

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

HSBC BANK CANADA

Applicant

- and -

SAFETY SEAL PLASTICS INC.

Respondent

APPLICATION UNDER SUBSECTION 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

**FIRST REPORT OF DELOITTE RESTRUCTURING INC.,
RECEIVER OF SAFETY SEAL PLASTICS INC.
DATED AUGUST 10, 2018**

1. By Order of the Ontario Superior Court of Justice (the “**Court**”) dated August 7, 2018 (the “**Appointment Order**”), Deloitte Restructuring Inc. (“**Deloitte**”) was appointed as the Court-appointed receiver (the “**Receiver**”), without security, of the assets, undertakings and properties of Safety Seal Plastics Inc., (“**Safety Seal**”, the “**Debtor**” or the “**Company**”), acquired for, or used in relation to a business carried on by the Debtor (the “**Property**”).
2. The Appointment Order, together with related Court documents, and other materials relevant to the Receivership are posted on the Receiver’s website at <http://www.insolvencies.deloitte.ca/en-ca/safetyseal> .

3. The purpose of this first report of the Receiver (the “**First Report**”) is to report on the following issues and support the Receiver’s recommendation that the Court provide the relief sought:
 - (a) the Receiver’s review of the validity and enforceability of the security held by each the Royal Bank of Canada (“**RBC**”), the Applicant, HSBC Bank Canada (“**HSBC**”) and Business Development Bank of Canada (“**BDC**”) and the opinions thereon of the Receiver’s independent legal counsel, Goldman Sloan Nash & Haber LLP (“**GSNH**”);
 - (b) the distribution of certain amounts from the sale proceeds of the Transaction (as defined below), to RBC;
 - (c) the distribution of available proceeds in the estate, including the balance of the sale proceeds of the Transaction, from time to time to HSBC; and
 - (d) the Receiver’s recommendations to the Court.

TERMS OF REFERENCE

4. In preparing this First Report, the Receiver has been provided with, and has relied upon unaudited, draft and/or internal financial information, the Company’s books and records, discussions with former management of the Company, and information from third-party sources (collectively, the “**Information**”). Except as described in this First Report:

- (a) the Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
 - (b) the Receiver has prepared this First Report in its capacity as a Court-appointed officer to support the Court’s approval of the relief being sought. Parties using the First Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes.
5. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.
6. Unless otherwise provided, all other capitalized terms not otherwise defined in this First Report are as defined in the Appointment Order.

BACKGROUND

7. Safety Seal is a private company engaged in the printing and cutting of plastic sleeves and labels and manufactures packaging products for various industries including craft beer, food and beverage, pharmaceuticals, sports and nutrition, and wine and spirits.
8. Safety Seal’s head office and operating facility is located at rented premises at 400 Michener Road in Guelph, Ontario. In addition, Safety Seal rents warehouse space at 392 Silvercreek Parkway North in Guelph, Ontario.

SALE TRANSACTION

9. Prior to the granting of the Appointment Order, Deloitte was previously retained by HSBC to act as its financial consultant to review the current operations and financial position of the Debtor. Deloitte also worked with HSBC and their legal advisors, Thornton Grout Finnigan LLP with regard to the sale transaction (“**Transaction**”) contemplated by an asset purchase agreement (the “**APA**”) between the Debtor and Labelink Products Inc. (the “**Purchaser**”) dated July 19, 2018.
10. On August 7, 2018 the Court approved the Transaction and subject to the completion of the transaction, vested the assets sold thereunder in the Purchaser, to be effective on the filing a Receiver’s certificate confirming the closing has occurred (the “**Receiver’s Certificate**”).
11. The parties worked diligently to close the Transaction on an expedited basis. The Transaction closed on August 9, 2018.

INDEPENDENT LEGAL OPINIONS ON SECURITY INTERESTS

12. The Receiver has obtained independent, written legal opinions from GSNH with respect to the validity and enforceability on the security held by each of RBC, HSBC and BDC (collectively, the “**Security Opinions**”). According to the Security Opinions, it is GSNH’s view that, subject to the customary qualifications and limitations included therein, the security held by each RBC, HSBC and BDC is valid and enforceable against all of the assets, properties and undertakings of the Debtor as more particularly described

in such security. Copies of the Security Opinions are attached hereto as **Appendix "A"**, **"B"** and **"C"**.

PROPOSED DISTRIBUTION

13. At this time, the Receiver is seeking Court approval to distribute \$485,000 of the sale proceeds of the Transaction, upon the filing of the Receiver's Certificate, to RBC subject to the security held by RBC. RBC has agreed to the net amount of \$485,000 as its allocation of the proceeds of the Transaction related to the specific equipment which is the subject of its security interest.
14. The Receiver is also seeking Court approval to distribute from time to time all funds coming into its hands in respect of the realization of the assets of the Debtor, including the balance of the sale proceeds, to HSBC subject to the security held by HSBC, and subject to such reserves as the Receiver may deem prudent, up to a maximum of \$4,700,000 without further order of this Court. Based on counsel's advice, there appears to be no creditor having a prior claim to the proceeds generated from the completion of the Transaction other than the proceeds to be distributed to RBC on account of its security with respect to specific assets.
15. Lastly, with respect to certain equipment lessors and BDC, arrangements will be made for the pick-up of leased assets subject to such leases. These assets formed no part of the Purchased Assets as defined in the APA, and are identifiable by description in the respective lease documentation and the Debtor's records.

16. Accordingly, the Receiver is seeking authorization to arrange for the pick-up any part or parts of the Property, excluding the assets that are subject to the Transaction (the “**Remaining Property**”), out of the ordinary course of business, to persons with a valid claim against such Remaining Property, as determined by the Receiver, in accordance with the rank and apparent priority of such claims and limited to the indebtedness of the Debtor to each such party asserting a claim, without further Order of this Court.

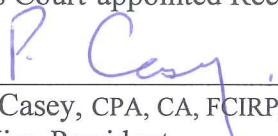
RECOMMENDATIONS

17. The Receiver recommends that the Court make an order:
- (a) Pending the filing of the Receiver’s Certificate, approving the distribution of \$485,000 from the sale proceeds of the Transaction to RBC;
 - (b) Approving the distribution of available proceeds in the estate, including the balance of the sale proceeds of the Transaction, from time to time to HSBC, without further Order of the Court;
 - (c) Approving the Receiver’s course of action with respect to the Remaining Property;

All of which is respectfully submitted at Toronto, Ontario this 10th day of August, 2018.

Deloitte Restructuring Inc.,
in its capacity as Court-appointed Receiver of Safety Seal Plastics Inc.

Per:



Paul M. Casey, CPA, CA, FCIRP, LIT
Senior Vice-President

August 3, 2018

Deloitte Restructuring Inc.
8 Adelaide Street West
Suite 200
Toronto, Ontario
M5H 0A9

Attention: Paul Casey, Senior Vice-President

Re: Review of certain security granted by Safety Seal Plastics Inc. (“SSP”) in favour of Royal Bank of Canada (“RBC”) pursuant to a certain Commitment to Lease dated January 27, 2017 and a Progress Payment Agreement dated January 27, 2017 (together the “Security Documents”).

In connection with your acting as Receiver of the assets, property and undertaking of SSP, you have asked us to provide our views in respect of the Security Documents.

This opinion is provided to you in your capacity as Receiver and is limited to our review of copies of the Security Documents

In conducting our review and for the purposes of the opinions given herein, we have made the assumptions contained herein and as set out in Schedule “B” attached hereto (collectively, the “**Assumptions**”). Additionally, our opinions herein are subject to the qualifications and limitations contained herein and as set out in Schedule “C” attached hereto (collectively, the “**Qualifications**”). We confirm that the restrictions and limitations on this report, as herein contained, are satisfactory to you. In addition, we have opined solely of the validity and enforceability of the Security Documents as they are, in our view sufficient to validly create security interests in the property of SSP.

The undertaking, business, property, assets, interests, and rights of SSP in which RBC has been granted a security interest pursuant to the terms of the Security Documents are collectively referred to herein as the “**Charged Property**”.

We have made no investigation of the laws of any jurisdiction other than, and the opinions hereinafter expressed are restricted to, the laws of the Province of Ontario and the federal laws of Canada applicable therein as of the date hereof and, insofar as the laws of other jurisdictions are

relevant, we express no opinion thereon. Without limiting the foregoing, we express no opinion with respect to:

- (a) the laws of any other jurisdiction to the extent such laws may govern any aspect of the Security Documents or govern the validity, the perfection, the effect of perfection or non-perfection, or the enforcement of any Security Interests created thereunder as a result of the application of the conflict of laws rules of Ontario, including, without limitation, Sections 5 to 8.1 of the *Personal Property Security Act* (Ontario) (the “**Ontario PPSA**”); or,
- (b) whether, pursuant to the conflict of laws rules of any other jurisdiction, the laws of Ontario would govern the validity, perfection, the effect of perfection or non-perfection, or enforcement of any security interests created by the Security Documents.
- (c) In connection with this opinion, no review has been made of any of the transactions, agreements, indentures or other instruments of SSP for the purposes of identifying matters described in this opinion, other than a review of the Security Documents.

We have considered such questions of law as we have considered relevant and necessary as a basis for the opinions hereinafter expressed.

OPINIONS

Subject to the assumptions, qualifications and comments we have made herein and in the Schedules attached hereto, we are of the opinion that:

1. The Security Documents constitute a valid and binding obligations of SSP are enforceable against SSP in accordance with their terms;
2. The Security Documents create in favour of RBC, valid security interests in the Charged Property identified therein to which the Ontario PPSA applies; and,
3. The Security Documents have been registered, filed or recorded in all public offices where SSP where registration, filing or recording thereof is required under the laws of the Province of Ontario to perfect the security interests created by such Security Documents in the applicable Charged Property to which the Ontario PPSA applies.

RELIANCE

All opinions expressed herein are provided to you and are for the purpose of the performance of your responsibilities as Receiver, including reporting to the Court and creditors, and including any future appointments in respect of SSP, and may not be relied on by any other person, firm, corporation or entity without the prior written consent of Goldman, Sloan, Nash & Haber LLP. This opinion is given as of the date hereof and we do not undertake, and hereby expressly disclaim, any obligation to advise you of any change in any matters set forth herein.

SEARCHES CONDUCTED

We have reviewed searches of the public registries in respect of SSP for filings or registrations made in Ontario, in the applicable offices of public record, against SSP as we have deemed appropriate. These searches include corporate profile searches and Ontario PPSA searches, all as more specifically set out in **Schedule "C"** attached hereto. The searches were conducted in respect of the current legal names of SSP as of the date(s) set forth in **Schedule "C"**.

