

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

THE HONOURABLE  
JUSTICE CAVANAGH

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TUESDAY, THE 18th .

B E T W E E N:

DAY OF JANUARY, 2022

*(Court Seal)*

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF 3113736 CANADA LTD., 4362063 CANADA LTD. and A-Z SPONGE &  
FOAM PRODUCTS LTD.

(the “**Applicants**”)

**ORDER**  
**(Settlement Approval Order)**

THIS MOTION by the Applicants for an order approving a settlement agreement between the Applicants and 0932916 BC Ltd. (the “**Purchaser**”), was heard this day by videoconference.

ON READING the Motion Record, the Twenty-Seventh Report of Deloitte Restructuring Inc., (the “**Twenty-Seventh Report**”) in its capacity as Court-appointed monitor of the Applicants (the “**Monitor**”), and the Applicants’ Factum, and on hearing the submissions of the lawyers for the Applicants, no other party making submissions:

1. **THIS COURT ORDERS** that the time for service and manner of service of the Applicants' Motion Record and Factum are hereby abridged and validated, and any further service thereof is hereby dispensed with so that this motion was properly returnable January 18, 2022, in all proceedings set out in the styles of cause hereof.

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this Order shall have the meanings attributed to those terms in the minutes of settlement and release between the Applicants and the Purchaser (together, the "**Settling Parties**"), executed by the Applicants on December 10, 2021 and by the Purchaser on December 23, 2021 (the "**Settlement Agreement**").

3. **THIS COURT ORDERS** that the Settlement Agreement is fair and reasonable and is hereby approved, and the parties thereto are hereby bound by this Order and by those terms of the Settlement Agreement that are conditional upon the granting of this Order, and the Applicants are authorized and directed to comply with their obligations thereunder.

4. **THIS COURT ORDERS** that the Monitor is directed and authorized to take any steps and perform any actions that are required to be taken or performed by the Monitor pursuant to the Settlement Agreement, including, without limiting the generality of the foregoing, to pay the Settlement Amount to the Purchaser from funds held in the Applicants' Estate Account.

5. **THIS COURT ORDERS** that in accordance with the terms and conditions of the Settlement Agreement, as of the Settlement Date, the Settled Matters as defined in the Release appended to the Settlement Agreement are irrevocably, absolutely, and unconditionally fully, finally, and forever released, remised and discharged in accordance with the terms of said Release.

6. **THIS COURT ORDERS** that, due to the COVID-19 pandemic, this Order is immediately effective and enforceable without any need for entry and filing.

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*Justice*

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 31133736 CANADA LTD., 4362063 CANADA LTD., and A-Z SPONGE & FOAM PRODUCTS LTD.

Applicants

Court File No. CV-12-9545-00CL

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SUPERIOR COURT OF JUSTICE  
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PROCEEDING COMMENCED AT  
TORONTO

**ORDER**

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