

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

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 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 43, AS AMENDED

**MOTION RECORD
(returnable August 12, 2021)**

DATE: August 6, 2021

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Manager of Certus Automotive Inc. and Keen
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(as at July 13, 2021)

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Tab 1

Court File No.: CV-21-00664429-00CL

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

B E T W E E N:

THE TORONTO-DOMINION BANK

Applicant

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED AND SECTION 101 OF THE COURTS OF JUSTICE ACT, RSO 1990, c 43, AS AMENDED

**NOTICE OF MOTION
(returnable August 12, 2021)**

Deloitte Restructuring Inc. (“**Deloitte**”), in its capacity as the court-appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Certus Automotive Inc. and Keen Point International Inc. (collectively, the “**Debtors**”), will make a motion via videoconference to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on August 12, 2021 at 9:30 a.m., or as soon after that time as the motion can be heard. Please refer to the conference details attached as **Schedule “A”** hereto in order to attend the motion and advise if you intend to join the motion by emailing amanda.campbell@dentons.com.

PROPOSED METHOD OF HEARING: The motion is to be heard by video conference.

THE MOTION IS FOR:

1. An Order (the “**Sale Process Order**”), substantially in the form attached hereto as **TAB 3** of the Receiver’s Motion Record dated August 6, 2021 (the “**Motion Record**”), for the following relief:
 - (a) if necessary, abridging the time for service of this Notice of Motion and Motion Record herein and validating service thereof;
 - (b) approving the sale process, attached as **Schedule “A”** to the Sale Process Order (the “**Sale Process**”);
 - (c) authorizing and directing the Receiver to do all things as are reasonably necessary to conduct and give full effect to the Sale Process, subject to any amendments or modifications to the Sale Process that the Receiver considers to be appropriate and necessary to carry out its obligations set out therein;
 - (d) approving the first report of the Receiver dated August 6, 2021 (the “**First Report**”) and the activities of the Receiver as described therein;
 - (e) approving the fees and disbursements of the Receiver as set out in the affidavit of Stefano Damiani sworn August 5, 2021 (the “**Receiver’s Fee Affidavit**”), and the fees and disbursements of the Receiver’s counsel, Dentons Canada LLP (“**Dentons**”), as set out in the affidavit of Robert Kennedy sworn August 6, 2021 (“**Dentons’ Fee Affidavit**”, and together with the Receiver’s Fee Affidavit, the “**Fee Affidavits**”);

- (f) approving the Receiver's interim statement of receipts and disbursements for the period of June 25, 2021 to August 3, 2021 (the "**Interim R&D**"); and
- (g) such further and other grounds as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

Background

1. By Order of the Court dated June 25, 2021 (the "**Receivership Order**"), on an application brought by the Toronto-Dominion Bank, Deloitte was appointed as the Receiver of all of the Property of the Debtors.
2. Since the date of the Receivership Order, the Receiver has evaluated and analyzed the Property of the Debtors, and considered options for realizing on the Property for the benefit of the Debtors' stakeholders. The Receiver has determined that the Sale Process is the preferable option for realizing on the Property for the benefit of the Debtors' stakeholders.

Approval of Sale Process

3. Capitalized terms used but not otherwise defined in this section shall have the meaning given to them in the First Report or Sale Process, as applicable.
4. The Receiver's proposed Sale Process is a robust process intended to broadly market the Property in a reasonable timeframe. In preparing the Sale Process, the Receiver has

retained a sale advisor (the “**Sale Advisor**”) with extensive knowledge of the Debtors’ assets, business, prior marketing efforts, and the potential buyer universe for the Property.

5. A chronology of the key activities undertaken or to be undertaken by the Receiver and the Sales Advisor are set out below. In the interests of time, the Receiver has already begun the initial steps in the Sales Process (noted below as “completed”) as these are common tasks that would need to be performed in any marketing and sale process to be undertaken. However, the Receiver is seeking the Court’s approval of the entire Sale Process.

| Timing | Activity |
|--|---|
| June 25, 2021 to July 20, 2021 (completed) | <ul style="list-style-type: none"> • Identification of potential purchasers (each, a “Potential Purchaser”). • Preparation of a marketing teaser (the “Teaser”) and form of non-disclosure agreement (“NDA”) for circulation to Potential Purchasers. • Compile and review information that will be required by Potential Purchasers to assess their bid(s) for the assets. • Arrange third-party inspection of assets and preparation of equipment listing for use by Potential Purchasers. • Respond to in-bound calls and inquiries. |
| July 21, 2021 (completed) | <ul style="list-style-type: none"> • Launch the market outreach campaign with an email distribution of the Teaser and NDA to Potential Purchasers. |
| July 29, 2021 (completed) | <ul style="list-style-type: none"> • Establish and commence populating an electronic data room (the “Data Room”) with information for Potential Purchasers who executed an NDA to assess the equipment and acquisition opportunity. |
| July 22, 2021 to September 1, 2021 (partially completed) | <ul style="list-style-type: none"> • Continue outreach to Potential Purchasers, respond to inquiries, and execution of NDA’s. • Ongoing compilation and review of information, updating the Data Room. • Coordinate site visits and review of assets by Potential Purchasers. |

| Timing | Activity |
|---|--|
| | <ul style="list-style-type: none"> Place advertisement in an industry publication. |
| September 2, 2021 | <ul style="list-style-type: none"> Bid deadline for submission of bids, including conditions, supplemental bidder information about its operational background, experience, corporate disclosures, and financial capability. |
| September 2, 2021 to September 9, 2021 | <ul style="list-style-type: none"> Review of bids (each, a “Binding Bid”), determination as to which Binding Bids were submitted in accordance with the Sale Process (each, a “Qualified Bid”), selection and continued negotiation, if necessary, in respect of Qualified Bids (each, a “Shortlisted Bid”), correspondence and clarifying questions with Shortlisted Bids, and consultations with stakeholders. |
| September 9, 2021 | <ul style="list-style-type: none"> Selection of the most advantageous Qualified Bid/ Shortlisted Bid conditional on Court approval (the “Successful Bid”). |
| September 9, 2021 to September 16, 2021 | <ul style="list-style-type: none"> Negotiation with the successful bidder and execution of a definitive agreement (a “Definitive Agreement”). |
| September 30, 2021 | <ul style="list-style-type: none"> Projected date to seek the Court’s approval of the successful purchaser and the corresponding Definitive Agreement (the “Sale Approval Hearing”). |
| October 1, 2021 to November 30, 2021 | <ul style="list-style-type: none"> Close the transaction set out in the Definitive Agreement. Implement the terms of the Definitive Agreement (if applicable). Targeted date for removal of all Property and vacate the associated leased premises. |

6. The condensed timeline proposed in the table above reflects the cessation of the Debtors’ business, lack of liquidity to fund ongoing protective disbursements, including ongoing occupancy of the Debtors’ leased premises in Mexico. Accordingly, the Receiver believes the Sale Process is reasonable in the circumstances.