We confirm your advice that our review based upon these searches, and our reliance upon such searches in giving the opinions set out herein, is satisfactory for your purposes at this time.

Yours

truly,

Colleen Sheppard *Nat a Helen*
CLY

SCHEDULE "A"**ASSUMPTIONS****A. Authenticity and Accuracy**

We have assumed the genuineness of all signatures and the authenticity and completeness of all documents submitted to us as copies thereof. We have also assumed the accuracy and currency of: (i) all indices, filing and registration systems maintained at the public offices where we have searched or inquired or have caused searches or inquiries to be conducted, as set forth herein; (ii) all search results obtained by electronic transmission; and (iii) the results of any printed or computer search of any office of public record.

B. Authority

We have assumed that:

- (a) SSP was a duly incorporated and validly existing corporations at the time that each of the Security Documents were authorized, executed and delivered, and that SSP has continued to be duly incorporated and validly existing since that time;
- (b) SSP had the requisite corporate power, capacity and authority to enter into and perform their respective obligations under each of the Security Documents at the time each of the Security Documents was authorized, executed and delivered; and
- (c) all necessary corporate action and proceedings had been taken by SSP to authorize the execution, delivery and performance of each of the Security Documents.

C. SECURITY AGREEMENTS

We have assumed that none of the Security Documents have been assigned, released, discharged or otherwise impaired, either in whole or in part, and there are no agreements that are relevant to the matters discussed in this letter.

D. Existence of Debt and Security Matters

We have assumed that:

- (a) valuable consideration has been given to SSP and payment and other obligations remain outstanding by SSP;
- (b) each of the Security Documents were duly executed and delivered by SSP;
- (c) all of the conditions precedent contained in each of the Security Documents, if any, were satisfied or waived;

- (d) attachment of the security interests created by the Security Documents has occurred within the meaning of the Ontario PPSA;
- (e) SSP has an interest in its collateral expressed to be subject to the Security Documents; and
- (f) insofar as any obligation under any of the Security Documents is to be performed in any jurisdiction outside the Province of Ontario, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction.

E. Factual Matters

We have assumed that no fact exists, or has existed, that would entitle SSP to assert or obtain a remedy at law or in equity (such as, without limitation, rectification, rescission or release from a contract through frustration) affecting the validity, legality, binding effect or enforceability of any of the Security Documents.

F. Entire Agreement

We have assumed that there is no written or oral agreement or other facts or understanding and there is no trade usage or course of conduct or prior dealing, that would vary the interpretation, application or enforceability of any term or condition of the Security Documents, and that except as expressly noted herein, there have been no amendments, restatements, deletions or other modifications to the Security Documents.

G. Choice of law

We have assumed that the choice of the law of the Province of Ontario as the governing law of the Security Documents will be given effect to in any legal proceedings.

SCHEDULE "B"
QUALIFICATIONS

1. **Title:** We express no opinion concerning:
 - (a) title to any property that is purportedly subject to any security interest created by the Security Documents and such title has been assumed to the full extent necessary to express the opinions contained herein; and,
 - (b) the effectiveness of the Security Documents as security, where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be.

2. **Enforceability:** All opinions that expressly or by necessity relate to the enforceability of each of the Security Documents (which, as used in this Schedule and as the context may require, includes validity, legality and binding effect) are subject to:
 - (a) applicable bankruptcy, insolvency, winding up, arrangement, liquidation, fraudulent preference and conveyance, reorganization, moratorium and realization laws and other similar laws (including, without limitation and notwithstanding any specific references herein, provisions of the Ontario PPSA affecting the rights and remedies of creditors generally);
 - (b) equitable limitations on, and defences against, the availability of remedies and equitable principles of application to particular proceedings at law or in equity, and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction), which remedies are only available in the discretion of a court of competent jurisdiction;
 - (c) the power of a court to grant relief from forfeiture;
 - (d) applicable laws regarding limitations of action;
 - (e) the court's powers to stay proceedings and execution of judgments;
 - (f) the court's discretion to decline to hear any action or give effect to an obligation if to do so would be contrary to public policy or if it is not the proper forum to hear such action;
 - (g) limitations that may be imposed by law or equity on the effectiveness of terms exculpating a party from a liability or limiting the liability of a party;
 - (h) limitations upon the right of a creditor to receive immediate payment of amounts stated to be or which may become payable on demand;

- (i) limitations upon the right of a party to enforce a provision based upon a minor or non-substantive default;
- (j) implied obligations requiring good faith, fair-dealing and reasonableness in performance and enforcement of a contract; and,
- (k) the following limitations:
 - (i) provisions that purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in application;
 - (ii) the *Courts of Justice Act* (Ontario) limits interest on a judgment debt arising under the judgment of a court of competent jurisdiction located in Ontario to rates prescribed by regulation from time to time;
 - (iii) the *Currency Act* (Canada) precludes a court in Canada from rendering a judgment in any currency other than Canadian currency.
 - (iv) rights of indemnity may be limited by applicable law;
 - (v) determinations or demands made in exercise of a discretion may be unenforceable if made in an unreasonable or arbitrary fashion;
 - (vi) provisions providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation;
 - (vii) no opinion is expressed as to the enforceability of any provision that purports to provide for a higher rate of interest after default than before;
 - (viii) no opinion is expressed as to the enforceability of a provision of the Security Documents that provides that the provisions of another document govern in the event of any conflict or inconsistency between the provisions of the other document and such Security Document;
 - (ix) the validity and enforceability of provisions that purport to sever from the Security Document any provision that is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the agreement or instrument may be subject to the discretion of a court of competent jurisdiction;
 - (x) no opinion is expressed as to the enforceability of any provision purporting to exclude unwritten variations, amendments, waivers or consents;
 - (xi) no opinion is expressed as to the enforceability of any provision that purports to restrict the access to, or waive the benefit of, legal or equitable rights, remedies or defences, including any right to receive notice (including

notice of enforcement) or that purport to consent in advance to the taking of any action or the exercise of any right, remedy or defence;

- (xii) no opinion is expressed as to the enforceability of any power of attorney or non-judicial remedies provided for in the Security Documents;
- (xiii) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement or performance of the Security Documents, or by SSP, or by any person on their respective behalf, whether such enforcement involves the operation of the businesses of SSP or a sale, transfer or disposition of any of its property or assets;
- (xiv) no opinion is expressed as to the enforceability of any provision in any of the Security Documents that purports to constitute a receiver or receiver and manager thereunder as agent of SSP or absolve a receiver or receiver and manager of responsibility for its acts;
- (xv) subject to the Discussion, no opinion is expressed as to the enforceability of any provision in any of the Security Documents that purports to grant a security interest or hypothec in federal Crown debts to which the *Financial Administration Act* (Canada) applies;
- (xvi) no opinion is expressed as to the enforceability of any provision that contemplates or provides for agreement at a later date;
- (xvii) no opinion is expressed as to the enforceability of any provision that purports to relieve any party thereto, or its agents, from liability for its own acts;
- (xviii) no opinion is expressed as to the enforceability of any provision that purports to bind or affect, or confer a benefit upon, persons who are not parties to the Security Documents; and,
- (xix) remedies exercisable upon default in any of the Security Documents must be exercised in good faith and in a commercially reasonable manner.

3. **Searches:** We have only conducted those searches described in Schedule "C" hereto. Except as set forth therein, we have not conducted any land titles office or other searches with respect to encumbrances against real or immovable property or any interests therein or any statutory lien, court order and the Corporate Registry or other searches, except as set out in Schedule "C" hereto. We have only searched against the names set out in Schedule "C" hereto.
4. **Priority:** No opinion is expressed as to the rank or priority, or as to the effect of perfection or opposability to third parties on the rank or priority, of any security interest created by the Security Documents.

5. **Reviewable Transactions:** No opinion is given as to whether any security interest given under the Security Documents constitutes a fraudulent preference or other attackable or reviewable transaction pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada) or any applicable provincial statute and regulation.
6. **Security Interests:** We express no opinion:
- (a) as to the validity, enforceability, creation, attachment or perfection of a security interest in:
 - (i) property consisting of a receivable, licence, approval, privilege, contractual right, franchise, quota, permit or lease (collectively, “**Special Property**”) to the extent that the terms of the Special Property, any applicable law or the nature of the businesses of SSP prohibit its charging, assignment or hypothecation or require, as a condition of its charging, assignability or hypothecation, a consent, approval or other authorization or SSP that has not been made or given;
 - (ii) any collateral to the extent that security agreements or assignments with respect to such collateral are governed by the laws of the Parliament of Canada, including, without limitation, any vessel registered under the *Canada Shipping Act* (Canada), any rolling stock and any trademark, trade name, copyright, industrial design or other intellectual property right, other than patents; pursuant to the Patent Act (Canada);
 - (iii) permits, quotas, licences, privileges, governmental authorizations or other property that are not personal property and that are held by or issued to or in favour of SSP;
 - (iv) any interest in a right to damages in tort or at law;
 - (v) any interest in deposits/deposit accounts;
 - (vi) property for which, pursuant to applicable conflicts rules (including, without limitation, the conflicts rules of the Ontario PPSA and the *Securities Transfer Act* (Ontario)), the validity, perfection and the effect of perfection or non-perfection or enforcement are governed by the laws of a jurisdiction other than such Provinces;
 - (vii) property that is now or hereafter becomes a fixture, crop, timber, minerals, petroleum, natural gas or other deposits located therein or thereon, or any right of payment that arises in connection with an interest in land;
 - (viii) property or rights of a nature listed in section 4(1) of the Ontario PPSA; or
 - (ix) property that is Consumer Goods or a Security (as each is defined in the Ontario PPSA);

- (b) as to any registrations or filings by way of fixtures notice, floating charge on land or otherwise in any land title office in the Province of Ontario; and
 - (c) regarding the creation, validity, enforceability, attachment or perfection of any mortgage, charge, hypothec, security interest or other interest expressed to be created by or under the Security Documents with respect to any property of SSP or any proceeds of such property that are not identifiable or traceable.
7. **Specific Collateral:** Any security interests created by the Security Documents in any equipment that is a Motor Vehicle (as defined in the Ontario PPSA) situate in the Province of Ontario have not been perfected or rendered opposable to third parties by registration against serial numbers or Vehicle Identification Numbers, as the case may be, as required thereunder. Accordingly, any hypothecs, security interests and mortgages on such property will be subject to the rights of third parties who at any time acquire and perfect or render opposable to third parties an interest in those assets.
8. **Maintaining Perfection:** We express no opinion with respect to maintaining perfection of any security interest created by the Security Documents.

