on the process for such determination. For greater certainty, the foregoing includes any dispute arising as to whether a Claim or any portion thereof is or is not a Secured Claim or an Equity Claim.

31. **THIS COURT ORDERS** that the appointment of any Claims Officer to adjudicate a disputed Claim shall be subject to mutual agreement between the affected Claimant and the Applicants, in consultation with the Monitor, and if such agreement is not possible, Court approval. Either the Applicants or the Monitor are hereby authorized to bring a motion to seek an order of the Court appointing a Claims Officer in respect of any and all disputed Claims. The Applicants shall pay the reasonable professional fees and disbursements of each Claims Officer on presentation and acceptance of invoices from time to time. Each Claims Officer shall be entitled to a reasonable retainer against his or her fees and disbursements which shall be paid upon request by the Applicants, with the consent of the Monitor.

32. **THIS COURT ORDERS** that, subject to further order of the Court, the Claims Officer shall determine the Status and/or amount of each Claim in respect of which a dispute has been referred to such Claims Officer and in doing so, the Claims Officer shall be empowered to determine the process in which evidence may be brought before him or her as well as any other procedural matters which may arise in respect of the determination of any Claim.

33. **THIS COURT ORDERS** that the Applicants or the Claimant may appeal the Claims Officer's determination to this Court by serving upon the other (with a copy to the Monitor) and filing with this Court, within ten (10) calendar days of notification of the Claims Officer's determination of such Claimant's Claim, a notice of motion returnable on a date to be fixed by this Court. If a notice of motion is not filed within such period, then the Claims Officer's determination shall be deemed to be final and binding and shall be such Claimant's Proven Claim.

EXCLUDED CLAIMS

34. **THIS COURT ORDERS** that, for greater certainty, no Person holding an Excluded Claim shall be required to file a Proof of Claim in respect of such Excluded Claim, and such Person shall be unaffected by this Claims Procedure Order in respect of such Excluded Claim.

The Applicants may apply to the Court for a further order to govern the identification, quantification and resolution of Excluded Claims, whether by way of amendments to this Claims Procedure Order or a supplemental claims procedure order, if at any time the Applicants consider it necessary or desirable to do so.

NOTICE OF TRANSFEREES

35. **THIS COURT ORDERS** that neither the Monitor nor the Applicants shall be obligated to give notice or otherwise deal with the transferee or assignee of a Claim unless and until actual notice of the transfer or assignment, together with satisfactory evidence of the existence and validity of such transfer or assignment, shall have been received and acknowledged by the Applicants and the Monitor in writing. Thereafter, such transferee or assignee shall, for all purposes hereof, constitute the "Claimant" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Procedure Order prior to the receipt and acknowledgment by the Applicants and the Monitor of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any right of set-off to which the Applicants may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to any of the Applicants.

36. **THIS COURT ORDERS** that if a Claimant or any subsequent holder of a Claim, who in any such case has previously been acknowledged by the Applicants and the Monitor as the holder of the Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person, such transfers or assignments shall not create separate Claims and such Claims shall continue to constitute and be dealt with as a single Claim notwithstanding such transfers or assignments. The Applicants and the Monitor shall not, in each case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim, provided such Claimant may, by notice in writing delivered to the Monitor, direct that subsequent dealings in respect of such Claim, but only as a whole,

shall be dealt with by a specified Person and in such event, such Person shall be bound by any notices given or steps taken in respect of such Claim with such Claimant or in accordance with the provisions of this Claims Procedure Order.

SERVICE AND NOTICES

37. **THIS COURT ORDERS** that the forms of notice to be provided in accordance with this Claims Procedure Order shall constitute good and sufficient service and delivery of notice of this Claims Procedure Order, the Pre-Filing Claims Bar Date and Restructuring Claims Bar Date on all Persons who may be entitled to receive notice and who may assert a Claim and no other notice or service need be given or made and no other documents or material need be sent to or served upon any Person in respect of this Claims Procedure Order.

38. **THIS COURT ORDERS** that the Applicants and the Monitor may, unless otherwise specified by this Claims Procedure Order, serve and deliver the Claims Package, and any letters, notices or other documents to the Claimants or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile transmission or email to such Persons at the physical or electronic address, as applicable, last shown on the books and records of the Applicants or set out in such Claimant's Proof of Claim. Any such service and delivery shall be deemed to have been received: (a) if sent by ordinary mail or registered mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario) or the United States, and the tenth Business Day after mailing internationally (other than to the United States); (b) if sent by courier or personal delivery, on the next Business Day following dispatch; and (c) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

39. **THIS COURT ORDERS** that any notice or communication (including Proofs of Claim and Notices of Dispute) to be given under this Claims Procedure Order by any Person to the Monitor or the Applicants shall be in writing in substantially the form, if any, provided for in this Claims Procedure Order and will be sufficiently given only if delivered by email, or if it cannot be given by email by prepaid registered mail, courier or personal delivery, addressed to:

KPMG Inc.
Court-appointed Monitor of the Applicants
Bay Adelaide Centre
333 Adelaide Street West, Suite 4600
Toronto, Ontario M5H 2S5

Attention: Nicholas Brearton and Tim Montgomery
Email: hematitegroup@kpmg.ca
Fax: 416-777-8818
Phone: 416-777-3978

Any such notice or communication delivered by a Claimant shall be deemed to be received upon actual receipt thereof during normal business hours on a Business Day or if delivered outside of normal business hours, the next Business Day.

40. **THIS COURT ORDERS** that if during any period during which notices or other communications are being given pursuant to this Claims Procedure Order, a postal strike or postal work stoppage of general application should occur, such notices, notifications or other communications sent by ordinary or registered mail and then not received shall not, absent further order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Claims Procedure Order.

41. **THIS COURT ORDERS** that in the event that this Claims Procedure Order is later amended by further order of the Court, the Monitor shall post such further order on the Monitor's Website, and such posting shall constitute adequate notice to Claimants of such amended Claims Procedure.

MISCELLANEOUS

42. **THIS COURT ORDERS** that notwithstanding the terms of this Claims Procedure Order, and without limitation to paragraph 33 of this Claims Procedure Order, the Monitor and the Applicants may apply to this Court from time to time for directions from this Court with respect to this Claims Procedure Order, or for such further order or orders as any of them may consider necessary or desirable to amend, supplement or clarify the terms of this Claims Procedure Order.

43. **THIS COURT ORDERS** that this Claims Procedure Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

44. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, or abroad, to give effect to this Claims Procedure Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Claims Procedure Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Claims Procedure Order, to grant representative status to Hematite Holdings Inc. in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Claims Procedure Order.

45. **THE COURT ORDERS** that the Applicants are hereby authorized and directed to file and serve this Claims Procedure Order with the U.S. Court.


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

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

OCT 13 2020

PER / PAR:

AE

A large, stylized handwritten signature in black ink, appearing to read "Hendry".

SCHEDULE "A"
NOTICE TO CLAIMANTS

SCHEDULE "A"

**NOTICE TO CREDITORS OF HEMATITE HOLDINGS INC.,
HEMATITE MANUFACTURING INC., HEMATITE INDUSTRIAL PRODUCTS INC.,
CANADIAN PAVACO INC., PAVACO HOLDINGS U.S. INC., HEMATITE, INC. AND
HEMATITE AUTOMOTIVE PRODUCTS, INC.**

(collectively, the "Applicants")

**RE: NOTICE OF CLAIMS BAR DATE IN *COMPANIES' CREDITORS ARRANGEMENT ACT*
("CCAA") PROCEEDINGS**

NOTICE IS HEREBY GIVEN that pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) made October 13, 2020 (the "**Claims Procedure Order**"), a claims procedure has been commenced for the identification, quantification, and resolution of certain claims of creditors of the Applicants and their respective directors and officers. Capitalized terms that are not defined herein have the meanings ascribed thereto in the Claims Procedure Order.

PLEASE TAKE NOTICE that any Person that wishes to assert a Pre-Filing Claim or a D&O Claim (against any of the current or former Directors or Officers of the Applicants) (other than a D&O Restructuring Claim), other than an Excluded Claim, must deliver to KPMG Inc., in its capacity as the court-appointed monitor of the Applicants (the "**Monitor**") on or before the Pre-Filing Claims Bar Date a completed Proof of Claim form, including all relevant supporting documentation in respect of such Claim, in the manner set out in the Order.

Pursuant to the Claims Procedure Order, the Pre-Filing Claims Bar Date is 5:00 p.m. (Eastern Time) on November 9, 2020. Proofs of Claim in respect of Pre-Filing Claims and D&O Claims (other than D&O Restructuring Claims) must be completed and filed with the Monitor such that it is received on or before the Pre-Filing Claims Bar Date.

PLEASE TAKE NOTICE that any Person that wishes to assert a Restructuring Claim (including any D&O Restructuring Claim), other than an Excluded Claim, must deliver to the Monitor on or before the Restructuring Claims Bar Date a completed Proof of Claim form, including all relevant supporting documentation in respect of such Claim, in the manner set out in the Order.

Pursuant to the Claims Procedure Order, the Restructuring Claims Bar Date is 5:00pm (Eastern Time) on the later of the Pre-Filing Claims Bar Date and the date that is twenty one (21) Calendar Days after the Monitor sends a Claims Package with respect to a Restructuring Claim. Proofs of Claim in respect of Restructuring Claims must be completed and filed with the Monitor such that it is received on or before the Restructuring Claims Bar Date.

PLEASE TAKE NOTICE that **Pavaco Plastics Inc.** was amalgamated with Hematite Manufacturing Inc. on March 29, 2020 and any Claims against the former Pavaco Plastics Inc. must be filed against Hematite Manufacturing Inc. or they will be barred.

Pursuant to the Claims Procedure Order, the Monitor will cause Claims Packages to be sent to all Known Claimants on or before October 15, 2020. A copy of the Claims Procedure Order and the Claims Package can be found at the following website: <http://home.kpmg/ca/hematitegroup>.

**CLAIMS WHICH ARE NOT RECEIVED BY THE APPLICABLE CLAIMS BAR DATE
WILL BE BARRED AND EXTINGUISHED FOREVER.**

- 2 -

CREDITORS REQUIRING INFORMATION or claim documentation may contact the Monitor at the following address by prepaid registered mail, courier, personal delivery, facsimile transmission, email or telephone:

KPMG Inc., Court-appointed Monitor of Hematite Group

Claims Process

333 Bay Street, Suite 4600

Bay Adelaide Centre

Toronto, ON M5H 2S5

Attention: Tim Montgomery

Telephone: 416-777-3798

Fax: 416-777-8818

Email: hematitegroup@kpmg.ca

SCHEDULE "B"
INSTRUCTION LETTER

SCHEDULE "B"

**INSTRUCTION LETTER
FOR THE CLAIMS PROCEDURE FOR KNOWN CREDITORS
OF HEMATITE HOLDINGS INC., HEMATITE MANUFACTURING INC., HEMATITE
INDUSTRIAL PRODUCTS INC., CANADIAN PAVACO INC., PAVACO HOLDINGS U.S. INC.,
HEMATITE, INC. AND HEMATITE AUTOMOTIVE PRODUCTS, INC.**

(collectively, the "Applicants")

CLAIMS PROCEDURE

By Order of the Ontario Superior Court of Justice (Commercial List) dated October 13, 2020 (as such Order may be amended from time to time, the "**Claims Procedure Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**"), the Applicants and KPMG Inc., in its capacity as the Court-appointed monitor of the Applicants (the "**Monitor**"), have been authorized to conduct a claims procedure (the "**Claims Procedure**"). A copy of the Claims Procedure Order and other public information concerning this proceeding can be obtained from the Monitor's website at <http://home.kpmg/ca/hematitegroup>.

This letter provides general instructions for completing a Proof of Claim form. Capitalized terms not defined within this instruction letter shall have the meaning ascribed thereto in the Claims Procedure Order.

The Claims Procedure is intended to identify and determine the amount of any claims against the Applicants or any or all of their respective current or former Directors or Officers, whether unliquidated, contingent or otherwise, that are to be affected in the plan of compromise or arrangement being pursued by the Applicants under the CCAA. Please review the Claims Procedure Order for the full terms of the Claims Procedure.

All forms and inquiries with respect to the Claims Procedure should be directed to the Monitor by prepaid registered mail, courier, personal delivery, facsimile transmission, email, or telephone at the address below:

KPMG Inc., Court-appointed Monitor of Hematite Group

Claims Process

333 Bay Street, Suite 4600

Bay Adelaide Centre

Toronto, ON M5H 2S5

Attention: Tim Montgomery

Telephone: 416-777-3798

Fax: 416-777-8818

Email: hematitegroup@kpmg.ca

FOR CREDITORS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim against the Applicants or a Director or Officer of the Applicants, you must complete and file a Proof of Claim form with the Monitor. All Proofs of Claim for Pre-Filing

Claims (i.e. Claims against the Applicant arising prior to the Filing Date) and all D&O Claims (against any of the Directors or Officers of the Applicants) (other than D&O Restructuring Claims) **must be received by the Monitor before 5:00 p.m. (Toronto Time) on November 9, 2020** (the “**Pre-Filing Claims Bar Date**”). If you do not file a Proof of Claim in respect of any such Claims by the Pre-Filing Claims Bar Date, you shall not be entitled to vote at the meeting of creditors regarding any plan of compromise or arrangement being proposed by the Applicants or participate in any distribution under such plan in respect of such Claims and any such Claims shall be forever extinguished and barred.

All Proofs of Claim for Restructuring Claims (i.e. Claims arising on or after the Filing Date arising out of the restructuring, disclaimer, repudiation or termination by an Applicant of any contract, lease employment agreement or arrangement or other agreement or obligation) (including D&O Restructuring Claims) **must be received by the Monitor before 5:00 p.m. (Toronto Time) on the later of the Pre-Filing Claims Bar Date and the date that is twenty one (21) Calendar Days after the Monitor sends a Claims Package with respect to a Restructuring Claim** (the “**Restructuring Claims Bar Date**”). If you do not file a Proof of Claim in respect of any such Restructuring Claims by the Restructuring Claims Bar Date, you shall not be entitled to vote at the meeting of creditors regarding any plan of compromise or arrangement being proposed by the Applicants or participate in any distribution under such plan in respect of such Claims and any such Claims you may have against the Applicants and/or any of their respective Directors and Officers shall be forever extinguished and barred.

Note that **Pavaco Plastics Inc.** was amalgamated with Hematite Manufacturing Inc. on March 29, 2020 and any Claims against the former Pavaco Plastics Inc. must be filed against Hematite Manufacturing Inc. or they will be barred.

ADDITIONAL FORMS

Additional Proof of Claim forms can be obtained from the Monitor’s website at <http://home.kpmg/ca/hematitegroup> or by contacting the Monitor.

DATED this _____ day of _____, 2020.

SCHEDULE "C"
PROOF OF CLAIM FORM

SCHEDULE "C"

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF HEMATITE HOLDINGS INC., HEMATITE MANUFACTURING
INC., HEMATITE INDUSTRIAL PRODUCTS INC., CANADIAN PAVACO INC., PAVACO
HOLDINGS U.S. INC., HEMATITE, INC. AND HEMATITE AUTOMOTIVE PRODUCTS INC.**

(collectively, the "Applicants")

PROOF OF CLAIM

1. PARTICULARS OF CREDITOR

(a) Full Legal Name of Creditor:

(b) Full Mailing Address of Creditor:

(c) Telephone Number of Creditor:

(d) Facsimile Number of Creditor:

(e) E-mail Address of Creditor:

(f) Attention (Contact Person):

2. **PARTICULARS OF ORIGINAL CREDITOR FROM WHOM YOU ACQUIRED CLAIM, IF APPLICABLE:**

(a) Have you acquired this Claim by assignment? Yes No
 (if yes, attach documents evidencing assignment)

(b) Full Legal Name of original creditor(s): _____

3. **PROOF OF CLAIM**

THE UNDERSIGNED CERTIFIES AS FOLLOWS:

- (a) That I am a Creditor of the Applicants /or the Director(s) or Officer(s) of the Applicants / I hold the position of _____ of the Creditor;
- (b) That I have knowledge of all the circumstances connected with the Claim described and set out below;
- (c) The Applicants and/or the Director(s) or Officer(s) of the Applicants was and still is indebted to the Creditor as follows:¹

Debtor	Pre-Filing Claim Amount	Restructuring Claim Amount	Secured, Priority Unsecured, or Unsecured	Value of Security, if any:
Hematite Holdings Inc.				
Hematite Manufacturing Inc. (including Pavaco Plastics Inc.)				
Hematite Industrial Products Inc.				