Statement of Receipts and Disbursements

7. The Receiver seeks Court approval of the Interim R&D. As at August 3, 2021, the closing cash balance was (i) US \$136,736 in the Receiver's US dollar trust account and (ii) Cdn \$4,122 in the Receiver's Canadian dollar trust account.

Approval of Fees

8. The Receiver has worked diligently to carry out its duties in good faith and in the best interest of the Debtors' stakeholders.
9. The Receiver seeks Court approval of its fees and disbursements and those of its legal counsel, Dentons, as detailed in the First Report and the Fee Affidavits.
10. The Receiver has implemented reasonable measures to control the time spent and costs incurred in these proceedings. In the circumstances, the Receiver is of the view that its fees and disbursements and those of its legal counsel, Dentons, are reasonable.

Other Grounds

11. Rules 2.03, 37 and 72.03 of the *Rules of Civil Procedure*.
12. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

1. The First Report of the Receiver; and

2. Such further and other material as counsel may advise and this Honourable Court may permit.

DATED: August 6, 2021

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capacity as Court-appointed Receiver and
Manager of Certus Automotive Inc. and Keen
Point International Inc.*

TO: SERVICE LIST

Schedule "A"
Videoconference Details

Join Zoom Meeting

<https://dentons.zoom.us/j/97046819995?pwd=emJQVE5tU0VreHRvcTVUL08rY3FWdz09>

Meeting ID: 970 4681 9995

Passcode: 480338

Dial by your location

+1 778 907 2071 Canada

+1 613 209 3054 Canada

+1 647 558 0588 Canada

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THE TORONTO-DOMINION BANK

- and -

CERTUS AUTOMOTIVE INC., et al.

Applicant

Respondents

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

PROCEEDING COMMENCED AT TORONTO

**NOTICE OF MOTION
(returnable August 12, 2021)**

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Court-appointed Receiver and Manager of Certus
Automotive Inc. and Keen Point International Inc.*

Tab 2

Court File No.: CV-21-00664429-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 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 43, AS AMENDED

FIRST REPORT OF DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS RECEIVER AND MANAGER
DATED AUGUST 6, 2021

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APPENDICES

| APPENDIX | DESCRIPTION |
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| B | Marketing Teaser issued July 21, 2021 |
| C | Receivership Sale Process Document |
| D | Statement of Receipts and Disbursements for the period June 25, 2021 to August 3, 2021 |
| E | Affidavit of Stefano Damiani of Deloitte Restructuring Inc. sworn August 5, 2021 |
| F | Affidavit of Robert Kennedy of Dentons Canada LLP sworn August 6, 2021 |

INTRODUCTION

1. An application was made on June 19, 2021 by The Toronto-Dominion Bank (“**TD**”) for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, appointing Deloitte Restructuring Inc. (“**Deloitte**”) as receiver and manager (the “**Receiver**”) without security, of all the assets, undertakings and properties of each of Certus Automotive Inc. (“**Certus Canada**”) and Keen Point International Inc. (“**KPI Canada**”) (collectively, the “**Debtors**”, and together with its subsidiaries, the “**Certus Automotive Group**”) acquired for, or used in relation to a business carried on by the Debtors (the “**Property**”).
2. On June 25, 2021 (the “**Receivership Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued the order (the “**Appointment Order**”) appointing Deloitte as the Receiver of the Property. A copy of the Appointment Order is attached hereto as **Appendix “A”**.
3. Certus Canada is an Ontario corporation which operated as a Tier II global automotive parts manufacturer and distributor. Certus Canada’s main products are chrome plated trim and injection molds for interior and exterior automotive parts.
4. KPI Canada is an Ontario Corporation which operated in the business of distributing automobile parts and injection molds internationally.
5. The Debtors operated a global supply chain centrally headquartered and managed from 3300 Bloor Street West, Toronto (the “**Head Office Premises**”). As described further herein, the Debtors wound down operations in early 2021 and vacated the Head Office Premises prior to the Receivership Date. In addition to accounts receivable and inventory, the most significant remaining assets consist of machinery and equipment located at a leased manufacturing facility in Queretaro, Mexico (the “**Mexico Plant**”). The Mexico Plant is not currently operating nor producing goods.
6. TD is a secured lender to the Debtors pursuant to credit and loan agreements (the “**TD Loan Agreements**”) granted by TD (the “**TD Indebtedness**”) and is owed in excess of Cdn \$10.3 million and US \$7.4 million as at June 16, 2021. Export Development Canada (“**EDC**”) has provided a limited guarantee of the TD Indebtedness.
7. The Certus Automotive Group also obtained financing from FGI Worldwide LLC (“**FGI**”). Pursuant to an intercreditor agreement dated November 15, 2019 (the “**Intercreditor Agreement**”) between TD and FGI, TD agreed to subordinate its security interest against the Debtors’ assets and property to FGI, except as against certain machinery and equipment. TD and FGI continue to

reconcile and negotiate an allocation and release of certain proceeds collected by FGI prior to the Receivership Date pursuant to its loan agreements with the Debtors and the Intercreditor Agreement.

8. Copies of the Appointment Order, together with Court documents and all reports with respect to this matter are available on the Receiver's website at www.insolvencies.deloitte.ca/en-ca/certus.
9. The Appointment Order, among other things, authorized the Receiver to take possession and market any or all of the Property. Further, sections 3(k) of the Appointment Order authorized the Receiver to sell, convey, transfer, lease or assign the Property or parts of the Property out of the ordinary course of business, without the approval of this Court in respect of any transaction not exceeding Cdn \$800,000, provided that the aggregate consideration for all such transactions does not exceed Cdn \$1,500,000.
10. The purpose of this first report of the Receiver (the "**Report**") is to:
 - (a) provide the Court with additional information in respect of the Debtors and the Property;
 - (b) provide the Court with an evidentiary basis to make an Order:
 - (i) approving the activities of the Receiver as described herein, including steps taken in dealing with the Property;
 - (ii) approving the Sale Process (as defined herein) proposed by the Receiver in respect of the Property, primarily consisting of machinery and equipment located at the Mexico Plant, and authorizing and directing the Receiver to take all steps and actions reasonably necessary to implement, conduct, and carry-out the Sale Process;
 - (iii) approving the Receiver's Statement of Receipts and Disbursements for the period June 25, 2021 to August 3, 2021; and
 - (iv) approving the professional fees and disbursements of the Receiver and the professional fees and disbursements of its independent legal counsel for the periods indicated in the Damiani Affidavit and the Kennedy Affidavit (each as defined herein).