SCHEDULE "C"

LIST OF SEARCHES COMPLETED FOR SSP

I. CORPORATION SEARCH

A corporation profile report (the "Profile Report") dated July 27, 2018 was obtained for SSP from the Ontario Ministry of Government Services. The Profile Report confirmed the following:

Safety Seal Plastics Inc. is an active Ontario corporation having a registered office at Suite #1, 400 Michener Road, Guelph, Ontario, N1K 1E4

II. PPSA SEARCH

We have reviewed searches obtained against SSP from the registry maintained under the Ontario PPSA in order to determine whether SSP registrations or filings have been made in connection with the Security Documents.

The following searches, with a file currency date of July 27, 2018, have disclosed the following registrations:

See

Appendix "A" hereto

APPENDIX "A"
PARTICULARS OF PPSA REGISTRATIONS

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 400 MICHENER ROAD, UNIT 1, GUELPH, ON N1K 1E4

Secured Party: **PACKAGING GROWTH INVESTORS, LLC**

Address: C/O CHROMIUM INDUSTRIES, 4645 W CHI, CHICAGO, IL 60651

Collateral Classification: Inventory, Equipment, Accounts, Other, Motor Vehicle Included

Registration Period: 5 years

Registration No.: 2018011 1624 1862 3913

File No.: 735607746

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 400 MICHENER ROAD, UNIT 1, GUELPH, ON N1K 1E4

Secured Party: **HEWLETT-PACKARD FINANCIAL SERVICES CANADA COMPANY**

Address: 5150 SPECTRUM WAY, MISSISSAUGA, ON L4W 5G1

Collateral Classification: Equipment, Other, Motor Vehicle Included

Collateral Description: ALL PRESENT AND FUTURE GOODS, SOFTWARE AND OTHER PERSONAL PROPERTY NOW OR HEREAFTER FINANCED OR LEASED BY SECURED PARTY TO DEBTOR, WHETHER OR NOT BEARING THE NAME "HEWLETT-PACKARD", "HP" OR "HEWLETT PACKARD ENTERPRISE" OR ANOTHER TRADE MARK OR TRADE NAME OWNED BY A MEMBER OF THE CORPORATE FAMILY OF ANY OF THE FOREGOING, INCLUDING WITHOUT LIMITATION ALL COMPUTER, TELECOMMUNICATIONS, PRINTING, IMAGING, COPYING, SCANNING, PROJECTION, GRAPHICS, NETWORKING,

STORAGE AND POINT OF SALE EQUIPMENT, INCLUDING WITHOUT LIMITATION SERVERS, LAPTOPS, DESKTOPS, TABLETS, SMART PHONES AND OTHER HAND DEVICES, PRINTERS, PRINTING PRESSES, SCANNERS, FAX MACHINES, DIGITAL PHOTOGRAPHY AND IMAGING DEVICES, INK, TONER, WORKSTATIONS, PLATFORM CARTS, TAPE LIBRARIES, ATMS, CASH REGISTERS? AND ANY AND ALL ATTACHMENTS, ACCESSORIES, ADDITIONS, GENERAL INTANGIBLES, SUBSTITUTIONS, PRODUCTS, REPLACEMENTS, RENTALS, MANUALS AND ANY RIGHT, TITLE OR INTEREST IN ANY SOFTWARE USED TO OPERATE OR OTHERWISE INSTALLED IN ANY OF THE FOREGOING (INCLUDING WITHOUT LIMITATION NETWORKING SOLUTIONS, SYSTEM SECURITY AND STORAGE SOLUTIONS, CLOUD SOLUTIONS, AND ENTERPRISE SOLUTIONS), FURNITURE AND FIXTURES, RACKS, ENCLOSURES AND NODES? AND ALL PROCEEDS OF THE FOREGOING INCLUDING WITHOUT LIMITATION, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, FIXTURES, LICENCES, SUBSTITUTIONS, ACCOUNTS RECEIVABLE, RENTAL AND LOAN CONTRACTS, ALL PERSONAL PROPERTY RETURNED, TRADED-IN OR REPOSSESSED AND ALL INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

Registration Period: 8 years

Registration No.: 20170711 1036 8077 7267

File No.: 729672228

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 400 MICHENER ROAD, UNIT 1, GUELPH, ON N1K 1E4

Secured Party: **ROYAL BANK OF CANADA**

Address: 180 WELLINGTON ST. WEST, 5TH FL, TORONTO, ON M5J 1J1

Collateral Classification: Inventory, Equipment, Accounts, Other, Motor Vehicle Included

Collateral Description: AS PER MASTER LEASE AGREEMENT DATED JANUARY 27, 2017 TOGETHER WITH ALL INVENTORY AND EQUIPMENT NOW OR HEREAFTER ACQUIRED BY THE DEBTOR AND FINANCED BY THE SECURED PARTY TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS,

ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL, PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENT AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

Registration Period: 10 year
Registration No.: 20170127 1631 8077 6008
File No.: 724425264

Debtor: **SAFETY SEAL PLASTICS INC.**
Address: 120 NERO RD., HAMILTON, ON L8W 2E4
Secured Party: **FORD CREDIT CANADA LIMITED**
Address: PO BOX 2400, EDMONTON, AB T5J 5C7
Collateral Classification: Inventory, Equipment, Other, Motor Vehicle Included
(2016 FORD P150 V.I.N. 1FTEW1EG6GFC232022)
Registration Period: 6 year
Registration No.: 2016222 1936 1531 3204
File No.: 723609657

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 1 – 400 MICHENER ROAD, GUELPH, ON N1K 1E4

Secured Party: **STUART BUDDE & SONS LTD.**

Address: PO BOX 2400, EDMONTON, AB T5J 5C7

Collateral Classification: Consumer Goods, Motor Vehicle Included (2017 JAGUAR F-TYPE VIN: SAJXJ6K84HMK41115)

Registration Period: 6 year

Registration No.: 2016222 1936 1531 3204

File No.: 723609657

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NERO RD., UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: **DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.**

Address: 3450 SUPERIOR COURT, UNIT 1, OAKVILLE, ON L6L 0C4

Collateral Classification: Equipment, Accounts, Other, Motor Vehicle Included (2012 CROWN/RR5715, VIN 1A384168)

Collateral Classification: ALL PERSONAL PROPERTY OF THE DEBTOR DESCRIBED HEREIN BY VEHICLE IDENTIFICATIONNUMBER OR SERIAL NUMBER, AS APPLICABLE , WHEREVER SITUATED, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.

Registration Period: 6 years

Registration No.: 20160225 1954 1531 3596, as amended by 20160404 1438 1530 5110 (TO AMEND ASSET LOCATION)

File No.: 714309318

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: **BUSINESS DEVELOPMENT BANK OF CANADA**

Address: COMMERCE HOUSE BUILDING 50 QUEEN STREET, KITCHENER, ON
N2H 6P9

Collateral Classification: Equipment, Other

Collateral Description: LIST OF EQUIPMENT INCLUDES
1999 COMCO 8 COLOUR 22", SERIAL #98-1223
1999 COMCO 8 COLOUR 22" B, SERIAL #98-1225
2012 KARVILLE K4 SEAMING MACHINE, MODEL # SEAM-350D-UHS
11-6654
C-211225 RTC – 500-500, SERIAL #S12025M AND 12026M
KOR ENGINEERING PW SERIES, MODEL# PW5560, SERIAL #3107
KOR ENGINEERING PW SERIES, MODEL# PAC 28 SH, SERIAL #2033
SANYO TAMPER-EVIDENT BAND, MODEL# P14-25-30, SERIAL
#CUSTOM
CUSTOM BUILT TAMPER-EVIDENT PRE-FORMER, MODEL#
CUSTOM, SERIAL #3455
J.M. HEAFORD MOUNTER, MODEL #600 COBRA XLS TT, SERIAL
#90131
SANYO FILM TUBING MACHINE, MODEL #HWS-300

Registration Period: 12 years

Registration No.: 20151211 1224 1862 4957, as amended by 20151217 1608 1862
5589 (amend debtor address)

File No.: 712572966

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: **BUSINESS DEVELOPMENT BANK OF CANADA**

Address: COMMERCE HOUSE BUILDING, 50 QUEEN STREET, KITCHENER, ON N2H 6P9

Collateral Classification: Inventory, Equipment, Accounts, Other, Motor Vehicle Included

Registration Period: 12 years

Registration No.: 20151211 1530 1862 5088, as amended by 20151211 1530 1862 5016 (amend debtor address)

File No.: 712582983

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: **FORD CREDIT CANADA LIMITED**

Address: PO BOX 2400, EDMONTON, AB T5J 5C7

Collateral Classification: Equipment, Other, Motor Vehicle Included (2014 FORD ESCAPE VIN: 1FMCU9J91EUB18329)

Registration Period: 6 years

Registration No.: 20131104 1034 1529 9697

File No.: 691566939

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: **VW CREDIT CANADA INC.**

Address: 4865 MARC-BLAIN ST., SUITE 300, ST. LAURENT, QC H4R 3B2

Collateral Classification: Consumer Goods, Equipment, Other, Motor Vehicle Included (2013 AUDI, Q5 BASE VIN WA1C8CFP7DA090625)

Registration Period: 5 years

Registration No.: 20131018 1944 1531 7005

File No.: 691188336

Debtor: **SAFETY SEAL PLASTICS INC.***

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: HSBC BANK CANADA

Address: 70 YORK STREET, 7TH FLOOR, TORONTO M5J 1S9

Collateral Classification: Equipment, Other

Collateral Description: ONE (1) 2012 MARK ANDY PERFORMANCE SERIES P-7 17" (10) COLOR CONVERTING SYSTEM, S/N 1478346

Registration Period: 6 years

Registration No.: 20151211 1529 1862 5015, as amended by 20121203 1449 1530 6646 (SUBORDINATION/POSTPONEMENT PRIORITY AGREEMENT, WHEREIN HSBC BANK CANADA POSTPONES ITS RIGHTS UNDER PPSA FILE REFERENCE NUMBERS 683291808 AND 682962435 TO BUSINESS DEVELOPMENT BANK OF CANADA RIGHTS AS IN PPSA FILE REFERENCE, SUBORDINATION/POSTPONEMENT NUMBER 712572966 ONLY IN RESPECT OF LISTED EQUIPMENT)

File No.: 683291808

*Discharged by registration no. 2018 1936 1531 9531

Debtor: SAFETY SEAL PLASTICS INC.*

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: HSBC BANK CANADA

Address: 271 CORNWALL ROAD, UNIT A102, OAKVILLE, ON L6J 7Z5

Collateral Classification: Inventory, Equipment, Accounts, Other, Motor Vehicle Included

Registration Period: 5 years

Registration No.: 20121119 1431 0988, as amended by 20151211 1529 1862 5014
(SUBORDINATION/POSTPONEMENT) PRIORITY AGREEMENT,
WHEREIN HSBC BANK CANADA POSTPONES ITS RIGHTS UNDER
PPSA FILE REFERENCE NUMBERS 683291808 AND 682962435 TO
BUSINESS DEVELOPMENT BANK OF CANADA RIGHTS AS IN PPSA
REFERENCE NUMBER 712572966 ONLY IN RESPECT OF LISTED
EQUIPMENT, as renewed by 20171025 1444 1530 7029 FOR 10
YEARS

File No.: 682962435

*amended to record change of address by registration no. 2018
0119 1613 1590 1429

August 3, 2018

Deloitte Restructuring Inc.
8 Adelaide Street West
Suite 200
Toronto, Ontario
M5H 0A9

Attention: Paul Casey, Senior Vice-President

Re: Review of certain security granted by Safety Seal Plastics Inc. (“SSP”) in favour of HSBC Bank Canada (“HSBC”) pursuant to certain credit facilities secured by a general security agreement dated November 23, 2016 by SSP in favour of HSBC (the “Security Document”).

