

Tab DD

THIS IS EXHIBIT "DD" TO THE AFFIDAVIT
OF JACK KANE SWORN BEFORE ME
ON THIS 20TH DAY OF JULY, 2018



A Notary Public in and for the State of Illinois



Court File No.:

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

B E T W E E N:

BANK OF MONTREAL

Applicant

- and -

INGENIOUS PACKAGING GROUP ULC

Respondent

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; AND
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**CONSENT
(Appointment of Receiver)**

Deloitte Restructuring Inc. hereby consents to act as the court-appointed receiver of the assets, properties and undertaking of Ingenious Packaging Group ULC in accordance with an order substantially in the form requested by the Applicant.

July 20, 2018

DELOITTE RESTRUCTURING INC.

By: 

Name: Phil Reynolds
Title: Senior Vice President

Court File No.

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

BANK OF MONTREAL

- and -

INGENIOUS PACKAGING GROUP ULC

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

CONSENT
(Appointment of Receiver)

BORDEN LADNER GERVAIS LLP

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON M5H 4E3
Tel: (416) 367-6000
Fax: (416) 367-6749

Alex MacFarlane – LSO No. 28133Q

Tel: (416) 367-6305
amacfarlane@blg.com

Evita Ferreira – LSO No. 69967K

Tel: (416) 367-6708
eferreira@blg.com

Lawyers for the Applicant

Tab 3

Court File No.:

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

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

INGENIOUS PACKAGING GROUP ULC

Respondent

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION
243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3,
AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C.43, AS AMENDED

**AFFIDAVIT OF MICHAEL SILVERMAN
(Sworn July 20, 2018)**

I, **MICHAEL SILVERMAN**, of the City of Skokie, in the State of Illinois, **MAKE OATH
AND SAY as follows:**

1. I am the founder of, and a principal at, Silverman Consulting ("**Silverman**"), which provides management advisory and restructuring services. In September 2017, I was appointed as the Chief Restructuring Officer ("**CRO**") of Ingenious Packaging Group ULC ("**Ingenious**"), and as such have personal knowledge of the matters hereinafter deposed to, and where I do not possess such personal knowledge, I have stated the source of my information and in all such cases do verily believe it to be true.
2. This affidavit is sworn in support of an application by Deloitte Restructuring Inc. ("**Deloitte**") as receiver (in such capacity, the "**Receiver**") over the assets, properties and undertakings (the "**Property**") of Ingenious, and for a motion to obtain Court approval of the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement

(the “**Asset Purchase Agreement**”) between Ingenious and Ingenious Packaging, Inc. (the “**Purchaser**”) dated July 20, 2018, and vesting in the Purchaser all of the Debtor’s right title and interest in and to the assets described in the Asset Purchase Agreement (the “**Purchased Assets**”), as further described below.

3. All references herein to amounts shall be in US currency, unless otherwise stated.

A. BACKGROUND

4. In June 2017, Silverman was engaged as a financial advisor to Ingenious. Three months later, in September 2017, I was appointed the CRO.
5. In the months following my assumption of the CRO role, it became clear that Ingenious was in very poor financial condition. In particular, Ingenious had been incurring significant losses, primarily as a result of multiple acquisitions of west coast wine label manufacturers (the “**West Coast Assets**”) which were not profitable.
6. In December 2017, a sale of the West Coast Assets was consummated and Ingenious received a conditional commitment from a subordinated noteholder, Morgan Stanley Canada Ltd. (“**Morgan Stanley**”), to provide the necessary funds for a refinancing. However, during the due diligence process Morgan Stanley was unable to obtain credit approval.
7. From a liquidity perspective, Ingenious could not afford to maintain payments to its lenders, vendors were stretched beyond terms, and Ingenious was operating with inadequate levels of operating cash to run the business. Among other things, there was insufficient cash available to purchase or lease needed equipment at a cost of \$4 to \$6 million, and to operate the business at delivery levels demanded by the company’s customers. Attached hereto as **Exhibit “A”** is a graph that illustrates the decline in on-time delivery over the course of 2017 and into 2018 due to capacity constraints.

B. THE SALES PROCESS

8. Due to the significant financial difficulties experienced by Ingenious described above, and as outlined in the affidavit of Jack Kane sworn July 20, 2018 (the "**Kane Affidavit**"), Ingenious decided to retain Mesirow Financial Inc. ("**Mesirow**") in February 2018 to conduct a sales and marketing process (the "**Sales Process**") to identify potential purchasers of Ingenious. Mesirow has deep experience in capital markets and investment banking in comparable transactions, and assembled a team led by the managing director, Mr. Louis Mitchell.
9. Mesirow undertook a preliminary analysis to evaluate Ingenious against valuation benchmarks and the market, and designed a structured process that retained enough flexibility to react to real-time market feedback.
10. On March 1, 2018, Mesirow began a marketing outreach to prospective buyers. In particular, Mesirow approached the top 12 strategic acquirers of label companies as well as five select financial sponsors. Mesirow ultimately provided a confidential Information Memorandum detailing the Ingenious business to 15 buyers, each of whom signed a confidentiality agreement. As part of this outreach, March 21, 2018 was identified as the deadline for receipt of any preliminary Indications of Interest ("**IOI**").
11. Mesirow received seven IOIs from interested purchasers, six of which were in turn invited to management presentations the week of April 2, 2018. The common reasons cited by parties who declined to submit an IOI were that Ingenious was not large enough as a platform for investment, the valuation expectations, and geographic location of the business.
12. After further discussions, as well as review of data room material, four of the above referenced parties ultimately submitted letters of intent ("**LOIs**") by April 19, 2018.
13. With respect to the LOIs submitted, while each proposed an asset purchase deal, their valuations and purchase prices diverged significantly. For example, the implied EBITDA multiple ranged from 4.6x to 9.5x.

14. After a thorough evaluation of the key terms of the various LOIs, Mesirow concluded that the bid submitted by Resource Label Group, LLC (“**RLG**”) possessed the most advantageous terms and realized the greatest value for the Property.
15. In addition, Mesirow was cognizant of the need to avoid continued uncertainty over the future of Ingenious, which was having a detrimental impact on the Ingenious customer base as well as the retention of key employees.
16. Consequently, on April 23, 2018 Ingenious signed back the RLG LOI.
17. RLG engaged in confirmatory due diligence over the course of May and June, 2018. On the conclusion of the RLG due diligence, the purchase price was decreased. Among other things, this reflected a Quality of Earnings adjustment, a need for new capital expenditures to resolve customer service issues, and tenant structural improvements required under the building lease.
18. RLG also learned that Ingenious had lost one significant customer, and was at risk to lose several others. It is important to understand that the top 20 customers comprise approximately 65% of the Ingenious revenue base. In addition, since the material provided by Ingenious is custom and specific to customer products, those customers would move proactively to alternate sources in order to ensure continuity of label material.
19. Notwithstanding the reduction in purchase price, we remained of the view that the factors identified in the RLG due diligence would have similarly resulted in a reduction of the other bidders’ purchase prices. In addition, RLG had gained a significant understanding of the Ingenious business through the due diligence process. Consequently, we recommended proceeding to close the Transaction with RLG.
20. By the end of June, 2018, the financial situation of Ingenious had continued to deteriorate. For example, the 13-week cash flow forecast indicated that Ingenious barely maintained a positive cash balance, fluctuating in the range of \$0 to \$500,000.00. In light of the fact that expenses averaged \$515,000.00 per week, the company was effectively operating with no liquidity.

Tab A

THIS IS EXHIBIT "A" TO THE AFFIDAVIT
OF MICHAEL SILVERMAN SWORN
BEFORE ME

ON THIS 20TH DAY OF JULY, 2018

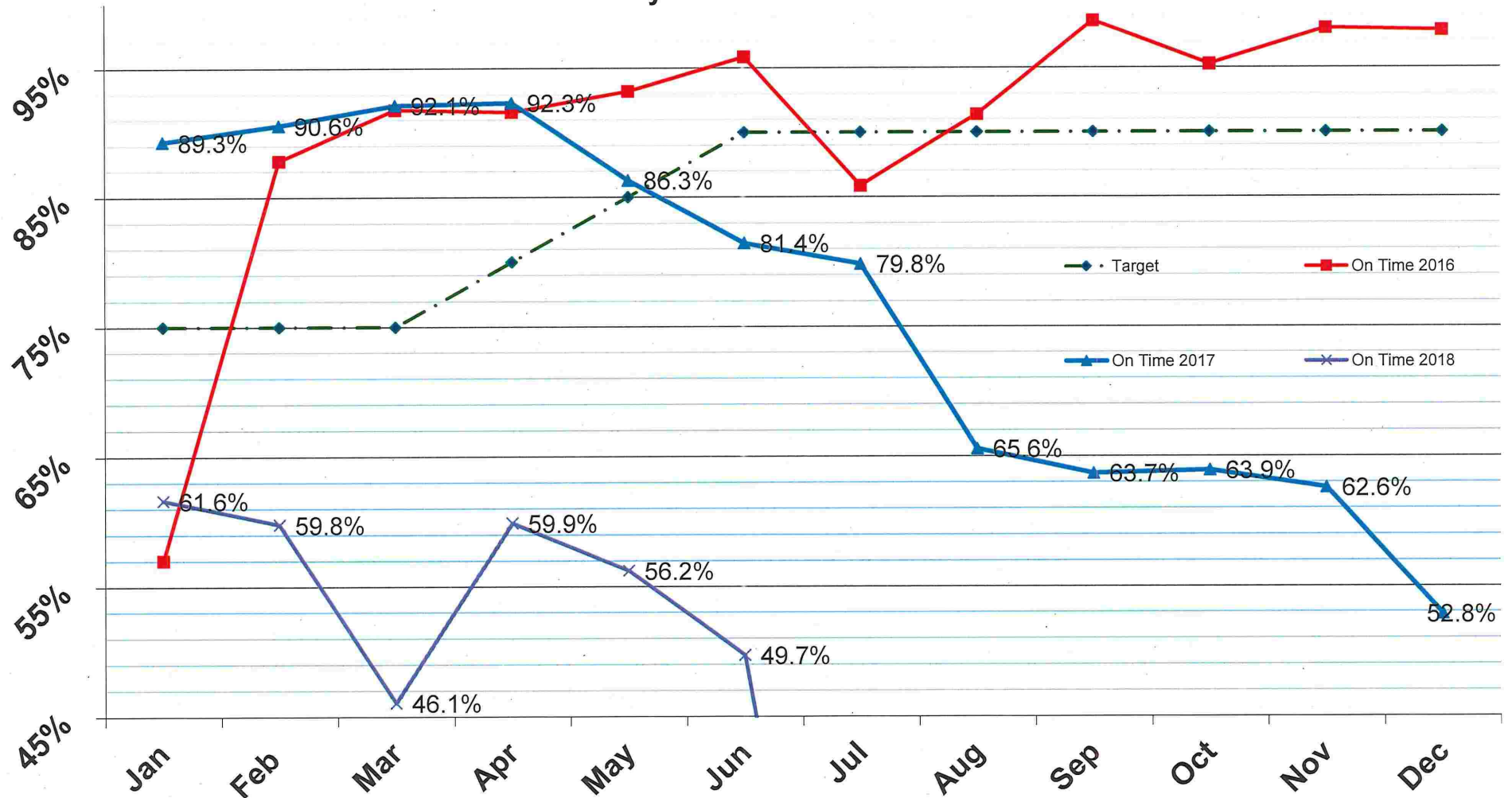
Judith A. Schumer

A Notary Public in and for the State of Illinois



Ingenious Packaging

Monthly On Time Deliveries



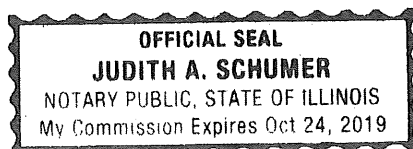
Tab B

THIS IS EXHIBIT "B" TO THE AFFIDAVIT
OF MICHAEL SILVERMAN SWORN
BEFORE ME

ON THIS 20TH DAY OF JULY, 2018

Judith A. Schumer

A Notary Public in and for the State of Illinois



ASSET PURCHASE AGREEMENT

by and between

INGENIOUS PACKAGING GROUP ULC,

**DELOITTE RESTRUCTURING INC., in its capacity as the proposed Court-appointed receiver of
Ingenious Packaging Group ULC and not in its personal or corporate capacity**

and

INGENIOUS PACKAGING, INC.

dated as of

July 20, 2018

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement is dated as of July 20, 2018 (the “**Signing Date**”), by and among **INGENIOUS PACKAGING GROUP ULC**, a British Columbia ULC (“**IPG**”), **DELOITTE RESTRUCTURING INC.** (“**Deloitte**”), solely in its capacity as the proposed Court-appointed receiver (the “**Receiver**”) of IPG, and **INGENIOUS PACKAGING, INC.**, a corporation incorporated in the Province of Quebec, Canada (“**Buyer**”). Receiver, IPG and Buyer together are referred to as the “**Parties**”. References to the Receiver herein mean (i) at any time or after the Signing Date and before the entry of the Receivership Order, Deloitte, in its capacity as proposed Court-appointed receiver of IPG and (ii) at any time after the Receivership Order is entered, Deloitte, in its capacity as the Court-appointed receiver of IPG, and not in its personal or corporate capacity.