¹ Any Claims denominated in a foreign currency shall be converted to Canadian Dollars based on the Bank of Canada's daily average exchange rate for that currency against the Canadian Dollar on the Filing Date

Debtor	Pre-Filing Claim Amount	Restructuring Claim Amount	Secured, Priority Unsecured, or Unsecured	Value of Security, if any:
Canadian Pavaco Inc.				
Pavaco Holdings U.S. Inc.				
Hematite, Inc.				
Hematite Automotive Products Inc.				
Directors and Officers of the Applicants <hr/> <i>(insert name(s) above)</i>				

4. **PARTICULARS OF CLAIM:**

The particulars of the undersigned's Claims (including Pre-Filing Claims, Restructuring Claims and Director/Officer Claims) are attached.

(Provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. If a claim is made against any Directors or Officers, specify the applicable Directors or Officers and the legal basis for the Claim against them.)

5. **FILING OF CLAIM**

For Pre-Filing Claims and D&O Claims (other than D&O Restructuring Claims), this Proof of Claim must be returned to and received by the Monitor by **5:00 p.m. (Toronto Time) on the Pre-Filing Claims Bar Date (November 9, 2020)**.

For Restructuring Claims (including D&O Restructuring Claims), this Proof of Claim must be returned to and received by the Monitor by **5:00 p.m. (Toronto Time) on the later of the Pre-**

Filing Claims Bar Date and the date that is twenty one (21) Calendar Days after the Monitor sends a Claims Package with respect to a Restructuring Claim

In both cases, completed forms must be delivered by prepaid registered mail, courier, personal delivery, facsimile transmission or email at the address below to the Monitor at the following address:

KPMG Inc., Court-appointed Monitor of Hematite Group

Claims Process

333 Bay Street, Suite 4600

Bay Adelaide Centre

Toronto, ON M5H 2S5

Attention: Tim Montgomery

Telephone: 416-777-3798

Fax: 416-777-8818

Email: hematitegroup@kpmg.ca

DATED at _____ this _____ day of _____, 2020.

(signature of creditor or its authorized representative)

Name:

Title:

Capitalized terms that are not defined herein have the meanings ascribed thereto in the Claims Procedure Order.

SCHEDULE "D"

NOTICE OF REVISION OR DISALLOWANCE

SCHEDULE “D”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE COMPANIES’ CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF HEMATITE HOLDINGS INC., HEMATITE MANUFACTURING
INC., HEMATITE INDUSTRIAL PRODUCTS INC., CANADIAN PAVACO INC., PAVACO
HOLDINGS U.S. INC., HEMATITE, INC. AND HEMATITE AUTOMOTIVE PRODUCTS INC.**

(collectively, the “Applicants” or “Hematite Group”)

NOTICE OF REVISION OR DISALLOWANCE

TO: [insert name and address of creditor]

Capitalized terms not defined in this Notice of Revision or Disallowance have the meaning ascribed to them in the Claims Procedure Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of Hematite Group dated October 13, 2020 (the “**Claims Procedure Order**”).

Pursuant to the Claims Procedure Order, KPMG Inc. in its capacity as the court-appointed monitor of the Applicants (the “**Monitor**”) hereby gives you notice that it has reviewed your Proof of Claim and has revised or disallowed all or part of your Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Proven Claim will be as follows:

Name of Applicant and or any of their Directors and Officers, as applicable	Type of Claim per Proof of Claim	Amount of Claim per Proof of Claim	Type of Claim Allowed per this Notice of Revision or Disallowance	Amount of Claim Allowed per this Notice of Revision or Disallowance
[Insert: name of appropriate party]	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]	CAD \$	[Unsecured Claim / Unsecured Priority Claim / Secured Claim]	CAD \$

Reasons for Revision or Disallowance

SERVICE OF NOTICE OF DISPUTE

If you disagree with the amount of your Claim specified herein for voting and/or distribution purposes, you must deliver a Notice of Dispute to the Monitor in writing, no later than 5:00 p.m. (Eastern Time) on the day that is not later than **ten (10)** days after you have been deemed to have received the Notice of Revision or Disallowance under the Claims Procedure Order. The form of Notice of Dispute is enclosed.

If you do not deliver a Notice of Dispute, your Claim shall be deemed to be as set out in this Notice of Revision or Disallowance.

Notice of Dispute forms must be delivered by prepaid registered mail, courier, personal delivery, facsimile transmission or email at the address below to the Monitor at the following address:

KPMG Inc., Court-appointed Monitor of Hematite Group
Claims Process

333 Bay Street, Suite 4600
Bay Adelaide Centre
Toronto, ON M5H 2S5
Attention: Tim Montgomery

Telephone: 416-777-3798
Fax: 416-777-8818
Email: hematitegroup@kpmg.ca

IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED at _____ this _____ day of _____, 2020.

SCHEDULE "E"
NOTICE OF DISPUTE

SCHEDULE "E"

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF HEMATITE HOLDINGS INC., HEMATITE MANUFACTURING
INC., HEMATITE INDUSTRIAL PRODUCTS INC., CANADIAN PAVACO INC., PAVACO
HOLDINGS U.S. INC., HEMATITE, INC. AND HEMATITE AUTOMOTIVE PRODUCTS INC.**

(collectively, the "Applicants" or "Hematite Group")

NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE

1. PARTICULARS OF CREDITOR

(a) Full Legal Name of Creditor:

(b) Full Mailing Address of Creditor:

(c) Telephone Number of Creditor:

(d) Facsimile Number of Creditor:

(e) E-mail Address of Creditor:

(f) Attention (Contact Person):

2. PARTICULARS OF ORIGINAL CREDITOR FROM WHOM YOU ACQUIRED CLAIM, IF APPLICABLE:

(a) Have you acquired this Claim by assignment? Yes No
 (if yes, attach documents evidencing assignment)

(b) Full Legal Name of original creditor(s): _____

3. DISPUTE OF REVISION OR DISALLOWANCE OF CLAIM FOR VOTING AND/OR DISTRIBUTION PURPOSES:

Pursuant to the Claims Procedure Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of Hematite Group dated October 13, 2020 (the “**Claims Procedure Order**”), we hereby give you notice of our intention to dispute the Notice of Revision or Disallowance in respect of our Claim as set out in the following table:

Name of Applicant and or any of their Directors and Officers, as applicable	Type of Claim in Notice of Revision or Disallowance	Amount of Claim in Notice of Revision or Disallowance	Type of Claim Asserted per this Notice of Dispute	Amount of Claim Asserted per this Notice of Dispute

[Insert: name of appropriate party]

[Unsecured Claim / Unsecured Priority Claim / Secured Claim]

[CAD \$]

[Unsecured Claim / Unsecured Priority Claim / Secured Claim]

[CAD \$]

4. REASONS FOR DISPUTE:

Dated at _____ this _____ day of _____, 202__.

(signature of creditor or its authorized representative)

Name:

Title:

Capitalized terms that are not defined herein have the meanings ascribed thereto in the Claims Procedure Order.

SCHEDULE "F"
TD EQUIPMENT LEASE AGREEMENTS

1. Master equipment lease no. T000000658 dated April 5, 2018 between Pavaco Plastics Inc. (now named Hematite Manufacturing Inc.), as lessee, and TD Equipment Finance Canada, a division of the Toronto-Dominion Bank, as lessor, and the schedules thereto (being Schedule No. 18003130 dated April 5, 2018, and Schedule No. 18003120 dated April 5, 2018).

2. Master equipment lease no. 23296 dated February 22, 2013 between Pavaco Products Inc. (now named Hematite Manufacturing Inc.), as lessee, and TD Equipment Finance Canada, a division of the Toronto-Dominion Bank, as lessor, and the schedules thereto (being Schedule No. 10 dated April 25, 2016, and Schedule No. 12 dated August 22, 2016 and Schedule No. 13 dated November 23, 2016).

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF HEMATITE HOLDINGS INC. ET AL.

Court File No: CV-20-00647824-00CL

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

Proceedings commenced at Toronto

CLAIMS PROCEDURE ORDER

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6
Fax: 416-868-0673

James Gage LSO#: 346761
Tel: 416-601-7539
Email: jgage@mccarthy.ca

Trevor Courtis LSO#: 67715A
Tel: 416-601-7643
Email: tcourtis@mccarthy.ca

Lawyers for the Applicants

DOC#: 20783419

EXHIBIT C

Meeting Order

Court File No. CV-20-00647824-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) WEDNESDAY, THE 18th
)
JUSTICE CONWAY) DAY OF NOVEMBER, 2020



IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HEMATITE HOLDINGS INC., HEMATITE MANUFACTURING INC.,
HEMATITE INDUSTRIAL PRODUCTS INC., CANADIAN PAVACO INC.,
PAVACO HOLDINGS U.S. INC., HEMATITE, INC. AND
HEMATITE AUTOMOTIVE PRODUCTS INC.

MEETING ORDER

THIS MOTION, made by Hematite Holdings Inc., Hematite Manufacturing Inc., Hematite Industrial Products Inc., Canadian Pavaco Inc., Pavaco Holdings U.S. Inc., Hematite, Inc. and Hematite Automotive Products, Inc. (the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, among other things,

- (a) accepting the filing with the Court of the plan of compromise, arrangement and reorganization of the Applicants under the CCAA and the *Business Corporations Act* (Ontario) dated November 18, 2020 (the "**Plan**");
- (b) approving, pursuant to section 22 of the CCAA, the classification of creditors as set out in the Plan;
- (c) authorizing and directing the Applicants to call, hold and conduct a meeting of Affected Creditors (the "**Meeting**") to vote on the Plan;
- (d) authorizing and directing the mailing and distribution of certain meeting materials and other procedures to be followed to provide notice of the Meeting;

- (e) approving the procedures to be followed at the Meeting, including voting procedures;
- (f) setting a date for the hearing of the Applicants' motion for an order (the "**Sanction Order**") approving the Plan (the "**Sanction Hearing**");
- (g) extending the Stay Period (as defined in the Amended and Restated Initial Order dated September 28, 2020) until and including December 31, 2020; and
- (h) authorizing the Monitor to accept certain Late Claims and sealing the Liquidation Analysis (as each term is defined below);

was heard this day by way of judicial video conference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the affidavit of Jacques Nadeau sworn November 11, 2020 (the "**Nadeau Affidavit**"), the Third Report of KPMG Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") dated November 16, 2020 (the "**Third Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor and any such other counsel that were present as listed on the counsel slip, no other party appearing although duly served as appears from the affidavit of service, filed:

A. SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record of the Applicants and the Third Report is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

B. DEFINITIONS AND INTERPRETATION

2. **THIS COURT ORDERS** that capitalized terms used herein but not otherwise defined shall have the meanings given to them in the Plan.

3. **THIS COURT ORDERS** that all reference to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.

4. **THIS COURT ORDERS** that all references to the word “including” or “includes” shall mean “including without limitation” or “includes without limitation”, as the case may be.

5. **THIS COURT ORDERS** that, unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, and words importing any gender shall include all genders.

C. MONITOR’S ROLE

6. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order and the Claims Procedure Order, is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Order.

7. **THIS COURT ORDERS** that:

- (a) in carrying out the terms of this Order, the Monitor shall have all the protections given to it by the CCAA, the Initial Order and the Claims Procedure Order, and as an officer of the Court, including the stay of proceedings in its favour;
- (b) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Order, save and except for any gross negligence or willful misconduct on its part;
- (c) the Monitor shall be entitled to rely on the books and records of the Applicants and any information provided by the Applicants without independent investigation; and
- (d) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

D. CCAA PLAN FILING AND AMENDMENT

8. **THIS COURT ORDERS** that the Plan is hereby accepted for filing and the Applicants are authorized to contemporaneously file the Plan with this Order.

9. **THIS COURT ORDERS** that the Applicants may, with the consent of the Plan Sponsor, at any time and from time to time, prior to or during the Meeting (as defined below), amend, restate, modify and/or supplement the Plan (which will thereafter constitute the “Plan” for the purposes of this Order); provided that any such amendment, restatement, modification and/or supplement shall be made in accordance with the terms of the Plan and communicated in accordance with Paragraph 17 hereof.

E. CREDITOR CLASSIFICATION

10. **THIS COURT ORDERS** that, pursuant to section 22 of the CCAA, a single class of Affected Creditors in respect of the Plan is hereby approved.

F. AUTHORIZATION TO CALL AND HOLD MEETING

11. **THIS COURT ORDERS** that the Applicants are authorized and directed to call, hold and conduct a meeting of the Affected Creditors on December 11, 2020 at 11:00 a.m. (Toronto time), or as adjourned to such time as the Chair may determine in accordance with Paragraph 26 or 27 hereof, for the purpose of considering and voting on the resolution to approve the Plan. The Meeting shall take place by videoconference due to the COVID-19 pandemic. The conference details will be provided in the Notice of Meeting and Sanction Hearing (as defined below).

G. APPROVAL OF CERTAIN MEETING MATERIALS

12. **THIS COURT ORDERS** that each of the following is hereby approved:

- (a) the Applicants’ information statement substantially in the form attached to the Nadeau Affidavit as Exhibit “H” (which attaches the Plan as an exhibit) (the “**Information Statement**”);

- (b) the form of notice regarding the Meeting and Sanction Hearing substantially in the form attached to the Nadeau Affidavit as Exhibit “I” (the “**Notice of Meeting and Sanction Hearing**”); and
- (c) the form of proxy and Election Notice for Affected Creditors substantially in the form attached as Schedule “A” hereto,

(collectively, the “**Meeting Materials**”).

13. **THIS COURT ORDERS** that the Applicants, in consultation with the Monitor and with the consent of the Plan Sponsor, may from time to time:

- (a) make such changes to the documents in the Meeting Materials as the Applicants, in consultation with the Monitor and the Plan Sponsor, consider necessary or desirable, including but not limited to changes to conform the content thereof to the terms of the Plan (including any amendments, restatements, modifications or supplements thereto), this Order or any further Orders of the Court and any changes necessary or desirable with respect to the date, time, and method of the Meeting and the Sanction Hearing; and
- (b) prepare any supplements to the Information Statement as the Applicants, in consultation with the Monitor and the Plan Sponsor, consider necessary or desirable (each a “**Supplemental Information Statement**”).

H. NOTICE: POSTING, SERVICE AND PUBLICATION

14. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall cause a copy of the Meeting Materials and this Order to be posted on the website established by the Monitor in respect of these proceedings (the “**Monitor’s Website**”). The Monitor shall ensure that such materials remain posted on the Monitor’s Website until at least one (1) Business Day after the Plan Implementation Date.

15. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall send the Meeting Materials to:

- (a) all Affected Creditors with Affected Claims in respect of which a Proof of Claim has been filed in a proper and timely manner in accordance with the Claims Procedure Order and that is not barred pursuant to the Claims Procedure Order;
- (b) the parties listed on the Consolidated List Required Pursuant to Rule 1007(a)(4) of the Federal Rules of Bankruptcy Procedure filed on September 24, 2020 with the United States Bankruptcy Court for the District of Delaware;
- (c) the service list maintained by the Monitor in these CCAA Proceedings (the “**Service List**”); and
- (d) any Affected Creditor or holder of a D&O Claim who makes a written request to the Monitor for a copy of the Meeting Materials,

in each case by e-mail at the last known e-mail address for such Creditors set out in the books and records of the Applicants or as provided in relation to the Claims Procedure Order, or by regular mail, fax or courier if an e-mail address for such Creditors is not known (except that where such Creditors are represented by counsel known by the Debtors, the email address, mailing address or fax number of such counsel may be substituted) (collectively, the “**Meeting Materials Parties**”).

16. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall cause notice of the Meeting, substantially in the form of the Notice of Meeting and Sanction Hearing, amended or abridged as the Monitor deems reasonable in its discretion for the purposes of publication, to be published for a period of one (1) Business Day in *The Globe and Mail* (National Edition) and USA Today (National Edition).

17. **THIS COURT ORDERS** that, as soon as reasonably practicable after finalization of any Supplemental Information Statement and any amendments or supplements to the Meeting Materials in accordance with Paragraph 13 hereof and any amendments, restatements, modifications and/or supplements to the Plan in accordance with Paragraph 9 hereof, the Monitor shall:

- (a) cause such materials to be posted on the Monitor's Website (where the Monitor shall ensure that such materials remain posted until at least one (1) Business Day after the Plan Implementation Date); and
- (b) if made prior to the Meeting, send such materials to the Meeting Materials Parties or, if made at the Meeting, provide notice to those present at the Meeting prior to the vote being taken to approve the Plan.

18. **THIS COURT ORDERS** that the posting on the Monitor's Website, service of the Meeting Materials, and/or publication of notice in accordance with Paragraphs 14 to 17 above, shall constitute good and sufficient service and notice of this Order, the Plan and the Meeting on all Persons who may be entitled to receive notice thereof, or who may be entitled to be in attendance personally or by proxy at the Meeting or who may have an interest in these proceedings, and no other form of notice or service need be made on such Persons and no other document or material need be served on such Persons in respect of these proceedings. Service shall be effective: (i) in the case of mailing, three (3) Business Days after the date of mailing; (ii) in the case of service by courier, on the day after the courier was sent; and (iii) in the case of any other means of transmission or electronic communication, when dispatched or delivered for dispatch and in the case of service by fax or e-mail, on the day the fax or e-mail was transmitted, unless such day is not a Business Day, or the fax or e-mail transmission was made after 5:00 p.m., in which case, on the next Business Day.