In connection with your acting as Receiver of the assets, property and undertaking of SSP, you have asked us to provide our views in respect of the Security Document.

This opinion is provided to you in your capacity as Receiver and is limited to our review of copies of the Security Document

In conducting our review and for the purposes of the opinions given herein, we have made the assumptions contained herein and as set out in Schedule “B” attached hereto (collectively, the “**Assumptions**”). Additionally, our opinions herein are subject to the qualifications and limitations contained herein and as set out in Schedule “C” attached hereto (collectively, the “**Qualifications**”). We confirm that the restrictions and limitations on this report, as herein contained, are satisfactory to you. In addition, we have opined solely of the validity and enforceability of the Security Document as it is are, in our view sufficient to validly create security interests in the property of SSP.

The undertaking, business, property, assets, interests, and rights of SSP in which HSBC has been granted a security interest pursuant to the terms of the Security Document are collectively referred to herein as the “**Charged Property**”.

We have made no investigation of the laws of any jurisdiction other than, and the opinions hereinafter expressed are restricted to, the laws of the Province of Ontario and the federal laws of Canada applicable therein as of the date hereof and, insofar as the laws of other jurisdictions are

relevant, we express no opinion thereon. Without limiting the foregoing, we express no opinion with respect to:

- (a) the laws of any other jurisdiction to the extent such laws may govern any aspect of the Security Document or govern the validity, the perfection, the effect of perfection or non-perfection, or the enforcement of any Security Interests created thereunder as a result of the application of the conflict of laws rules of Ontario, including, without limitation, Sections 5 to 8.1 of the *Personal Property Security Act* (Ontario) (the “**Ontario PPSA**”); or,
- (b) whether, pursuant to the conflict of laws rules of any other jurisdiction, the laws of Ontario would govern the validity, perfection, the effect of perfection or non-perfection, or enforcement of any security interests created by the Security Document.
- (c) In connection with this opinion, no review has been made of any of the transactions, agreements, indentures or other instruments of SSP for the purposes of identifying matters described in this opinion, other than a review of the Security Document.

We have considered such questions of law as we have considered relevant and necessary as a basis for the opinions hereinafter expressed.

OPINIONS

Subject to the assumptions, qualifications and comments we have made herein and in the Schedules attached hereto, we are of the opinion that:

1. The Security Document constitutes a valid and binding obligations of SSP enforceable against SSP in accordance with their terms;
2. The Security Document creates in favour of HSBC, valid security interests in the Charged Property identified therein to which the Ontario PPSA applies; and,
3. The Security Document has been registered, filed or recorded in all public offices where SSP where registration, filing or recording thereof is required under the laws of the Province of Ontario to perfect the security interests created by such Security Document in the applicable Charged Property to which the Ontario PPSA applies.

RELIANCE

All opinions expressed herein are provided to you and are for the purpose of the performance of your responsibilities as Receiver, including reporting to the Court and creditors, and including any future appointments in respect of SSP, and may not be relied on by any other person, firm, corporation or entity without the prior written consent of Goldman, Sloan, Nash & Haber LLP. This opinion is given as of the date hereof and we do not undertake, and hereby expressly disclaim, any obligation to advise you of any change in any matters set forth herein.

SEARCHES CONDUCTED

We have reviewed searches of the public registries in respect of SSP for filings or registrations made in Ontario, in the applicable offices of public record, against SSP as we have deemed appropriate. These searches include corporate profile searches and Ontario PPSA searches, all as more specifically set out in **Schedule "C"** attached hereto. The searches were conducted in respect of the current legal names of SSP as of the date(s) set forth in **Schedule "C"**.

We confirm your advice that our review based upon these searches, and our reliance upon such searches in giving the opinions set out herein, is satisfactory for your purposes at this time.

Yours truly,

*Golden Sloan Nant & [unclear]
LLP*

SCHEDULE "A"**ASSUMPTIONS****A. Authenticity and Accuracy**

We have assumed the genuineness of all signatures and the authenticity and completeness of all documents submitted to us as copies thereof. We have also assumed the accuracy and currency of: (i) all indices, filing and registration systems maintained at the public offices where we have searched or inquired or have caused searches or inquiries to be conducted, as set forth herein; (ii) all search results obtained by electronic transmission; and (iii) the results of any printed or computer search of any office of public record.

B. Authority

We have assumed that:

- (a) SSP was a duly incorporated and validly existing corporations at the time that the Security Document was authorized, executed and delivered, and that SSP has continued to be duly incorporated and validly existing since that time;
- (b) SSP had the requisite corporate power, capacity and authority to enter into and perform their respective obligations under the Security Document at the time the Security Document was authorized, executed and delivered; and
- (c) all necessary corporate action and proceedings had been taken by SSP to authorize the execution, delivery and performance of the Security Document.

C. SECURITY AGREEMENTS

We have assumed that the Security Document have been assigned, released, discharged or otherwise impaired, either in whole or in part, and there are no agreements that are relevant to the matters discussed in this letter.

D. Existence of Debt and Security Matters

We have assumed that:

- (a) valuable consideration has been given to SSP and payment and other obligations remain outstanding by SSP;
- (b) the Security Document were duly executed and delivered by SSP;
- (c) all of the conditions precedent contained in the Security Document, if any, were satisfied or waived;

- (d) attachment of the security interests created by the Security Document has occurred within the meaning of the Ontario PPSA;
- (e) SSP has an interest in its collateral expressed to be subject to the Security Document; and
- (f) insofar as any obligation under the Security Document is to be performed in any jurisdiction outside the Province of Ontario, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction.

E. Factual Matters

We have assumed that no fact exists, or has existed, that would entitle SSP to assert or obtain a remedy at law or in equity (such as, without limitation, rectification, rescission or release from a contract through frustration) affecting the validity, legality, binding effect or enforceability of any of the Security Document.

F. Entire Agreement

We have assumed that there is no written or oral agreement or other facts or understanding and there is no trade usage or course of conduct or prior dealing, that would vary the interpretation, application or enforceability of any term or condition of the Security Document, and that except as expressly noted herein, there have been no amendments, restatements, deletions or other modifications to the Security Document.

G. Choice of law

We have assumed that the choice of the law of the Province of Ontario as the governing law of the Security Document will be given effect to in any legal proceedings.

SCHEDULE "B"
QUALIFICATIONS

1. **Title:** We express no opinion concerning:
 - (a) title to any property that is purportedly subject to any security interest created by the Security Document and such title has been assumed to the full extent necessary to express the opinions contained herein; and,
 - (b) the effectiveness of the Security Document as security, where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be.

2. **Enforceability:** All opinions that expressly or by necessity relate to the enforceability of each of the Security Document (which, as used in this Schedule and as the context may require, includes validity, legality and binding effect) are subject to:
 - (a) applicable bankruptcy, insolvency, winding up, arrangement, liquidation, fraudulent preference and conveyance, reorganization, moratorium and realization laws and other similar laws (including, without limitation and notwithstanding any specific references herein, provisions of the Ontario PPSA affecting the rights and remedies of creditors generally);
 - (b) equitable limitations on, and defences against, the availability of remedies and equitable principles of application to particular proceedings at law or in equity, and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction), which remedies are only available in the discretion of a court of competent jurisdiction;
 - (c) the power of a court to grant relief from forfeiture;
 - (d) applicable laws regarding limitations of action;
 - (e) the court's powers to stay proceedings and execution of judgments;
 - (f) the court's discretion to decline to hear any action or give effect to an obligation if to do so would be contrary to public policy or if it is not the proper forum to hear such action;
 - (g) limitations that may be imposed by law or equity on the effectiveness of terms exculpating a party from a liability or limiting the liability of a party;
 - (h) limitations upon the right of a creditor to receive immediate payment of amounts stated to be or which may become payable on demand;

- (i) limitations upon the right of a party to enforce a provision based upon a minor or non-substantive default;
- (j) implied obligations requiring good faith, fair-dealing and reasonableness in performance and enforcement of a contract; and,
- (k) the following limitations:
 - (i) provisions that purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in application;
 - (ii) the *Courts of Justice Act* (Ontario) limits interest on a judgment debt arising under the judgment of a court of competent jurisdiction located in Ontario to rates prescribed by regulation from time to time;
 - (iii) the *Currency Act* (Canada) precludes a court in Canada from rendering a judgment in any currency other than Canadian currency.
 - (iv) rights of indemnity may be limited by applicable law;
 - (v) determinations or demands made in exercise of a discretion may be unenforceable if made in an unreasonable or arbitrary fashion;
 - (vi) provisions providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation;
 - (vii) no opinion is expressed as to the enforceability of any provision that purports to provide for a higher rate of interest after default than before;
 - (viii) no opinion is expressed as to the enforceability of a provision of the Security Document that provides that the provisions of another document govern in the event of any conflict or inconsistency between the provisions of the other document and such Security Document;
 - (ix) the validity and enforceability of provisions that purport to sever from the Security Document any provision that is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the agreement or instrument may be subject to the discretion of a court of competent jurisdiction;
 - (x) no opinion is expressed as to the enforceability of any provision purporting to exclude unwritten variations, amendments, waivers or consents;
 - (xi) no opinion is expressed as to the enforceability of any provision that purports to restrict the access to, or waive the benefit of, legal or equitable rights, remedies or defences, including any right to receive notice (including

notice of enforcement) or that purport to consent in advance to the taking of any action or the exercise of any right, remedy or defence;

- (xii) no opinion is expressed as to the enforceability of any power of attorney or non-judicial remedies provided for in the Security Document;
- (xiii) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement or performance of the Security Document, or by SSP, or by any person on their respective behalf, whether such enforcement involves the operation of the businesses of SSP or a sale, transfer or disposition of any of its property or assets;
- (xiv) no opinion is expressed as to the enforceability of any provision in the Security Document that purports to constitute a receiver or receiver and manager thereunder as agent of SSP or absolve a receiver or receiver and manager of responsibility for its acts;
- (xv) subject to the Discussion, no opinion is expressed as to the enforceability of any provision in the Security Document that purports to grant a security interest or hypothec in federal Crown debts to which the *Financial Administration Act* (Canada) applies;
- (xvi) no opinion is expressed as to the enforceability of any provision that contemplates or provides for agreement at a later date;
- (xvii) no opinion is expressed as to the enforceability of any provision that purports to relieve any party thereto, or its agents, from liability for its own acts;
- (xviii) no opinion is expressed as to the enforceability of any provision that purports to bind or affect, or confer a benefit upon, persons who are not parties to the Security Document; and,
- (xix) remedies exercisable upon default in the Security Document must be exercised in good faith and in a commercially reasonable manner.