WHEREAS, it is anticipated that on July 24, 2018, an application will be made to appoint Deloitte as Receiver, of all of the assets, undertakings and properties of IPG (including, for greater certainty, the Assets (as defined herein)) acquired for, or used in relation to, the business carried on by IPG, (the “**Business**”) including all proceeds thereof pursuant to and in accordance with the terms of an order (substantially in the form appended hereto as Exhibit D and otherwise acceptable to Deloitte, acting reasonably, and as such order may be amended or restated from time to time, the “**Receivership Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) (the “**Receivership Proceedings**”);

WHEREAS, it is anticipated that following entry of the Receivership Order, an application will also be made on July 24, 2018, by the Receiver for an order of the Court substantially in the form appended hereto as Exhibit C and otherwise acceptable to the Receiver, acting reasonably, authorizing and directing the Receiver to enter into this Agreement *nunc pro tunc*, as such order may be amended from time to time, the “**Approval and Vesting Order**”;

WHEREAS, subject to the entry of the Receivership Order and the Approval and Vesting Order, the Receiver has agreed to sell, and the Buyer has agreed to buy, the Assets, on the terms and conditions set forth herein and in the Approval and Vesting Order.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth, the Parties agree as follows:

Defined Terms.

The following terms are defined in the sections listed adjacent thereto in the table set forth below:

Defined Term	Section of Agreement
Accounting Firm	Section 8(b)
Accounting Principles	Section 22
Accounts Receivable	Section 1(n)
Actual Adjustment	Section 22
Adjustment Escrow Amount	Section 3(a)
Affiliate	Section 22

Defined Term**Section of Agreement**

Affiliate Arrangement	Section 22
Ancillary Agreements	Section 22
Another Transaction	Section 22
Approval and Vesting Order	Recitals
Assets	Section 1
Assumed Contracts	Section 1(h)
Assumed Current Liabilities	Section 7(a)(ii)
Assumed Liabilities	Section 7(a)
Assumed Pre-Closing Employee Obligations	Section 7(a)(iv)
Balance Sheet	Section 22
Business	Recitals
Business Day	Section 1(g)
Buyer	Recitals
Closing	Section 8(a)
Closing Date	Section 8(a)
Confidential Information	Section 17(a)
Consent Parties	Section 22
Consideration	Section 3
Court	Recitals
Current Assets	Section 22
Current Liabilities	Section 22
Deposit	Section 3
Escrow Agent	Section 4
Escrow Agreement	Section 4
Excluded Assets	Section 2
Family Group	Section 22
Finished Goods Inventory	Section 1(c)
Fixed Assets	Section 1(b)
GAAP	Section 22
Governmental Authority	Section 22
Indebtedness	Section 22
Insurance Policies	Section 22
Intellectual Property	Section 1(g)
Inventory	Section 1(e)
IPG	Recitals
IPG Employment Terms	Section 6(a)
IPG's Lenders	Section 22
ITA	Section 12(j)
Leased Property	Section 1(a)
Leasehold Rights	Section 1(a)
Liability	Section 22
Lien	Section 22
Material Adverse Effect	Section 22
Material Customer	Section 22

Defined Term	Section of Agreement
Material Supplier	Section 22
Negative NWC Adjustment	Section 22
Net Working Capital Example	Section 22
Outside Date	Section 19(a)(ii)
Parties	Recitals
Permits	Section 1(i)
Permitted Liens	Section 7(a)(iii)
Person	Section 22
Personal Information	Section 12(i)
Positive NWC Adjustment	Section 22
Purchase Price	Section 3
Raw Materials Inventory	Section 1(e)
Receiver	Recitals
Receiver's Account	Section 3
Receivership Order	Recitals
Receivership Proceedings	Recitals
Receiving Parties	Section 3(c)
Reference Amount	Section 22
Related Party	Section 22
Released Claim	Section 16(f)
Released Parties	Section 16(f)
Releasing Party	Section 16(f)
Restrictive Covenant Agreement	Section 22
Retained Liabilities	Section 7(b)
Signing Date	Page 1
Specified Contracts/Permits	Section 5
Toronto Lease	Section 22
Transferable Employees	Section 22
Transferred Employees	Section 6(a)
Work-in-Process Inventory	Section 1(d)

1. Sale of Assets.

At the Closing and subject to the terms and conditions of this Agreement (which conditions include the issuance of the Approval and Vesting Order), the Receiver hereby agrees to sell, convey, assign, deliver and transfer to the Buyer, and the Buyer agrees to purchase from the Receiver, the undertaking and certain of the property and assets of IPG of every kind and description and wheresoever situate, other than the Excluded Assets (collectively, the "Assets"), including:

- (a) **Leases to Land and Buildings as Tenant.** All rights of IPG as tenant under the Toronto Lease to land and buildings ("**Leased Property**") as contemplated in the Toronto Lease Consent (the "**Leasehold Rights**").

- (b) **Furniture, Fixtures, Equipment and Fixed Assets.** All furniture, fixtures, equipment, machinery, office materials, packaging and shipping materials, storage facilities, spare parts, tools, supplies, transfer systems, vehicles and transportation equipment, leasehold improvements, dies, molds, fixtures and related equipment and attachments thereto, in each case relating to the Business (the “**Fixed Assets**”).
- (c) **Finished Goods Inventory.** All inventory of saleable finished goods relating to the Business (the “**Finished Goods Inventory**”).
- (d) **Work-in-Process Inventory.** All inventory of work-in-process relating to the Business, whether or not prepaid and wherever located (the “**Work-in-Process Inventory**”).
- (e) **Raw Materials Inventory.** All inventory of raw materials relating to the Business and all other inventory, whether or not prepaid and wherever located (the “**Raw Materials Inventory**” and, together with the Finished Goods Inventory and the Work-in-Process Inventory, the “**Inventory**”).
- (f) **Customer Purchase Orders and Data.** (A) All unfulfilled purchase orders as of the Closing to purchase items of Inventory received from the customers relating to the Business (“**Customers**”) and (B) all Customer or user data, including but not limited to any use of any website, client and Customer lists, referral sources, research and development reports, equipment logs, operating guides and manuals, product portfolios and formulations, financial account records, creative materials, advertising materials, promotional materials, studies, reports and other similar documents and records.
- (g) **Intellectual Property and Intangible Assets.** All registered and unregistered patents, trademarks, trade names, domain names, trade secrets, copyrights, licenses, product designs, manufacturing processes, service marks and logos, customer relationships, customer lists, vendor relationships, vendor lists, artwork, other creative materials, literature, brochures, product advertising or promotional materials, product names, web sites, social media sites, email accounts, domain names, HTML content located and publicly accessible from those domain names, the “visitor” email database for those sites and any other intellectual or intangible asset relating to the Business (the “**Intellectual Property**”). For greater clarity, the Intellectual Property shall include the names “Ingenious Packaging Group” and “Metro Label” and the Receiver agrees that not later than five Business Days following the Closing Date, Receiver shall cause IPG to change its name to a name that does not include such names and deliver evidence of such name change to Buyer. In this Agreement, “**Business Day**” means any day other than a Saturday, a Sunday or a statutory holiday in the Province of Ontario or any other day on which the principal chartered banks in the City of Toronto are not open for business during normal banking hours.

- (h) **Assumed Contracts.** All contracts, agreements and commitments, including the rights and obligations of IPG arising out of all contracts (whether written or oral), agreements and commitments relating to the Business but excluding all Affiliate Arrangements (collectively, the “**Assumed Contracts**”). The transfer by IPG or the Receiver to the Buyer of any claim, right or benefit arising under or resulting from such Assumed Contracts shall be subject to obtaining all necessary approvals, consents and waivers.
- (i) **Permits.** All licenses, registrations, orders, certificates, variances, franchises, applications, filings, rights, certificates of occupancy, authorizations or permits, including all pending applications therefor or renewals thereof and other credits, reserves or deposits with any Governmental Authority relating to the Business other than any permits which are not assignable and which Buyer is required to obtain on its own account to carry on the Business after Closing (the “**Permits**”).
- (j) **Goodwill.** All goodwill associated with the Assets or the Business.
- (k) **Claims.** All claims against third parties relating to the Business, whether choate or inchoate, known or unknown, contingent or non-contingent. All rights to insurance proceeds from claims under any Insurance Policies.
- (l) **Guarantees.** All warranties, guarantees, causes of action, rights of recovery, rights of set-off and rights of recoupment of every kind and nature (including, without limitation rights under and pursuant to all warranties, representations and guarantees made by suppliers of products, materials or equipment, or components thereof) relating to the Business.
- (m) **Books and Records.** All books and records relating to the Business (whether stored in print, magnetic tapes, computer disks, or any other digital or electronic files or media and, in the case of those required by applicable law to be retained by IPG or the Receiver, copies thereof).
- (n) **Accounts Receivable.** Accounts receivable of IPG (which, for the avoidance of doubt, shall include accounts receivable and any supplier volume rebates accrued and owing to IPG as of the Closing Date) (the “**Accounts Receivable**”).
- (o) **Prepaid Expenses.** Prepaid expenses of IPG (“**Prepaid Expenses**”).
- (p) **Security Deposits.** Any security deposits paid in connection with the Leasehold Rights as contemplated in the Toronto Lease Consent (the “**Security Deposits**”).

2. Excluded Assets.

Notwithstanding the foregoing, the Assets shall not include the following assets of IPG (collectively, the “**Excluded Assets**”):

- (a) Cash and cash equivalents whether in bank balances or otherwise;

- (b) Any tax rebates or refunds due to IPG;
- (c) corporate seals, organizational documents, minute books, stock books, tax returns or other similar records having to do with the corporate organization of IPG;
- (d) employee benefit plans relating to the Business and any assets attributable thereto;
- (e) any right, title and interest which accrue or will accrue to IPG pursuant to the terms of this Agreement and any other agreements entered into pursuant hereto; and
- (f) any Affiliate Arrangement.