19. **THIS COURT ORDERS** that the non-receipt of a copy of the Meeting Materials beyond the reasonable control of the Monitor, or any failure or omission to provide a copy of the Meeting Materials as a result of events beyond the reasonable control of the Monitor (including, any inability to use postal services) shall not constitute a breach of this Order, but if any such failure or omission is brought to the attention of the Monitor then the Monitor shall use reasonable efforts to rectify the failure or omission by the method and in the time most reasonably practicable in the circumstances.

I. RECORD DATE

20. **THIS COURT ORDERS** that the record date for the purposes of determining which Affected Creditors are entitled to vote at the Meeting (the “**Record Date**”) is December 4, 2020.

J. TRANSFER AND ASSIGNMENT OF CLAIMS

21. **THIS COURT ORDERS** that, subject to any restrictions contained in Applicable Laws or any contractual arrangements with the Applicants, an Affected Creditor may transfer or assign the whole of its Affected Claim prior to the Meeting. If, subject to any restrictions contained in Applicable Laws or any contractual arrangement with the Applicants, an Affected Creditor transfers or assigns the whole of an Affected Claim to another Person, such transferee or assignee shall not be entitled to attend and vote the transferred or assigned Affected Claim at the Meeting unless (a) the assigned Affected Claim is a Voting Claim (as defined below) or Unresolved Claim, or a combination thereof; and (b) satisfactory notice of and proof of transfer or assignment has been delivered to the Applicants and the Monitor in accordance with the Claims Procedure Order, where applicable, no later than the Record Date.

K. CONDUCT AT MEETING

22. **THIS COURT ORDERS** that the Meeting shall be conducted, and the Plan shall be voted upon and, if approved by the Required Majorities (defined below), ratified and given full force and effect, in accordance with the provisions of this Order, the Claims Procedure Order, the CCAA, the *Business Corporations Act* (Ontario) or such other business corporations legislation applicable to an Applicant, and any further order of this Court.

23. **THIS COURT ORDERS** that a representative of the Monitor, designated by the Monitor, shall preside as the chair (the “**Chair**”) of the Meeting and, subject to this Order and any further order of this Court, shall decide all matters relating to the conduct of the Meeting.

24. **THIS COURT ORDERS** that the quorum required at the Meeting is one (1) Affected Creditor with a Voting Claim that is in attendance at the Meeting personally or by proxy.

25. **THIS COURT ORDERS** that the Monitor may appoint scrutineers (the “**Scrutineers**”) for the supervision and tabulation of the attendance, quorum and votes cast at the Meeting and that a Person designated by the Monitor shall act as secretary at the Meeting (the “**Secretary**”).

26. **THIS COURT ORDERS** that if: (i) the requisite quorum is not in attendance at the Meeting; or (ii) the Meeting is postponed by the vote of Affected Creditors present personally or by proxy holding the majority in value of Voting Claims (as defined below) voted in respect of such matter, then in either case the Meeting shall be adjourned by the Chair to a date thereafter and to such time and place as may be appointed by the Chair.

27. **THIS COURT ORDERS** that the Meeting need not be convened in order to be adjourned and that the Chair shall be entitled to adjourn and further adjourn the Meeting provided that any such adjournment or adjournments shall be for a period of not more than thirty (30) days in total and, in the event of any such adjournment, the Applicants and Monitor shall not be required to deliver any notice of adjournment other than posting notice on the Monitor’s Website and notifying the Service List of the adjournment. Any Proxy (as defined below) validly delivered in connection with the Meeting shall be accepted as a Proxy in respect of any adjourned Meeting.

28. **THIS COURT ORDERS** that the only Persons entitled to notice of or to attend the Meeting are: (i) the Monitor and its counsel; (ii) those Persons, including the holders of Proxies, entitled to vote at Meeting pursuant to this Order and their legal counsel and advisors; (iii) the Applicants’ officers, legal counsel and advisors; (iv) the Chief Restructuring Officer; (v) the Plan Sponsor’s officers, legal counsel and advisors; and (vi) the Scrutineers and Secretary. Any other Person may be admitted to the Meeting on invitation of the Chair.

29. **THIS COURT ORDERS** that the Chair of the Meeting and the Monitor may rely on representations by attendees to confirm their identification.

L. VOTING PROCEDURE

30. **THIS COURT ORDERS** that, at the Meeting, the Chair shall direct a vote on a resolution to approve the Plan and any amendments thereto in accordance with the Plan, and may direct a vote with respect to any other resolutions as the Chair may consider appropriate, in consultation with the Applicants and in accordance with the Plan.

31. **THIS COURT ORDERS** that, only Affected Creditors holding Affected Claims that are Proven Claims or Unresolved Claims (and that are not Equity Claims) or their proxies shall be entitled to vote at the Meeting.

32. **THIS COURT ORDERS** that Unaffected Creditors and holders of Equity Claims are not entitled, in such capacity, to attend the Meeting or vote on the Plan.

33. **THIS COURT ORDERS** that each Affected Creditor as of the Record Date with an Affected Claim that is a Proven Claim is entitled to one vote in respect of such Affected Claim, which vote (each, a “**Voting Claim**”, and collectively the “**Voting Claims**”) shall have a value equal to the dollar value of such Affected Creditor’s Proven Claim determined in accordance with the Claims Procedure Order, provided that:

- (a) in the case of a Proven Claim that includes an Insured Claim, the vote shall have a value equal to the portion of the Proven Claim, if any, that is not an Insured Claim; and
- (b) in the case of a Proven Claim that includes a Tooling Claim, the vote shall have a value equal to the sum of (i) the portion of the Proven Claim, if any, that is not a Tooling Claim, and (ii) the Tooling Claim Amount as of the Record Date.

34. **THIS COURT ORDERS** that the vote on the resolution to approve the Plan shall be decided by approval of the Plan by a majority in number of the Affected Creditors holding Voting Claims representing at least two-thirds in value of the Voting Claims that are in attendance personally or by proxy and voting at the Meeting (the “**Required Majorities**”).

35. **THIS COURT ORDERS** that Affected Creditors with Unresolved Claims (or their proxies) may attend and vote at the Meeting and will have their voting intentions with respect

to the Unresolved Claims separately recorded by the Monitor and reported to this Court. For purposes of such vote, each Affected Creditor with an Unresolved Claim is entitled to one vote, which vote shall have the value accepted by the Monitor, if any, for voting purposes only in respect of the Unresolved Claim. The voting of such claim at the Meeting and the valuation of it for voting purposes is without prejudice to the rights of the Applicants and Monitor, and the holder of the Unresolved Claim, with respect to the resolution of the Claim for distribution purposes. Votes by Affected Creditors with Unresolved Claims in respect of such Unresolved Claims will not be considered in the calculation of the Required Majorities; however, if approval or non-approval of the Plan by the Affected Creditors would be determined by the votes cast in respect of Unresolved Claims, the Applicants and the Monitor, in consultation with the Plan Sponsor and on notice to the Service List, will request this Court's directions and, if necessary, a deferral of the Sanction Hearing (as defined below) and expedited determination of any material Unresolved Claims, as appropriate.

36. **THIS COURT ORDERS** that, following the vote at the Meeting, the Monitor will tally the votes in the manner set out herein and determine whether the Plan has been accepted by the Required Majorities.

37. **THIS COURT ORDERS** that the result of any vote at the Meeting shall be binding on all Affected Creditors, whether or not any such Affected Creditor is present at the Meeting or voted on the resolution to approve the Plan.

38. **THIS COURT ORDERS** that every question submitted to be decided at the Meeting, except to approve the resolution to approve the Plan, will be decided by a vote of a majority in value of the Voting Claims held by Affected Creditors in attendance personally or by proxy at such Meeting and cast in respect of such question.

M. VOTING BY PROXY

39. **THIS COURT ORDERS** that the Monitor, in consultation with the Applicants, is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any form of proxy is completed and executed and is hereby authorized to accept and rely upon proxies substantially in the form attached hereto or such other form as is acceptable to the Monitor, in consultation with the Applicants (in each case, a "**Proxy**").

40. **THIS COURT ORDERS** that any Proxy must be received by the Monitor by no later than 5:00 p.m. on the date that is three (3) Business Days prior to the Meeting (or any adjournment thereof), provided that the Monitor may waive strict compliance with the time limits imposed for receipt of a Proxy if deemed advisable to do so by the Monitor, in consultation with the Applicants.

41. **THIS COURT ORDERS** that, for purposes of tabulating the votes cast on any matter voted upon at the Meeting, the Chair is entitled to rely on any vote cast by a holder of a Proxy that has been duly submitted to the Monitor in accordance with this Order, without independent investigation.

42. **THIS COURT ORDERS** that, if a duly signed and returned Proxy does not provide an instruction to vote for or against the approval of the resolution on the Plan, the Proxy will be deemed to include an instruction to vote for the approval of the resolution and the Plan, provided that the Proxy holder does not otherwise exercise its right to vote at the Meeting.

43. **THIS COURT ORDERS** that a Creditor with a Voting Claim who is not an individual may only attend and vote at the Meeting if it has appointed a proxyholder to attend and act on its behalf at the Meeting.

N. CONVENIENCE CREDITORS

44. **THIS COURT ORDERS** that, in respect of Convenience Creditors who will receive, subject to the terms and implementation of the Plan, payment in an amount equal to the lesser of the Election Amount and the actual amount of their Proven Claims,

- (a) in order for an Affected Creditor with Proven Claims exceeding the Election Amount to elect to receive the Election Amount as a Convenience Creditor in full satisfaction of such Proven Claims, such Affected Creditor is required to indicate such election in the Election Notice section of its Proxy, which Proxy must be submitted pursuant to the terms of this Order; and
- (b) an Affected Creditor with Proven Claims not exceeding the Election Amount shall not be permitted or required to make an election in the Election Notice section of its Proxy and shall receive an amount equal to the actual amount of such Proven Claim

as a Convenience Creditor in full satisfaction of such Proven Claims and any election in the Election Notice section of the Proxy submitted by such Convenience Creditors shall be deemed null and void.

45. **THIS COURT ORDERS** that each Convenience Creditor with a Voting Claim shall be deemed to vote in favour of the Plan unless such Convenience Creditor has notified the Monitor in writing of its intention to vote against the Plan prior to the Meeting of Affected Creditors and does vote against the Plan at such Meeting either personally or by proxy. The value of a Convenience Creditor's Affected Claim for voting purposes is the actual amount of such Proven Claim (subject to paragraphs 33(a) and 33(b) to the extent applicable).

O. **MONITOR'S REPORT AND SANCTION HEARING**

46. **THIS COURT ORDERS** that the Monitor shall provide a report to this Court no later than three (3) Business Days following the Meeting (the "**Monitor's Report Regarding the Meeting**"), which shall be served on the Service List and posted on the Monitor's Website as soon as practicable after it is filed with this Court, with respect to:

- (a) the results of the voting at the Meeting on the resolution to approve the Plan;
- (b) whether the Required Majorities have approved the Plan;
- (c) whether the votes cast in respect Unresolved Claims, if any, would affect the result of that vote; and
- (d) any other matter that the Monitor considers relevant.

47. **THIS COURT ORDERS** that, in the event that the Plan has been approved by the Required Majorities, the Applicants shall bring a motion before this Court on December 18, 2020 or such later date as is set by this Court for the Sanction Hearing upon motion by the Applicants seeking an order sanctioning the Plan.

48. **THIS COURT ORDERS** that the posting on the Monitor's Website, service of the Meeting Materials, and/or publication in accordance with Paragraphs 14 to 17 above, shall constitute good and sufficient service and notice of the Sanction Hearing on all Persons entitled to receive such service and no other form of notice or service need be made and no

other materials need be served in respect of the Sanction Hearing, except that the Applicants shall serve the Service List with the motion materials relating to the Sanction Hearing and any additional materials to be used in support thereof and the Monitor shall post and serve the Monitor's Report Regarding the Meeting in accordance with Paragraph 46 above.

49. **THIS COURT ORDERS** that any party who wishes to oppose the entry of the Sanction Order shall serve on the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the granting of the Sanction Order at least two (2) Business Days before the date set for the Sanction Hearing, or such shorter time as this Court, by order, may allow.

50. **THIS COURT ORDERS** that in the event that the Sanction Hearing is adjourned, only those Persons who have filed and served a Notice of Appearance in the Applicants' CCAA proceeding shall be served with notice of the adjourned date.

51. **THIS COURT ORDERS** that subject to any further order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Order, the terms, conditions and provisions of the Plan shall govern and be paramount, and any such provision of this Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

P. EXTENSION OF THE STAY PERIOD

52. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 15 of the Amended and Restated Initial Order dated September 28, 2020) be and is hereby extended until and including December 31, 2020.

Q. LATE CLAIMS AND SEALING

53. **THIS COURT ORDERS** that the Monitor is authorized, in its discretion, to accept the Proofs of Claim (as defined in the Claims Procedure Order) identified in the Third Report as having been received subsequent to the Pre-Filing Claims Bar Date (as defined in the Claims Procedure Order) (the "Late Claims"), which Late Claims shall be reviewed by the Monitor in accordance with the Claims Procedure Order for the purposes of determining whether such Late Claims are Proven Claims.

54. **THIS COURT ORDERS** that the Liquidation Analysis (as defined in the Third Report) prepared by the Monitor, a copy of which is attached as Confidential Appendix “1” to the Third Report, shall be and is hereby sealed, kept confidential, and shall not form part of the public record unless otherwise ordered by the Court.

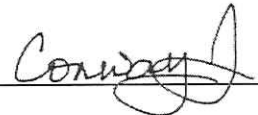
R. GENERAL

55. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Order or for advise and directions concerning the discharge of their respective powers and duties under this Order or the interpretation or application of this Order.

56. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

57. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date that it is made, and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or a motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original signing, entry and filing when the Court returns to regular operations.

58. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, or abroad, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to Hematite Holdings Inc. to obtain recognition of this Order in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

A handwritten signature in cursive script, appearing to read "Conway", is written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

NOV 19 2020

PER / PAR A handwritten signature in cursive script, appearing to read "Q", is written over the text "PER / PAR".

Schedule "A" – Form of Proxy

**IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HEMATITE HOLDINGS INC., HEMATITE MANUFACTURING INC.,
HEMATITE INDUSTRIAL PRODUCTS INC., CANADIAN PAVACO INC.,
PAVACO HOLDINGS U.S. INC., HEMATITE, INC. AND
HEMATITE AUTOMOTIVE PRODUCTS INC.**

PROXY AND ELECTION NOTICE

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the plan of compromise, arrangement and restructuring (as may be amended, restated or supplemented from time to time, the "Plan") of Hematite Holdings Inc., Hematite Manufacturing Inc., Hematite Industrial Products Inc., Canadian Pavaco Inc., Pavaco Holdings U.S. Inc., Hematite, Inc. and Hematite Automotive Products, Inc. (the "Applicants") pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA") and filed with the Ontario Superior Court of Justice (Commercial List) (the "Court") pursuant to the Order of the Court dated November 18, 2020 in respect of the meeting of Affected Creditors (the "Meeting Order").

VOTING BY PROXY

This proxy may only be filed by Affected Creditors with Voting Claims (each, an "Eligible Voting Creditor"). Any such Affected Creditor who is not an individual may only attend and vote at the Meeting if a proxyholder has been appointed to act on its behalf at such meeting.

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all proxies previously given and nominates, constitutes, and appoints:

Ms. Katherine Forbes of KPMG Inc., in its capacity as Monitor of the Applicants, or a person designated by her

or, instead of the foregoing, _____, or such other Person as he/she, in his/her sole discretion, may designate to attend on behalf of and act for the Eligible Voting Creditor at the Meeting of the Affected Creditors to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling of such Meeting, and to vote the amount of the Eligible Voting Creditor's claim(s) for voting purposes as determined by and accepted for voting purposes in accordance with the Meeting Order and the Claims Procedure Order as follows:

To be completed by an Eligible Voting Creditor:

1. (mark one only):

Vote **FOR** approval of the Plan; or

Vote **AGAINST** approval of the Plan.

If this proxy is submitted and a box is not marked as a vote for or against approval of the Plan, this proxy shall be voted **FOR** approval of the Plan unless the Eligible Voting Creditor or their Proxyholder (provided the Proxyholder is a Person other than a representative of the Monitor) otherwise exercises their right to vote at the Meeting.

- and -

2. Vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the Meeting of the Affected Creditors or any adjournment, postponement or other rescheduling of such Meeting.