TERMS OF REFERENCE

11. In preparing this Report, the Receiver has been provided with, and has relied upon, unaudited, draft and/or internal financial information, the books and records of the Debtors, and discussions with management of the Certus Automotive Group (“**Management**”) (collectively, the “**Information**”). Except as described in this 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 Report in its capacity as a Court-appointed Receiver in connection with the relief sought by the Receiver as described herein. Parties using the Report other than for the purposes outlined herein are cautioned that it may not be appropriate for their purposes.
12. Unless otherwise stated, all dollar amounts contained in the Report are expressed in U.S. dollars.
13. Unless otherwise provided, all other capitalized terms not otherwise defined in this Report are as defined in the Appointment Order.

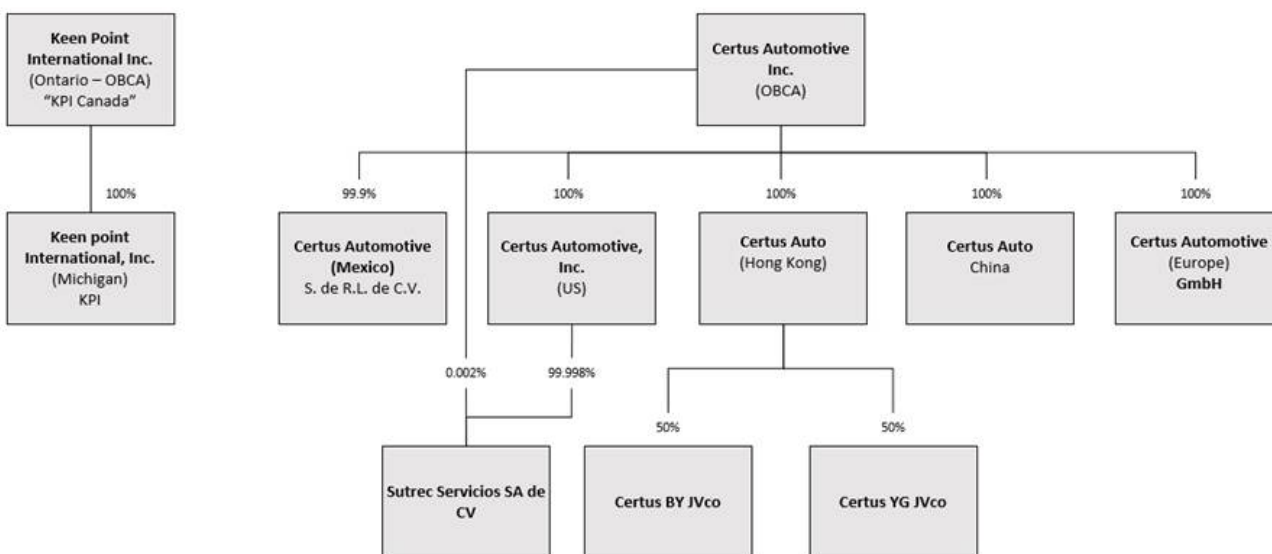
BACKGROUND

Overview

14. The Debtors operated in the business of providing engineering, manufacturing and distribution of specialized chrome plating products for the automotive industry. The Debtors primarily supplied to major Tier I and II automotive suppliers, with additional sales directly to Original Equipment Manufacturers.

Corporate Structure

15. The Debtors operated their business through a group of companies known as the “Certus Automotive Group”, with facilities located in Ontario, Michigan, Texas, China, Mexico and Germany. A simplified version of the corporate structure of the Debtors is as follows:



16. Certus Canada was incorporated in Ontario in 2012 as a replacement for KPI Canada and the manufacturer Xin Point Holdings Limited for all new business. Certus Canada sourced chrome plated automotive parts primarily through two joint ventures in China. These joint ventures would manufacture products and sell the parts to Certus, who would distribute the parts to global customers. In 2017, the Certus Automotive Group’s supply chain was supplemented with production from the Mexico Plant. The finance and head office functions for the Certus Automotive Group were based in Toronto, Canada. Moreover, Certus Canada had warehouse and logistics staff located in the Greater Toronto Area.
17. KPI Canada was incorporated in Ontario in 2006 and was engaged in the business of distributing automobile parts internationally.
18. The Debtors are jointly-controlled by Rob Mollenhauer (“**Mollenhauer**”) and James Prokopetz (“**Prokopetz**”) (together, the “**Principals**”) who directly and indirectly own substantially all of the common shares of the Debtors.
19. The Debtors had a collective headcount of 11 head office employees including one of the Principals, of which all but three were terminated between March 2021 and May 2021.

20. Certus Automotive, Inc. (US) (“**Certus US**”) is a US-based subsidiary based in Auburn Hills, Michigan which operations included sales, engineering, and quality control. Certus US had a headcount of 16 employees, all but one were terminated in April and May 2021.
21. Certus Automotive, S. De R.L. De C.V. (“**Certus Mexico**”) is a Mexico-based subsidiary located in Queretaro which was a plating and molding facility involved the manufacturing of automobile parts. Certus Mexico is 99.9% owned by Certus Canada, and the remaining 0.01% is owned by a holding company controlled by Mollenhauer. Certus Mexico’s headcount consisted of approximately 400 employees during production, of which 388 were terminated in April 2021.
22. Certus Automotive (Europe) GmbH (“**Certus Germany**”) is a Germany-based subsidiary located in Hamburg whose operations involved European sales, marketing, and distribution of automobile parts sourced from the Certus Automotive Group’s operations in China and Mexico. In May 2021, Certus Germany had commenced an application for a voluntary insolvency proceeding in Germany. The Receiver understands that this application was subsequently rescinded and Certus Germany is pursuing a wind-down driven by its management.
23. Certus Automotive (Huizhou) Ltd is an inactive entity.
24. Certus Automotive Shenzhen Co. Ltd. (“**Certus China**”) is a China-based subsidiary located in Shenzhen which was involved in the distribution of automobile parts and injection molds in China. This entity also provided quality control over the joint venture entities in China.
25. Certus Automotive, (HK) Limited (“**Certus HK**”) is a Hong Kong-based subsidiary and holding company with a 50% ownership in two joint ventures.
26. Keen Point International Inc. (Michigan) (“**KPI US**”) is a US-based subsidiary of KPI Canada located in Auburn Hills, Michigan which was involved in sales, engineering, quality and business development. KPI US had no employees in 2021 other than one of the Principals.