3. Purchase Price.

The aggregate consideration for the Assets (the "**Consideration**") shall be (x) a cash purchase price in an amount equal to the sum of (i) [REDACTED] inclusive of a cash deposit in the amount of [REDACTED] (the "**Deposit**"), which Deposit shall be paid by the Buyer to the Receiver by wire transfer to an account that has been designated by the Receiver (the "**Receiver's Account**") upon execution of this Agreement by the Buyer plus (ii) the Positive NWC Adjustment, if any, minus (iii) the Negative NWC Adjustment, if any (the "**Purchase Price**") and (y) the assumption of the Assumed Liabilities pursuant to and in accordance with Section 7. No later than three Business Days prior to the anticipated Closing, the Receiver, in consultation with IPG, shall deliver to Buyer a good faith estimate of the Net Working Capital ("**Estimated Net Working Capital**") and the resulting calculation of the Purchase Price with Estimated Net Working Capital being used in the place of Net Working Capital (the "**Estimated Purchase Price**"), together with an estimate of Indebtedness, which in each case shall be subject to the approval of the Buyer in its sole discretion. No later than one Business Day prior to the Closing, IPG shall prepare and deliver to the Buyer and the Receiver a funds flow showing the payments to be made at Closing (the "**Funds Flow**"), for approval by the Buyer and the Receiver, acting reasonably. Subject to the terms and conditions hereof, the Estimated Purchase Price as so determined shall be paid at the Closing as follows:

- (a) [REDACTED] (the "**Adjustment Escrow Amount**") shall be deposited by Buyer on the Closing Date with the Escrow Agent pursuant to the terms of the Escrow Agreement in accordance with Section 4;
- (b) the balance of the Estimated Purchase Price shall be paid on the Closing Date by wire transfer of immediately available funds to an account that has been designated no later than two (2) Business Days prior to the Closing Date in writing by Receiver to Buyer; and
- (c) from such balance of the Estimated Purchase Price, the Receiver shall pay to the parties identified on the Funds Flow (the "Receiving Parties") the amounts specified to be paid to such Receiving Party within two (2) Business Days after the Closing Date by wire transfer of immediately available funds to an account that has been designated by such Receiving Party no later than two (2) Business Days prior to the Closing Date in writing by such Receiving Party to the Receiver

and IPG, otherwise by check and as applicable (and notwithstanding Section 21(p)) at the actual exchange rate obtained by the Receiver in respect of the subject funds in accordance with its customary practice for exchanging currencies.

Upon receipt of the Estimated Purchase Price and upon confirmation by the Buyer, the Receiver shall distribute the funds in accordance with the Funds Flow.

4. Purchase Price Adjustment Amounts.

At Closing, IPG, Buyer and the Receiver, acting as escrow agent (the “**Escrow Agent**”) shall enter into the escrow agreement substantially in the form attached hereto as Exhibit A (“**Escrow Agreement**”) and Receiver will release the copy of the Escrow Agreement executed by IPG pursuant to which Buyer shall deposit the Adjustment Escrow Amount in immediately available funds with the Escrow Agent to secure any obligation of IPG due to an adjustment of the Purchase Price under Section 8 of this Agreement. The Adjustment Escrow Amount shall be distributed by the Escrow Agent in accordance with Section 8.

5. Assignment of Contracts and Transfer of Permits.

Nothing in this Agreement shall be construed as an attempt by IPG or the Receiver to assign any Assumed Contract or transfer any Permit to the extent that such Assumed Contract is not assignable without the necessary notice to or consent of the other party or parties thereto or such Permit is not transferable without the necessary notice to or consent of the issuer thereof (the “**Specified Contracts/Permits**”), and such notice to or consent of such other party or other parties has not been given or received, as applicable. The Receiver shall not be liable for any costs or obligations arising out of or related to any breach in connection with any Assumed Contract or any Permit, whether on account of “cure costs” or otherwise. Except with respect to the Toronto Lease Consent, Buyer agrees to proceed to Closing notwithstanding the absence at Closing of one or more required consents to the assignment of a Specified Contract/Permit. Following the Closing, at such time as consent has been obtained, or any requisite notice has been made or delivered, as applicable, the related Specified Contract/Permit shall be assigned to Buyer automatically without any other conveyance or other action by Buyer.

6. Employee Matters.

- (a) No later than four Business Days before the Closing Date, Buyer shall make an offer of employment to each Transferable Employee, containing such employment terms, conditions and benefits that are substantially similar in the aggregate to IPG’s respective terms and conditions for each such Transferable Employee as of the date hereof (“**IPG Employment Terms**”). If requested by Receiver, Receiver may receive and provide reasonable comments on the form of offer to be made to the Transferable Employees, and Buyer shall consider such comments in good faith. For the purposes hereof, IPG Employment Terms do not include any (A) equity compensation or (B) bonuses or other remuneration (whether as to nature or quantum) which with respect to clause (B) were paid by IPG (i) in relation to the Closing or (ii) not as an incident of the Transferrable

Employees' regular terms and conditions of employment in the ordinary course of the Business consistent with past practice. Notwithstanding the foregoing, subject to the Buyer's obligations under the *Employment Standards Act, 2000*, the *Human Rights Code* and any other applicable laws, Buyer will not be obliged to offer employment to any Transferable Employee who is absent from work on the Closing Date by reason of authorized leave unless he or she is able to resume active employment within 12 months of the Closing Date, in which case Buyer shall make an offer of employment in accordance with this Section 6(a) effective as of the date on which such Transferable Employee commences active employment with Buyer. Each Transferable Employee who accepts Buyer's offer of employment shall be referred to herein as the "**Transferred Employees,**" and the date upon which such Transferred Employee becomes an employee of Buyer shall be the "**Transfer Date.**" Neither party hereto shall attempt in any way to discourage the Transferable Employees from accepting the offer of employment made by Buyer. The Parties acknowledge and agree that nothing herein shall be construed to (i) create any right in any other person, including, without limitation, any employees, former employees, any participants in any employee benefit plan or any beneficiaries thereof, (ii) create any right to continued employment with IPG, Buyer or any of their respective Affiliates or (iii) amend, or may be construed as amending, any employee benefit plan, program or policy of IPG, Buyer or any of their respective Affiliates.

- (b) Buyer shall recognize the prior service of each Transferred Employee with IPG for the purpose of calculating any length or period of employment with Buyer as required by applicable employment standards legislation.
- (c) At the Closing, Buyer shall pay an amount equal to the Assumed Pre-Closing Employee Obligations by wire transfer of immediately available funds to an account at IPG's payroll provider¹ and such amount shall be used solely to perform and discharge the Assumed Pre-Closing Employee Obligations.

7. **Liabilities.**

- (a) Buyer shall not assume or be liable for any Liabilities, commitments or obligations of IPG or the Business, except the following which the Buyer will assume, perform and discharge (the "**Assumed Liabilities**"):
 - (i) obligations of IPG under the Assumed Contracts and Permits for periods following the Closing Date, except to the extent such obligations arise out of or relate to any breach that occurred prior to the Closing Date;
 - (ii) accounts payable and accrued expenses relating to the Business to the extent incurred in the ordinary course of business and reflected in Net Working Capital, but excluding for the avoidance of doubt any Indebtedness (the "**Assumed Current Liabilities**");

¹ NTD: Coordinate communication with Ceridian.

- (iii) the liens listed on Schedule 7(a)(iii) hereto (the “**Permitted Liens**”); and
- (iv) all of IPG’s obligations for salary, wages, bonuses, commissions, vacation pay, sick pay or accrued incentive pay of Transferred Employees incurred in the ordinary course of business consistent with past practice which remain unpaid as of immediately prior to the Closing (the “**Assumed Pre-Closing Employee Obligations**”).

(b) Other than the Assumed Liabilities, all other Liabilities, commitments and obligations of IPG (the “**Retained Liabilities**”) are not assumed by Buyer and shall be retained by and remain the Liabilities of IPG. For the avoidance of doubt, Retained Liabilities includes without limitation (a) Indebtedness, (b) taxes, (c) all Liabilities, commitments and obligations of IPG with respect to IPG’s and its Affiliate’s former operations (including those in Vancouver, British Columbia), and (d) all Liabilities, commitments and obligations of IPG with respect to Excluded Assets.

8. Closing.

(a) The purchase and sale of the Assets and assumption of the Assumed Liabilities hereunder (the “**Closing**”) shall be held at 10:00 a.m. (Toronto time) three (3) Business Days after the first date on which the conditions precedent set out in Sections 14 and 15 have been satisfied or waived other than those that may only be satisfied by actions taken at the Closing provided that each such condition is satisfied at Closing (or such earlier or later date as IPG and Buyer may agree upon) (the “**Closing Date**”), provided in no event shall the Closing be later than the Outside Date. The Closing shall be held by facsimile or electronic exchange of executed closing documents followed by delivery of originally executed documents or in such other manner and at such other place as the Parties may mutually agree in writing.

Receiver, in consultation with IPG, and Buyer, and their respective accountants and other advisors, shall cooperate reasonably in the performance of an Inventory count on or as close as possible prior to the Closing Date. As soon as practicable, but no later than ninety (90) days after the Closing Date, Buyer shall prepare and deliver to the Receiver (A) a proposed calculation of the Net Working Capital (the “**Proposed Closing Date Statement of Net Working Capital**”) and (B) a proposed calculation of the Purchase Price (the “**Proposed Purchase Price Calculation**”) and the components thereof. The Proposed Closing Date Statement of Net Working Capital and the Proposed Purchase Price Calculation shall collectively be referred to herein from time to time as the “**Proposed Closing Date Calculations.**” The Proposed Closing Date Calculations shall be prepared based upon the books and records of IPG in accordance with the definitions as provided in this Agreement, the Accounting Principles and the Net Working Capital Example. The post-Closing adjustment to Purchase Price as set forth in this Section 8 is not intended to permit the introduction of different accounting methods, policies, practices, procedures, classifications, conventions, categorizations, definitions, principles, judgments, assumptions, techniques or estimation methods with respect to financial statements (including any of the foregoing as they relate to the nature of accounts, calculation of levels of reserves or levels of accruals) from the Accounting Principles or,

to the extent consistent with the Accounting Principles, the accounts used and included in determining the Net Working Capital Example. Net Working Capital shall be determined without regard for any facts, circumstances, events or other information that first arise after and were not applicable on the Closing Date, and no such facts, circumstances, events or other information may be relied upon to adjust any assumptions, judgments or estimates that were made in determining the Net Working Capital.

(b) If the Receiver does not give written notice of dispute (a “**Purchase Price Dispute Notice**”) to Buyer within thirty (30) days of receiving the Proposed Closing Date Calculations, the parties hereto agree that (A) the Proposed Closing Date Statement of Net Working Capital shall be deemed to set forth the Net Working Capital and (B) the Proposed Purchase Price Calculation shall be deemed to set forth the Purchase Price. If the Receiver gives a Purchase Price Dispute Notice to Buyer (which Purchase Price Dispute Notice must set forth, in reasonable detail, the items and amounts in dispute) within such 30-day period, Buyer and the Receiver will use reasonable efforts to resolve the dispute during the 30-day period commencing on the date Buyer receives the applicable Purchase Price Dispute Notice from the Receiver. If the Receiver and Buyer do not obtain a final resolution within such 30-day period, then the items in dispute that were included in the Receiver’s Purchase Price Dispute Notice shall be submitted immediately to the New York office of KPMG LLP (the “**Accounting Firm**”). The Accounting Firm shall be instructed to render a determination of the applicable dispute within 30 days after referral of the matter to the Accounting Firm, which determination must be in writing and must set forth, in reasonable detail, the basis therefor, and include a certification that it reached such determination in accordance with the definitions as provided in this Agreement and the Accounting Principles and the Net Working Capital Example. The determination of the Accounting Firm shall be conclusive and binding upon the Receiver, Buyer and the other parties hereto and judgment may be entered upon the determination of the Accounting Firm in any court having jurisdiction over the party against which such determination is to be enforced pursuant to Section 21(l). The scope of the disputes to be resolved by the Accounting Firm is limited to only such items included in the Proposed Closing Date Calculations that the Receiver has disputed in the Purchase Price Dispute Notice. The Accounting Firm shall determine, based solely on presentations by the Buyer and the Receiver and their respective representatives, and not by independent review, only those issues in dispute specifically set forth on the Purchase Price Dispute Notice. In resolving any disputed item, the Accounting Firm shall be bound by the principles set forth in this Section 8 and shall not assign a value to any item greater than the greatest value for such item claimed by either party or less than the smallest value for such item claimed by either party. Buyer will revise the Proposed Closing Date Calculations as appropriate to reflect the resolution of any objections thereto pursuant to this Section 8. The “**Final Statement of Purchase Price**” shall mean the Proposed Purchase Price Calculation together with any revisions thereto pursuant to this Section 8.

(c) In the event the Receiver and Buyer submit any unresolved objections to the Accounting Firm for resolution as provided in this Section 8, the fees and expenses of the Accounting Firm (x) shall be borne by Buyer in the proportion that the aggregate dollar amount of such disputed items so submitted that are successfully disputed by the

Receiver (as finally determined by the Accounting Firm) bears to the aggregate dollar amount of such items so submitted and (y) shall be borne by the Receiver in the proportion that the aggregate dollar amount of such disputed items so submitted that are unsuccessfully disputed by the Receiver (as finally determined by the Accounting Firm) bears to the aggregate dollar amount of such items so submitted.