CONVENIENCE CREDITOR ELECTION

This Election may be completed by Affected Creditors with Proven Claims exceeding an aggregate of \$10,000 (the "**Election Amount**"):

Election to receive the Election Amount in respect of such Proven Claims

Pursuant to the Plan and the Meeting Order, Affected Creditors with Proven Claims not exceeding an aggregate of the Election Amount will receive the actual amount of such Proven Claims pursuant to the Plan and are not entitled to make the election above (such Creditors, together with Affected Creditors with Affected Claims exceeding an aggregate of the Election Amount who duly make the above Election in accordance with the Plan and the Meeting Order, a "**Convenience Creditor**").

Pursuant to the Meeting Order, any Convenience Creditor with a Voting Claim shall be deemed to vote in favour of the Plan unless such Convenience Creditor has notified the Monitor in writing of its intention to vote against the Plan prior to the Meeting of Affected Creditors and does vote against the Plan at such Meeting either personally or by proxy.

If this Proxy is submitted by an Affected Creditor whose Affected Claims that are Proven Claims exceed an aggregate of the Election Amount and the above box is not marked, such Affected Creditor will be deemed to have not filed an Election Notice.

Notwithstanding any elections made pursuant to this Proxy, any and all distributions in respect of Affected Claims shall be made subject to the terms (including, without limitation, any adjustments required pursuant to the Plan) and implementation of the Plan.

Any Proxy must be received by the Monitor by no later than 5:00 p.m. on the date that is three (3) Business Days prior to the date of the Meeting (or any adjournment thereof), provided that the Monitor may waive strict compliance with the time limits imposed for receipt of a Proxy if deemed advisable to do so by the Monitor, in consultation with the Applicants. Proxies may be sent to the Monitor by email or, only where it is not possible for the Proxy to be sent by email, by fax or mail to the following email address/fax number/address:

KPMG Inc.
Court-appointed Monitor of the Applicants
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5
Attention: Katherine Forbes
Email: hematitegroup@kpmg.ca
Fax: 416-777-8818
Tel: 416-777-3978

[Remainder of page intentionally left blank]

Dated this _____ day of _____, 2020.

Print Name of Eligible Voting Creditor

Title of the authorized signing officer of the corporation, partnership or trust, if applicable

Signature of Eligible Voting Creditor or, if the Eligible Voting Creditor is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

Telephone Number of Eligible Voting Creditor or authorized signing officer

Mailing Address of Eligible Voting Creditor

E-mail Address of Eligible Voting Creditor

Print Name of Witness, if Eligible Voting Creditor is an individual

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF HEMATITE HOLDINGS INC. ET AL

Court File No. CV-20-00647824-00CL

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

Proceeding Commenced at Toronto

MEETING ORDER

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Lawyers for the Applicants

MT DOCS 20849806

EXHIBIT D

CCAA Plan

Court File No. CV-20-00647824-00CL

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36, AS AMENDED***

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HEMATITE HOLDINGS INC., HEMATITE MANUFACTURING INC.,
HEMATITE INDUSTRIAL PRODUCTS INC., CANADIAN PAVACO INC.,
PAVACO HOLDINGS U.S. INC., HEMATITE, INC. AND
HEMATITE AUTOMOTIVE PRODUCTS INC.**

Applicants

PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION

November 18, 2020

TABLE OF CONTENTS

	Page
ARTICLE 1 INTERPRETATION.....	1
1.1 Definitions.....	1
1.2 Certain Rules of Interpretation.....	8
1.3 Successors and Assigns.....	10
1.4 Governing Law and Jurisdiction.....	10
1.5 Schedules	10
ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN.....	10
2.1 Purpose.....	10
2.2 Affected Claims and Released Claims.....	11
2.3 Unaffected Claims	11
2.4 Equity Claims.....	12
ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS.....	13
3.1 Claims Procedure	13
3.2 Classification of Creditors	13
3.3 Meeting of Affected Creditors	13
3.4 Treatment of Affected Claims	13
3.5 Unaffected Claims	14
3.6 Insured Claims	14
3.7 Tooling Claims.....	14
3.8 Unresolved Claims.....	15
3.9 Extinguishment of Claims.....	15
3.10 Guarantees and Similar Covenants	15
3.11 Set-Off.....	15
ARTICLE 4 RESTRUCTURING STEPS AND REORGANIZATION.....	15
4.1 Articles of Reorganization	15
4.2 Restructuring Steps	16
4.3 Stated Capital	17
4.4 Corporate Approvals.....	17
ARTICLE 5 CASH POOL AND UNRESOLVED CLAIMS RESERVE AND ADMINISTRATION RESERVE.....	17
5.1 Creditor Distribution Pool.....	17
5.2 Unresolved Claims Reserve and Administration Reserve	17

ARTICLE 6 PROVISIONS REGARDING DISTRIBUTIONS, PAYMENTS AND CURRENCY	18
6.1 Distributions Generally	18
6.2 Payments of Certain Unaffected Claims	18
6.3 Distribution Mechanics for Affected Claims	19
6.4 Distributions in Respect of Unresolved Claims	19
6.5 Allocation of Distributions	20
6.6 Treatment of Unclaimed Distributions	20
6.7 Withholding Rights	20
6.8 Cancellation of Certificates and Notes, etc.	21
6.9 Calculations	21
6.10 Currency Matters	21
ARTICLE 7 RELEASES	21
7.1 Plan Releases	21
7.2 Injunctions	22
ARTICLE 8 COURT SANCTION	22
8.1 Application for Sanction Order	22
8.2 Sanction Order	22
ARTICLE 9 PLAN CONDITIONS PRECEDENT AND IMPLEMENTATION	25
9.1 Conditions Precedent to Plan Implementation	25
9.2 Hematite Group’s Certificate – Plan Implementation	26
9.3 Monitor’s Certificate – Plan Implementation	26
ARTICLE 10 GENERAL	27
10.1 Binding Effect	27
10.2 Deeming Provisions	28
10.3 Modification of the Plan	28
10.4 Paramountcy	29
10.5 Severability of Plan Provisions	29
10.6 Protections of the Monitor	29
10.7 Plan Sponsor	29
10.8 Different Capacities	30
10.9 Notices	30
10.10 Further Assurances	32
10.11 Language	32
10.12 Acts to Occur on Next Business Day	32
10.13 Non-Consummation of the Plan	32

**PLAN OF COMPROMISE, ARRANGEMENT
AND REORGANIZATION**

This is the plan of compromise, arrangement and reorganization of the Hematite Group pursuant to the CCAA and OBCA.

ARTICLE 1
INTERPRETATION

1.1 **Definitions**

In the Plan:

“**Administration Reserve**” is defined in Section 5.2.

“**Affected Claim**” means any Claim that is not an Unaffected Claim and includes, for greater certainty, a Tooling Claim, a Restructuring Claim and an Equity Claim.

“**Affected Creditor**” means a Creditor with an Affected Claim.

“**Applicable Law**” means:

- (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, as well as the common law; and
- (ii) any applicable and enforceable rule, regulation, requirement, order, judgment, injunction, award or decree of a Governmental Authority.

“**Articles of Reorganization**” means, as applicable to each of Hematite Holdings and Hematite Industrial:

- (i) the articles of reorganization of Hematite Holdings attached as Schedule A; and
- (ii) the articles of reorganization of Hematite Industrial attached as Schedule B.

“**Assigned TD Loans**” means the loans and other indebtedness assigned to the DIP Lender pursuant to the assignment and assumption agreement dated September 21, 2020 between The Toronto-Dominion Bank, the DIP Lender and certain members of the Hematite Group, among others;

“**Available Cash**” means the aggregate of Cash on Hand and the Plan Funding Amount.

“**BDC**” means BDC Capital Inc.

“**BDC A&R Loan Agreement**” means an amended and restated loan agreement between BDC (as lender), Hematite Manufacturing (as borrower) and certain others, in form and content satisfactory to each, providing for the restructuring of the existing loan by BDC to Hematite Manufacturing on terms consistent with the term sheet attached to the letter agreement between BDC, Hematite Manufacturing and certain others dated September 17, 2020.

“**Business Day**” means a day other than a Saturday, Sunday, statutory or civic holiday in Toronto, Ontario.

“**Cash on Hand**” means the cash on hand of the Hematite Group immediately prior to the Effective Time which, for greater certainty, does not include the Plan Funding Amount.

“**CCAA**” means the *Companies’ Creditors Arrangement Act* (Canada).

“**CCAA Charges**” means all court-ordered charges created by the Initial Order or any subsequent order in the CCAA Proceedings.

“**CCAA Priority Payment Claims**” means claims for amounts required to be paid by sections 6(3), (5) and (6) of the CCAA.

“**CCAA Proceedings**” means the proceedings under the CCAA in respect of the Hematite Group, commenced by the Initial Order.

“**Certificate of Amendment**” means, in the case of the Articles of Reorganization of each of Hematite Holdings and Hematite Industrial, the certificate of amendment to be issued under section 186 of the OBCA in respect of the Articles of Reorganization.

“**Chapter 15 Proceedings**” means the proceedings commenced by the Hematite Group on September 22, 2020 pursuant to Chapter 15 of the U.S. Bankruptcy Code.

“**Claim**” means:

- (i) any right or claim of any Person that may be asserted or made in whole or in part against any member of the Hematite Group, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever and any interest accrued thereon and costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise) and, whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, surety, insurance deductible 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 to be commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Filing Date or relates to a time period prior to the Filing Date, and includes any other claims that would have been claims provable in bankruptcy had such member of the

Hematite Group become bankrupt on the Filing Date and also includes an Equity Claim and a Secured Claim, and

(ii) any Restructuring Claim,

provided, however, that “Claim” does not include any investigation, action, suit, order or proceeding in respect of any member of the Hematite Group by or before a regulatory body (as defined in the CCAA), unless such investigation, action, suit, order or proceeding constitutes a “claim” within the meaning of the CCAA.

“**Claims Procedure Order**” means the claims procedure order of the Court made on October 13, 2020 and any supplemental claims procedure order made in respect of the process governing the proof of claims, in each case as amended from time to time.

“**Convenience Creditor**” is defined in Section 3.4(2)(a).

“**Court**” means the Ontario Superior Court of Justice (Commercial List).

“**Creditor**” means a Person having a Claim and includes the transferee or assignee of a transferred Claim that is recognized as a Creditor by the Monitor in accordance with the Claims Procedure Order, or a trustee, liquidator, receiver, receiver and manager or other Person acting on behalf of such Person.

“**Creditor Distribution Pool**” means \$5.5 million to fund distributions to Affected Creditors with Proven Claims as provided in the Plan, which amount includes the amount to be held in the Unresolved Claims Reserve but does not include the amount to be held in the Administration Reserve.

“**CRO**” means Mr. Blair Davidson.

“**Customers**” means Toyota Motor Engineering & Manufacturing North America, Inc., FCA US LLC, Ford Motor Company and their respective subsidiaries and affiliates.

“**D&O Claim**” is defined in the Claims Procedure Order.

“**DIP Lender**” means Woodbridge Foam Corporation.

“**DIP Loan**” means the loan provided by the DIP Lender to the Hematite Group pursuant to the revolving DIP loan agreement dated as of September 17, 2020, as amended from time to time.

“**Director**” means any Person who, as at the Effective Time, is a former or present director or officer of any member of the Hematite Group or any other Person of a similar position or who by Applicable Law is deemed to be or is treated similarly to a director or officer of a member of the Hematite Group or who currently manages or supervises the management of the business and affairs of a member of the Hematite Group or did so in the past.

“**Distribution Date**” means a Business Day upon which distributions are made by the Hematite Group to Affected Creditors in accordance with the provisions of the Plan.

“**Distribution Record Date**” means the date that is seven (7) Business Days prior to the Plan Implementation Date.

“**Effective Time**” means such time on the Plan Implementation Date as the Hematite Group and the Plan Sponsor may determine.

“**Election Amount**” means \$10,000.

“**Election Notice**” means a duly and timely filed election in the form contemplated by the Meeting Order pursuant to which an Affected Creditor with Proven Claims exceeding in aggregate the Election Amount elects to receive, subject to the terms and implementation of the Plan, payment of the Election Amount as a Convenience Creditor in full satisfaction of such Proven Claims pursuant to Section 3.4(2)(a).

“**Employees**” means all individuals currently or formerly employed by a member of the Hematite Group immediately prior to the Effective Time, whether on a full-time, part-time, salaried, hourly, unionized or non-unionized basis, including current employees on long-term disability or any other leave of absence, but which term, for greater certainty, does not include contractors.

“**Encumbrance**” means any mortgage, charge, pledge, lien (statutory or otherwise), hypothec, security interest (whether contractual, statutory or otherwise), encumbrance, statutory or possessory lien, trust or deemed trust (whether contractual, statutory or otherwise), execution, levy, charge, interest in property, or other financial or monetary claim or lease of personal property that creates a security interest, in respect of any assets that the Hematite Group owns or to which the Hematite Group is entitled or that secures payment or performance of an obligation, or similar charge of any kind.

“**Equity Claim**” means a Claim that constitutes an “equity claim” as that term is defined in section 2 of the CCAA, excluding any Claim by a member of the Hematite Group against another member of the Hematite Group.

“**Existing Agreement**” is defined in Section 8.2(m);

“**Existing Shares**” means, in the case of each of Hematite Holdings and Hematite Industrial, the common shares and any other shares or similar securities in its capital immediately prior to the Plan Implementation Date.

“**Filing Date**” means September 18, 2020.

“**Governmental Authority**” means any domestic or foreign legislative, executive, judicial or administrative body or Person having jurisdiction in the relevant circumstances.

“**Hematite Group**” means the Applicants in the CCAA Proceedings.

“**Hematite Holdings**” means Hematite Holdings Inc.

“**Hematite Industrial**” means Hematite Industrial Products Inc.

“**Hematite Manufacturing**” means Hematite Manufacturing Inc.

“**Initial Distribution Date**” means the first Distribution Date determined by the Hematite Group, which will be as soon as practicable following the Plan Implementation Date.

“**Initial Order**” means the order obtained from the Court upon application by the Hematite Group on the Filing Date commencing the CCAA Proceedings, as amended and/or amended and restated from time to time.

“**Insured Claims**” is defined in Section 2.3(j).

“**Meeting**” means the meeting of Affected Creditors to consider and vote on the Plan held pursuant to the Meeting Order.

“**Meeting Order**” means the order directing the calling and holding of the Meeting of Affected Creditors to consider and vote on the Plan, as amended from time to time, in form and content satisfactory to the Hematite Group and the Plan Sponsor.

“**Monitor**” means KPMG Inc., in its capacity as the monitor appointed pursuant to the Initial Order, and any successor thereto appointed in accordance with any further order of the Court.

“**New Common Shares**” means, in the case of each of Hematite Holdings and Hematite Industrial, the new common shares contemplated by its Articles of Reorganization and created upon the issuance of the related Certificate of Amendment.

“**New Redeemable Shares**” means, in the case of each of Hematite Holdings and Hematite Industrial, the new redeemable shares to be issued in exchange for the Existing Shares, in accordance with and as contemplated by its Articles of Reorganization and upon the issuance of the related Certificate of Amendment.

“**Non-Released Claims**” means, collectively: (i) the right to enforce against the Hematite Group its obligations under the Plan; (ii) the right to enforce the Unaffected Claims against the Hematite Group; (iii) solely as against a Director in his or her capacity as such, any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA; (iv) any claim against a Released Party, based on facts not known by the claimant prior to the Effective Time nor reasonably capable of being known prior to the Effective Time, if the Released Party is determined by a final order of a court of competent jurisdiction to have committed fraud; (v) any claim against the Hematite Group for the purchase or supply of goods or services delivered after the Filing Date; and (vi) the right to enforce against the Hematite Group any agreement in force on the Plan Implementation Date that was entered into by the Hematite Group between the filing of the Plan and the Plan Implementation Date, or, subject to the terms of the Sanction Order contemplated by Section 8.2(m) of the Plan, that was entered into prior to the Filing Date and not disclaimed during the CCAA Proceedings pursuant to the applicable paragraph of the Initial Order and related provision of the CCAA.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**Order**” means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Authority.

“**Person**” means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity.

“**Plan**” means this plan of compromise, arrangement and reorganization of the Hematite Group pursuant to the CCAA and OBCA, including all Schedules.

“**Plan Funding Amount**” means the amount needed by the Hematite Group, in excess of the Cash on Hand at the Effective Time, to fund the Creditor Distribution Pool (including the Unresolved Claims Reserve) in accordance with Article 5, to fund the Administration Reserve, to pay all amounts set out in Section 6.2 to the extent they are not already paid prior to the Effective Time, to make any other payments to be made by the Hematite Group pursuant to or as otherwise contemplated by the Plan, and to leave the Hematite Group with a sufficient amount of cash for working capital purposes immediately after the Effective Time as determined by the Hematite Group and the Plan Sponsor in accordance with the Plan Sponsor Agreement.