Events Leading up to the Receivership

27. The Certus Automotive Group was thinly capitalized due to the use of shareholder advances rather than equity injections, which was further stressed by the working and investment capital requirements from the protracted build and start of operations of the Mexico Plant. In addition, the Certus Automotive Group experienced challenges in respect of industry trends, new global trade policies, and the automotive industry disruptions resulting from COVID-19.

28. As a result of the wind-down of operations and the Mexico Plant ceasing production and being placed in care and maintenance, most of the employees of the Certus Automotive Group were terminated in the months prior to the Receivership Date.
29. As of the Receivership Date, there were 3 remaining employees of the Debtors in Canada who worked on a very limited part-time basis. Moreover, Certus Mexico employees 14 full-time and part-time staff working in functions such as maintenance, logistics, and accounting. As a result of terminations and attrition of key finance and operational staff, the books of the Debtors are not up to date.
30. The Debtors defaulted on their obligations under the TD Loan Agreements. Ultimately, the parties entered into a forbearance agreement in February 2019, which was subsequently amended and extended four (4) times (together, the “**TD Forbearance Agreement**”), to provide the Debtors with an opportunity to (i) refinance the TD Indebtedness, (ii) conduct a divestiture process, or (iii) prepare a wind-down plan. The Debtors repeatedly defaulted under the terms of the TD Forbearance Agreement and were unable to carry out a successful refinancing or sale. In February 2021, the Bank demanded payment of the TD Indebtedness. Moreover, tenuous circumstances at the dormant Mexico Plant including missed lease payments and risk of lapsed insurance raised concerns about the machinery and equipment. Accordingly, TD filled an application for the appointment of the Receiver.

RECEIVER’S ACTIVITIES

31. Based on the books and records of the Debtors, substantially all of the machinery and equipment located at the Mexico Plant is owned by Certus Canada. As mentioned above, Certus Canada owns 99.9% of Certus Mexico. While the Receiver is not in possession of Certus Mexico, it is working closely with the Principals to provide funding to Certus Mexico and, with and through the Principals, is working to ensure that asset preservation and realization activities in Mexico are undertaken to maximize the realizations on the Debtors’ equipment located at the Mexico Plant. Accordingly, a significant portion of the Receiver’s activities have been in respect of securing the machinery and equipment located in Queretaro at the Mexico Plant and preparing them for sale.
32. The Receiver has undertaken the following activities in accordance with the terms of the Appointment Order:

- (a) on behalf of the Debtors, terminated the employment of the remaining Canadian employees of the Debtors as at the Receivership Date;
- (b) temporarily retained two former employees of Certus Canada and one former employee of KPI Canada to, among other things, provide assistance with banking and accounts receivable, preparation of final payroll calculations to the Receivership Date for the purpose of administering amounts due to employees under the *Wage Earner Protection Program Act* (“WEPPA”), updating certain of the books of the Debtors, addressing various stakeholder inquiries, and compiling data for the collection of receivables and negotiations with warehouses;
- (c) expedited the issuance of WEPPA letter packages to the Debtors’ former employees, and provided assistance to facilitate the filing of WEPPA applications;
- (d) commenced steps to coordinate the preparation and issuance T4 slips to the Debtors’ former employees;
- (e) scheduled an initial discussion with the Principals and local management of Certus Mexico to explain the receivership proceedings and discuss matters going forward during the receivership. The Receiver has maintained regular communication with the Principals and staff at the Mexico Plant to understand the status of the facility, the equipment, the removal of chemicals, security concerns and other matters;
- (f) arranged for representatives of Deloitte Mexico and a third-party auctioneer to attend at the Mexico Plant to, among other things, meet with Management on-site and inspect the machinery and equipment. The third-party auctioneer prepared a machinery and equipment listing that the Receiver has made available to prospective bidders under the Sale Process;
- (g) communicated with the landlord of the Mexico Plant in respect of the Receiver’s intended course of action and timeline for the sale of the assets or business of the Certus Automotive Group;
- (h) arranged for the relocation to the Mexico Plant of certain inventory stored at a third-party warehouse in Mexico;
- (i) initiated discussions with FGI and its counsel in respect of, among other things, amounts collected to date and a comprehensive reconciliation of potential surplus funds held by

FGI (i.e. in excess of amounts advanced to the Certus Automotive Group) against which FGI is asserting certain reserves that may in total exceed the surplus;

- (j) held discussions with the various warehouses of the Certus Automotive Group to obtain inventory details in order to prepare an analysis of which of inventory is saleable or has no economic value;
- (k) provided notice of the Receiver's appointment to the incumbent insurance broker in order to confirm ongoing coverage under the Debtors' insurance policies which also includes Certus Mexico. Additionally, the Receiver has requested to be added as named insured and has sought quotes to restore coverage to levels commensurate with the remaining equipment (given its winding up activities, the Debtors significantly reduced the level of coverage on June 1, 2021, the annual insurance renewal date);
- (l) completed an exit agreement (the "**MTNA Exit Agreement**") between the Certus Automotive Group, the Receiver, TD, FGI and Moriroku Technology North America ("**MTNA**"), a former customer. The MTNA Exit Agreement was substantially negotiated between MTNA and the Certus Automotive Group prior to the Receivership Date. As the proceeds payable by MTNA under the MTNA Exit Agreement are subject to FGI's security, the Receiver negotiated a settlement proceeds agreement with FGI and TD to permit the Receiver to receive the proceeds resulting from the implementation of the MTNA Exit Agreement but to hold such proceeds in trust pending resolution of reserves asserted by FGI;
- (m) informed Canada Revenue Agency ("**CRA**") of the receivership, requested new payroll and HST accounts for the post-receivership period, and requested that CRA initiate audits of the pre-receivership accounts of the Debtors;
- (n) commenced a formal marketing of the Certus Automotive Group's machinery and equipment, as described in later in this Report;
- (o) retained Dentons Canada LLP ("**Dentons**") as the Receiver's independent legal counsel, which includes the involvement of Dentons Mexico, as required;
- (p) retained Conway MacKenzie, LLC ("**Conway MacKenzie**" or the "**Sale Advisor**") to advise on the sale of the business and assets located at the Mexico Plant, as described more particularly later in this Report. Steve Wybo, an automotive industry turnaround specialist with Conway MacKenzie, assisted the Certus Automotive Group in the 12-

month period prior to the Receivership Date and has extensive knowledge of its assets, operations, and the likely universe of potential acquirors for same;