(d) If the Actual Adjustment is a positive amount, Buyer will pay to the Receiver the full amount of the Actual Adjustment by wire transfer or delivery of other immediately available funds, in each case, within three Business Days after the date on which the Purchase Price is finally determined pursuant to this Section 8 and the Adjustment Escrow Amount shall be released to the Receiver.

(e) If the Actual Adjustment is a negative amount, the Escrow Agent will (i) distribute from the Adjustment Escrow Amount to Buyer an amount equal to the absolute value of the Actual Adjustment within three Business Days after the date on which the Purchase Price is finally determined pursuant to this Section 8 and (ii) distribute to Receiver the remainder of the Adjustment Escrow Amount (if any) within three Business Days after the date on which the Purchase Price is finally determined pursuant to this Section 8.

9. Acknowledgements of Buyer.

The Buyer hereby acknowledges and agrees as follows:

- (A) The Purchased Assets are being purchased on an “as is, where is” basis as they exist at the Closing Date.
- (B) It is relying upon its own investigations and inspections in entering into this Agreement and has satisfied itself with respect to such investigations.
- (C) There is no representation, warranty or condition, express or implied, statutory or otherwise, of any kind as to the Assets, including without limitation, that the present or intended use of the Assets is or will be lawfully permitted, the condition, state of repair, title, outstanding liens or charges, description, fitness for purpose, merchantability, quantity, condition, defect, value and/or quality itself.
- (D) The Receiver has not guaranteed title to the Assets.

10. Representations and Warranties of Receiver.

- (a) **Power.** Subject to the issuance of the Receivership Order and the Approval and Vesting Order, the Receiver has all necessary power and authority to enter into this Agreement and to carry out its obligations under this Agreement. This Agreement has been duly executed and delivered by the Receiver and constitutes a legal, valid and binding obligation of the Receiver enforceable against it in

accordance with its terms, subject to any limitations imposed by the Receivership Order, the Approval and Vesting Order and applicable law.

- (b) **Residence.** The Receiver is not a non-resident of Canada within the meaning of the ITA.

11. Representations and Warranties of Buyer.

To induce IPG and the Receiver to enter into this Agreement and subject to the terms, conditions and limitations set forth in this Agreement, Buyer represents and warrants with and to IPG and the Receiver as follows:

- (a) **Corporate Organization.** Buyer is a corporation incorporated in the Province of Quebec, Canada duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, duly authorized under its articles of incorporation and applicable laws to engage in the business conducted by it and duly licensed or qualified and in good standing to do business in each jurisdiction in which the character of the properties owned or leased by it or the nature of the business conducted by it makes such licensing or qualification necessary, except where the failure to be so licensed or qualified would not have a material adverse effect on the business, financial condition, operations or results of operations of Buyer.
- (b) **Authorization; Noncontravention.** This Agreement, the Ancillary Agreements, the execution and delivery hereof and thereof by Buyer, the payment of the Estimated Purchase Price and Actual Adjustment as herein provided and the performance by Buyer of its obligations and undertakings hereunder and thereunder have been duly authorized and approved by all requisite corporate action of Buyer. This Agreement and each of the documents and instruments described in this Agreement to which Buyer is a party has been or will be duly executed and delivered by Buyer. This Agreement, the Ancillary Agreements and each of the documents and instruments described in this Agreement to which Buyer is a party constitutes the legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with its terms. The execution of this Agreement, the Ancillary Agreements and such other documents and instruments by Buyer, and the consummation of the transactions contemplated hereby and thereby do not violate (i) the articles of incorporation or by-laws of the Buyer, (ii) the provisions of any contract, arrangement or instrument to which Buyer is a party or by which Buyer or its assets are bound, except as would not have a material adverse effect, (iii) any order, decree or judgment of any court or governmental body having jurisdiction over Buyer, or (iv) any law or regulation applicable to Buyer. All consents or approvals of any court other than the Receivership Order and the Approval and Vesting Order, or regulatory authority required to be given in connection with the obligations of Buyer contemplated hereby have been given.

- (c) **No Restraining Action; Approvals.** No legal action or proceeding against the Buyer has been instituted to restrain or prohibit the consummation of the transactions by the Buyer contemplated by this Agreement, and other than the Receivership Order and the Approval and Vesting Order, all approvals, if any, of local, state, provincial or federal authorities reasonably necessary to permit performance by Buyer of its obligations contemplated hereunder have been obtained.
- (d) **GST.** The Buyer is a registrant for GST and its registration number is 74780 2916 RT0001.

12. Covenants.

The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing:

- (a) **General.** Each of Receiver, IPG and Buyer will use commercially reasonable efforts to take (or cause to be taken) all actions and to do (or cause to be done) all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement.
- (b) **Notices and Consents.** IPG will give any notices to third parties or governmental agencies required to be given hereunder, and will use its commercially reasonable efforts to obtain any third-party or governmental agency consents required to be obtained hereunder.
- (c) **Conduct of Business Prior to the Closing.** From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by Buyer, IPG (x) shall operate and conduct the Business in the ordinary course of business consistent with past practice; and (y) maintain and preserve intact its current Business organization and operations, including the present operations, physical facilities, working conditions and Insurance Policies, and to preserve the rights, goodwill and relationships of its employees, customers, lessors, licensors, lenders, suppliers, regulators and others having relationships with the Business in the same manner as has been consistent with its past practice.
- (d) **Access to Information.** From the date hereof until the Closing, IPG shall (i) afford Buyer and its representatives reasonable access during normal business hours upon reasonable advance notice and the right to inspect all of the Assets and the books and records and other documents and data related to the Business; and (ii) furnish Buyer and its representatives with such financial, operating and other data and information related to the Assets and the Business as Buyer or any of its representatives may reasonably request.
- (e) **Notice of Certain Events.** From the date hereof until the Closing, IPG and, following entry of the Approval and Vesting Order, the Receiver, shall promptly notify Buyer in writing if any of the conditions to Closing set forth in Section 14 cannot be satisfied by the Outside Date.

- (f) **Exclusivity.** IPG and, following entry of the Approval and Vesting Order, the Receiver, agree that until the earlier of (i) the termination of this Agreement under the terms hereof and (ii) the Closing, neither IPG nor the Receiver shall, and neither shall permit any of its respective officers, directors, employees, agents or Affiliates to directly or indirectly (A) solicit, initiate, knowingly facilitate, knowingly encourage or enter into Another Transaction; (B) enter into or continue negotiations or discussions with any person (other than Buyer) regarding the possibility of Another Transaction; or (C) except as otherwise required by law, order of a Governmental Authority or similar compulsion, provide any non-public financial or other confidential or proprietary information regarding IPG, the Receiver or the Business (including with respect to this Agreement and any materials containing Buyer's proposal) to any person (other than Buyer and its representatives) whom IPG, the Receiver or its Affiliates knows, or has substantial reason to believe, would have any interest in participating in Another Transaction.
- (g) **Public Announcements.** Prior to the Closing, subject to the Receiver's obligations as Receiver in the Receivership proceedings, neither Buyer, Receiver nor IPG shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other Parties to this Agreement and the Parties shall cooperate as to the timing and contents of any such announcement; *provided*, that, under no circumstance shall the financial terms (including Purchase Price) of the transactions contemplated in this Agreement and the Ancillary Agreements be disclosed; *provided*, further, that this Section 12(g) shall not restrict the Buyer, any of its direct or indirect equity holders, or any of their respective Affiliates that are investment or private equity firms or Affiliates of investment or private equity firms from disclosing the Closing of the transactions contemplated hereby and key financial information relating thereto on a confidential basis to their respective employees, partners, existing or prospective investors, professional advisors, financing sources and prospective financing sources; *provided, further*, that this Section 12(g) shall not restrict IPG or Receiver from delivering information to IPG's lenders on a confidential basis.
- (h) **Intentionally Omitted.**
- (i) **Personal Information.** Each Party shall comply with applicable privacy laws in the course of collecting, using and disclosing Personal Information. Buyer shall collect Personal Information prior to the Closing only for purposes related to the Closing and as is necessary to determine whether to proceed with the Closing in connection with its investigations regarding the Business, IPG and, if Buyer does not elect to terminate this Agreement as provided herein, for the completion of the Closing. During the period from the date of this Agreement to the Closing Date, Buyer shall not disclose Personal Information to any person other than to its representatives who are evaluating and advising on the Closing. If Buyer proceeds with the Closing, Buyer shall not, following Closing, without the

consent of the individuals to whom such Personal Information relates or as permitted or required by applicable laws, use or disclose Personal Information:

- (i) for purposes other than those for which such Personal Information was collected, used or disclosed by IPG prior to Closing; and
- (ii) which does not relate directly to the Business or to the carrying out of the objects for which the Closing were implemented.

Buyer shall protect and safeguard the Personal Information against unauthorized collection, use or disclosure, as provided by applicable privacy laws. Buyer shall instruct its representatives to observe the terms of this Section 12(i) and to protect and safeguard Personal Information in their possession. If Receiver or Buyer terminates this Agreement as provided herein, Buyer shall promptly deliver to IPG all Personal Information in its possession or in the possession of any of its representatives, including all copies, reproductions, summaries or extracts thereof.

In this Agreement, “**Personal Information**” means all information about an individual delivered to Buyer by IPG as a condition of the transactions.

- (j) **Restrictive Covenant Acknowledgement.** The Parties acknowledge, agree and confirm that no portion of the Consideration is received by the parties to the Restrictive Covenant Agreements for a “restrictive covenant”, as that term is defined for the purpose of section 56.4 of the *Income Tax Act* (Canada) (“**ITA**”). The Parties agree that any such covenants and undertakings granted under the Restrictive Covenant Agreements or this Agreement are granted to maintain or preserve the fair market value of the Assets. It is the intention of the Parties that subsection 56.4(7) of the ITA (and the corresponding provisions of any applicable provincial taxing laws) apply with respect to any such covenants and undertakings granted thereunder. Therefore, the Parties (including for the purposes of this Section 12(j), any party to a Restrictive Covenant Agreement) agree to execute on a timely basis and in the prescribed manner elections to have subsection 56.4(7) of the ITA (and such corresponding provisions of applicable provincial taxing laws apply together with the parties to the Restrictive Covenant Agreements); *provided*, that, the sole obligation of Buyer shall be to execute such elections provided to Buyer by Receiver, and Receiver shall be responsible for the filing thereof.
- (k) **Financing Cooperation.** IPG agrees to provide, and will use commercially reasonable efforts to cause to provide, in each case at Buyer’s sole expense, all cooperation reasonably necessary and customary in connection with the requirements of the Buyer’s and/or its Affiliates’ existing bank group in connection with the transactions contemplated by this Agreement.

(l) **Buyer's Closing Deliveries.**

At Closing:

- (i) Buyer shall deliver a certified copy of Buyer's articles and other constating documents together with a certificate of good standing or its equivalent;
- (ii) Buyer shall deliver a certified copy of a resolution of the directors of Buyer, approving the purchase of the Assets, and authorizing the execution of documents and instruments in connection with such purchase;
- (iii) Buyer shall execute and deliver the Escrow Agreement; and,
- (iv) Buyer shall pay the Estimated Purchase Price pursuant to Section 3, hereof.

(m) **Receiver's Closing Deliveries.**

At Closing:

- (i) Receiver shall deliver a true and complete copy of the Approval and Vesting Order, as issued by the Court;
- (ii) Receiver shall deliver the Receiver's Certificate (as defined in the Approval and Vesting Order) executed by the Receiver;
- (iii) Receiver shall deliver such other documents as may be reasonably requested by the Buyer's counsel to effect or evidence closing and the transfer of the Assets; and
- (iv) Receiver shall execute and deliver the Escrow Agreement.