3. **Searches:** We have only conducted those searches described in Schedule “C” hereto. Except as set forth therein, we have not conducted any land titles office or other searches with respect to encumbrances against real or immovable property or any interests therein or any statutory lien, court order and the Corporate Registry or other searches, except as set out in Schedule “C” hereto. We have only searched against the names set out in Schedule “C” hereto.
4. **Priority:** No opinion is expressed as to the rank or priority, or as to the effect of perfection or opposability to third parties on the rank or priority, of any security interest created by the Security Document.

5. **Reviewable Transactions:** No opinion is given as to whether any security interest given under the Security Document constitutes a fraudulent preference or other attackable or reviewable transaction pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada) or any applicable provincial statute and regulation.
6. **Security Interests:** We express no opinion:
 - (a) as to the validity, enforceability, creation, attachment or perfection of a security interest in:
 - (i) property consisting of a receivable, licence, approval, privilege, contractual right, franchise, quota, permit or lease (collectively, “**Special Property**”) to the extent that the terms of the Special Property, any applicable law or the nature of the businesses of SSP prohibit its charging, assignment or hypothecation or require, as a condition of its charging, assignability or hypothecation, a consent, approval or other authorization or SSP that has not been made or given;
 - (ii) any collateral to the extent that security agreements or assignments with respect to such collateral are governed by the laws of the Parliament of Canada, including, without limitation, any vessel registered under the *Canada Shipping Act* (Canada), any rolling stock and any trademark, trade name, copyright, industrial design or other intellectual property right, other than patents; pursuant to the Patent Act (Canada);
 - (iii) permits, quotas, licences, privileges, governmental authorizations or other property that are not personal property and that are held by or issued to or in favour of SSP;
 - (iv) any interest in a right to damages in tort or at law;
 - (v) any interest in deposits/deposit accounts;
 - (vi) property for which, pursuant to applicable conflicts rules (including, without limitation, the conflicts rules of the Ontario PPSA and the *Securities Transfer Act* (Ontario)), the validity, perfection and the effect of perfection or non-perfection or enforcement are governed by the laws of a jurisdiction other than such Provinces;
 - (vii) property that is now or hereafter becomes a fixture, crop, timber, minerals, petroleum, natural gas or other deposits located therein or thereon, or any right of payment that arises in connection with an interest in land;
 - (viii) property or rights of a nature listed in section 4(1) of the Ontario PPSA; or
 - (ix) property that is Consumer Goods or a Security (as each is defined in the Ontario PPSA);

- (b) as to any registrations or filings by way of fixtures notice, floating charge on land or otherwise in any land title office in the Province of Ontario; and
 - (c) regarding the creation, validity, enforceability, attachment or perfection of any mortgage, charge, hypothec, security interest or other interest expressed to be created by or under the Security Document with respect to any property of SSP or any proceeds of such property that are not identifiable or traceable.
7. **Specific Collateral:** Any security interests created by the Security Document in any equipment that is a Motor Vehicle (as defined in the Ontario PPSA) situate in the Province of Ontario have not been perfected or rendered opposable to third parties by registration against serial numbers or Vehicle Identification Numbers, as the case may be, as required thereunder. Accordingly, any hypothecs, security interests and mortgages on such property will be subject to the rights of third parties who at any time acquire and perfect or render opposable to third parties an interest in those assets.
8. **Maintaining Perfection:** We express no opinion with respect to maintaining perfection of any security interest created by the Security Document.

SCHEDULE “C”

LIST OF SEARCHES COMPLETED FOR SSP

I. CORPORATION SEARCH

A corporation profile report (the “Profile Report”) dated July 27, 2018 was obtained for SSP from the Ontario Ministry of Government Services. The Profile Report confirmed the following:

Safety Seal Plastics Inc. is an active Ontario corporation having a registered office at Suite #1, 400 Michener Road, Guelph, Ontario, N1K 1E4

II. PPSA SEARCH

We have reviewed searches obtained against SSP from the registry maintained under the Ontario PPSA in order to determine whether SSP registrations or filings have been made in connection with the Security Document.

The following searches, with a file currency date of July 27, 2018, have disclosed the following registrations:

See Appendix “A” hereto

APPENDIX "A"
PARTICULARS OF PPSA REGISTRATIONS

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 400 MICHENER ROAD, UNIT 1, GUELPH, ON N1K 1E4

Secured Party: **PACKAGING GROWTH INVESTORS, LLC**

Address: C/O CHROMIUM INDUSTRIES, 4645 W CHI, CHICAGO, IL 60651

Collateral Classification: Inventory, Equipment, Accounts, Other, Motor Vehicle Included

Registration Period: 5 years

Registration No.: 2018011 1624 1862 3913

File No.: 735607746

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 400 MICHENER ROAD, UNIT 1, GUELPH, ON N1K 1E4

Secured Party: **HEWLETT-PACKARD FINANCIAL SERVICES CANADA COMPANY**

Address: 5150 SPECTRUM WAY, MISSISSAUGA, ON L4W 5G1

Collateral Classification: Equipment, Other, Motor Vehicle Included

Collateral Description: ALL PRESENT AND FUTURE GOODS, SOFTWARE AND OTHER PERSONAL PROPERTY NOW OR HEREAFTER FINANCED OR LEASED BY SECURED PARTY TO DEBTOR, WHETHER OR NOT BEARING THE NAME "HEWLETT-PACKARD", "HP" OR "HEWLETT PACKARD ENTERPRISE" OR ANOTHER TRADE MARK OR TRADE NAME OWNED BY A MEMBER OF THE CORPORATE FAMILY OF ANY OF THE FOREGOING, INCLUDING WITHOUT LIMITATION ALL COMPUTER, TELECOMMUNICATIONS, PRINTING, IMAGING, COPYING, SCANNING, PROJECTION, GRAPHICS, NETWORKING,

STORAGE AND POINT OF SALE EQUIPMENT, INCLUDING WITHOUT LIMITATION SERVERS, LAPTOPS, DESKTOPS, TABLETS, SMART PHONES AND OTHER HAND DEVICES, PRINTERS, PRINTING PRESSES, SCANNERS, FAX MACHINES, DIGITAL PHOTOGRAPHY AND IMAGING DEVICES, INK, TONER, WORKSTATIONS, PLATFORM CARTS, TAPE LIBRARIES, ATMS, CASH REGISTERS? AND ANY AND ALL ATTACHMENTS, ACCESSORIES, ADDITIONS, GENERAL INTANGIBLES, SUBSTITUTIONS, PRODUCTS, REPLACEMENTS, RENTALS, MANUALS AND ANY RIGHT, TITLE OR INTEREST IN ANY SOFTWARE USED TO OPERATE OR OTHERWISE INSTALLED IN ANY OF THE FOREGOING (INCLUDING WITHOUT LIMITATION NETWORKING SOLUTIONS, SYSTEM SECURITY AND STORAGE SOLUTIONS, CLOUD SOLUTIONS, AND ENTERPRISE SOLUTIONS), FURNITURE AND FIXTURES, RACKS, ENCLOSURES AND NODES? AND ALL PROCEEDS OF THE FOREGOING INCLUDING WITHOUT LIMITATION, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, FIXTURES, LICENCES, SUBSTITUTIONS, ACCOUNTS RECEIVABLE, RENTAL AND LOAN CONTRACTS, ALL PERSONAL PROPERTY RETURNED, TRADED-IN OR REPOSSESSED AND ALL INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

Registration Period: 8 years

Registration No.: 20170711 1036 8077 7267

File No.: 729672228

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 400 MICHENER ROAD, UNIT 1, GUELPH, ON N1K 1E4

Secured Party: **ROYAL BANK OF CANADA**

Address: 180 WELLINGTON ST. WEST, 5TH FL, TORONTO, ON M5J 1J1

Collateral Classification: Inventory, Equipment, Accounts, Other, Motor Vehicle Included

Collateral Description: AS PER MASTER LEASE AGREEMENT DATED JANUARY 27, 2017 TOGETHER WITH ALL INVENTORY AND EQUIPMENT NOW OR HEREAFTER ACQUIRED BY THE DEBTOR AND FINANCED BY THE SECURED PARTY TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS,

ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL, PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENT AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

Registration Period: 10 year

Registration No.: 20170127 1631 8077 6008

File No.: 724425264

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NERO RD., HAMILTON, ON L8W 2E4

Secured Party: **FORD CREDIT CANADA LIMITED**

Address: PO BOX 2400, EDMONTON, AB T5J 5C7

Collateral Classification: Inventory, Equipment, Other, Motor Vehicle Included
(2016 FORD P150 V.I.N. 1FTEW1EG6GFC232022)

Registration Period: 6 year

Registration No.: 2016222 1936 1531 3204

File No.: 723609657

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 1 – 400 MICHENER ROAD, GUELPH, ON N1K 1E4

Secured Party: **STUART BUDDE & SONS LTD.**

Address: PO BOX 2400, EDMONTON, AB T5J 5C7

Collateral Classification: Consumer Goods, Motor Vehicle Included (2017 JAGUAR F-TYPE VIN: SAJXJ6K84HMK41115)

Registration Period: 6 year

Registration No.: 2016222 1936 1531 3204

File No.: 723609657

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NERO RD., UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: **DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.**

Address: 3450 SUPERIOR COURT, UNIT 1, OAKVILLE, ON L6L 0C4

Collateral Classification: Equipment, Accounts, Other, Motor Vehicle Included (2012 CROWN/RR5715, VIN 1A384168)

Collateral Classification: ALL PERSONAL PROPERTY OF THE DEBTOR DESCRIBED HEREIN BY VEHICLE IDENTIFICATIONNUMBER OR SERIAL NUMBER, AS APPLICABLE , WHEREVER SITUATED, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.