- (q) worked with the Principals to, among other things, review the available books and records, and discuss accounts receivable, inventory, machinery and equipment, all known bank accounts, and established a funding mechanism for protective disbursements relating to the Mexico Plant where the machinery and equipment of Certus Canada is located;
- (r) reviewed and compiled invoice data and accounts receivable for the preparation of demand letters to the Debtors' customers;
- (s) reviewed details and facilitated the return of a vehicle leased from VW Credit Canada;
- (t) opened new bank trust accounts in the name of the Receiver;
- (u) issued receivership notification letters to certain financial institutions and transferred residual funds to the Receiver's trust accounts;
- (v) issued its statutory Notice and Statement of Receiver pursuant to subsections 245(1) and 246(2) of the BIA for each of the Debtors; and
- (w) addressed additional matters as they arose from time to time.

THE DEBTORS' PRIOR REFINANCING AND MARKETING EFFORTS

33. Paragraph 24 of the affidavit of Jeffrey Swan sworn June 18, 2021 (the "**Swan Affidavit**") sets out a list of advisors which the Debtors had retained to assist with wind-down, refinancing, and divestiture options. Paragraphs 38 to 40 of the Swan Affidavit make reference to a sale process carried out in 2020, which ultimately did not result in a successful sale transaction.

THE RECEIVER'S PROPOSED SALE PROCESS

34. The Receiver's proposed sale process (the "**Sale Process**") is a robust process intended to broadly market the assets in a reasonable timeframe. In preparing the Sale Process, the Receiver has retained the Sale Advisor given their extensive knowledge of the Certus Automotive Group's assets, business, prior marketing efforts, and the potential buyer universe for these assets.
35. A chronology of the key activities undertaken or to be undertaken by the Receiver and the Sale Advisor are set out below. In the interests of time, the Receiver has already begun the initial steps

in the Sales Process (noted below as “completed”) as these are common tasks that would need to be performed in any marketing and sale process to be undertaken. However, the Receiver is seeking the Court’s approval of the entire Sale Process.

| Timing | Activity |
|--|---|
| June 25, 2021 to July 20, 2021 (completed) | <ul style="list-style-type: none"> • Identification of potential purchasers (each, a “Potential Purchaser”). • Preparation of a marketing teaser (the “Teaser”) and form of non-disclosure agreement (“NDA”) for circulation to Potential Purchasers. • Compile and review information that will be required by Potential Purchasers to assess their bid(s) for the assets. • Arrange third-party inspection of assets and preparation of equipment listing for use by Potential Purchasers. • Respond to in-bound calls and inquiries. |
| July 21, 2021 (completed) | <ul style="list-style-type: none"> • Launch the market outreach campaign with an email distribution of the Teaser and NDA to Potential Purchasers. A copy of the Teaser is attached hereto as Appendix “B”. |
| July 29, 2021 (completed) | <ul style="list-style-type: none"> • Establish and commence populating an electronic data room (the “Data Room”) with information for Potential Purchasers who executed an NDA to assess the equipment and acquisition opportunity. |
| July 22, 2021 to September 1, 2021 (partially completed) | <ul style="list-style-type: none"> • Continue outreach to Potential Purchasers, respond to inquiries, and execution of NDA’s. • Ongoing compilation and review of information, updating the Data Room. • Coordinate site visits and review of assets by Potential Purchasers. • Place advertisement in an industry publication. |
| September 2, 2021 | <ul style="list-style-type: none"> • Bid deadline for submission of bids, including conditions, supplemental bidder information about its operational background, experience, corporate disclosures, and financial capability. |
| September 2, 2021 to September 9, 2021 | <ul style="list-style-type: none"> • Review of bids (each, a “Binding Bid”), determination as to which Binding Bids were submitted in accordance with the Sale Process (each, a “Qualified Bid”), selection and continued negotiation, if necessary, in respect of Qualified Bids (each, a “Shortlisted Bid”), correspondence and clarifying questions with Shortlisted Bids, and consultations with stakeholders. |

| Timing | Activity |
|---|--|
| September 9, 2021 | <ul style="list-style-type: none"> • Selection of the most advantageous Qualified Bid/ Shortlisted Bid conditional on Court approval (the “Successful Bid”). |
| September 9, 2021 to September 16, 2021 | <ul style="list-style-type: none"> • Negotiation with the successful bidder and execution of a definitive agreement (a “Definitive Agreement”). |
| September 30, 2021 | <ul style="list-style-type: none"> • Projected date to seek the Court’s approval of the successful purchaser and the corresponding Definitive Agreement (the “Sale Approval Hearing”). |
| October 1, 2021 to November 30, 2021 | <ul style="list-style-type: none"> • Close the transaction set out in the Definitive Agreement. • Implement the terms of the Definitive Agreement (if applicable). • Targeted date for removal of all Property and vacate the associated leased premises. |

36. Attached hereto as **Appendix “C”** is a copy of the Sale Process. Other key terms and conditions for the Sale Process are summarized as follows:

- Strategic purchasers are only required to submit one Binding Bid.
- Potential Purchasers that operate as an auctioneer (an “**Auctioneer**”) shall submit two Binding Bids required for all assets as follows, in addition to the other terms set forth in the Sale Process (an “**Auctioneer Bid**”):
 - (a) Cash Purchase Price – an offer to purchase and take title to all of the machinery and equipment at the Mexico Plant. Such offers must ascribe bid values to permit the Receiver to allocate them between the Debtors and Certus Mexico, if required; and
 - (b) Guaranteed Minimum Plus – Auctioneer offers to pay a specified minimum amount for all the machinery and equipment to be auctioned (a “**Net Minimum Guarantee**” or “**NMG**”), and the proceeds from auction above the NMG would be shared by allocation between the bidder and the Receiver based upon a negotiated / proposed structure.
- Each Auctioneer Bid shall, as part of its Binding Bid: (i) provide a brief description of its corporate background, including but not limited to prior experience for projects of this

size/scope, and any prior experience in the automotive or manufacturing industry in Mexico; (ii) demonstrate an in-depth knowledge of the various asset classes available and clear insight on the appropriate channels to market these assets to maximize recovery; (iii) provide evidence of financial ability to close the proposed transaction (e.g. Proof of Funds letter) and appropriate insurance to conclude the transaction; and (iv) specify partners that would participate in the transaction.