13. Receiver's Authority, Approval and Vesting Order

- (a) The Receiver's authority to enter into and execute this Agreement is conditional on the Court granting the Receivership Order and the Approval and Vesting Order, and the Receiver shall have no obligations of any kind under this Agreement until both the Receivership Order and the Approval Vesting Order are entered, other than (i) the obligations in respect of the Deposit set forth in Section 20 and to abide to Section 12(g) and 17(a), and (ii) following the entry of the Receivership Order and provided that the Deposit has been delivered on the Signing Date, the obligations set forth in Section 13(b)(i)-(iii) with respect to seeking entry of the Approval and Vesting Order by Court. Notwithstanding the foregoing, prior to the granting of the Receivership Order, the Receiver shall not take any steps which would adversely affect the Transaction or the Buyer, or contravene the terms of this Agreement.


- (b) If the Receivership Order is granted and the Deposit has been received by the Receiver:
 - (i) As soon as reasonably practicable and in any case by July 24, 2018, the Receiver shall seek from the Court the Approval and Vesting Order pursuant to which (a) this Agreement and the transactions contemplated by this Agreement shall be approved; (b) vesting title to the Assets in the Buyer or its assignees free and clear of all Liens, other than Permitted Liens, on terms and conditions satisfactory to the Buyer, acting reasonably; and (c) authorizing and directing the Receiver to enter into this Agreement and to complete the transactions contemplated by this Agreement. The Approval and Vesting Order shall be substantially in the form of the order attached as Exhibit C hereto, and otherwise acceptable to the Receiver, acting reasonably;
 - (ii) The Receiver shall file a sealed copy of an unredacted version of this Agreement with the Court and will seek a sealing order with respect to such unredacted version of this Agreement; and
 - (iii) The Receiver shall use its commercially reasonable efforts to have the Court issue the Approval and Vesting Order by the Outside Date.
- (c) If the Approval and Vesting Order is granted:
 - (i) If leave to appeal is sought, an appeal is taken or a stay pending appeal is requested with respect to the Approval and Vesting Order, the Receiver shall promptly notify the Buyer of such leave to appeal, appeal or stay request and shall promptly provide to the Buyer a copy of the related notice(s) or order(s) and written notice of any motion or application filed in connection with any leave to appeal or appeal from such orders; and
 - (ii) The Receiver shall use commercially reasonable efforts to diligently prosecute the dismissal of any motion for any such leave to appeal, appeal, or stay request.
- (d) If either the Receivership Order or the Approval and Vesting order is not granted, the Receiver shall have no obligations hereunder other than to return the Deposit in accordance with Section 20 and to abide by Sections 12(g) and 17(a).

14. **Conditions Precedent to Buyer's Obligations.**

Unless waived, in whole or in part, in writing by Buyer, the obligations of Buyer hereunder are subject to the satisfaction of the following conditions:

- (a) **Receivership Order Issued.** The Receivership Order shall have been issued and entered by the Court which order shall be substantially in the form of the order attached as Exhibit D or otherwise acceptable to the Buyer acting reasonably, and

no order shall have been issued which restrains or prohibits the completion of the transaction contemplated herein

- (b) **Approval and Vesting Order Issued.** The Approval and Vesting Order shall have been issued and entered by the Court which order shall be substantially in the form of the order attached as Exhibit C otherwise acceptable to the Buyer acting reasonably, and no order shall have been issued which restrains or prohibits the completion of the transaction contemplated herein.
- (c) **Deliverables.** Buyer shall have received the items to be delivered to it by Receiver in Section 12(m).
- (d) **Injunction.** No statute, rule, regulation, executive order, decree, preliminary or permanent injunction or restraining order shall have been enacted, entered, promulgated or enforced by any Governmental Authority which prohibits the consummation of the transactions contemplated hereby, and no such matter is pending.
- (e) **No Material Adverse Effect.** There shall have been no Material Adverse Effect.
- (f) 
- (g) **Funds Flow.** The Funds Flow shall have been approved by the Buyer in accordance with Section 3.
- (h) **Compliance with Obligations.** IPG and the Receiver shall have performed all obligations and complied in material respects with all covenants of IPG and the Receiver prior to or as of the Closing Date.

15. Conditions Precedent to Receiver's Obligations.

Unless waived, in whole or in part, in writing by Receiver, the obligations of Receiver hereunder are subject to the satisfaction of the following conditions:

- (a) **Representations and Warranties and Compliance with Obligations.** The representations and warranties of Buyer herein shall be true and correct in all material respects on the Closing Date with the same effect as though made at such time. Buyer shall have performed all obligations and complied in all material respects with all covenants of the Buyer prior to or as of the Closing Date. Buyer shall have executed and delivered to the Receiver a certificate of Buyer to such effect in form and substance reasonably satisfactory to Receiver dated as of the Closing Date.
- (b) **Purchase Price.** Buyer shall pay the Estimated Purchase Price in the manner described in Section 3.

- (c) **Deliverables.** Receiver shall have received (x) the items to be delivered to it by Buyer in Section 12(l) and (y) the Deposit in accordance with Section 3.
- (d) **Receivership Order Issued.** The Receivership Order shall have been issued and entered by the Court which order shall be substantially in the form of the order attached as Exhibit D or otherwise acceptable to the Receiver acting reasonably, and no order shall have been issued which restrains or prohibits the completion of the transaction contemplated herein.
- (e) **Approval and Vesting Order Issued.** The Approval and Vesting Order shall have been issued and entered by the Court which order shall be substantially in the form of the order attached as Exhibit C or otherwise acceptable to the Receiver acting reasonably, and no order shall have been issued which restrains or prohibits the completion of the transaction contemplated herein.
- (f) **Injunction.** No statute, rule, regulation, executive order, decree, preliminary or permanent injunction or restraining order shall have been enacted, entered, promulgated or enforced by any Governmental Authority which prohibits the consummation of the transactions contemplated hereby, and no such matter is pending.
- (g) **Funds Flow.** The Funds Flow shall have been approved by the Receiver in accordance with Section 3.

16. Post-Closing Covenants.

Following Closing, Buyer and Receiver agree as follows:

- (a) **Intentionally Omitted.**
- (b) All of the books, records, files and other information, including electronic records, that are Assets acquired by Buyer, excluding the corporate records and minute books of IPG, shall remain reasonably available to Receiver, and all books, records, files and other information, including electronic records, retained by IPG or the Receiver relating to the Assets shall remain reasonably available to Buyer, for review and copying until the discharge of the Receiver. Notwithstanding anything to the contrary in Section 2 hereof, IPG shall make available to Buyer, upon Buyer's request, copies of corporate seals, organizational documents, minute books, stocks, books, tax returns or other similar records having to do with the corporate organization of IPG. Notwithstanding anything to the contrary in this Agreement, in the event of any adversarial proceeding following the Closing that involves IPG and/or its Affiliates, on the one hand, and Buyer or any Affiliate thereof, on the other hand, the general rules of discovery shall apply and not this Section 16(b) or any other provision hereof. Books and records, including without limitation, historical financial and tax information, acquired by Buyer or retained by IPG or the Receiver shall be retained by the Parties in compliance with applicable governmental requirements for records retention. If, at any time prior to the discharge of the Receiver, Buyer or Receiver

wishes to dispose of books and records related to IPG's business up to and including the Closing Date, the party wishing to dispose shall give prior written notice to the other party of its intention, specifying the books and records of which it wishes to dispose. If, within ten (10) days of receipt of such notice, the notified party has not given instructions to the notifying party to deliver specified books and records to it, the notifying party may dispose of such books and records. Notice shall be given as described in Section 21(g).

- (c) **Public Announcements.** Following the Closing, neither IPG nor the Receiver shall issue any press release or otherwise issue any report or make any statement, public or otherwise, with respect to this Agreement and the transactions contemplated hereby without prior consultation with and approval of Buyer, except as may be required by law (including pursuant to the Receivership Order and/or of Approval and Vesting Order or in connection with the Receivership Proceedings) or as may be necessary in order to discharge its disclosure obligations, in which case such party nevertheless shall advise Buyer, and discuss the content of the disclosure before issuing any such report, statement or press release; *provided*, that this Section 16(c) shall not restrict Receiver from delivering information to IPG's lenders on a confidential basis. For the avoidance of doubt, (x) Buyer, its direct or indirect equity holders, and any of their respective Affiliates that are investment or private equity firms or Affiliates of investment or private equity firms may disclose the Closing of the transactions contemplated hereby and key financial information relating thereto on a confidential basis to their respective employees, partners, existing or prospective investors, professional advisors, financing sources and prospective financing sources, and (y) Buyer and its Affiliates may issue a report or make a statement, public or otherwise, with respect to this Agreement and the transactions contemplated hereby so long as the financial terms (including Purchase Price) of the transactions contemplated in this Agreement and the Ancillary Agreements are not disclosed.
- (d) **Further Assurances.** From time to time, IPG and, until the discharge of the Receiver, the Receiver, at the reasonable request of either Buyer and Receiver, without further cost or expense, IPG and/or the other party shall (x) pursue and perform all reasonable acts, applications, authorizations and consents necessary or appropriate to the fulfilment of the provisions of this Agreement and (y) take such other actions, and execute and/or deliver copies of such books, records, documents, certificates instruments, conveyances and assurances (including records that are Excluded Assets) to better effect the transactions contemplated hereby. If following the Closing and until the discharge of the Receiver: (a) Receiver receives or becomes aware that it holds any asset, property or right which constitutes an Asset, then Receiver shall transfer such asset, property or right to Buyer as promptly as practicable for no additional consideration, and/or (b) Buyer receives or becomes aware that it holds any asset, property or right which constitutes an Excluded Asset, then Buyer shall transfer such asset, property or right to the Receiver as promptly as possible for no additional consideration.

- (e) **Co-operation.** In addition, following the Closing Date and until the discharge of the Receiver, each Party will, upon reasonable notice, during normal business hours, at the expense of the requesting Party, only to the extent necessary to facilitate the transactions contemplated hereby, audits, compliance with tax and other laws and the prosecution or defence of third-party claims, and only to the extent that it does not materially interfere with its business operations: (a) afford to the representatives of the other Party, including its counsel and accountants, reasonable access to such records and information as may be available relating to the Assets for periods prior to the Closing Date; and (b) cooperate with, and use its commercially reasonable efforts to cause its officers, employees and representatives to cooperate with, the other Party, with appropriate regulatory authorities and with third parties, in furnishing information, evidence, testimony and other reasonable assistance to effectuate the intentions of this Agreement.
- (f) **Release.** IPG for itself and its successors, assigns (for the avoidance of doubt, excluding the Buyer) and representatives (the “**Releasing Party**”), hereby fully and unconditionally releases, acquits and forever discharges Buyer and all of Buyer’s Affiliates and each of their respective past, present and future officers, directors, members, managers, equity holders, partners (general or limited) and employees, and the respective successors and assigns and Affiliates of each of the foregoing, in their capacities as such (collectively, the “**Released Parties**”), from any and all manner of losses, covenants, contracts, judgments or other Liabilities, whether known or unknown, matured or unmatured, fixed, contingent or otherwise, whether in law or equity, which the Releasing Party ever had, now have, or which the Releasing Party hereafter can, shall or may have, against the Released Parties, arising out of, relating to, accruing from or in connection with (a) the fact that the Releasing Party was an equity holder of the Business prior to the Closing Date, (b) the fact that the Releasing Party, or any of its Affiliates, may have or does hold indebtedness of the Business, (c) the fact that the Releasing Party operated the Business and owned the Assets prior to the Closing Date, or (d) any claims alleging a breach of duty on the part of the Releasing Party, or any officer, director or employee of any of such persons (each claim referred to in this sentence, a “**Released Claim**”), and agrees not to bring or threaten to bring or otherwise join in any Released Claim against the Released Parties. The foregoing notwithstanding, the Releasing Party is not releasing or discharging the Released Parties from the obligations and agreements of the Released Parties to the Releasing Party, if any, expressly established pursuant to this Agreement.
- (g) **Use of Name.** The Receiver covenants that it shall, as reasonably practicable following the Closing Date, cause IPG to discontinue use of the names “Ingenious Packaging Group”, “Ingenious”, “Metro Label Group Ltd.”, “Metro Label Group Inc.”, “Metro Label”, any component thereof, or any name (or brand or other business or source identifier) that consists of, contains, is derivative or similar to “Ingenious Packaging Group”, “Ingenious”, “Metro Label Group Ltd.”, “Metro Label Group Inc.”, “Metro Label”, or any component thereof, except where legally required to advise that its name has been changed or to refer to the historical fact of IPG’s existence.