Registration Period: 6 years

Registration No.: 20160225 1954 1531 3596, as amended by 20160404 1438 1530 5110 (TO AMEND ASSET LOCATION)

File No.: 714309318

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: **BUSINESS DEVELOPMENT BANK OF CANADA**

Address: COMMERCE HOUSE BUILDING 50 QUEEN STREET, KITCHENER, ON N2H 6P9

Collateral Classification: Equipment, Other

Collateral Description: LIST OF EQUIPMENT INCLUDES
 1999 COMCO 8 COLOUR 22", SERIAL #98-1223
 1999 COMCO 8 COLOUR 22" B, SERIAL #98-1225
 2012 KARVILLE K4 SEAMING MACHINE, MODEL # SEAM-350D-UHS
 11-6654
 C-211225 RTC – 500-500, SERIAL #S12025M AND 12026M
 KOR ENGINEERING PW SERIES, MODEL# PW5560, SERIAL #3107
 KOR ENGINEERING PW SERIES, MODEL# PAC 28 SH, SERIAL #2033
 SANYO TAMPER-EVIDENT BAND, MODEL# P14-25-30, SERIAL
 #CUSTOM
 CUSTOM BUILT TAMPER-EVIDENT PRE-FORMER, MODEL#
 CUSTOM, SERIAL #3455
 J.M. HEAFORD MOUNTER, MODEL #600 COBRA XLS TT, SERIAL
 #90131
 SANYO FILM TUBING MACHINE, MODEL #HWS-300

Registration Period: 12 years

Registration No.: 20151211 1224 1862 4957, as amended by 20151217 1608 1862
 5589 (amend debtor address)

File No.: 712572966

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: **BUSINESS DEVELOPMENT BANK OF CANADA**

Address: COMMERCE HOUSE BUILDING, 50 QUEEN STREET, KITCHENER, ON N2H 6P9

Collateral Classification: Inventory, Equipment, Accounts, Other, Motor Vehicle Included

Registration Period: 12 years

Registration No.: 20151211 1530 1862 5088, as amended by 20151211 1530 1862 5016 (amend debtor address)

File No.: 712582983

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: **FORD CREDIT CANADA LIMITED**

Address: PO BOX 2400, EDMONTON, AB T5J 5C7

Collateral Classification: Equipment, Other, Motor Vehicle Included (2014 FORD ESCAPE VIN: 1FMCU9J91EUB18329)

Registration Period: 6 years

Registration No.: 20131104 1034 1529 9697

File No.: 691566939

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: **VW CREDIT CANADA INC.**

Address: 4865 MARC-BLAIN ST., SUITE 300, ST. LAURENT, QC H4R 3B2

Collateral Classification: Consumer Goods, Equipment, Other, Motor Vehicle Included (2013 AUDI, Q5 BASE VIN WA1C8CFP7DA090625)

Registration Period: 5 years

Registration No.: 20131018 1944 1531 7005

File No.: 691188336

Debtor: **SAFETY SEAL PLASTICS INC.***

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: HSBC BANK CANADA

Address: 70 YORK STREET, 7TH FLOOR, TORONTO M5J 1S9

Collateral Classification: Equipment, Other

Collateral Description: ONE (1) 2012 MARK ANDY PERFORMANCE SERIES P-7 17" (10) COLOR CONVERTING SYSTEM, S/N 1478346

Registration Period: 6 years

Registration No.: 20151211 1529 1862 5015, as amended by 20121203 1449 1530 6646 (SUBORDINATION/POSTPONEMENT PRIORITY AGREEMENT, WHEREIN HSBC BANK CANADA POSTPONES ITS RIGHTS UNDER PPSA FILE REFERENCE NUMBERS 683291808 AND 682962435 TO BUSINESS DEVELOPMENT BANK OF CANADA RIGHTS AS IN PPSA FILE REFERENCE, SUBORDINATION/POSTPONEMENT NUMBER 712572966 ONLY IN RESPECT OF LISTED EQUIPMENT)

File No.: 683291808

*Discharged by registration no. 2018 1936 1531 9531

Debtor: SAFETY SEAL PLASTICS INC.*

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: HSBC BANK CANADA

Address: 271 CORNWALL ROAD, UNIT A102, OAKVILLE, ON L6J 7Z5

Collateral Classification: Inventory, Equipment, Accounts, Other, Motor Vehicle Included

Registration Period: 5 years

Registration No.: 20121119 1431 0988, as amended by 20151211 1529 1862 5014
(SUBORDINATION/POSTPONEMENT) PRIORITY AGREEMENT,
WHEREIN HSBC BANK CANADA POSTPONES ITS RIGHTS UNDER
PPSA FILE REFERENCE NUMBERS 683291808 AND 682962435 TO
BUSINESS DEVELOPMENT BANK OF CANADA RIGHTS AS IN PPSA
REFERENCE NUMBER 712572966 ONLY IN RESPECT OF LISTED
EQUIPMENT, as renewed by 20171025 1444 1530 7029 FOR 10
YEARS

File No.: 682962435

*amended to record change of address by registration no. 2018
0119 1613 1590 1429

August 3, 2018

Deloitte Restructuring Inc.
8 Adelaide Street West
Suite 200
Toronto, Ontario
M5H 0A9

Attention: Paul Casey, Senior Vice-President

Re: Review of certain security granted by Safety Seal Plastics Inc. (“SSP”) in favour of Business Development Bank of Canada (“BDC”) pursuant to certain letter of offer dated December 2, 2015 between SSP and BDC, and a certain general security agreement by SSP in favour of BDC (the “Security Document”).

In connection with your acting as Receiver of the assets, property and undertaking of SSP, you have asked us to provide our views in respect of the Security Document.

This opinion is provided to you in your capacity as Receiver and is limited to our review of copies of the Security Document

In conducting our review and for the purposes of the opinions given herein, we have made the assumptions contained herein and as set out in Schedule “B” attached hereto (collectively, the “**Assumptions**”). Additionally, our opinions herein are subject to the qualifications and limitations contained herein and as set out in Schedule “C” attached hereto (collectively, the “**Qualifications**”). We confirm that the restrictions and limitations on this report, as herein contained, are satisfactory to you. In addition, we have opined solely of the validity and enforceability of the Security Document as it is are, in our view sufficient to validly create security interests in the property of SSP.

The undertaking, business, property, assets, interests, and rights of SSP in which BDC has been granted a security interest pursuant to the terms of the Security Document are collectively referred to herein as the “**Charged Property**”.

We have made no investigation of the laws of any jurisdiction other than, and the opinions hereinafter expressed are restricted to, the laws of the Province of Ontario and the federal laws of Canada applicable therein as of the date hereof and, insofar as the laws of other jurisdictions are

relevant, we express no opinion thereon. Without limiting the foregoing, we express no opinion with respect to:

- (a) the laws of any other jurisdiction to the extent such laws may govern any aspect of the Security Document or govern the validity, the perfection, the effect of perfection or non-perfection, or the enforcement of any Security Interests created thereunder as a result of the application of the conflict of laws rules of Ontario, including, without limitation, Sections 5 to 8.1 of the *Personal Property Security Act* (Ontario) (the “**Ontario PPSA**”); or,
- (b) whether, pursuant to the conflict of laws rules of any other jurisdiction, the laws of Ontario would govern the validity, perfection, the effect of perfection or non-perfection, or enforcement of any security interests created by the Security Document.
- (c) In connection with this opinion, no review has been made of any of the transactions, agreements, indentures or other instruments of SSP for the purposes of identifying matters described in this opinion, other than a review of the Security Document.

We have considered such questions of law as we have considered relevant and necessary as a basis for the opinions hereinafter expressed.

OPINIONS

Subject to the assumptions, qualifications and comments we have made herein and in the Schedules attached hereto, we are of the opinion that:

1. The Security Document constitutes a valid and binding obligations of SSP enforceable against SSP in accordance with their terms;
2. The Security Document creates in favour of BDC, valid security interests in the Charged Property identified therein to which the Ontario PPSA applies; and,
3. The Security Document has been registered, filed or recorded in all public offices where SSP where registration, filing or recording thereof is required under the laws of the Province of Ontario to perfect the security interests created by such Security Document in the applicable Charged Property to which the Ontario PPSA applies.

RELIANCE

All opinions expressed herein are provided to you and are for the purpose of the performance of your responsibilities as Receiver, including reporting to the Court and creditors, and including any future appointments in respect of SSP, and may not be relied on by any other person, firm, corporation or entity without the prior written consent of Goldman, Sloan, Nash & Haber LLP. This opinion is given as of the date hereof and we do not undertake, and hereby expressly disclaim, any obligation to advise you of any change in any matters set forth herein.

SEARCHES CONDUCTED

We have reviewed searches of the public registries in respect of SSP for filings or registrations made in Ontario, in the applicable offices of public record, against SSP as we have deemed appropriate. These searches include corporate profile searches and Ontario PPSA searches, all as more specifically set out in **Schedule "C"** attached hereto. The searches were conducted in respect of the current legal names of SSP as of the date(s) set forth in **Schedule "C"**.

We confirm your advice that our review based upon these searches, and our reliance upon such searches in giving the opinions set out herein, is satisfactory for your purposes at this time.

Yours truly,

Goldman Sachs *Nash & Jones*
LLP

SCHEDULE "A"**ASSUMPTIONS****A. Authenticity and Accuracy**

We have assumed the genuineness of all signatures and the authenticity and completeness of all documents submitted to us as copies thereof. We have also assumed the accuracy and currency of: (i) all indices, filing and registration systems maintained at the public offices where we have searched or inquired or have caused searches or inquiries to be conducted, as set forth herein; (ii) all search results obtained by electronic transmission; and (iii) the results of any printed or computer search of any office of public record.

B. Authority

We have assumed that:

- (a) SSP was a duly incorporated and validly existing corporations at the time that the Security Document was authorized, executed and delivered, and that SSP has continued to be duly incorporated and validly existing since that time;
- (b) SSP had the requisite corporate power, capacity and authority to enter into and perform their respective obligations under the Security Document at the time the Security Document was authorized, executed and delivered; and
- (c) all necessary corporate action and proceedings had been taken by SSP to authorize the execution, delivery and performance of the Security Document.

C. SECURITY AGREEMENTS

We have assumed that the Security Document have been assigned, released, discharged or otherwise impaired, either in whole or in part, and there are no agreements that are relevant to the matters discussed in this letter.