- All assets will be sold “as-is”, “where-is” without warranty or liability.
 - Each Auctioneer as part of an Auctioneer Bid shall outline an opinion on the estimated value range of recovery/price per asset/unit on the asset listing included in the Data Room.
 - Bidders will be responsible for (i) coordinating with the local management on-site appropriate documentation to facilitate sale and asset removal; (ii) coordinating removal of all assets using bonded and insured riggers and service providers; and (iii) leaving the Certus Mexico facility “broom clean” and for restoring any damages caused to the premises that occurs as a result of the asset removal.
 - The Receiver will assess and consider whether the Binding Bids, if any, are likely to be consummated and in the best interest of stakeholders.
 - The Receiver shall review all such Binding Bids and may, but shall have no obligation to, enter into a Definitive Agreement with the Potential Purchaser or Potential Purchasers who submitted the best, highest, or otherwise most favourable Binding Bid. The Receiver reserves its right not to accept any Binding Bid or to vary the terms of or terminate the Sale Process. The Receiver reserves the right to deal with one or more Potential Purchasers to the exclusion of others and to accept a Binding Bid or Binding Bids for some or all of the Property.
37. The condensed timeline proposed in the table above reflects the cessation of the business, lack of liquidity to fund ongoing protective disbursements, including ongoing occupancy of the Mexico Plant. Accordingly, the Receiver believes the Sale Process is reasonable in the circumstances set out above.

RECEIVER’S BORROWINGS

38. Paragraph 21 of the Appointment Order authorizes the Receiver to borrow funds, as it considers necessary, to a maximum outstanding principal amount of Cdn \$2,000,000 without further Order

of the Court, all of which is subject to the Receiver's Borrowing Charge (as defined in the Appointment Order).

39. In order to fund immediate and ongoing protective disbursements the Receiver has borrowed US \$250,000 by way of one (1) Receiver's Certificate, excluding interest.
40. The Certus Automotive Group remains non-operational and significant funds remain restricted and subject to further negotiations with FGI. Consequently, substantially all cash inflow to the receivership estate is provided from the Receiver's borrowings.
41. The Receiver expects that additional borrowings will be required to fund existing and ongoing obligations, including but not limited to; payroll, rent, security, utilities, various other protective disbursements, and professional and legal costs that will be incurred during the receivership. The Receiver believes that such borrowings are necessary and appropriate for the benefit of all stakeholders and to enhance value in undertaking the Sale Process. At this time, the Receiver is not seeking an increase to the borrowing limit set out in the Appointment Order.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

42. Attached as **Appendix "D"** is a combined Statement of Receipts and Disbursements for the period June 25, 2021 to August 3, 2021. As at August 3, 2021, the closing cash balance was (i) US \$136,736 in the Receiver's US dollar trust account and (ii) Cdn \$4,122 in the Receiver's Canadian dollar trust account.

PROFESSIONAL FEES

43. The Receiver, and its legal counsel, Dentons, have maintained detailed records of their professional time and costs since the issuance of the Appointment Order. Pursuant to paragraphs 19 and 20 of the Appointment Order, the Receiver and its legal counsel were directed to pass their accounts from time to time before this Honourable Court and were granted a Receiver's Charge over the Property.
44. The fees of the Receiver during the period June 25, 2021 to July 23, 2021 amount to Cdn \$146,350.50, plus HST in the amount of Cdn \$19,025.57, total Cdn \$165,376.07. The time spent by the Receiver is more particularly described in the Affidavit of Stefano Damiani of Deloitte, sworn August 5, 2021 (the "**Damiani Affidavit**") in support hereof and is attached hereto as **Appendix "E"**.

45. The legal fees incurred by Dentons during the period June 25, 2021 to July 31, 2021 amount to Cdn \$78,000, and together with disbursements of Cdn \$60.00 and HST of Cdn \$10,147.80, total Cdn \$88,207.80. The time spent by Dentons personnel is more particularly described in the Affidavit of Robert Kennedy of Dentons, sworn August 6, 2021 (the “**Kennedy Affidavit**”) in support hereof and is attached hereto as **Appendix “F”**.
46. The Receiver respectfully submits that the fees and disbursements of the Receiver and its counsel, as set out in the Damiani Affidavit and the Kennedy Affidavit (collectively, the “**Professional Fees**”) are reasonable in the circumstances of this case and have been validly incurred in accordance with the provisions of the Appointment Order. Accordingly, the Receiver requests the approval of the Professional Fees.

RECEIVER’S RECOMMENDATIONS

47. For the reasons set out above, the Receiver respectfully recommends that the Court make an Order:
- (a) approving the activities of the Receiver, including steps taken in dealing with the Property, as described in this Report;
 - (b) approving the Sale Process proposed by the Receiver, including the steps already completed, and authorizing and directing the Receiver to take all steps and actions reasonably necessary to implement, conduct, and carry-out the Sale Process;
 - (c) approving the Receiver’s Statement of Receipts and Disbursements for the period June 25, 2021 to August 3, 2021; and
 - (d) approving the Professional Fees.

All of which is respectfully submitted at Toronto, Ontario this 6th day of August, 2021.

DELOITTE RESTRUCTURING INC.,
solely in its capacity as the
Court-appointed Receiver and Manager of
Certus Automotive Inc. and Keen Point International Inc.,
and without personal or corporate liability

Per:



Jordan Sleeth, CPA, CA, CIRP, LIT
Senior Vice-President



Stefano Damiani, CPA, CA, CIRP, LIT
Senior Vice-President

Appendix “A”
to the First Report of the Receiver

Court File No. CV-21-00664429-00CL

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

THE HONOURABLE MADAM

)

FRIDAY, THE 25th

JUSTICE CONWAY

)

DAY OF JUNE, 2021

)



THE TORONTO-DOMINION BANK

Applicant

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 OF THE
BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, RSO 1990, c 43, AS AMENDED**

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing Deloitte Restructuring Inc. as receiver and manager (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Certus Automotive Inc. and Keen Point International Inc. (the collectively, the “**Debtors**” or the “**Certus Automotive Group**”) acquired for, or used in relation to a business carried on by the Debtors, was heard this day by videoconference due to the COVID-19 crisis.