“**Plan Implementation Conditions**” is defined in Section 9.1.

“**Plan Implementation Date**” means the date of the Certificate of Amendment.

“**Plan Sponsor**” means Woodbridge Foam Corporation.

“**Plan Sponsor Agreement**” means the plan sponsor agreement between the Hematite Group and the Plan Sponsor made as of September 17, 2020, as amended from time to time.

“**Proof of Claim**” means a proof of claim filed in accordance with the Claims Procedure Order.

“**Proven Claim**” means a Claim (or the portion thereof) that has been finally determined: (i) in the case of an Affected Claim, for voting and distribution purposes; and (ii) in the case of any Unaffected Claim, for the purposes of any payment or performance thereof contemplated by the Plan, in each case in accordance with the Claims Procedure Order or any other Order of the Court.

“**Released Parties**” is defined in Section 7.1.

“**Released Claims**” means any and all demands, claims (including claims for contribution or indemnity), actions, causes of action, counterclaims, suits, debts, sums of money, liabilities, accounts, covenants, damages, judgments, orders (including orders for injunctive relief or specific performance and compliance orders), expenses, executions, encumbrances and recoveries on account of any liability, obligation, demand or cause of action of whatever nature (including for, in respect of or arising out of environmental matters, pensions or post-employment benefits or alleged oppression, misrepresentation, wrongful conduct, fraud or breach of fiduciary duty by any member of the Hematite Group or its Representatives) that any Creditor or other Person has or may be entitled to assert, whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under

statute, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence existing or taking place at or prior to the Effective Time, or such later time as actions are taken to implement the Plan and the Transaction, that in any way relate to or arise out of or in connection with (i) any Claims, including Claims that are enumerated in section 19(2) of the CCAA and that are compromised under the Plan in accordance with such section as a consequence of the applicable Creditor's vote in favour of or other form of consent to the Plan; (ii) the assets, obligations, business or affairs of each of the members of the Hematite Group; (iii) the CCAA Proceedings or any matter or transaction involving any of the members of the Hematite Group occurring in or in connection with the CCAA Proceedings (including the Plan, the Plan Sponsor Agreement, the Transaction and the development of each); or (iv) any D&O Claims, including Affected Claims and D&O Claims but excluding Non-Released Claims.

“Representatives” means, in relation to a Person, such Person's current and former directors, officers, partners, employees, consultants, legal counsel, actuaries, advisers and agents, including their respective heirs, executors, administrators and other legal representatives, successors and assigns, and each of their respective employees and partners.

“Restructuring Claim” means any right of any Person against any member of the Hematite Group in connection with any indebtedness, liability or obligation of any kind owed to such Person arising out of the disclaimer, restructuring, repudiation or termination after the Filing Date of any contract, lease, agreement or other arrangement, whether written or oral, including any such right of an employee arising as a result of the termination of employment of such employee on or after the Filing Date, provided that a “Restructuring Claim” does not include any Unaffected Claim.

“Restructuring Steps” is defined in Section 4.2.

“Sanction Order” means the order to be made under the CCAA and OBCA sanctioning the Plan, approving the Articles of Reorganization, and providing for the releases and other relief contemplated in the Plan, as such order may be amended from time to time, in form and content satisfactory to the Hematite Group and the Plan Sponsor.

“Schedules” is defined in Section 1.5.

“Secured Claims” means all Proven Claims of a Creditor to the extent that they are secured by a valid Encumbrance that is duly and properly registered or otherwise perfected in accordance with Applicable Law in the appropriate jurisdiction as of the Filing Date or thereafter to the extent permitted by the Initial Order or a further Order of the Court, to the extent of the value of such Encumbrance as at the Filing Date (having regard to the value of the assets subject to such Encumbrance and the priority of such Encumbrance) and which Claims are entitled to be proven as secured claims pursuant to the provisions of the CCAA.

“Subscription Agreement” means the subscription agreement between the Plan Sponsor, Hematite Holdings and Hematite Industrial, to be entered into prior to the Plan Implementation Date, providing for the subscription by the Plan Sponsor for New Common Shares of each of Hematite Holdings and Hematite Industrial, for an aggregate purchase price equal to the Plan

Funding Amount (to be allocated between Hematite Holdings and Hematite Industrial in the manner contemplated by the subscription agreement), in form and content satisfactory to the Plan Sponsor, Hematite Holdings and Hematite Industrial.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Tooling Claim**” means an Affected Claim or portion thereof that relates to the unpaid purchase price for tooling for a Customer ordered by and delivered to a member of the Hematite Group.

“**Tooling Claim Amount**” means, at the time it is being determined, the original amount of a Tooling Claim that is a Proven Claim, less all Tooling Payments in respect of the Tooling Claim, if any, made to the Affected Creditor up to such time and that were not taken into account in the determination of the original amount of the Tooling Claim.

“**Tooling Payment**” means a payment made by the Hematite Group after the Filing Date on account of a Tooling Claim, whether from a Tooling Receipt or otherwise (including the portion of any distribution in respect of an Affected Claim attributable to a Tooling Payment Amount, as contemplated by Section 3.7).

“**Tooling Receipt**” means a payment received by the Hematite Group from a Customer after the Filing Date for tooling that is the subject of a Tooling Claim.

“**Transaction**” means the restructuring of the obligations of the Hematite Group and the acquisition of Hematite Holdings and Hematite Industrial by the Plan Sponsor (and/or one or more of its affiliates) by way of the Plan, the Plan Sponsor Agreement and the CCAA Proceedings, and all transactions contemplated thereby or as conditions thereto.

“**Unaffected Claim**” is a Claim identified in Section 2.3.

“**Unaffected Creditor**” means a Creditor with an Unaffected Claim.

“**Uncashed Distribution**” is defined in Section 6.6(2).

“**Undeliverable Distribution**” is defined in Section 6.6(1).

“**Unresolved Claim**” means an Affected Claim (or the portion thereof) that at the relevant time is not a Proven Claim and is not barred pursuant to the Claims Procedure Order, but in respect of which a Proof of Claim has been filed in a proper and timely manner in accordance with the Claims Procedure Order.

“**Unresolved Claims Reserve**” is defined in Section 5.2.

1.2 Certain Rules of Interpretation

For the purposes of the Plan:

- (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and

conditions means that such document will be substantially in such form or substantially on such terms and conditions;

- (b) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified or supplemented;
- (c) unless otherwise specified, all references to currency are in Canadian dollars;
- (d) the division of the Plan into “Articles” and “Sections” and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of “Articles” and “Sections” intended as complete or accurate descriptions of the content thereof;
- (e) the use of words in the singular or plural, or with a particular gender, including a definition, will not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (f) the words “includes” and “including” and similar terms of inclusion will not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather will mean “includes but is not limited to” and “including but not limited to”, so that references to included matters will be regarded as illustrative without being either characterizing or exhaustive;
- (g) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day means prior to 5:00 p.m. (Toronto time) on such Business Day;
- (h) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;
- (i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature or Governmental Authority includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (j) references to a specified “Article” or “Section” will, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of the Plan, whereas the terms “the Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions will be deemed

to refer generally to the Plan and not to any particular article, section or other portion of the Plan and includes any documents supplemental hereto; and

- (k) references to “Affected Creditor”, “Secured Creditor” or “Unaffected Creditor” refer to Creditors of the applicable member of the Hematite Group in such capacity.

1.3 **Successors and Assigns**

The Plan will be binding upon and enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and permitted assigns of any Person named or referred to in or subject to the Plan.

1.4 **Governing Law and Jurisdiction**

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions will be subject to the exclusive jurisdiction of the Court.

1.5 **Schedules**

The following are the Schedules to the Plan (the “**Schedules**”), which are incorporated by reference into the Plan and form a part of it:

- Schedule A – Articles of Reorganization of Hematite Holdings
- Schedule B – Articles of Reorganization of Hematite Industrial
- Schedule C – TD Lease Agreements

ARTICLE 2 **PURPOSE AND EFFECT OF THE PLAN**

2.1 **Purpose**

The purposes of the Plan are to:

- (a) complete a restructuring of the Hematite Group by implementing the Restructuring Steps and filing the Articles of Reorganization of each of Hematite Holdings and Hematite Industrial;
- (b) provide for the compromise of all Affected Claims by providing to holders of the relevant Affected Claims that are Proven Claims a distribution from the Creditor Distribution Pool;
- (c) effect a release and discharge of all Affected Claims and Released Claims;

- (d) implement the acquisition of Hematite Holdings and Hematite Industrial by the Plan Sponsor (and/or one or more of its affiliates); and
- (e) ensure the Hematite Group continues to operate as a going concern,

in the expectation that Affected Creditors generally will derive a greater benefit from implementation of the Plan than they would derive from a bankruptcy or liquidation of the Hematite Group.

2.2 Affected Claims and Released Claims

The Plan provides for a compromise with Affected Creditors and a full, final and irrevocable release and discharge of the Affected Claims and the Released Claims. The Plan will become effective at the Effective Time in accordance with its terms and will be binding on and enure to the benefit of the Hematite Group, the Affected Creditors, the Released Parties, the Plan Sponsor and all other Persons named or referred to in, or subject to, the Plan.

2.3 Unaffected Claims

Subject to the express provisions hereof providing for the payment or restructuring by separate arrangement of certain Unaffected Claims and the treatment of Insured Claims and Tooling Claims, the Plan does not compromise the following (collectively, the “**Unaffected Claims**”):

- (a) Claims secured by the CCAA Charges;
- (b) Claims that are accepted as or determined to be Secured Claims pursuant to the Claims Procedure Order;
- (c) CCAA Priority Payment Claims;
- (d) Claims of a member of the Hematite Group against another member of the Hematite Group;
- (e) any Claim pursuant to, or related to, the master lease agreements, as amended, supplemented or otherwise modified from time to time, between Hematite Manufacturing and TD Equipment Finance Canada, a division of The Toronto-Dominion Bank, listed in Schedule C hereto;
- (f) any Claim by Woodbridge Foam Corporation or its affiliates against any member of the Hematite Group, including a Claim for or related to:
 - (i) the Assigned TD Loans;
 - (ii) the Plan Sponsor Agreement;
 - (iii) the DIP Loan; and
 - (iv) the services agreement between Woodbridge Foam Corporation and the Hematite Group dated September 18, 2020;

- (g) any Claim pursuant to, or related to, the letter of offer of financing no. 076542-03 dated December 21, 2017, as amended, supplemented and otherwise modified from time to time, between BDC, Hematite Manufacturing and certain others;
- (h) any Claim by a Customer in relation to any warranty, recall, product liability or other obligation of a member of the Hematite Group to such Customer pursuant to the purchase agreements, purchase orders, and/or other contracts set out in the arrangements entered into between such Customer, Hematite Holdings and Woodbridge Foam Corporation;
- (i) Claims of Employees and Directors that are unrelated to the cessation of employment for all amounts owing to them in their capacity as such by statute or otherwise for or in connection with accrued salary, accrued wages, accrued bonuses, fees and expenses, reimbursement obligations, accrued vacation leave and accrued vacation pay;
- (j) subject to and solely as provided in Section 3.6, that portion of a Claim arising from a cause of action for which the Hematite Group is covered by insurance, only to the extent of such coverage and limited to the actual recovery received from the applicable insurer(s) by the Hematite Group (“**Insured Claims**”);
- (k) subject to and solely as provided in Section 3.7, Tooling Claims but only to the extent of Tooling Payments, if any, made after the Distribution Record Date;
- (l) Claims by any Director under any directors’ or officers’ indemnity policy or agreement with the Hematite Group to the extent not otherwise covered by the CCAA Charges; and
- (m) Claims by the Monitor, counsel to the Monitor, the CRO, or counsel to the Hematite Group.

Nothing in the Plan will affect the Hematite Group’s rights and defences, both legal and equitable, with respect to any Unaffected Claims including all rights or entitlements to set-offs or recoupments against such Unaffected Claims.

2.4 **Equity Claims**

At the Effective Time, the Plan will be binding on all holders of Equity Claims. Holders of Equity Claims will not receive a distribution or other consideration under the Plan and will not be entitled to vote on the Plan in respect of their Equity Claims. On the Plan Implementation Date all Equity Claims will be fully, finally, irrevocably and forever compromised, released, discharged and barred without any compensation of any kind whatsoever.

ARTICLE 3**CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS****3.1 Claims Procedure**

The procedure for determining the validity and quantum of the Affected Claims for the purposes of the Plan will be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court. For the avoidance of doubt, the Claims Procedure Order will remain in full force and effect from and after the Plan Implementation Date.

3.2 Classification of Creditors

In accordance with the Meeting Order, Affected Creditors will form a single class for the purposes of considering and voting on the Plan.

3.3 Meeting of Affected Creditors

The Meeting will be held in accordance with the Meeting Order and any further Order of the Court. The only Persons entitled to attend the Meeting are those specified in the Meeting Order and any further Order of the Court.

3.4 Treatment of Affected Claims

- (1) At the Effective Time, all Affected Claims will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred subject only to the right of Affected Creditors with Proven Claims (other than Equity Claims) to receive distributions pursuant to this Section 3.4.
- (2) On the Initial Distribution Date (or such later date in accordance with Section 6.4 in respect of any Unresolved Claim that becomes a Proven Claim, if any),
 - (a) each Affected Creditor with:
 - (i) Proven Claims (other than Equity Claims) not exceeding in aggregate the Election Amount, or
 - (ii) Proven Claims (other than Equity Claims) exceeding the aggregate of the Election Amount but who has duly filed an Election Notice with the Monitor,

will receive, in full satisfaction of such Proven Claims (in each case, a “**Convenience Creditor**”), payment in an amount equal to the lesser of the Election Amount and the actual amount of such Proven Claims; and
 - (b) each Affected Creditor with Proven Claims (other than Equity Claims) that exceed in aggregate the Election Amount and who has not duly filed an Election Notice will receive, in full satisfaction of such Proven Claims, its *pro rata* share of the balance of the Creditor Distribution Pool after deducting (i) the amount

held in the Unresolved Claims Reserve, and (ii) the amounts paid to Convenience Creditors in accordance with Section 3.4(2)(a).

- (3) For greater certainty, an Affected Creditor with a Proven Claim will receive distributions as set forth in this Section 3.4 only to the extent that such Proven Claim is not an Equity Claim and has not been paid, released or otherwise satisfied prior to the Effective Time.

3.5 **Unaffected Claims**

Unaffected Creditors will not be entitled to vote on the Plan. Unaffected Claims will be paid in accordance with Section 6.2 or otherwise satisfied in accordance with the applicable agreements and other arrangements between Unaffected Creditors and the Hematite Group.

3.6 **Insured Claims**

Notwithstanding anything to the contrary herein, from and after the Effective Time, any Person having an Insured Claim will be irrevocably limited to recovery in respect of such Insured Claim solely from the proceeds of the applicable insurance policies, and any Person with an Insured Claim will have no right to, and will not, directly or indirectly, make any claim or seek any recoveries from any Person, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable insurance policies. This Section 3.6 may be relied upon by the Hematite Group and any other Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this section. Nothing in the Plan will prejudice, compromise, release or otherwise affect any right or defence of any insured or insurer in respect of an Insured Claim. Notwithstanding the forgoing, an Affected Claim that includes an Insured Claim may still receive a distribution in respect of the portion of the Affected Claim, if any, that is not an Insured Claim.

3.7 **Tooling Claims**

Notwithstanding anything to the contrary herein, from and after the Effective Time, any Person having a Tooling Claim will be irrevocably limited to recovery in respect of such Tooling Claim solely from Tooling Receipts that relate specifically to such Tooling Claim, and any Person with a Tooling Claim will have no right to, and will not, directly or indirectly, make any claim or seek any recoveries from the Hematite Group or any other Person, other than enforcing such Person's right to be paid from time to time the Tooling Claim Amount from any Tooling Receipts. This Section 3.7 may be relied upon by the Hematite Group and any other Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this Section. Nothing in the Plan will prejudice, compromise, release or otherwise affect any right or defence in respect of a Tooling Claim. Notwithstanding the foregoing, an Affected Claim that includes a Tooling Claim may still receive a distribution in respect of (i) the portion of the Affected Claim, if any, that is not a Tooling Claim, and (ii) the Tooling Claim Amount as of the Distribution Record Date, provided that the portion of such distribution attributable to the Tooling Claim Amount will be treated as a Tooling Payment for the purposes of determining the Tooling Claim Amount at any time after the Distribution Record Date.

3.8 **Unresolved Claims**

No Affected Creditor will be entitled to receive any distribution hereunder with respect to an Unresolved Claim or any portion thereof unless and until, and then only to the extent that, such Unresolved Claim is finally resolved in the manner set out in the Claims Procedure Order and becomes a Proven Claim entitled to the treatment described in Section 3.4.