17. Confidentiality.

- (a) **Obligation of Confidentiality.** Receiver and IPG each acknowledge that it has confidential information pertaining to the Business and the Assets (collectively, the “**Confidential Information**”). Conditional upon completion of the transactions contemplated hereunder and subject to any order of the Court made within the Receivership Proceeding, each of Receiver and IPG covenants and agrees, on its own behalf and on behalf of its Affiliates, that: (i) it will not disclose, directly or indirectly, to any person or entity any Confidential Information, except (A) to Buyer and its attorneys, accountants or other representatives, as may be necessary or appropriate in connection with the transactions contemplated under this Agreement or (B) by the Receiver to the Court, as the Receiver determines necessary or appropriate in connection with the Receivership Proceedings, (ii) it will not use any information or materials related to the businesses, operations and affairs of the Business and the Assets (including any business plans, practices and procedures, pricing information, sales figures, profit or loss figures, information relating to customers, clients, suppliers, sources of supply and customer lists) that are not already generally available to the public, (iii) it will deliver to Buyer promptly at any time that Buyer may so request, all memoranda, notes, records (including electronic data records), reports and other documents (and all copies thereof) relating to the Confidential Information which they may then possess or have within their control, subject to any applicable privileges and (iv) it shall cooperate with the Buyer, at Buyer’s expense, to obtain a protection order or other confidentiality treatment and disclose only that portion, if any, of the Confidential Information as required by law. Notwithstanding the foregoing, “Confidential Information” shall not include any information (v) which is then or later becomes generally available to the public, (w) which is received by such Person from a third party not known to owe an obligation of confidentiality to Buyer or an Affiliate of Buyer, (x) which has been or is later disclosed by Buyer or its Affiliates to an unrelated third party on a non-confidential basis, (y) which such Person is obliged by applicable law, subpoena, court or other legal proceeding to disclose, and then only with as much prior written notice to Buyer as is practical under the circumstances and only to the extent to which such Person’s counsel advises is legally required, and (z) which has been or is later disclosed in the ordinary course of business during the sales process in a manner consistent with past practice. Information does not lose its confidential status merely because it was known by other persons or entities.
- (b) **Remedies.** In the event of a violation or threatened violation of the covenants contained in this Section 17, in addition to any other remedy available at law or in equity, the injured party shall have (i) the right and remedy of specific enforcement, including injunctive relief, it being acknowledged and agreed that any such violation or threatened violation will cause irreparable injury and that monetary damages will not provide an adequate remedy, and (ii) costs and expenses incurred in successfully pursuing rights under this Section 17, including reasonable lawyers’ fees and other litigation expenses as incurred.

18. **Survival.** The representations and warranties contained in Section 10 and Section 11 shall not survive the Closing. For greater certainty the Receiver shall have no liability to the Buyer (and the Buyer will not be entitled to assert any claims) and there shall be no remedies available to the Buyer against the Receiver with respect to any breach of the representations or warranties contained in Section 10 of this Agreement. From and after Closing, the Buyer shall have no liability to Receiver (and Receiver will not be entitled to assert any claims) and there shall be no remedies available to Receiver with respect to any breach of the representations or warranties contained in Section 11 of this Agreement.

19. **Termination.**

(a) (a) This Agreement shall terminate prior to Closing:

(i) upon the mutual written agreement of the Receiver and the Buyer;

(ii) upon written notice from the Buyer to IPG and the Receiver if, (i) IPG or the Receiver shall have breached any of their representations, warranties, covenants or obligations contained in this Agreement that would give rise to a failure of any condition precedent set forth in Section 14 which breach has not been waived expressly and unequivocally by the Buyer and cannot be or has not been cured within two (2) days after the giving of notice by the Buyer specifying such breach, or (ii) each of the conditions precedent set forth in Section 14 (excluding conditions that, by their nature are to be satisfied at the Closing) shall not have been satisfied on or before July 30, 2018 (the "**Outside Date**"), or (iii) a condition precedent in Section 14 can no longer be satisfied, so long as, in the case of clauses (i) through (iii), the Buyer is not then in material breach of any of its representations, warranties, covenants or agreements contained in this Agreement; or

(iii) upon written notice from the Receiver to the Buyer if, (A) the Buyer shall have breached any of its representations, warranties, covenants or obligations contained in this Agreement that would give rise to a failure of any condition precedent set forth in Section 15 (excluding conditions that by their nature are to be satisfied at the Closing) which breach has not been waived expressly and unequivocally by the Receiver and cannot be or has not been cured within two (2) days after the giving of notice by the Receiver specifying such breach, or (B) each of the conditions precedent set forth in Section 15 (excluding conditions that, by their nature are to be satisfied at the Closing), has not been satisfied on or before the Outside Date, or (C) a condition precedent in Section 15 can no longer be satisfied, so long as, in the case of clauses (A) through (C), the Receiver is not then in material breach of any of its representations, warranties, covenants or agreements contained in this Agreement.

(iv) upon written notice from the Buyer to the Receiver or from the Receiver to the Buyer if the Closing does not occur by the Outside Date.

- (b) If this Agreement is terminated pursuant to this Section 19, all further obligations of the parties under this Agreement shall become null and void and of no further force or effect, except that Sections 12(g), 16(c), 21(d), 21(f), 21(k) and 21(m) will survive.

20. Deposit.

- (a) In accordance with Section 3, the Deposit shall be paid by the Buyer to Receiver's Account on the Signing Date. If the Closing takes place, the Deposit shall be credited and set off against the Purchase Price set forth in Section 3.
- (b) The Deposit shall be fully refundable in the event the Closing does not take place by the Outside Date or this Agreement is terminated, and in such circumstance, the Deposit shall be returned to the Buyer on the immediate next Business Day following the Outside Date or such termination, as applicable. Notwithstanding the foregoing, if (x) all the conditions in Sections 14 and 15 (other than those conditions that by their nature are to be satisfied at Closing; provided that each such condition is then capable of being satisfied at Closing, other than solely as a result of the Buyer's failure to effect the Closing) have been satisfied on or prior to the Outside Date, (y) the Receiver has irrevocably confirmed in writing to the Buyer and the Court at least one (1) Business Day prior to the Outside Date that it intends to take all actions required to effectuate the Closing, and (z) the Buyer fails to consummate the Closing on or prior to the Outside Date, only then shall the Deposit be forfeited to the Receiver as liquidated damages, and not a penalty.

21. Miscellaneous.

- (a) **Assignment; Binding Effect.** Except for the assignment by the Buyer to (i) an Affiliate of Buyer, (ii) any subsequent purchaser of all or any portion of Buyer or any of its Affiliates' business or assets (whether by merger, consolidation, sale of stock, sale of assets or otherwise) or (iii) any lender providing Buyer financing to Buyer for collaterally for security purposes, without the prior written consent of the other party, the rights and obligations of Receiver and Buyer under this Agreement shall not be assignable. Subject to the preceding sentence, this Agreement is binding upon, inures to the benefit of and is enforceable by the Parties and their respective successors and permitted assigns.
- (b) **Allocation of Purchase Price.** Each of Receiver and Buyer shall agree that the fair market value and the amount of the Consideration allocable to each of the Assets to be purchased by Buyer hereunder, arrived at by arm's length negotiation and used by each Party in reporting to the appropriate Governmental Authorities the transactions contemplated by this Agreement, shall be as set forth in Schedule 21(b). The allocation of the Purchase Price pursuant to this Section 21(b) shall not be construed as a limitation on damages for breach of any covenant or agreement by Receiver in this Agreement, nor shall such allocation be deemed to limit Buyer's remedies pursuant to the terms of this Agreement.

(c) **Transfer Taxes and Tax Elections.**

- (i) Buyer shall be liable for and shall pay all federal and provincial sales, land transfer, goods and services, and harmonized sales taxes (including any retail sales taxes) and all other taxes, duties, fees or other like charges of any jurisdiction properly payable in connection with the transfer of the Assets by Receiver to Buyer. Buyer shall pay directly to the relevant taxing authority any retail sales taxes that are exigible under any applicable retail sales tax legislation in respect of Buyer's acquisition of the Assets. Upon written request by the Receiver, the Buyer will provide the Receiver with reasonable evidence of such payment.
- (ii) If applicable, the Receiver (on behalf of IPG) and Buyer shall, on the Closing Date, make the election provided for under subsection 167(1.1) of the Excise Tax Act so that no goods and services tax imposed under the Excise Tax Act (Canada) ("GST") will be payable on the transfer of such Assets hereunder. Buyer shall file such election with the Canada Revenue Agency not later than the day on which it is required to file its GST return for its reporting period which includes the Closing Date and shall provide evidence of such filing to the Receiver. Notwithstanding anything to the contrary in this Agreement, the Buyer shall indemnify and hold harmless the Receiver and IPG in respect of any GST (including any harmonized sales tax under the Excise Tax Act), penalties, interest and other amounts which may be assessed against them as a result of the sale of the Assets not being eligible for such elections or as a result of the Buyer's failure to file the elections within the prescribed time.
- (iii) The Buyer and Receiver (on behalf of IPG) shall execute jointly an election in the prescribed form under Section 22 of the ITA, and the corresponding provisions of any applicable provincial or territorial tax legislation, in respect of the Accounts Receivable and shall each file such election within the time and in the form prescribed by the ITA (or the corresponding provisions of any applicable provincial or territorial tax legislation), and the Parties designate in such election(s) an amount equal to the portion of the Purchase Price allocated to the Accounts Receivable pursuant to Section 21(b). The Receiver shall not be liable for any income tax that may be payable as a result of this election; provided that nothing herein shall require the Buyer or the Receiver to file any income tax returns that it is not otherwise required to file.
- (iv) The Buyer shall, within 10 Business Days of receiving a written request from the Receiver, enter into a joint election with the Receiver (on behalf of IPG) under subsection 20(24) of the ITA in the manner required by subsection 20(25) of the ITA, and the corresponding provisions of any applicable provincial or territorial tax legislation, in the prescribed forms and within the time period permitted under the ITA and under any other applicable provincial or territorial statute, as to such amount as the

Receiver may designate as having been paid by IPG to the Buyer for assuming future obligations. In this regard, the Receiver and the Buyer acknowledge that a portion of the Assets transferred by IPG pursuant to this Agreement and having a value equal to the amount elected under subsection 20(24) of the ITA and the equivalent provisions of any applicable provincial or territorial statute, is being transferred by IPG as a payment for the assumption of such future obligations by Buyer.