ON READING the affidavit of Jeffrey Swan sworn June 18, 2021 and the Exhibits attached thereto and on hearing the submissions of counsel for Applicant and the Debtors, no one else appearing although duly served as appears from the affidavit of service of Maureen McLaren sworn June 22, 2021, and on reading the consent of Deloitte Restructuring Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

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

RECEIVER'S POWERS

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

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

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$800,000 provided that the aggregate consideration for all such transactions does not exceed \$1,500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

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

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (r) to commence a foreign legal proceeding to seek the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States of America, in Mexico, in China, in Hong Kong, and in Germany, to give effect to

this Order and to assist the Receiver and its agents in carrying out the terms of this Order; and

- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related

to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way

against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services,

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

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and

except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

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

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

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements,

incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

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

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

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

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

SERVICE AND NOTICE

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

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or

distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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

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

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States of America, in Mexico, in China, in Hong Kong, and in Germany, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

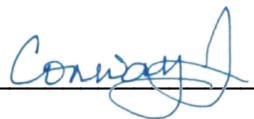
30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized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

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

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

33. THIS COURT ORDERS that the Receiver, its counsel and counsel for the Applicant are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or

juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

A handwritten signature in blue ink, appearing to read "Conway J.", is written over a solid black horizontal line.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of Certus Automotive Inc. and Keen Point International Inc. acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 25th day of June, 2021 (the "**Order**") made in an application having Court file number CV-21-00664429-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the

Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the _____ day of _____, 2021.

Deloitte Restructuring Inc., solely in its
capacity as Receiver of the Property, and
not in its personal capacity

Per: _____

Name:

Title:

THE TORONTO-DOMINION BANK
Applicant

CERTUS AUTOMOTIVE INC. et al.
and Respondents

Court File No: CV-21-00664429-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**ORDER
(Appointing Receiver)**

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Lawyers for the Applicant

Appendix “B”
to the First Report of the Receiver

ASSETS FOR SALE

Assets of the former automotive supplier Certus Automotive in Mexico



Conway MacKenzie, in conjunction with Deloitte Restructuring Inc., present for sale certain assets of the Certus Automotive Group



Address:

Max Brose Ave. #6

Aerotech Industrial Park

Galeras, Queretaro, Qro., Mexico,
C.P. 76278



Facility location
in Queretaro



Key Facility & Asset Statistics

General:

- ▶ State-of-the-art manufacturing facility built in 2017 in a coveted supplier park in upscale Queretaro, Mexico
- ▶ Only 2.6 miles (8 minute drive) from modern Aeropuerto Internacional de Queretaro (QRO)
- ▶ ~185,000 sq. ft. turnkey facility
- ▶ OEM approved automotive trim manufacturing facility
- ▶ Available capacity for expansion
- ▶ Business operations include manufacturing, engineering, quality, program development, back office support

Molding:

- ▶ 1 & 2-Shot w/ Plasma Treatment Capability
- ▶ All 2017 or Newer Electric 220–1950T IMM (95% Toshiba & 5% Haitian)
- ▶ 6 of the Industry's Largest 2-Shot Rotating Platens
- ▶ Centralized PC-ABS and ABS material feed system

Plating Line:

- ▶ 12 Satin Nickel / 4 Bright / Up to 6 Tri-Chrome Finishes
- ▶ Centralized PC-ABS and ABS material feed system
- ▶ Maximum processing flexibility, all finishes run simultaneously

Chrome Plating Window:

- ▶ 3500mm x 2000mm x 1000mm



Assembly, Testing, & Quality:

- ▶ Heat Stake / Sonic Weld
- ▶ Clips / Fasteners
- ▶ NVH Buffers
- ▶ Wet Out
- ▶ CMM Metrology
- ▶ Full Plating Wet Lab & Physical Testing Lab
- ▶ Digital Factory Tools / Visual Factory

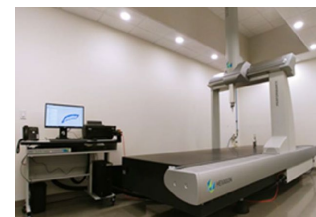


An inside-the-walls look at this impressive facility

6 of the industry's largest 2-shot rotating platens & injection molding machines



As new asset procurement prices increase and delivery times lengthen, seize the opportunity to own valuable, readily available assets



End-to-end range of high-quality machinery and equipment to start, supplement, or grow your business

Interested Parties Please Contact:



Steve Wybo
 SENIOR MANAGING DIRECTOR
 AUTOMOTIVE PRACTICE LEAD
 248.302.4555
 steven.wybo@conwaymackenzie.com

Background & Disclaimer

On June 25, 2021, Deloitte Restructuring Inc. was appointed as receiver and manager (the "Receiver") of Certus Automotive Inc. and Keen Point International Inc. (collectively, the "Debtors") by Order of the Ontario Superior Court of Justice (the "Appointment Order") which is available on the Receiver's website at www.insolvencies.deloitte.ca/en-ca/certus. The information in this document was compiled from unaudited, draft and/or internal information supplied by the Debtors (the "Information"), and has not been audited or verified. Neither Conway MacKenzie nor the Receiver make any representations or warranties regarding the accuracy or completeness of the Information and will have no liability for any representations contained herein. Interested parties should perform their own confirmatory due diligence. Nothing in this document is or should be relied upon as a promise or representation of future developments.

Appendix “C”
to the First Report of the Receiver

Schedule "A"

Certus Automotive Group Sale Process

Purpose

1. The proposed sale process (the "**Sale Process**") for Certus Automotive Inc. and Keen Point International Inc. (collectively, the "**Debtors**", and together with its subsidiaries, the "**Certus Automotive Group**") for sale of the Debtor's machinery and equipment (collectively, the "**Property**") will be conducted by Deloitte Restructuring Inc., in its capacity as court-appointed receiver and manager of the Debtors (in such capacity, the "**Receiver**"), in accordance with the terms and timeline set out below.
2. Any contemplated sale shall be subject to approval by the Court.
3. Unless otherwise indicated herein, any event that occurs on a day that is not a business day shall be deemed to occur on the next business day.
4. Notwithstanding anything contained herein, the Receiver shall have the right to enter into an exclusive transaction for the sale of the Property, or any portion thereof, outside the Sale Process prior to the selection of a Successful Bidder (as defined herein).