D. Existence of Debt and Security Matters

We have assumed that:

- (a) valuable consideration has been given to SSP and payment and other obligations remain outstanding by SSP;
- (b) the Security Document were duly executed and delivered by SSP;
- (c) all of the conditions precedent contained in the Security Document, if any, were satisfied or waived;

- (d) attachment of the security interests created by the Security Document has occurred within the meaning of the Ontario PPSA;
- (e) SSP has an interest in its collateral expressed to be subject to the Security Document; and
- (f) insofar as any obligation under the Security Document is to be performed in any jurisdiction outside the Province of Ontario, its performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction.

E. Factual Matters

We have assumed that no fact exists, or has existed, that would entitle SSP to assert or obtain a remedy at law or in equity (such as, without limitation, rectification, rescission or release from a contract through frustration) affecting the validity, legality, binding effect or enforceability of any of the Security Document.

F. Entire Agreement

We have assumed that there is no written or oral agreement or other facts or understanding and there is no trade usage or course of conduct or prior dealing, that would vary the interpretation, application or enforceability of any term or condition of the Security Document, and that except as expressly noted herein, there have been no amendments, restatements, deletions or other modifications to the Security Document.

G. Choice of law

We have assumed that the choice of the law of the Province of Ontario as the governing law of the Security Document will be given effect to in any legal proceedings.

SCHEDULE "B"
QUALIFICATIONS

1. **Title:** We express no opinion concerning:
 - (a) title to any property that is purportedly subject to any security interest created by the Security Document and such title has been assumed to the full extent necessary to express the opinions contained herein; and,
 - (b) the effectiveness of the Security Document as security, where effectiveness depends on title or description of the property purported to be charged or assigned, as the case may be.

2. **Enforceability:** All opinions that expressly or by necessity relate to the enforceability of each of the Security Document (which, as used in this Schedule and as the context may require, includes validity, legality and binding effect) are subject to:
 - (a) applicable bankruptcy, insolvency, winding up, arrangement, liquidation, fraudulent preference and conveyance, reorganization, moratorium and realization laws and other similar laws (including, without limitation and notwithstanding any specific references herein, provisions of the Ontario PPSA affecting the rights and remedies of creditors generally);
 - (b) equitable limitations on, and defences against, the availability of remedies and equitable principles of application to particular proceedings at law or in equity, and no opinion is expressed regarding the availability of any equitable remedy (including those of specific performance and injunction), which remedies are only available in the discretion of a court of competent jurisdiction;
 - (c) the power of a court to grant relief from forfeiture;
 - (d) applicable laws regarding limitations of action;
 - (e) the court's powers to stay proceedings and execution of judgments;
 - (f) the court's discretion to decline to hear any action or give effect to an obligation if to do so would be contrary to public policy or if it is not the proper forum to hear such action;
 - (g) limitations that may be imposed by law or equity on the effectiveness of terms exculpating a party from a liability or limiting the liability of a party;
 - (h) limitations upon the right of a creditor to receive immediate payment of amounts stated to be or which may become payable on demand;

- (i) limitations upon the right of a party to enforce a provision based upon a minor or non-substantive default;
- (j) implied obligations requiring good faith, fair-dealing and reasonableness in performance and enforcement of a contract; and,
- (k) the following limitations:
 - (i) provisions that purport to establish evidentiary standards, such as provisions stating that certain calculations or certificates will be conclusive and binding, may not be enforceable or may be limited in application;
 - (ii) the *Courts of Justice Act* (Ontario) limits interest on a judgment debt arising under the judgment of a court of competent jurisdiction located in Ontario to rates prescribed by regulation from time to time;
 - (iii) the *Currency Act* (Canada) precludes a court in Canada from rendering a judgment in any currency other than Canadian currency.
 - (iv) rights of indemnity may be limited by applicable law;
 - (v) determinations or demands made in exercise of a discretion may be unenforceable if made in an unreasonable or arbitrary fashion;
 - (vi) provisions providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation;
 - (vii) no opinion is expressed as to the enforceability of any provision that purports to provide for a higher rate of interest after default than before;
 - (viii) no opinion is expressed as to the enforceability of a provision of the Security Document that provides that the provisions of another document govern in the event of any conflict or inconsistency between the provisions of the other document and such Security Document;
 - (ix) the validity and enforceability of provisions that purport to sever from the Security Document any provision that is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the agreement or instrument may be subject to the discretion of a court of competent jurisdiction;
 - (x) no opinion is expressed as to the enforceability of any provision purporting to exclude unwritten variations, amendments, waivers or consents;
 - (xi) no opinion is expressed as to the enforceability of any provision that purports to restrict the access to, or waive the benefit of, legal or equitable rights, remedies or defences, including any right to receive notice (including

notice of enforcement) or that purport to consent in advance to the taking of any action or the exercise of any right, remedy or defence;

- (xii) no opinion is expressed as to the enforceability of any power of attorney or non-judicial remedies provided for in the Security Document;
- (xiii) no opinion is expressed as to any licences, permits or approvals that may be required in connection with the enforcement or performance of the Security Document, or by SSP, or by any person on their respective behalf, whether such enforcement involves the operation of the businesses of SSP or a sale, transfer or disposition of any of its property or assets;
- (xiv) no opinion is expressed as to the enforceability of any provision in the Security Document that purports to constitute a receiver or receiver and manager thereunder as agent of SSP or absolve a receiver or receiver and manager of responsibility for its acts;
- (xv) subject to the Discussion, no opinion is expressed as to the enforceability of any provision in the Security Document that purports to grant a security interest or hypothec in federal Crown debts to which the *Financial Administration Act* (Canada) applies;
- (xvi) no opinion is expressed as to the enforceability of any provision that contemplates or provides for agreement at a later date;
- (xvii) no opinion is expressed as to the enforceability of any provision that purports to relieve any party thereto, or its agents, from liability for its own acts;
- (xviii) no opinion is expressed as to the enforceability of any provision that purports to bind or affect, or confer a benefit upon, persons who are not parties to the Security Document; and,
- (xix) remedies exercisable upon default in the Security Document must be exercised in good faith and in a commercially reasonable manner.

3. **Searches:** We have only conducted those searches described in Schedule "C" hereto. Except as set forth therein, we have not conducted any land titles office or other searches with respect to encumbrances against real or immovable property or any interests therein or any statutory lien, court order and the Corporate Registry or other searches, except as set out in Schedule "C" hereto. We have only searched against the names set out in Schedule "C" hereto.
4. **Priority:** No opinion is expressed as to the rank or priority, or as to the effect of perfection or opposability to third parties on the rank or priority, of any security interest created by the Security Document.

5. **Reviewable Transactions:** No opinion is given as to whether any security interest given under the Security Document constitutes a fraudulent preference or other attackable or reviewable transaction pursuant to the provisions of the *Bankruptcy and Insolvency Act* (Canada) or any applicable provincial statute and regulation.
6. **Security Interests:** We express no opinion:
 - (a) as to the validity, enforceability, creation, attachment or perfection of a security interest in:
 - (i) property consisting of a receivable, licence, approval, privilege, contractual right, franchise, quota, permit or lease (collectively, “**Special Property**”) to the extent that the terms of the Special Property, any applicable law or the nature of the businesses of SSP prohibit its charging, assignment or hypothecation or require, as a condition of its charging, assignability or hypothecation, a consent, approval or other authorization or SSP that has not been made or given;
 - (ii) any collateral to the extent that security agreements or assignments with respect to such collateral are governed by the laws of the Parliament of Canada, including, without limitation, any vessel registered under the *Canada Shipping Act* (Canada), any rolling stock and any trademark, trade name, copyright, industrial design or other intellectual property right, other than patents; pursuant to the Patent Act (Canada);
 - (iii) permits, quotas, licences, privileges, governmental authorizations or other property that are not personal property and that are held by or issued to or in favour of SSP;
 - (iv) any interest in a right to damages in tort or at law;
 - (v) any interest in deposits/deposit accounts;
 - (vi) property for which, pursuant to applicable conflicts rules (including, without limitation, the conflicts rules of the Ontario PPSA and the *Securities Transfer Act* (Ontario)), the validity, perfection and the effect of perfection or non-perfection or enforcement are governed by the laws of a jurisdiction other than such Provinces;
 - (vii) property that is now or hereafter becomes a fixture, crop, timber, minerals, petroleum, natural gas or other deposits located therein or thereon, or any right of payment that arises in connection with an interest in land;
 - (viii) property or rights of a nature listed in section 4(1) of the Ontario PPSA; or
 - (ix) property that is Consumer Goods or a Security (as each is defined in the Ontario PPSA);

- (b) as to any registrations or filings by way of fixtures notice, floating charge on land or otherwise in any land title office in the Province of Ontario; and
 - (c) regarding the creation, validity, enforceability, attachment or perfection of any mortgage, charge, hypothec, security interest or other interest expressed to be created by or under the Security Document with respect to any property of SSP or any proceeds of such property that are not identifiable or traceable.
7. **Specific Collateral:** Any security interests created by the Security Document in any equipment that is a Motor Vehicle (as defined in the Ontario PPSA) situate in the Province of Ontario have not been perfected or rendered opposable to third parties by registration against serial numbers or Vehicle Identification Numbers, as the case may be, as required thereunder. Accordingly, any hypothecs, security interests and mortgages on such property will be subject to the rights of third parties who at any time acquire and perfect or render opposable to third parties an interest in those assets.
8. **Maintaining Perfection:** We express no opinion with respect to maintaining perfection of any security interest created by the Security Document.

SCHEDULE "C"

LIST OF SEARCHES COMPLETED FOR SSP

I. CORPORATION SEARCH

A corporation profile report (the "Profile Report") dated July 27, 2018 was obtained for SSP from the Ontario Ministry of Government Services. The Profile Report confirmed the following:

Safety Seal Plastics Inc. is an active Ontario corporation having a registered office at Suite #1, 400 Michener Road, Guelph, Ontario, N1K 1E4

II. PPSA SEARCH

We have reviewed searches obtained against SSP from the registry maintained under the Ontario PPSA in order to determine whether SSP registrations or filings have been made in connection with the Security Document.

The following searches, with a file currency date of July 27, 2018, have disclosed the following registrations:

See Appendix "A" hereto

APPENDIX "A"
PARTICULARS OF PPSA REGISTRATIONS

Debtor: SAFETY SEAL PLASTICS INC.

Address: 400 MICHENER ROAD, UNIT 1, GUELPH, ON N1K 1E4

Secured Party: PACKAGING GROWTH INVESTORS, LLC

Address: C/O CHROMIUM INDUSTRIES, 4645 W CHI, CHICAGO, IL 60651

Collateral Classification: Inventory, Equipment, Accounts, Other, Motor Vehicle Included

Registration Period: 5 years

Registration No.: 2018011 1624 1862 3913

File No.: 735607746

Debtor: SAFETY SEAL PLASTICS INC.