- (d) **Expenses.** Except as otherwise provided herein, each of IPG and the Buyer shall bear all expenses incurred by it in connection with this Agreement and in the consummation of the transactions contemplated hereby, and all fees and expenses of the Receiver and its legal counsel shall be paid by IPG and/or from the balance of the Estimated Purchase Price, in accordance with the terms of the Receivership Order, the Approval and Vesting Order and this Agreement.
- (e) **Currency.** All references in this Agreement to dollars, or to \$ are expressed in US currency unless otherwise specifically indicated.
- (f) **Notices.** Except as otherwise required herein, any notice or other communication provided for or allowed hereunder shall be considered to have been validly given upon receipt if delivered personally or by reputable overnight courier, on the date of transmission if sent by facsimile, e-mail or other wire transmission (receipt confirmed) or if delivered by United States mail, registered or certified, postage prepaid, return receipt requested and addressed as provided herein:

If to IPG, at:

Ingenious Packaging Group ULC
999 Progress Avenue
Toronto, Ontario M1B 6J1
Attn: David Bowyer
Facsimile: (416) 292-6133
Email: [REDACTED]

With copies (which shall not constitute notice) to:

Kaplan, Strangis and Kaplan, P.A.
90 South Seventh Street, Suite 5500
Minneapolis, MN 55402
Attn: Robert T. York
Facsimile: (612) 375-1143
Email: rty@kskpa.com

If to the Receiver, at:

Deloitte Restructuring Inc.
Bay Adelaide Centre East Tower, Suite 200
Toronto, Ont, M5H-0A9
Attn: Philip J. Reynolds
philreynolds@deloitte.ca

With copies (which shall not constitute notice) to:

Goodmans LLP
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 3400
Toronto, ON
M5H 2S7
Attn: Brendan O'Neill
Email: boneill@goodmans.ca

and

Borden Ladner Gervais
Bay Adelaide Centre East Tower, Suite 3400
Toronto, Ont,
M5H-4E3
Attn: Alex MacFarlane
Email: amacfarlane@blg.com

If to Buyer, at:

Ingenious Packaging, Inc.
c/o First Atlantic Capital, Ltd.
477 Madison Avenue, Suite 330
New York, NY 10022
Attn: Robert Simko and Emilio Pedroni
Facsimile: (212) 207-8842
Email: [REDACTED]

With copies (which shall not constitute notice) to:

Dechert LLP
1095 Avenue of the Americas
New York, NY 10036-6797
Attn: Markus Bolsinger and Adam Rosenthal
Facsimile: 212-698-3599
Email: markus.bolsinger@dechert.com and adam.rosenthal@dechert.com

With copies (which shall not constitute notice) to:

Stikeman Elliot LLP
5300 Commerce Course West, 199 Bay Street
Attn: Jeffrey M. Singer
Facsimile: (416) 947-0866
Email: jsinger@stikeman.com

The addresses to which notices or demands are to be given may be changed from time to time by notice served as provided above.

- (g) **Sections and Other Headings.** Sections or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
- (h) **Counterpart Execution.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.
- (i) **Integrated Agreement.** This Agreement, the matters contained herein and the documents referenced in this Agreement, the Exhibits and the Schedules constitute the entire agreement between the Parties with respect to the subject matter hereof, and there are no agreements, understandings, restrictions, warranties or representations between the Parties other than those set forth herein or herein provided for.
- (j) **Severability; Waivers.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision, nor shall any waiver as to one event constitute a waiver as to any other event.
- (k) **Governing Law; Jurisdiction** This Agreement, the rights and obligations of the Parties under this Agreement, and any claim or controversy directly or indirectly based upon or arising out of this Agreement or the transactions contemplated by this Agreement (whether based on contract, tort or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof. The Parties consent to the exclusive jurisdiction and venue of the courts of Ontario for the resolution of any such disputes arising under this Agreement. Notwithstanding the foregoing, a Purchase Price Dispute shall be dealt with in accordance with Section 8 hereof.
- (l) **Amendment.** This Agreement may be modified or amended only by a separate writing signed by the Parties.

- (m) **No Third Party Beneficiaries.** This Agreement is for the benefit of the Parties and their respective successors and permitted assigns. Except as expressly provided herein, this Agreement shall not be deemed to confer upon or give to any other third party any remedy, claim, Liability, reimbursement, cause of action or other right.
- (n) **Risk of Loss.** All risk of loss with respect to the Assets to be sold, conveyed, transferred, assigned and delivered to Buyer, shall remain with the Receiver until the sale, conveyance, transfer, assignment and delivery of the Assets and the Business on the Closing Date.
- (o) **Receiver's Capacity.** The Buyer acknowledges that the persons signing this Agreement, and any and all documents contemplated by this Agreement or relating to the transaction, on behalf of the Receiver is acting solely in his/her capacity as an authorized signatory of the Receiver, and the Receiver is acting solely in its capacity as court appointed Receiver of IPG, and such persons and the Receiver shall have no personal or corporate liability of any kind, whether in contract, in tort or otherwise.
- (p) **Exchange Rate.** For purposes of calculating any amount under this Agreement, the Parties agree to use an exchange rate of US \$1 to CND \$1.30.

22. **Additional Definitions.**

"**Accounting Principles**" shall mean (i) those specific principles set forth on Exhibit B and (ii) GAAP, and, to the extent consistent with GAAP, the same accounting methods, policies, practices, and procedures, with consistent classification, judgments, and estimation methodology, as were used in preparing the Balance Sheet.

"**Actual Adjustment**" as used herein means an amount (which may be negative) equal to (x) the Purchase Price as set forth in the Final Statement of Purchase Price minus (y) the Estimated Purchase Price; provided that the Actual Adjustment shall not be greater than [REDACTED] nor less than [REDACTED]

"**Affiliate**" as used herein means any person or entity which, directly or indirectly, controls or is controlled by or is under common control with such person or entity, and "control" and its variations mean possession, directly or indirectly, of the power to direct cause the direction of the management and policies of such person or entity, whether through ownership of voting securities or partnership or member interests or otherwise.

"**Affiliate Arrangement**" as used herein means any transaction, contract, commitment or other arrangement with IPG, on the one hand, and any Related Party of IPG, on the other hand.

"**Ancillary Agreements**" as used herein means this Agreement and the Escrow Agreement.

“Another Transaction” as used herein means any written or oral agreement or understanding with any person (other than Buyer) regarding the sale to that person (whether by sale of stock, merger, consolidation, sale of assets or other disposition) of all or any part of the Business.

“Balance Sheet” as used herein means the balance sheet of IPG as of December 31, 2017.

“Consent Parties” as used herein means any third party whose consent is required for the assignment of an Assumed Contract or any third party, including IPG’s Lenders, whose consent is required to consummate the transactions contemplated herein.

“Current Assets” shall mean, without duplication, Accounts Receivable, Inventory and Prepaid Expenses, in each case, determined in accordance with the Net Working Capital Example and the Accounting Principles and only to the extent included in the Assets.

“Current Liabilities” shall mean, without duplication, the Assumed Current Liabilities, and the Assumed Pre-Closing Employee Obligations, in each case determined in accordance with the Net Working Capital Example and the Accounting Principles and only to the extent included in the Assumed Liabilities.

“Family Group” as used herein means spouse, domestic partner, siblings, ancestors and descendants (whether natural, by marriage or adopted) and any trust or other estate planning vehicle solely for the benefits of such person and/or such person’s spouse, domestic partner, siblings, their respective ancestors and/or descendants (whether natural, by marriage or adopted).

“GAAP” means United States Generally Accepted Accounting Principles, as in effect from time to time.

“Governmental Authority” as used herein means any national, federal, state, provincial, county, tribal, municipal or local government, foreign or domestic, or the government of any political subdivision thereof, or any entity, authority, agency, ministry or other similar body exercising executive, legislative, judicial, arbitral, regulatory or administrative authority or functions of or pertaining to government, including any authority or other quasi-governmental entity established to perform any of such functions

“Indebtedness” as used herein means, as of any time and without duplication, the following obligations (whether or not then due and payable), to the extent they are of such person or its subsidiary or guaranteed directly or indirectly, jointly or severally, in any manner by such person or its subsidiary, including through the grant of a security interest upon any assets of such person or its subsidiary: (a) all obligations for borrowed money, including (i) accrued but unpaid interest thereon and (ii) related fees and expenses (including any amounts payable to Winston & Strawn LLP, Goodmans LLP, Borden, Ladner, Gervais LLP, McMillan LLP and Silverman Consulting), (b) all obligations evidenced by notes, bonds, debentures or similar instruments (whether or not convertible), including accrued but unpaid interest thereon, (c) all obligations to pay the

deferred purchase price of assets, property or services (including any potential future earn-out, purchase price adjustment, release of "holdback" or similar payment), (d) all obligations under terms that are or should be, in accordance with generally accepted accounting principles, recorded as capital leases or direct financing leases and purchase money and/or vendor financing, (e) all negative balances in bank accounts and all overdrafts, (f) all obligations under indentures or arising out of any swap, option, derivative, hedging or similar arrangement, (g) all obligations in connection with any letter of credit, banker's acceptance, guarantee, surety, performance or appeal bond, or similar credit transaction, (h) all matured obligations to purchase, redeem, retire, defease or otherwise make any payment in respect of any membership interests, shares of capital stock or other ownership or profit interest or any warrants, rights or options to acquire such membership interest, shares or such other ownership or profit interest, (i) all unfunded or underfunded pension liabilities and any other unfunded or underfunded liabilities in respect of any benefit plan, (j) any sale bonus, stay bonus, change of control or severance payment, (whether triggered as a result of the consummation of the transactions contemplated by this Agreement or not), and management fees, in each case, whether accrued for or not and including any payroll taxes imposed on such payments, (k) all obligations in respect of prepayment premiums, penalties, breakage costs, "make whole amounts," costs, expenses and other payment obligations that would arise if all Indebtedness referred to in clauses (a) through (j) above were prepaid (or, in the case of any swap, option, derivative, hedging or similar arrangement, unwound and fully settled) in full at such time, (l) all expenses incurred by IPG or its Affiliates as a result of, or in connection with, the negotiation and consummation of the transactions contemplated by this Agreement (including any amounts payable to the Receiver, Mesirrow Financial, Kaplan, Strangis and Kaplan, P.A. and McMillan LLP), (m) any amount payable (including termination fees and property taxes) in connection with or related to IPG's and its Affiliate's West Coast and Vancouver leases, and (n) to the extent any item of such Indebtedness referred to in clauses (a) through (m) cannot be repaid at such time (e.g., as a result of an irrevocable advance notice requirement), all interest on and other accretion of such Indebtedness that occurs between such time and the earliest time that repayment may occur (e.g., if notice were delivered at such time).

"Insurance Policies" as used herein means, each insurance policy providing property, casualty, liability and workers' compensation coverage and bond and surety arrangements to which IPG has been or is at a party, named, insured or otherwise the beneficiary of coverage.

"Liability" as used herein means, any liability, debt, loss, damage, adverse claim, fine, penalty, expense, deficiency, responsibility or obligation of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, choate or inchoate, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such person, and including all costs and expenses relating thereto (including all fees, disbursements and expenses of legal counsel, experts and consultants and costs of investigation).

“Lien” as used herein means any lien, pledge, mortgage, hypothecation, deed of trust, security interest, charge, claim, demand, royalty, lease, sublease or other right of occupancy, easement, encroachment, license, right of way, title defect, option, warrant, right of first refusal, right of first offer, pre-emptive right, voting trust or agreement, proxy or other similar encumbrance of any nature and includes without limitation any encumbrances, liens and interests registered against title.

“Material Adverse Effect” as used herein means (I) any event, change, effect, fact, claim, matter, circumstance or condition (A) that is, or could reasonably be expected to be, materially adverse to the condition (financial or other), operations, results from operations, assets, Liabilities or prospects of the Business taken as a whole, other than the following (none of which may be taken into account in determining whether a Material Adverse Effect has occurred under this clause (A) except to the extent the Business is disproportionately affected thereby as compared to other participants in its industry): (i) effects, events, changes, occurrences or circumstances generally affecting the industry in which the Business is conducted which are known by IPG and disclosed by IPG to Buyer; (ii) effects, events, changes, occurrences or circumstances generally affecting the economy or the debt, credit or securities markets (including any decline in the price of any security or any market index); (iii) any acts of God, national disaster, or outbreak or escalation of hostilities or declared or undeclared acts of war or terrorism; (iv) changes or proposed changes in laws affecting the Business; or (v) any failure of IPG to meet projections, forecasts or revenue or earning predictions for any period (it being understood that any underlying cause of any such failure may be taken into account in determining whether a Material Adverse Effect has occurred, or (B) that materially and adversely affects the ability of IPG to perform its obligations hereunder or to consummate the transactions contemplated hereby) and (II) any material breach of Section 12(c).

“Material Customer” as used herein means each of the twenty largest customers (by dollar volume) of IPG for the fiscal year ended December 31, 2016, for fiscal year ended December 31, 2017 and for the twelve (12) month period ending June 30, 2018.

“Material Supplier” as used herein means each of the twenty largest suppliers (by dollar volume) of IPG for the fiscal year ended December 31, 2016, for the fiscal year ended December 31, 2017 and for the twelve (12) month period ending June 30, 2018.

“Negative NWC Adjustment” shall mean the amount, if any, by which (x) the Reference Amount exceeds (y) Net Working Capital.

“Net Working Capital” shall mean an amount equal to the Current Assets minus Current Liabilities, in each case as of the open of business on the Closing Date.