3.9 **Extinguishment of Claims**

At the Effective Time and in accordance with the terms of the Plan and Sanction Order, the treatment of Affected Claims (including Unresolved Claims) and Released Claims, in each case as set forth herein, will be final and binding on the Hematite Group, Affected Creditors and any Person holding a Released Claim. All Affected Claims and all Released Claims will be fully, finally, irrevocably and forever released, discharged, cancelled and barred and the Hematite Group will thereupon have no further obligation whatsoever in respect of the Affected Claims and the Released Claims, as applicable; provided that (i) nothing herein releases the Hematite Group from the obligation to make distributions or provide entitlements in the manner and to the extent provided for in the Plan; and (ii) such discharge and release of the Hematite Group will be without prejudice to the right of an Affected Creditor in respect of an Unresolved Claim to prove such Unresolved Claim in accordance with the Claims Procedure Order.

3.10 **Guarantees and Similar Covenants**

No Person who has a claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised or released under the Plan or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised or released under the Plan will be entitled to any greater rights as against the Hematite Group than the Person whose Claim is compromised or released under the Plan.

3.11 **Set-Off**

The law of set-off applies to all Claims in accordance with Applicable Law. Without limiting the generality of the foregoing, the Hematite Group will be entitled to set-off from any payments or distributions to be made to a Creditor hereunder, any amounts that became due and owing to the Hematite Group after the Filing Date from such Creditor.

ARTICLE 4 **RESTRUCTURING STEPS AND REORGANIZATION**

4.1 **Articles of Reorganization**

Upon satisfaction or waiver of each of the Plan Implementation Conditions in accordance with Section 9.1, each of Hematite Holdings and Hematite Industrial will file its Articles of Reorganization. Subject to and without limitation to their terms, in each case the Articles of Reorganization will:

- (a) create an unlimited number of New Common Shares and set out the rights, privileges, restrictions and conditions attaching thereto; and

- (b) create an unlimited number of New Redeemable Shares and set out the rights, privileges, restrictions and conditions attaching thereto; and
- (c) change each Existing Share into 0.000001 of a New Redeemable Share and automatically redeem each New Redeemable Share in accordance with the terms thereof.

4.2 **Restructuring Steps**

At the Effective Time on the Plan Implementation Date, the following will occur, and be deemed to have occurred, in the order set out below unless otherwise specified in this Section 4.2 and become effective, without any further act or formality:

- (a) the Articles of Reorganization of each of Hematite Holdings and Hematite Industrial will be effective and the New Common Shares and New Redeemable Shares of each to be issued pursuant to or in connection with the Plan will be validly issued and, in connection therewith, the Plan Funding Amount will be paid to Hematite Holdings and Hematite Industrial (as allocated by them in accordance with the Subscription Agreement);
- (b) the New Redeemable Shares of each of Hematite Holdings and Hematite Industrial will be redeemed and cancelled in accordance with their terms;
- (c) to the extent not already paid, the Hematite Group will set aside (pursuant to arrangements satisfactory to the Monitor) or deliver to the Monitor, in trust, an amount required to satisfy the CCAA Priority Payment Claims and all Claims secured by the CCAA Charges, in full, which Unaffected Claims will be paid by the Hematite Group or Monitor, for and on behalf of the Hematite Group, to the respective Unaffected Claim holders from such funds within five (5) Business Days after the Plan Implementation Date (unless otherwise agreed with an Unaffected Claim holder);
- (d) the Hematite Group will set aside (pursuant to arrangements satisfactory to the Monitor) or deliver to the Monitor, in trust (i) the Creditor Distribution Pool (including the amount thereof to be held in the Unresolved Claims Reserve) in accordance with Article 5, and (ii) the Administration Reserve in accordance with Article 5;
- (e) the Hematite Group will pay any other amounts that it is required to pay on or before the Effective Time in accordance with the Plan Sponsor Agreement, the Plan or other applicable agreement;
- (f) all Affected Claims and Released Claims will be fully, finally, irrevocably and forever released, discharged, cancelled and barred in accordance with Section 3.9 and Article 7, and all notes, certificates and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing) will be deemed cancelled and extinguished and be null and void in accordance with Section 6.8;

- (g) the arrangements between the DIP Lender and the Hematite Group contemplated by Section 9.1(g) in respect of the DIP Loan and the Assigned TD Loans will be effective; and
- (h) the term of office of those individuals who are Directors of the Hematite Group immediately prior to the Effective Time will terminate and the Plan Sponsor will appoint replacement directors and officers as of the Effective Time,

(collectively, the “**Restructuring Steps**”). The failure of the Plan to incorporate any provision of a document evidencing a Restructuring Step will not derogate from the enforceability of such provision.

4.3 **Stated Capital**

In the case of each of Hematite Holdings and Hematite Industrial, the aggregate stated capital for the purposes of the OBCA of the New Common Shares issued to the Plan Sponsor (and/or to one or more of its affiliates as it may direct) pursuant to the Plan and the Subscription Agreement will be as determined by the directors of Hematite Holdings or Hematite Industrial, as applicable, in consultation with the Plan Sponsor.

4.4 **Corporate Approvals**

The execution, delivery, implementation and consummation of all matters contemplated under the Plan involving corporate action of the Hematite Group, including the Restructuring Steps and filing of Articles of Reorganization by each of Hematite Holdings and Hematite Industrial, will be authorized and approved under the Plan and by the Court as part of the Sanction Order in all respects and for all purposes without any requirement of further action by any Person.

ARTICLE 5 **CASH POOL AND UNRESOLVED CLAIMS RESERVE AND ADMINISTRATION** **RESERVE**

5.1 **Creditor Distribution Pool**

At or before the Effective Time, the Hematite Group will set aside (pursuant to arrangements satisfactory to the Monitor) or deliver to the Monitor, in trust, the amount of the Creditor Distribution Pool (less the amount of the Unresolved Claims Reserve, which amount will be set aside or delivered to the Monitor pursuant to Section 5.2), from which cash distributions will be made to Affected Creditors with Proven Claims on and subject to the terms of Article 6. The Monitor will oversee the distribution of funds from the Creditor Distribution Pool in accordance with the provisions of Article 6.

5.2 **Unresolved Claims Reserve and Administration Reserve**

- (1) At or before the Effective Time, the Hematite Group will set aside (pursuant to arrangements satisfactory to the Monitor) or deliver to the Monitor:

- (a) the amount approved by the Court in the Sanction Order to be held as a reserve for Unresolved Claims (the “**Unresolved Claims Reserve**”), in an amount to be agreed by the Monitor, the Hematite Group and the Plan Sponsor, and from which distributions required by the Plan in respect of Unresolved Claims will be made if such Unresolved Claims (or parts thereof) are determined to be Proven Claims in accordance with the Claims Procedure Order; and
 - (b) the amount approved by the Court in the Sanction Order to be held as a reserve (the “**Administration Reserve**”), in an amount to be agreed by the Monitor, the Hematite Group and the Plan Sponsor, to pay the fees and expenses of the Monitor and its counsel in administering the resolution of Unresolved Claims in accordance with the Claims Procedure Order and performing such other activities as may be required of the Monitor after the Effective Time.
- (2) The Unresolved Claims Reserve will be held by the Hematite Group or the Monitor, as the case may be, for those entitled to a payment from it under the Plan (and for the Hematite Group to the extent of any surplus), and the Monitor will oversee the distribution of funds from the Unresolved Claims in accordance with the provisions of Section 6.4.
 - (3) The Monitor and its counsel shall be entitled to payment from the Administration Reserve of their fees and expenses in connection with administering the resolution of Unresolved Claims in accordance with the Claims Procedure Order and performing any other work required of the Monitor after the Effective Time. Any amount remaining in the Administration Reserve after completion of such work will no longer be required to be set aside by the Hematite Group and, if held by the Monitor, will be returned to the Hematite Group.

ARTICLE 6

PROVISIONS REGARDING DISTRIBUTIONS, PAYMENTS AND CURRENCY

6.1 Distributions Generally

All distributions to Affected Creditors and other payments to be effected pursuant to the Plan will be made pursuant to this Article 6. For greater certainty, all payments and distributions pursuant to this Article 6 will be subject to satisfaction or waiver of the conditions specified in Article 9 and the occurrence of the Effective Time, will occur or be deemed to occur in accordance with the timing set out in Section 4.2.

6.2 Payments of Certain Unaffected Claims

At or before the Effective Time, the Hematite Group will make the following payments from Available Cash by wire transfer of immediately available funds in full satisfaction and discharge of the following:

- (a) payment to each holder of a CCAA Priority Payment Claim of all amounts required to satisfy such holder’s CCAA Priority Payment Claim in full;

- (b) payment in full of all Claims secured by the CCAA Charges, other than the DIP Lender's Charge (as defined in the Initial Order); and
- (c) payment of any other amounts required to be paid in accordance with the Plan Sponsor Agreement, the Plan or the CCAA at or before the Effective Time.

6.3 **Distribution Mechanics for Affected Claims**

In accordance with Section 3.4, the Hematite Group, with oversight of and assistance from the Monitor, or the Monitor, for and on behalf of the Hematite Group, will distribute to each Affected Creditor with a Proven Claim (other than an Equity Claim) its share of the Creditor Distribution Pool by way of (in the sole discretion of the Hematite Group or Monitor, as applicable): (i) cheque sent by prepaid ordinary mail to the address on file with the Hematite Group on the Distribution Record Date; or (ii) wire transfer of immediately available funds to an account designated in writing by the Affected Creditor to the Hematite Group and the Monitor (with any wire transfer or similar fee being satisfied from the distribution amount). No distribution will be made for an amount less than \$10. The Hematite Group's liability to an Affected Creditor for any distribution in an amount less than \$10 will be forever discharged and extinguished.

6.4 **Distributions in Respect of Unresolved Claims**

- (1) The Unresolved Claims Reserve (as may be reduced from time to time as Unresolved Claims are ultimately resolved) will be set aside by the Hematite Group (pursuant to arrangements satisfactory to the Monitor) or held by the Monitor, in trust, until the final determination of all Unresolved Claims in accordance with the Claims Procedure Order.
- (2) To the extent that an Unresolved Claim becomes a Proven Claim, the Hematite Group, with oversight of and assistance from the Monitor, or the Monitor, for and on behalf of the Hematite Group, will distribute to the holder thereof an amount from the Unresolved Claims Reserve equal to the share of the Creditor Distribution Pool that such Creditor would have been entitled to receive in respect of its Proven Claim on the Initial Distribution Date had such Unresolved Claim been a Proven Claim on the Initial Distribution Date.
- (3) After all Unresolved Claims have been finally resolved in accordance with the Claims Procedure Order and any required distributions have been made with respect to Proven Claims, the Hematite Group, with oversight of and assistance from the Monitor, or the Monitor, for and on behalf of the Hematite Group, will distribute the amount remaining in the Unresolved Claims Reserve *pro rata* to each Affected Creditor with a Proven Claim, other than the Convenience Creditors and holders of Equity Claims, provided that the amount remaining in the Unresolved Claims Reserve makes such a distribution economically practical (having regard to the funds to be distributed and the cost of such distribution), as determined by the Monitor, acting reasonably. If the Monitor is of the view that the amount remaining in the Unresolved Claims Reserve would not make such a distribution economically practical, then the amounts remaining in the Unresolved

Claims Reserve will no longer be required to be set aside by the Hematite Group and, if held by the Monitor, will be returned to the Hematite Group.

6.5 **Allocation of Distributions**

All distributions made pursuant to the Plan to Affected Creditors will be allocated first towards the repayment of the amount of the Affected Claim attributable to principal and, if greater than the amount of principal, then second towards the repayment of any amount of such Claim attributable to unpaid interest.

6.6 **Treatment of Unclaimed Distributions**

- (1) If any distribution to an Affected Creditor under this Article 6 is returned as undeliverable (an “**Undeliverable Distribution**”), then neither the Hematite Group nor the Monitor will be required to make further efforts to deliver the distribution to such Creditor unless and until the Hematite Group and Monitor are notified in writing by such Creditor of such Creditor’s current address at which time all such distribution will be made to such Creditor. The obligations of the Hematite Group and Monitor to an Affected Creditor with an Undeliverable Distribution will expire on the second anniversary of the Plan Implementation Date, after which date any entitlement with respect to any Undeliverable Distributions will be forever discharged and forever barred, without any compensation therefor, notwithstanding any Applicable Laws to the contrary. For greater clarity, nothing herein will require the Hematite Group or the Monitor to attempt to locate any Creditor or other Person with respect to an Undeliverable Distribution. No interest will be payable in respect of an Undeliverable Distribution. On the second anniversary of the Plan Implementation Date, the amount of any Undeliverable Distributions will be released to the Hematite Group.
- (2) If any cheque in payment of a distribution to an Affected Creditor under this Article 6 is not cashed within six (6) months after the date of the applicable distribution (an “**Uncashed Distribution**”): (i) such cheque may be cancelled by the Hematite Group or the Monitor, as applicable, after which date any entitlement with respect to such distribution will be forever discharged and forever barred and the obligations of the Hematite Group and Monitor with respect thereto will expire, without any compensation therefor, notwithstanding any Applicable Laws to the contrary; and (ii) the amount otherwise payable pursuant to such cancelled cheque will be released to the Hematite Group. For greater clarity, nothing herein will require the Hematite Group or the Monitor to attempt to locate any Creditor or other Person with respect to an Uncashed Distribution.

6.7 **Withholding Rights**

The Hematite Group and any other Person facilitating payments pursuant to the Plan will be entitled to deduct and withhold from any such payment to any Person such amounts as may be required to be deducted or withheld under any Applicable Law and to remit such amounts to the appropriate Governmental Authority or other Person entitled thereto. To the extent that amounts are so withheld or deducted and remitted to the appropriate Governmental Authority or other

Person, such withheld or deducted amounts will be treated for all purposes hereof as having been paid to such Person as the remainder of the payment in respect of which such withholding or deduction was made. Without in any way limiting the generality of the foregoing, the Hematite Group (or the Monitor on its behalf) will deduct from any distribution to a Creditor hereunder any amounts as indicated by Employment and Social Development Canada in a Notice of Debt, and remit such amounts to Employment and Social Development Canada pursuant to the *Employment Insurance Act* (Canada). Any Creditor whose address on file with the Hematite Group on the Distribution Record Date is not a Canadian address will be treated as a non-resident of Canada for purposes of any applicable non-resident withholding tax on all payments hereunder, subject to receipt by the Hematite Group of information satisfactory to it (in its sole discretion) that such Creditor is not a non-resident. No gross-up or additional amount will be paid on any payment hereunder to the extent the Hematite Group or any other Person deducts or withholds amounts pursuant to this Section 6.7. Notwithstanding any withholding or deduction, each Person receiving a payment will have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Authority (including income and other tax obligations on account of such distribution).

6.8 **Cancellation of Certificates and Notes, etc.**

At the Effective Time, all debentures, notes, certificates, indentures, guarantees, agreements, invoices and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing) and Existing Shares will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and will be deemed cancelled and extinguished and be null and void.

6.9 **Calculations**

All amounts to be paid by the Hematite Group hereunder will be calculated by the Hematite Group, with the assistance of the Monitor. All calculations made by the Hematite Group will be conclusive, final and binding upon the Affected Creditors, the Hematite Group and all other Persons, absent manifest error.

6.10 **Currency Matters**

Distributions to Affected Creditors with Proven Claims will be paid in Canadian dollars and any such Claims that are denominated in a currency other than the lawful money of Canada will be converted to the equivalent thereof in the lawful money of Canada at the noon rate of exchange as quoted by the Bank of Canada on the Filing Date, in accordance with the Claims Procedure Order.

ARTICLE 7 **RELEASES**

7.1 **Plan Releases**

At the Effective Time, each of (i) the members of the Hematite Group, (ii) the CRO, (iii) the Monitor, (iv) the Plan Sponsor, and (v) their respective Representatives (collectively, the “**Released Parties**”), will be fully, finally and irrevocably released and discharged from all

Released Claims which will be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties. Notwithstanding the foregoing, nothing in this Section 7.1 will release Non-Released Claims.

7.2 **Injunctions**

From and after the Effective Time, all Persons are permanently and forever barred, estopped, stayed and enjoined with respect to any and all Released Claims from: (i) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property; (iii) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of the Plan. All Persons who have previously commenced a Released Claim in any court, which Released Claim has not been finally determined, dismissed or discontinued prior to the Effective Time, shall forthwith after the Effective Time take steps to discontinue and/or dismiss, without costs, such Released Claim.

ARTICLE 8 **COURT SANCTION**

8.1 **Application for Sanction Order**

If the Plan is approved by the majority of Affected Creditors required by the CCAA, the Hematite Group will apply for the Sanction Order on or before the date set for the Sanction Order hearing or such later date as the Court may set.