Address: 400 MICHENER ROAD, UNIT 1, GUELPH, ON N1K 1E4

Secured Party: HEWLETT-PACKARD FINANCIAL SERVICES CANADA COMPANY

Address: 5150 SPECTRUM WAY, MISSISSAUGA, ON L4W 5G1

Collateral Classification: Equipment, Other, Motor Vehicle Included

Collateral Description: ALL PRESENT AND FUTURE GOODS, SOFTWARE AND OTHER PERSONAL PROPERTY NOW OR HEREAFTER FINANCED OR LEASED BY SECURED PARTY TO DEBTOR, WHETHER OR NOT BEARING THE NAME "HEWLETT-PACKARD", "HP" OR "HEWLETT PACKARD ENTERPRISE" OR ANOTHER TRADE MARK OR TRADE NAME OWNED BY A MEMBER OF THE CORPORATE FAMILY OF ANY OF THE FOREGOING, INCLUDING WITHOUT LIMITATION ALL COMPUTER, TELECOMMUNICATIONS, PRINTING, IMAGING, COPYING, SCANNING, PROJECTION, GRAPHICS, NETWORKING,

STORAGE AND POINT OF SALE EQUIPMENT, INCLUDING WITHOUT LIMITATION SERVERS, LAPTOPS, DESKTOPS, TABLETS, SMART PHONES AND OTHER HAND DEVICES, PRINTERS, PRINTING PRESSES, SCANNERS, FAX MACHINES, DIGITAL PHOTOGRAPHY AND IMAGING DEVICES, INK, TONER, WORKSTATIONS, PLATFORM CARTS, TAPE LIBRARIES, ATMS, CASH REGISTERS? AND ANY AND ALL ATTACHMENTS, ACCESSORIES, ADDITIONS, GENERAL INTANGIBLES, SUBSTITUTIONS, PRODUCTS, REPLACEMENTS, RENTALS, MANUALS AND ANY RIGHT, TITLE OR INTEREST IN ANY SOFTWARE USED TO OPERATE OR OTHERWISE INSTALLED IN ANY OF THE FOREGOING (INCLUDING WITHOUT LIMITATION NETWORKING SOLUTIONS, SYSTEM SECURITY AND STORAGE SOLUTIONS, CLOUD SOLUTIONS, AND ENTERPRISE SOLUTIONS), FURNITURE AND FIXTURES, RACKS, ENCLOSURES AND NODES? AND ALL PROCEEDS OF THE FOREGOING INCLUDING WITHOUT LIMITATION, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, INVESTMENT PROPERTY, FIXTURES, LICENCES, SUBSTITUTIONS, ACCOUNTS RECEIVABLE, RENTAL AND LOAN CONTRACTS, ALL PERSONAL PROPERTY RETURNED, TRADED-IN OR REPOSSESSED AND ALL INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

Registration Period: 8 years

Registration No.: 20170711 1036 8077 7267

File No.: 729672228

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 400 MICHENER ROAD, UNIT 1, GUELPH, ON N1K 1E4

Secured Party: **ROYAL BANK OF CANADA**

Address: 180 WELLINGTON ST. WEST, 5TH FL, TORONTO, ON M5J 1J1

Collateral Classification: Inventory, Equipment, Accounts, Other, Motor Vehicle Included

Collateral Description: AS PER MASTER LEASE AGREEMENT DATED JANUARY 27, 2017 TOGETHER WITH ALL INVENTORY AND EQUIPMENT NOW OR HEREAFTER ACQUIRED BY THE DEBTOR AND FINANCED BY THE SECURED PARTY TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS,

ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL, PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENT AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

Registration Period: 10 year

Registration No.: 20170127 1631 8077 6008

File No.: 724425264

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NERO RD., HAMILTON, ON L8W 2E4

Secured Party: **FORD CREDIT CANADA LIMITED**

Address: PO BOX 2400, EDMONTON, AB T5J 5C7

Collateral Classification: Inventory, Equipment, Other, Motor Vehicle Included
(2016 FORD P150 V.I.N. 1FTEW1EG6GFC232022)

Registration Period: 6 year

Registration No.: 2016222 1936 1531 3204

File No.: 723609657

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 1 – 400 MICHENER ROAD, GUELPH, ON N1K 1E4

Secured Party: **STUART BUDDE & SONS LTD.**

Address: PO BOX 2400, EDMONTON, AB T5J 5C7

Collateral Classification: Consumer Goods, Motor Vehicle Included (2017 JAGUAR F-TYPE VIN: SAJXJ6K84HMK41115)

Registration Period: 6 year

Registration No.: 2016222 1936 1531 3204

File No.: 723609657

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NERO RD., UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: **DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.**

Address: 3450 SUPERIOR COURT, UNIT 1, OAKVILLE, ON L6L 0C4

Collateral Classification: Equipment, Accounts, Other, Motor Vehicle Included (2012 CROWN/RR5715, VIN 1A384168)

Collateral Classification: ALL PERSONAL PROPERTY OF THE DEBTOR DESCRIBED HEREIN BY VEHICLE IDENTIFICATIONNUMBER OR SERIAL NUMBER, AS APPLICABLE , WHEREVER SITUATED, TOGETHER WITH ALL PARTS AND ACCESSORIES RELATING THERETO, ALL ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON, ALL REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS OF ALL OR ANY PART OF THE FOREGOING AND ALL PROCEEDS IN ANY FORM DERIVED THEREFROM.

Registration Period: 6 years

Registration No.: 20160225 1954 1531 3596, as amended by 20160404 1438 1530 5110 (TO AMEND ASSET LOCATION)

File No.: 714309318

Debtor: SAFETY SEAL PLASTICS INC.

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: BUSINESS DEVELOPMENT BANK OF CANADA

Address: COMMERCE HOUSE BUILDING 50 QUEEN STREET, KITCHENER, ON
N2H 6P9

Collateral Classification: Equipment, Other

Collateral Description: LIST OF EQUIPMENT INCLUDES
1999 COMCO 8 COLOUR 22", SERIAL #98-1223
1999 COMCO 8 COLOUR 22" B, SERIAL #98-1225
2012 KARVILLE K4 SEAMING MACHINE, MODEL # SEAM-350D-UHS
11-6654
C-211225 RTC – 500-500, SERIAL #S12025M AND 12026M
KOR ENGINEERING PW SERIES, MODEL# PW5560, SERIAL #3107
KOR ENGINEERING PW SERIES, MODEL# PAC 28 SH, SERIAL #2033
SANYO TAMPER-EVIDENT BAND, MODEL# P14-25-30, SERIAL
#CUSTOM
CUSTOM BUILT TAMPER-EVIDENT PRE-FORMER, MODEL#
CUSTOM, SERIAL #3455
J.M. HEAFORD MOUNTER, MODEL #600 COBRA XLS TT, SERIAL
#90131
SANYO FILM TUBING MACHINE, MODEL #HWS-300

Registration Period: 12 years

Registration No.: 20151211 1224 1862 4957, as amended by 20151217 1608 1862
5589 (amend debtor address)

File No.: 712572956

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: **BUSINESS DEVELOPMENT BANK OF CANADA**

Address: COMMERCE HOUSE BUILDING, 50 QUEEN STREET, KITCHENER, ON N2H 6P9

Collateral Classification: Inventory, Equipment, Accounts, Other, Motor Vehicle Included

Registration Period: 12 years

Registration No.: 20151211 1530 1862 5088, as amended by 20151211 1530 1862 5016 (amend debtor address)

File No.: 712582983

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: **FORD CREDIT CANADA LIMITED**

Address: PO BOX 2400, EDMONTON, AB T5J 5C7

Collateral Classification: Equipment, Other, Motor Vehicle Included (2014 FORD ESCAPE VIN: 1FMCU9J91EUB18329)

Registration Period: 6 years

Registration No.: 20131104 1034 1529 9697

File No.: 691566939

Debtor: **SAFETY SEAL PLASTICS INC.**

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: **VW CREDIT CANADA INC.**

Address: 4865 MARC-BLAIN ST., SUITE 300, ST. LAURENT, QC H4R 3B2

Collateral Classification: Consumer Goods, Equipment, Other, Motor Vehicle Included (2013 AUDI, Q5 BASE VIN WA1C8CFP7DA090625)

Registration Period: 5 years

Registration No.: 20131018 1944 1531 7005

File No.: 691188336

Debtor: **SAFETY SEAL PLASTICS INC.***

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: HSBC BANK CANADA

Address: 70 YORK STREET, 7TH FLOOR, TORONTO M5J 1S9

Collateral Classification: Equipment, Other

Collateral Description: ONE (1) 2012 MARK ANDY PERFORMANCE SERIES P-7 17" (10) COLOR CONVERTING SYSTEM, S/N 1478346

Registration Period: 6 years

Registration No.: 20151211 1529 1862 5015, as amended by 20121203 1449 1530 6646 (SUBORDINATION/POSTPONEMENT PRIORITY AGREEMENT, WHEREIN HSBC BANK CANADA POSTPONES ITS RIGHTS UNDER PPSA FILE REFERENCE NUMBERS 683291808 AND 682962435 TO BUSINESS DEVELOPMENT BANK OF CANADA RIGHTS AS IN PPSA FILE REFERENCE, SUBORDINATION/POSTPONEMENT NUMBER 712572966 ONLY IN RESPECT OF LISTED EQUIPMENT

File No.: 683291808

*Discharged by registration no. 2018 1936 1531 9531

Debtor: SAFETY SEAL PLASTICS INC.*

Address: 120 NEBO ROAD, UNIT 2, HAMILTON, ON L8W 2E4

Secured Party: HSBC BANK CANADA

Address: 271 CORNWALL ROAD, UNIT A102, OAKVILLE, ON L6J 7Z5

Collateral Classification: Inventory, Equipment, Accounts, Other, Motor Vehicle Included

Registration Period: 5 years

Registration No.: 20121119 1431 0988, as amended by 20151211 1529 1862 5014
(SUBORDINATION/POSTPONEMENT) PRIORITY AGREEMENT,
WHEREIN HSBC BANK CANADA POSTPONES ITS RIGHTS UNDER
PPSA FILE REFERENCE NUMBERS 683291808 AND 682962435 TO
BUSINESS DEVELOPMENT BANK OF CANADA RIGHTS AS IN PPSA
REFERENCE NUMBER 712572966 ONLY IN RESPECT OF LISTED
EQUIPMENT, as renewed by 20171025 1444 1530 7029 FOR 10
YEARS

File No.: 682962435

*amended to record change of address by registration no. 2018
0119 1613 1590 1429