“Net Working Capital Example” shall mean, the Net Working Capital as of June 30, 2018, prepared in accordance with the Accounting Principles and any adjustments as set forth on Exhibit B.

“Person” and **“person”** means any natural person, firm, corporation, partnership, company, limited liability company, trust, joint venture, association or other entity.

“Positive NWC Adjustment” shall mean the amount, if any, by which (x) Net Working Capital exceeds (y) the Reference Amount.

“Reference Amount” shall mean [REDACTED]

“Related Party” as used herein means any current or former officer, director, manager, equity holder, Affiliate or, employee of IPG, or any individual in such officer’s, director’s, or equity holder’s Family Group, or any person who is an Affiliate of any one or more of the foregoing persons.

“Restrictive Covenant Agreements” as used herein means the restrictive covenant agreements attached as Exhibit F to be entered into on or before the Signing Date and effective as of the Closing Date.

“IPG’s Lenders” as used herein means the lenders with respect to IPG’s Indebtedness.

“Toronto Lease” means that certain Whole Building Lease, dated July 6, 2015, by and between [REDACTED] and IPG, as amended from time to time.

“Toronto Lease Consent” means that certain Consent to Transfer and Lease Amendment Agreement in substantially the form of Exhibit E attached hereto to be entered into on or before the Signing Date, and effective as of the Closing Date, by and among [REDACTED] IPG and Buyer.

“Transferable Employees” shall mean all of the full-time, part-time and temporary employees of IPG in the Business on the Signing Date other than [REDACTED]

Signature page to follow

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first above written.

INGENIOUS PACKAGING GROUP ULC

By: _____
Name: David Bowyer
Title: Chief Executive Officer

INGENIOUS PACKAGING, INC.

By: _____
Name: Robert M. Simko
Title: President and Chief Executive Officer

DELOITTE RESTRUCTURING INC., solely in its capacity as the proposed Court-appointed Receiver of **INGENIOUS PACKAGING GROUP ULC**, and not in its personal capacity or corporate capacity.

By: _____
Name: _____
Title: _____

Tab 4

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

THE HONOURABLE

)

TUESDAY, THE 24TH

JUSTICE

)

DAY OF JULY, 2018

)

B E T W E E N:

BANK OF MONTREAL

Applicant

- and -

INGENIOUS PACKAGING GROUP ULC

Respondent

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION
243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3,
AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C.43, AS AMENDED**

**ORDER
(appointing Receiver)**

THIS APPLICATION made by Bank of Montreal ("BMO") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Deloitte Restructuring Inc. as receiver (the "Receiver") without security, of all of the assets, undertakings and properties of Ingenious Packaging Group ULC (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Jack Kane sworn July 20, 2018 and the Exhibits thereto, (the "**Kane Affidavit**"), the affidavit of Michael Silverman sworn July 20, 2018 and the Exhibits thereto, (the "**Silverman Affidavit**") and the Report of Deloitte Restructuring Inc. dated July 20, 2018 (the "**Pre-Filing Report**") in its capacity as proposed Receiver, and on hearing the submissions of counsel for BMO, the Debtor and the proposed Receiver, no one appearing for any other party although duly served as appears from the affidavit of service of • sworn July •, 2018 and on reading the consent of Deloitte Restructuring Inc. to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor of every nature and kind whatsoever and wherever situate, acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the

relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to cease to carry on all or any part of the business , or perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to, or by the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
 - (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$500,000 provided that the aggregate consideration for all such transactions does not exceed \$1,500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required.
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
 - (m) to seek Court approval of the Transaction (as defined in the Kane Affidavit) and attend to all incidental steps and actions in connection therewith;
 - (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
 - (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (s) to execute an assignment into bankruptcy, assigning the Debtor into bankruptcy, or to consent to an application for the making of a bankruptcy order against the Debtor; and,
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, partnerships, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of

the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, suspend, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of, for the benefit of, or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

14. **THIS COURT ORDERS** that the Receiver is authorized and directed to hold the Deposit in accordance with the terms of the asset purchase agreement between the Debtor and Ingenious Packaging, Inc. dated as of July 20, 2018 (the "**Asset Purchase Agreement**") and to apply, disburse and/or deliver the Deposit or the applicable portions thereof in accordance with the provisions of the Asset Purchase Agreement.

EMPLOYEES

15. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor. The Receiver shall not be liable for any employee-related liabilities, or compensation, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, or otherwise, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall be permitted to disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario*

Water Resources Act, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver at law, by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, (including statutory, deemed and constructive trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following '<http://www.insolvencies.deloitte.ca>'.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

30. **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 to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. **THIS COURT ORDERS** that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than two (2) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties Ingenious Packaging Group ULC (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself and its counsel out of such Property in respect of their remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

DELOITTE RESTRUCTURING INC., solely
in its capacity as Receiver of the Property, and
not in its personal or corporate capacity

Per: _____

Name:

Title:

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

BANK OF MONTREAL

- and -

INGENIOUS PACKAGING GROUP ULC

Applicant

Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDINGS COMMENCED AT TORONTO**

**ORDER
(Appointing Receiver)**

BORDEN LADNER GERVAIS LLP

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON M5H 4E3
Tel: (416) 367-6000
Fax: (416) 367-6749

Alex MacFarlane – LSO No. 28133Q

Tel: (416) 367-6305
amacfarlane@blg.com

Bevan Brooksbank – LSO No. 56717U

Tel: (416) 367-6604
BBrooksbank@blg.com

Evita Ferreira – LSO No. 69967K

Tel: (416) 367-6708
eferreira@blg.com

Lawyers for the Applicant

Tab 5

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)
JUSTICE)

TUESDAY, THE 24TH
DAY OF JULY, 2018

BETWEEN:

PLAINTIFF[†]

Plaintiff

BANK OF MONTREAL

Applicant

- and -

DEFENDANT

Defendant

INGENIOUS PACKAGING GROUP ULC

Respondent

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION
243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3,
AS AMENDED; AND SECTION 101 OF THE COURTS OF JUSTICE ACT,
R.S.O. 1990, c. C.43, AS AMENDED

[†]The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.

ORDER
(appointing Receiver)

THIS MOTION~~APPLICATION~~ made by the Plaintiff² Bank of Montreal ("BMO") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing ~~[RECEIVER'S NAME]~~ Deloitte Restructuring Inc. as receiver ~~[and manager]~~ (in such capacities, (the "**Receiver**") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ Ingenious Packaging Group ULC (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~ sworn [DATE] Jack Kane sworn July 20, 2018 and the Exhibits thereto, ~~(the "Kane Affidavit")~~, the affidavit of Michael Silverman sworn July 20, 2018 and the Exhibits thereto, (the "Silverman Affidavit") and the Report of Deloitte Restructuring Inc. dated July 20, 2018 (the "Pre-Filing Report") in its capacity as proposed Receiver, and on hearing the submissions of counsel for ~~[NAMES]~~ BMO, the Debtor and the proposed Receiver, no one appearing for ~~[NAME]~~ any other party although duly served as appears from the affidavit of service of ~~[NAME]~~ sworn [DATE] July 20, 2018 and on reading the consent of ~~[RECEIVER'S NAME]~~ Deloitte Restructuring Inc. to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Motion~~ Application and the ~~Motion~~ Application is hereby abridged and validated³ so that this ~~motion~~ application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

² Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

³ If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, [RECEIVER'S NAME] Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor of every nature and kind whatsoever and wherever situate, acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) ~~to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;~~
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to , or by the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

⁴ ~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A~~

- (i) without the approval of this Court in respect of any transaction not exceeding \$,500,000 provided that the aggregate consideration for all such transactions does not exceed \$ 1,500,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~for section 31 of the Ontario *Mortgages Act*, as the case may be,~~⁵ shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to seek Court approval of the Transaction (as defined in the Kane Affidavit) and attend to all incidental steps and actions in connection therewith;
- (n) ~~(m)~~ to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) ~~(n)~~ to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.

⁵ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

- (p) ~~(e)~~-to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) ~~(p)~~-to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) ~~(q)~~-to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; ~~and~~
- (s) to execute an assignment into bankruptcy, assigning the Debtor into bankruptcy, or to consent to an application for the making of a bankruptcy order against the Debtor; and,
- (t) ~~(r)~~-to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, partnerships, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease,

such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, suspend, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of, for the benefit of, or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

14. **THIS COURT ORDERS** that the Receiver is authorized and directed to hold the Deposit in accordance with the terms of the asset purchase agreement between the Debtor and Ingenious Packaging, Inc. dated as of July 20, 2018 (the "**Asset Purchase Agreement**") and to apply, disburse and/or deliver the Deposit or the applicable portions thereof in accordance with the provisions of the Asset Purchase Agreement.

EMPLOYEES

15. ~~14.~~ **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, or compensation, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, or otherwise, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. ~~15.~~ **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall be permitted to disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. ~~16.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste

or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. ~~17.~~ **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver at law, by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. ~~18.~~ **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, (including statutory, deemed and constructive trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

⁶ Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".

20. ~~19.~~ **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass ~~its~~their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. ~~20.~~ **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. ~~21.~~ **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ 500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. ~~22.~~ **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. ~~23.~~ **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. ~~24.~~ **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. ~~25.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<http://www.insolvencies.deloitte.ca>'.

27. ~~26.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. ~~27.~~ **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. ~~28.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

30. ~~29.~~ **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 to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. ~~30.~~ **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. ~~31.~~ **THIS COURT ORDERS** that the PlaintiffApplicant shall have its costs of this ~~motion~~application, up to and including entry and service of this Order, provided for by the terms of the PlaintiffApplicant's security or, if not so provided by the PlaintiffApplicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. ~~32.~~ **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seventwo (72) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME] Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties [DEBTOR'S NAME] Ingenious Packaging Group ULC (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself and its counsel out of such Property in respect of ~~its~~their remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

[RECEIVER'S NAME] **DELOITTE**
RESTRUCTURING INC., solely in its capacity
as Receiver of the Property, and not in its
personal or corporate capacity

Per: _____

Name:

Title:

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

BANK OF MONTREAL

- and -

INGENIOUS PACKAGING GROUP ULC

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDINGS COMMENCED AT TORONTO
ORDER
(Appointing Receiver)

BORDEN LADNER GERVAIS LLP

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON M5H 4E3
Tel: (416) 367-6000
Fax: (416) 367-6749

Alex MacFarlane – LSO No. 28133Q

Tel: (416) 367-6305
amacfarlane@blg.com

Bevan Brooksbank – LSO No. 56717U

Tel: (416) 367-6604
BBrooksbank@blg.com

Evita Ferreira – LSO No. 69967K

Tel: (416) 367-6708
eferreira@blg.com

Lawyers for the Applicant

Document comparison by Workshare Compare on July-20-18 5:10:43 PM

Input:	
Document 1 ID	file://C:/Users/BBrooksbank/Desktop/receivership-order-EN.doc
Description	receivership-order-EN
Document 2 ID	file://C:/Users/BBrooksbank/AppData/Local/Microsoft/Windows/Temporary Internet Files/Content.Outlook/SFO2Q6QA/TOR01-#7490751-v11-BMO_Ingenious_-_Receivership_Order.doc
Description	TOR01-#7490751-v11-BMO_Ingenious_-_Receivership_Order
Rendering set	standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	104
Deletions	93
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	197

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

BANK OF MONTREAL

- and -

INGENIOUS PACKAGING GROUP ULC

Applicant

Respondents

ONTARIO

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

PROCEEDINGS COMMENCED AT TORONTO

**APPLICATION RECORD
(Returnable July 24, 2018)**

BORDEN LADNER GERVAIS LLP

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON M5H 4E3
Tel: (416) 367-6000
Fax: (416) 367-6749

Alex MacFarlane – LSO No. 28133Q

Tel: (416) 367-6305
amacfarlane@blg.com

Bevan Brooksbank – LSO No. 56717U

Tel: (416) 367-6604
BBrooksbank@blg.com

Evita Ferreira – LSO No. 69967K

Tel: (416) 367-6708
eferreira@blg.com

Lawyers for the Applicant