8.2 **Sanction Order**

The Hematite Group will apply for a Sanction Order that will, among other things:

- (a) declare that (i) the Plan has been approved by the required majorities of Affected Creditors in conformity with the Meeting Order and the CCAA; (ii) the Hematite Group has complied with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceedings in all respects; (ii) neither the Hematite Group nor Monitor has done or purported to do anything that is not authorized by the CCAA; and (iii) the Plan and the transactions contemplated thereby are fair and reasonable;

- (b) declare that the Plan and all associated steps, compromises, arrangements, releases, transactions and reorganizations effected thereby are sanctioned and approved;
- (c) declare that the articles of Hematite Holdings and Hematite Industrial will be amended as set out in the applicable Articles of Reorganization as of the Effective Time;
- (d) declare that all warrants, options and agreements to purchase Existing Shares are of no further force or effect as of the Effective Time;
- (e) declare that the New Common Shares and New Redeemable Shares of each of Hematite Holdings and Hematite Industrial issued pursuant to or in connection with the Plan will be validly issued and outstanding as fully paid and non-assessable as of the Effective Time;
- (f) approve and authorize the Restructuring Steps;
- (g) order that, as of the Effective Time, any and all Affected Claims are and are deemed to be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred, and the ability of any Person to proceed against any of the Applicants in respect of or relating to any Affected Claims, whether directly, indirectly, derivatively or otherwise is forever discharged, enjoined and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims are permanently stayed, excepting only any proceeding to enforce the obligation of the Hematite Group to make distributions in respect of such Affected Claims in the manner and to the extent provided for in the Plan and the Sanction Order;
- (h) order that, as of the Effective Time, any and all Released Claims are and are deemed to be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred, and the ability of any Person to proceed against any of the Released Parties in respect of or relating to any Released Claims, whether directly, indirectly, derivatively or otherwise is forever discharged, enjoined and restrained, and all proceedings with respect to, in connection with or relating to such Released Claims are permanently stayed;
- (i) order that any Person that did not file a proof of claim in respect of a Claim by the applicable bar date in accordance with the Claims Procedure Order, and any Person with an Affected Claim that is not a Proven Claim or Unresolved Claim, is fully, finally, irrevocably and forever barred from making any such Claim and is not be entitled to any consideration under the Plan, and such Person's Claim is fully, finally, irrevocably and forever barred and extinguished;
- (j) authorize the Hematite Group and the Monitor to take all steps and actions, and to do all things, necessary or appropriate to implement the Plan in accordance with and subject to its terms and conditions, and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions,

payments, deliveries, allocations, instruments and agreements contemplated by, and subject to the terms and conditions of, the Plan;

- (k) declare that each of the CCAA Charges will be terminated, discharged, expunged and released at the applicable time set out in the Sanction Order;
- (l) declare that, notwithstanding: (i) the pendency of the CCAA Proceedings; (ii) any applications for a bankruptcy, receivership or other order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada), the CCAA or otherwise in respect of the Hematite Group and any bankruptcy, receivership or other order issued pursuant to any such applications; and (iii) any assignment in bankruptcy made or deemed to be made in respect of the Hematite Group, the transactions contemplated by the Plan will be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Hematite Group or their assets and will not be void or voidable by creditors of the Hematite Group, nor will the Plan, or the payments and distributions contemplated pursuant thereto constitute nor be deemed to constitute a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada), CCAA or any other applicable federal or provincial legislation, nor will the Plan constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation;
- (m) declare that all contracts, leases and other agreements and arrangements to which any of the Applicants is a party, whether written or oral (each, including any and all amendments or supplements thereto, an “**Existing Agreement**”) that have not been terminated or disclaimed pursuant to the applicable paragraph of the Initial Order and related provision of the CCAA will be and remain in full force and effect, unamended as of the Effective Time, and no Person who is a party to any such Existing Agreement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution or other remedy) or make any demand under or in respect of any such Existing Agreement and no automatic termination will have any validity or effect, by reason of:
 - (i) any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events or default arising as a result of the insolvency of the Hematite Group);
 - (ii) the insolvency of the Hematite Group or the fact that the Hematite Group sought or obtained relief under the CCAA;
 - (iii) any compromises or arrangements effected pursuant to the Plan or any action taken or transaction effected pursuant to the Plan; or

- (iv) any change in the control of the Hematite Group arising from the implementation of the Plan and the transactions contemplated by the Plan Sponsor Agreement;
- (n) declare that the stay of proceedings under the Initial Order continues until the Effective Time;
- (o) approve the conduct of the CRO and Director of the Hematite Group during the CCAA Proceedings;
- (p) approve all conduct the Monitor and the Monitor's Representative in relation to the Hematite Group and bar all claims against them arising from or relating to the services provided to the Hematite Group up to and including the date of the Sanction Order;
- (q) declare that the Hematite Group and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or in relation to the Plan; and
- (r) approve the Unresolved Claims Reserve and Administration Reserve amounts.

ARTICLE 9
PLAN CONDITIONS PRECEDENT AND IMPLEMENTATION

9.1 Conditions Precedent to Plan Implementation

The Plan is subject to the satisfaction of the following conditions (the “**Plan Implementation Conditions**”), which may be waived (except in the case of Sections 9.1(a) and (b) below which may not be waived) only by the mutual agreement, in writing, of the Hematite Group and the Plan Sponsor:

- (a) the Plan will have been approved by the Affected Creditors;
- (b) the Sanction Order will have been issued by the Court, consistent with the terms of Section 8.2, with such minor amendments as may be approved by the Hematite Group, the Monitor and the Plan Sponsor;
- (c) the Sanction Order will have been recognized and given full force and effect in the United States by an order of the U.S. Bankruptcy Court in the Chapter 15 Proceedings;
- (d) the Subscription Agreement will have been executed, delivered and become effective in accordance with its terms, subject only to the occurrence of the Plan Implementation Date, and the Plan Sponsor will have paid the Plan Funding Amount to Hematite Holdings and Hematite Industrial in accordance with and as allocated by the Subscription Agreement;

- (e) the BDC A&R Loan Agreement and all guarantees and security required pursuant thereto will have been executed, delivered and become effective in accordance with their terms, subject only to the occurrence of the Plan Implementation Date, on terms and conditions satisfactory to BDC and the Hematite Group;
- (f) arrangements satisfactory to the DIP Lender and the Hematite Group in respect of the repayment of, and the terms governing, the DIP Loan and the Assigned TD Loans from and after the Plan Implementation Date have become effective, subject only to the occurrence of the Plan Implementation Date;
- (g) each of the conditions precedent to the closing of the Transaction provided in the Plan Sponsor Agreement will have been satisfied or waived in accordance with the terms of the Plan Sponsor Agreement;
- (h) all relevant Persons will have executed, delivered and filed all documents and other instruments that, in the opinion of the Hematite Group and Plan Sponsor, acting reasonably, are necessary to implement the provisions of the Plan and the Sanction Order;
- (i) no action or proceeding will be pending by any third party to enjoin or prohibit the Transaction; and
- (j) all applicable approvals and orders of, and all applicable submissions and filings with, Governmental Authorities having jurisdiction for the completion of the steps and transactions contemplated by the Plan (including the steps and transactions which are Plan Implementation Conditions) will have been obtained or made, as the case may be, in each case to the extent deemed necessary or advisable by the Hematite Group and Plan Sponsor, in form and substance satisfactory to the Hematite Group and Plan Sponsor.

9.2 **Hematite Group's Certificate – Plan Implementation**

Upon receipt of the Certificate of Amendment for each of Hematite Holdings and Hematite Industrial, the Hematite Group will deliver to the Monitor and the Plan Sponsor, and file with the Court, a copy of a certificate (i) stating that each of the Plan Implementation Conditions has been satisfied or waived and that the Articles of Reorganization for each of Hematite Holdings and Hematite Industrial have been filed and have become effective as of the date set out in the applicable Certificate of Amendment, and (ii) designating an Effective Time on the Plan Implementation Date.

9.3 **Monitor's Certificate – Plan Implementation**

As soon as practicable following the occurrence of the Effective Time, the Monitor will serve on the service list in the CCAA Proceedings and post on the Monitor's Website a certificate confirming that the Plan Implementation Date has occurred and the time of the Effective Time, and will file such certificate with the Court as soon as practicable after it has been delivered.

ARTICLE 10
GENERAL

10.1 **Binding Effect**

At the Effective Time and in accordance with the sequence of steps set out in Section 4.2, the Plan will become effective and binding on and enure to the benefit of the Hematite Group, the Affected Creditors, the Released Parties, the Plan Sponsor and any other Person named or referred to in or subject to the Plan and their respective heirs, executors, successors and assigns. Without limiting the generality of the foregoing, at the Effective Time:

- (a) the treatment of Affected Claims and Released Claims under the Plan will be final and binding for all purposes upon and enure to the benefit of the Hematite Group, the Released Parties, all Affected Creditors, the Plan Sponsor and all other Persons named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (b) all Affected Claims will be forever discharged and released, excepting only with respect to any distribution thereon in the manner and to the extent provided for in the Plan;
- (c) all Released Claims will be forever discharged, released, enjoined and barred;
- (d) each Affected Creditor and each Person holding a Released Claim will be deemed to have consented and agreed to all of the provisions of the Plan in its entirety; and
- (e) each Affected Creditor and each Person holding a Released Claim (to the extent that contractual releases have not been executed and delivered by such Person) will be deemed to have:
 - (i) executed and delivered to the Hematite Group and to the other Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;
 - (ii) waived any default by or rescinded any demand for payment against the Hematite Group that has occurred on or prior to the Effective Time pursuant to, based on or as a result of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor or Person holding a Released Claim and the Hematite Group with respect to an Affected Claim or Released Claim, respectively; and
 - (iii) agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing as at the moment before the Effective Time between such Affected Creditor or Person holding a Released Claim and the Hematite Group with

respect to an Affected Claim or Released Claim, respectively, and the provisions of the Plan, then the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

10.2 **Deeming Provisions**

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.3 **Modification of the Plan**

- (1) The Hematite Group reserves the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan (including to address or further address the treatment of claims subject to the Claims Procedure Order), provided that any such amendment, restatement, modification or supplement is on terms satisfactory to the Plan Sponsor and must be contained in a written document which is filed with the Court and (i) if made prior to or at the Meeting, communicated to Affected Creditors in the manner contemplated by the Meeting Order; and (ii) if made following the Meeting, approved by the Court.
- (2) Notwithstanding Section 10.3(1), after the Meetings and before the Plan Implementation Date the Hematite Group may amend, restate, modify and/or supplement the Plan with the consent of the Plan Sponsor and the Monitor, without the consent of the Affected Creditors or approval of the Court, provided that any such amendment, restatement, modification and/or supplement (i) is filed with the Court; (ii) is posted on the website maintained by the Monitor and notice thereof is provided to the Service List maintained by the Monitor for the CCAA; (iii) does not materially decrease the anticipated recovery of Affected Creditors under the Plan and is otherwise not materially adverse to the financial or economic interests of Affected Creditors, in each case as determined by the Monitor; and (iv) does not amend the Plan Implementation Conditions.
- (3) Notwithstanding Sections 10.3(1) and (2), any amendment, restatement, modification or supplement to the Plan may be made by the Hematite Group at any time and from time to time with the consent of the Monitor and the Plan Sponsor, without the consent of the Affected Creditors or approval of the Court, provided that any such amendment, restatement, modification and/or supplement (i) is filed with the Court; (ii) is posted on the website maintained by the Monitor and notice thereof is provided to the Service List maintained by the Monitor for the CCAA; and (iii) (A) concerns a matter which is of an administrative nature required to better give effect to the implementation of the Plan, or (B) is to cure any errors, omissions or ambiguities, and in either case is not materially adverse to the financial or economic interests of the Affected Creditors as determined by the Monitor.
- (4) Any amended, restated, modified or supplementary Plan filed with the Court and, if required by this Section, approved by the Court, will for all purposes be and be deemed to be a part of and incorporated in the Plan.

10.4 **Paramountcy**

From and after the Effective Time, any conflict between:

- (a) the Plan or the Sanction Order; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Hematite Group as at the moment before the Effective Time,

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which will take precedence and priority.

10.5 **Severability of Plan Provisions**

If, prior to the Plan Implementation Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Hematite Group and with the consent of the Monitor and the Plan Sponsor, will have the power to either (a) sever such term or provision from the balance of the Plan and provide the Hematite Group with the option to proceed with the implementation of the balance of the Plan, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as so altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Hematite Group proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

10.6 **Protections of the Monitor**

The Monitor is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceedings with respect to the Hematite Group (and not in its personal capacity). The Monitor will not be responsible or liable for any obligations of the Hematite Group. The Monitor will have the powers and protections granted to it by the Plan, the CCAA and any other Order made in the CCAA Proceedings. KPMG Inc. will incur no personal liability whatsoever whether on its own part or in respect of any failure on the part of the Hematite Group to observe, perform or comply with any of its obligations under the Plan. Any release, discharge or other benefit conferred upon the Monitor pursuant to the Plan will enure to the benefit of KPMG Inc. The Monitor in its personal capacity will be a third party beneficiary to the Plan entitled to enforce such releases, discharges and benefits in accordance with the terms of the Plan.

10.7 **Plan Sponsor**

The Plan Sponsor's obligations are limited to the obligations of the Plan Sponsor expressly set out in the Plan Sponsor Agreement and this Plan. In no event will the Plan Sponsor assume, be

deemed to assume or otherwise be liable for any obligations of, or Claims against, any member of the Hematite Group or any other Person. In the event of any conflict between the Plan Sponsor Agreement and the terms of this Plan, the terms of this Plan shall govern.

10.8 **Different Capacities**

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless otherwise provided in the Meeting Order expressly agreed by the Hematite Group and the Person in writing or unless its Claims overlap or are otherwise duplicative.

10.9 **Notices**

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Hematite Group:

Hematite Group
659 Speedvale Avenue West
Guelph, Ontario
N1K 1E6

Attention: John Pavanel

Tel: (519) 823-8350

With copies to (which will not constitute notice)

McCarthy Tétrault LLP
66 Wellington Street West
Suite 5300
Toronto, Ontario Canada
M5K 1E6

Fax No: 416-868-0673

Attention: James D. Gage and Trevor Courtis

Email: jgage@mccarthy.ca and tcourtis@mccarthy.ca

If to an Affected Creditor: to the mailing address, facsimile number or email address provided on such Affected Creditor's Proof of Claim or such more recent address particulars of an Affected Creditor as noted in the files of the Hematite Group or the Monitor;

If to the Monitor:

KPMG Inc.
Bay Adelaide Centre
Suite 4600, 333 Bay Street
Toronto, Ontario
M5H 2S5

Attention: Katherine Forbes
Email: katherineforbes@kpmg.ca

With copies to (which will not constitute notice)

Gowlings WLG
First Canadian Place
100 King Street West
Suite 1600
Toronto, Ontario
M5X 1G5

Attention: David Cohen and Cliff Prophet
Email: David.cohen@gowlingwlg.com and Clifton.prophet@gowlingwlg.com

If to the Plan Sponsor:

Woodbridge Foam Corporation
4240 Sherwoodtowne Blvd.
Mississauga, Ontario
L4Z 2G6

Attention: Roland Deschamps
Email: RolandDeschamps@woodbridgegroup.com

With copies to (which will not constitute notice)

Bennett Jones LLP
Suite 3400
One First Canadian Place
P.O. Box 130
Toronto, Ontario
M5X 1A4

Attention: Raj Sahni and Ian Michael
Email: sahnir@bennettjones.com and michaeli@bennettjones.com

or to such other address as any party may from time to time notify the others in accordance with this section, or, in the case of an address change for the Hematite Group or the Monitor, by posting notice of such address change on the Monitor's website

posting notice of such address change on the Monitor's website (home.kpmg/ca/en/home/services/advisory/deal-advisory/creditorlinks/hematite-group.html) Any such communication so given or made will be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 4:00 p.m. (Toronto time) on such day. Otherwise, such communication will be deemed to have been given and made and to have been received on the next following Business Day.

10.10 **Further Assurances**

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the Restructuring Steps and the Transaction notwithstanding any provision of the Plan that deems any event or transaction to occur without further formality.

10.11 **Language**

This Plan, as well as any notices, schedules or other documents related thereto has been and will be prepared in the English language only. To the extent a French language or other translation is prepared, any such translation will be for informational purposes only, it being intended that the English language version will govern and prevail in all respects.

10.12 **Acts to Occur on Next Business Day**

If any distribution, payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such distribution, payment or the performance of such act may be completed on the next succeeding Business Day, but will be deemed to have been completed as of the required date.

10.13 **Non-Consummation of the Plan**

If the Plan is revoked at any time prior to the Effective Time, it will be null and void in all respects. Nothing contained in the Plan and no act taken in preparation for the implementation of the Plan will (a) constitute or be deemed to constitute a waiver or release of any Claims by or against the Hematite Group or any other Person; (b) prejudice the rights of the Hematite Group or any other Person in any further proceeding involving the Hematite Group; or (c) constitute an admission of any sort by the Hematite Group or any Person.

DATED as of the 18th day of November, 2020.

SCHEDULE A
ARTICLES OF REORGANIZATION
HEMATITE HOLDINGS

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Ontario Corporation Number
Numéro de la société en Ontario

Empty box for Ontario Corporation Number / Numéro de la société en Ontario

Form 9
Business
Corporations
Act

Formule 9
Loi sur les
sociétés par
actions

ARTICLES OF REORGANIZATION
STATUTS DE RÉORGANISATION

- 1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale de la société : (Écrire en LETTRES MAJUSCULES SEULEMENT) :

H	E	M	A	T	I	T	E		H	O	L	D	I	N	G	S		I	N	C	.												

- 2. The new name of the corporation if changed by the reorganization: (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société si elle est modifiée par suite de la réorganisation : (Écrire en LETTRES MAJUSCULES SEULEMENT) :

- 3. Date of incorporation/amalgamation: / Date de la constitution ou de la fusion :

2016, 03, 11

Year, Month, Day / année, mois, jour

- 4. The reorganization was ordered by the court on / La cour a ordonné la réorganisation le

Year, Month, Day / année, mois, jour

and a certified copy of the Order of the court is attached to these articles as Exhibit "A". / une copie certifiée conforme de l'ordonnance de la cour constitue l'annexe «A».

- 5. In accordance with the Order for reorganization the articles of the corporation are amended as follows:
Conformément à l'ordonnance de réorganisation, les statuts de la société sont modifiés de la façon suivante :
See Schedule 1

6. The terms and conditions to which the reorganization is made subject by the Order have been complied with.
Les conditions que l'ordonnance impose à la réorganisation ont été respectées.

These articles are submitted under section 186 of the *Business Corporations Act* and are signed in duplicate.
Les présents statuts sont déposés en vertu de l'article 186 de la Loi sur les sociétés par actions. Ils sont signés en double exemplaire.

Hematite Holdings Inc.

Name of Corporation / *Dénomination sociale de la société*

By/
Par :

Signature / *Signature*

Description of Office / *Fonction*

SCHEDULE "1"

The Articles of the Corporation are amended as follows:

1. to replace the authorized share capital of the Corporation with the following:
 - (a) an unlimited number of common shares;
 - (b) an unlimited number of New Common Shares; and
 - (c) an unlimited number of New Redeemable Shares;
2. to delete the existing rights, privileges, restrictions and conditions attaching to the authorized share capital of the Corporation and substituting therefor Schedule "A-1" annexed hereto; and
3. to change each issued common share into 0.000001 of a New Redeemable Share and automatically redeem each New Redeemable Share in accordance with the terms of such New Redeemable Shares.

SCHEDULE "A-1"

1. The common shares shall have attached thereto the following rights, privileges, restrictions and conditions:
 - (a) **Voting.** The holders thereof shall be entitled to receive notice of, to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote.
 - (b) **Dividends.** The holders thereof shall be entitled to receive dividends, subject to the rights of holders of any other class of shares of the Corporation entitled to receive dividends in priority to or rateably with holders of the common shares, if, as and when declared by the directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends.
 - (c) **Distribution Rights.** Subject to the rights of the holders of any other class of shares of the Corporation, to receive the remaining property of the Corporation upon liquidation, dissolution or winding up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

2. The New Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:
 - (a) **Voting.** The holders thereof shall be entitled to receive notice of, to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote.
 - (b) **Dividends.** The holders thereof shall be entitled to receive dividends, subject to the rights of holders of any other class of shares of the Corporation entitled to receive dividends in priority to or rateably with holders of the New Common Shares, if, as and when declared by the directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends.
 - (c) **Distribution Rights.** Subject to the rights of the holders of any other class of shares of the Corporation, to receive the remaining property of the Corporation upon liquidation, dissolution or winding up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

3. The New Redeemable Shares shall have attached thereto the following rights, privileges, restrictions and conditions:
 - (a) **Fractional Interests.** No holder of a fractional interest in a New Redeemable Share will be entitled to be registered on the books of the Corporation in respect of such fraction of a New Redeemable Share.
 - (b) **Redemption by the Corporation.** All the outstanding New Redeemable Shares and fractional interests therein as at the Effective Time (as defined in the Plan of Compromise, Arrangement and Reorganization of the Corporation and certain of its subsidiaries dated November 18, 2020 (the "**Plan**")) on the Plan Implementation

Date (as defined in the Plan) will be automatically redeemed by the Corporation as at such time, without notice to the holders of such New Redeemable Shares, on payment of \$0.01 for each whole New Redeemable Share, such amount being herein referred to as the "**Redemption Price**". The Corporation will pay or cause to be paid to each holder of New Redeemable Shares or fractional interests therein to be redeemed the Redemption Price by cheque, provided that if the aggregate Redemption Price payable to any particular holder is less than \$10, the aggregate Redemption Price payable to such holder will be deemed to be \$0.00 and the New Redeemable Shares or fractional interests therein held by such holder will be redeemed as at the close of business of the Plan Implementation Date without any payment or further act or formality.

- (c) **Voting Rights.** The holders of the New Redeemable Shares or fractional interests therein will not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and will not be entitled to vote any such meeting.

**SCHEDULE B
ARTICLES OF REORGANIZATION
HEMATITE INDUSTRIAL**

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Ontario Corporation Number
 Numéro de la société en Ontario

Ontario Corporation Number Numéro de la société en Ontario

Form 9
 Business
 Corporations
 Act

Formule 9
 Loi sur les
 sociétés par
 actions

**ARTICLES OF REORGANIZATION
 STATUTS DE RÉORGANISATION**

1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale de la société : (Écrire en LETTRES MAJUSCULES SEULEMENT) :

H	E	M	A	T	I	T	E		I	N	D	U	S	T	R	I	A	L		P	R	O	D	U	C	T	S				
I	N	C	.																												

2. The new name of the corporation if changed by the reorganization: (Set out in BLOCK CAPITAL LETTERS)
Nouvelle dénomination sociale de la société si elle est modifiée par suite de la réorganisation : (Écrire en LETTRES MAJUSCULES SEULEMENT) :

3. Date of incorporation/amalgamation: / *Date de la constitution ou de la fusion :*

2010, 03, 19

Year, Month, Day / année, mois, jour

4. The reorganization was ordered by the court on / *La cour a ordonné la réorganisation le*

Year, Month, Day / année, mois, jour

and a certified copy of the Order of the court is attached to these articles as Exhibit "A". / *une copie certifiée conforme de l'ordonnance de la cour constitue l'annexe «A».*

5. In accordance with the Order for reorganization the articles of the corporation are amended as follows:
Conformément à l'ordonnance de réorganisation, les statuts de la société sont modifiés de la façon suivante :
 See Schedule 1

6. The terms and conditions to which the reorganization is made subject by the Order have been complied with.
Les conditions que l'ordonnance impose à la réorganisation ont été respectées.

These articles are submitted under section 186 of the *Business Corporations Act* and are signed in duplicate.
Les présents statuts sont déposés en vertu de l'article 186 de la Loi sur les sociétés par actions. Ils sont signés en double exemplaire.

Hematite Industrial Products Inc.

Name of Corporation / *Dénomination sociale de la société*

By/
Par :

Signature / *Signature*

Description of Office / *Fonction*

SCHEDULE "1"

The Articles of the Corporation are amended as follows:

1. to replace the authorized share capital of the Corporation with the following:
 - (a) an unlimited number of common shares;
 - (b) an unlimited number of voting Class A Special shares;
 - (c) an unlimited number of New Common Shares; and
 - (d) an unlimited number of New Redeemable Shares;
2. to delete the existing rights, privileges, restrictions and conditions attaching to the authorized share capital of the Corporation and substituting therefor Schedule "A-1" annexed hereto;
3. to change each issued common share into 0.000001 of a New Redeemable Share and automatically redeem such New Redeemable Shares in accordance with the terms of such New Redeemable Shares; and
4. to change each issued voting Class A Special share into 0.000001 of a New Redeemable Share and automatically redeem such New Redeemable Shares in accordance with the terms of such New Redeemable Shares.

SCHEDULE "A-1"

1. The common shares shall have attached thereto the following rights, privileges, restrictions and conditions:
 - (a) **Voting.** The holders thereof shall be entitled to receive notice of, to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote.
 - (b) **Dividends.** The holders thereof shall be entitled to receive dividends, subject to the rights of holders of any other class of shares of the Corporation entitled to receive dividends in priority to or rateably with holders of the common shares, if, as and when declared by the directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends.
 - (c) **Distribution Rights.** Subject to the rights of the holders of any other class of shares of the Corporation, to receive the remaining property of the Corporation upon liquidation, dissolution or winding up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

2. The Class A Special shares ("**Class A shares**") shall have attached thereto the following rights, privileges, restrictions and conditions:
 - (a) **Interpretation.** Where used in this section:
 - (i) "**Redemption Amount**" in respect of the Class A shares is the amount which is equal to the fair market value of the property transferred to or exchanged with the Corporation on the first issuance of Class A shares, less the amount of non-share consideration, if any, paid, assumed or delivered by the Corporation as partial consideration for the purchase, acquisition or exchange of such property, divided by the number of such Class A shares issued by the Corporation as consideration or partial consideration for the purchase, acquisition or exchange of such property. In the event that Canada Revenue Agency ("**CRA**") determines that the fair market value of any property transferred to or exchanged with the Corporation in exchange for non-share consideration, if any, and the Class A shares is greater or less than the amount agreed and determined by the Corporation and the holders of the Class A shares, the Redemption Amount of the Class A shares so issued shall be increased or decreased to reflect the value as ultimately determined. The adjustment to the Redemption Amount per share shall be equal to the total increase or decrease ultimately determined, divided by the number of the Class A shares so issued. The Redemption Amount of the Class A shares so adjusted shall be deemed, retroactively to the date of first issuance, to have been their Redemption Amount. In the event that any of the Class A shares have been redeemed prior to the date of any such ultimate determination, cash settlements shall be made by the prior holder of such shares so redeemed or the Corporation, as the case may be, together with interest thereon calculated on a daily basis at the prime commercial lending rate charged by the Corporation's bankers from time to time for the relevant

period. Reference to value as ultimately determined herein shall have the following meaning:

- A. such amount as may be agreed upon by CRA, the Corporation and the holders of such shares to have been the fair market value of the property transferred or exchanged for such shares; or
 - B. in the absence of such agreement, such amount shall be determined by a Court having competent jurisdiction in the matter (after all appeal rights have been exhausted or all times for appeal have expired without appeals having been taken) to be the fair market value of the property transferred or exchanged for such shares.
- (ii) "**Act**" means the Business Corporations Act (Ontario), as amended, revised or replaced from time to time
- (b) **Redemption.** The Corporation may, upon giving notice as hereinafter provided, redeem the whole or any part of the Class A shares on payment for each share to be redeemed of the Redemption Amount thereof plus all dividends declared thereon but unpaid. Not less than thirty (30) days' notice in writing of such redemption shall be given by mailing such notice to the registered holder or holders of the shares to be redeemed, specifying the date and place or places of redemption. If notice of any such redemption be given by the Corporation in the manner aforesaid and an amount sufficient to redeem the shares be deposited with any trust company or chartered bank in Canada as specified in the notice on or before the date fixed for redemption, dividends on the Class A shares to be redeemed shall cease after the date so fixed for redemption and the holders thereof shall thereafter have no rights against the Corporation in respect thereof except, upon the surrender of certificates for such shares, to receive payment therefor out of the moneys so deposited.
- (c) **Retraction.** A holder of Class A shares shall be entitled to require the Corporation to redeem at any time or times all or any of the Class A shares registered in the name of such holder on the books of the Corporation by tendering to the Corporation at its registered office a share certificate representing the Class A shares which the registered holder desires to have the Corporation redeem together with a request in writing specifying:
- (i) that the registered holder desires to have some or all of the Class A shares represented by such certificate redeemed by the Corporation; and
 - (ii) the business day (in this paragraph referred to as the "**Redemption Date**") on which the holder desires to have the Corporation redeem such Class A shares.

All requests for redemption shall specify a Redemption Date which shall be not less than thirty (30) days after the day on which the request in writing is given to the Corporation. Upon receipt of a share certificate representing the Class A shares which the registered holder desires to have the Corporation redeem together with such request the Corporation shall on the Redemption Date, redeem

such Class A shares by paying to such registered holder the Redemption Amount of such shares plus all dividends declared thereon but unpaid. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. The said Class A shares shall be redeemed on the Redemption Date and from and after the Redemption Date such shares shall cease to be entitled to dividends and the holder or holders thereof shall not be entitled to exercise any of the rights of holders of Class A shares in respect thereof unless payment is not made in accordance with the provisions hereof, in which event the rights of the holders of the said shares shall remain unaffected.

- (d) **Non-Cumulative Dividends.** The holders of Class A shares in priority to the holders of all other classes of shares, shall be entitled to non-cumulative cash dividends, as and when declared by resolution of the directors and in the discretion of the directors, out of monies of the Corporation properly applicable to the payment of dividends, at a rate not to exceed 8% per annum of the Redemption Amount in respect of the Class A shares. The directors, when declaring any dividends on Class A shares, or any other class of shares of the Corporation, may, in their sole discretion, elect to declare dividends on the said Class A shares in priority to or to the exclusion of any other class or classes of shares.
 - (e) **Voting.** Each holder of Class A shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation, except meetings at which only holders of a specified class of shares or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each Class A share held by such holder.
 - (f) **Distribution Rights.** In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purposes of winding-up its affairs, the holders of the Class A shares shall be entitled to receive from the assets of the Corporation a sum equivalent to the aggregate Redemption Amount of all the Class A shares held by them, plus all dividends declared thereon but unpaid, before any amount shall be paid or any assets of the Corporation distributed to the holders of any common shares or any other shares ranking junior to the Class A shares. After payment to the holders of the Class A shares of the amount so payable to them as provided above, they shall not be entitled to share in any further distribution of the assets of the Corporation.
3. The New Common Shares shall have attached thereto the following rights, privileges, restrictions and conditions:
- (a) **Voting.** The holders thereof shall be entitled to receive notice of, to attend and vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote.
 - (b) **Dividends.** The holders thereof shall be entitled to receive dividends, subject to the rights of holders of any other class of shares of the Corporation entitled to receive dividends in priority to or rateably with holders of the New Common Shares, if, as and when declared by the directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends.

- (c) **Distribution Rights.** Subject to the rights of the holders of any other class of shares of the Corporation, to receive the remaining property of the Corporation upon liquidation, dissolution or winding up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.
- 4. The New Redeemable Shares shall have attached thereto the following rights, privileges, restrictions and conditions:
 - (a) **Fractional Interests.** No holder of a fractional interest in a New Redeemable Share will be entitled to be registered on the books of the Corporation in respect of such fraction of a New Redeemable Share.
 - (b) **Redemption by the Corporation.** All the outstanding New Redeemable Shares and fractional interests therein as at the Effective Time (as defined in the Plan of Compromise, Arrangement and Reorganization of the Corporation dated November 18, 2020 (the "**Plan**")) on the Plan Implementation Date (as defined in the Plan) will be automatically redeemed by the Corporation as at such time, without notice to the holders of such New Redeemable Shares, on payment of \$0.01 for each whole New Redeemable Share, such amount being herein referred to as the "**Redemption Price**". The Corporation will pay or cause to be paid to each holder of New Redeemable Shares or fractional interests therein to be redeemed the Redemption Price by cheque, provided that if the aggregate Redemption Price payable to any particular holder is less than \$10, the aggregate Redemption Price payable to such holder will be deemed to be \$0.00 and the New Redeemable Shares or fractional interests therein held by such holder will be redeemed as at the close of business of the Plan Implementation Date without any payment or further act or formality.
 - (c) **Voting Rights.** The holders of the New Redeemable Shares or fractional interests therein will not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation and will not be entitled to vote any such meeting.

SCHEDULE C
TD LEASE AGREEMENTS

1. Master equipment lease no. T000000658 dated April 5, 2018 between Pavaco Plastics Inc. (now named Hematite Manufacturing Inc.), as lessee, and TD Equipment Finance Canada, a division of the Toronto-Dominion Bank, as lessor, and the schedules thereto (being Schedule No. 18003130 dated April 5, 2018, and Schedule No. 18003120 dated April 5, 2018).

2. Master equipment lease no. 23296 dated February 22, 2013 between Pavaco Products Inc. (now named Hematite Manufacturing Inc.), as lessee, and TD Equipment Finance Canada, a division of the Toronto-Dominion Bank, as lessor, and the schedules thereto (being Schedule No. 10 dated April 25, 2016, and Schedule No. 12 dated August 22, 2016 and Schedule No. 13 dated November 23, 2016)