Sale Process Procedures

5. The Receiver will compile a list of prospective purchasers (collectively with any other party expressing an interest in the Property, the "**Potential Purchasers**"). The Receiver will make reasonable efforts to canvass the interest (if any) in the Property, of all Potential Purchasers.
6. The sale of the Property will be on an "*as is, where is*" basis without representations or warranties of any kind, nature or description by the Receiver, or any of its directors, officers, partners, employees, agents, advisors or estates, except to the extent as may be set forth in a Successful Bid (as defined herein), and approved by the Court. By submitting a bid, each Prospective Bidder (as defined herein) shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Property prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith, except as expressly stated in this Sale Process or as set forth in a Successful Bid and approved by the Court.

7. The Receiver will distribute to Potential Purchasers an interest solicitation letter (“**Teaser**”) which will provide an overview of this opportunity. A Confidentiality and Non-Disclosure Agreement (“**NDA**”) will also be distributed to the Potential Purchasers. Potential Purchasers will be required to sign the NDA in order to gain access to confidential information and to commence performing due diligence, if the Receiver determines that such Potential Purchaser has a *bona fide* interest in the purchase of the Property (hereinafter referred to as a “**Prospective Bidder**”). All NDAs shall enure to the benefit of any purchaser of the Property.
8. The Receiver will provide to each Prospective Bidder access to a secure electronic data room (the “**Data Room**”) established by the Receiver with information and documentation in the possession of the Receiver (which will include certain relevant and customary financial, operational and other information regarding the Property).
9. The Receiver will also facilitate, due diligence by Prospective Bidders, including arranging site visits, as the Receiver determines appropriate. The Receiver may also attend such site visits as it considers appropriate.
10. Notwithstanding paragraph 8 above, the Receiver shall have the right to deny or limit any Prospective Bidder's access to confidential information at any time, which may include denying access to confidential information, if in the Receiver’s reasonably held view such Prospective Bidder is not likely to be serious about submitting a bid for the Property.
11. The Receiver makes no representation or warranty as to the information to be provided through this due diligence process or otherwise.

Timeline

12. A chart summarizing the material deadlines for the Sale Process is set out below:

| Timing | Activity |
|--|--|
| June 25, 2021 to July 20, 2021 (completed) | <ul style="list-style-type: none"> • Identification of Potential Purchasers. • Preparation of the Teaser and form of NDA for circulation to Potential Purchasers. • Compile and review information that will be required by Potential Purchasers to assess their bid(s) for the assets. • Arrange third-party inspection of assets and preparation of equipment listing for use by Potential Purchasers. |

| Timing | Activity |
|--|---|
| | <ul style="list-style-type: none"> Respond to in-bound calls and inquiries. |
| July 21, 2021 (completed) | <ul style="list-style-type: none"> Launch the market outreach campaign with an email distribution of the Teaser and NDA to Potential Purchasers. |
| July 29, 2021 (completed) | <ul style="list-style-type: none"> Establish and commence populating the Data Room with information for Potential Purchasers who executed an NDA to assess the equipment and acquisition opportunity. |
| July 22, 2021 to September 1, 2021 (partially completed) | <ul style="list-style-type: none"> Continue outreach to Potential Purchasers, respond to inquiries, and execution of NDAs. Ongoing compilation and review of information, updating the Data Room. Coordinate site visits and review of assets by Prospective Bidders. Place advertisement in an industry publication. |
| September 2, 2021 | <ul style="list-style-type: none"> Bid deadline for submission of bids, including conditions, supplemental bidder information about its operational background, experience, corporate disclosures, and financial capability (the “Bid Deadline”). |
| September 2, 2021 to September 9, 2021 | <ul style="list-style-type: none"> Review of bids (each, a “Bid”), selection of shortlisted Bids (each, a “Shortlisted Bid”), correspondence and clarifying questions with Shortlisted Bids, and consultations with stakeholders. |
| September 9, 2021 | <ul style="list-style-type: none"> Selection of the most advantageous Shortlisted Bid, conditional on Court approval. |
| September 9, 2021 to September 16, 2021 | <ul style="list-style-type: none"> Negotiation with the successful bidder and execution of a definitive agreement (a “Definitive Agreement”). |
| September 30, 2021 | <ul style="list-style-type: none"> Projected date to seek the Court’s approval of the successful purchaser and the corresponding Definitive Agreement (the “Sale Approval Hearing”). |
| October 1, 2021 to November 30, 2021 | <ul style="list-style-type: none"> Close the transaction set out in the Definitive Agreement. Implement the terms of the Definitive Agreement (if applicable). |

| Timing | Activity |
|--------|--|
| | <ul style="list-style-type: none"> Targeted date for removal of all Property and vacate the associated leased premises. |

13. Subject to any Order of the Court, the dates set out in the Sale Process may be extended by the Receiver in its sole discretion acting reasonably, all with a view of maximizing the value of the Property.

Submission of Bids

14. The Receiver shall seek binding Bids and accompanying materials from Prospective Bidders (each, a “**Binding Bid**”) in accordance with the timeline set out above that provides for:
- (a) delivery of each Binding Bid by the Prospective Bidder on or before the Bid Deadline;
 - (b) the identity of each person or entity (including its shareholders) that is sponsoring or participating in the Binding Bid and the complete terms of such participation, evidence of corporate authority, and proof of such bidder’s financial ability to perform the proposed transaction to the satisfaction of the Receiver, acting reasonably;
 - (c) a Binding Bid capable of acceptance and irrevocable 21 days after the Bid Deadline;
 - (d) all Binding Bids are to be accompanied by a deposit (the “**Deposit**”) in the form of a wire transfer (to a bank account specified by the Receiver), in an amount equal to at least 10% of the total consideration contained in the Binding Bid;
 - (e) includes an acknowledgement and representation that the Prospective Bidder: (i) has had an opportunity to conduct any and all due diligence regarding the Property prior to making its Binding Bid, (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents, the Property and/or any other assets to be acquired and liabilities to be assumed in making its Binding Bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business and/or assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in any definitive documents;

- (f) no conditions based upon: (i) the outcome of any further due diligence, (ii) obtaining financing, or (iii) any other conditions to closing, except the usual limited conditions such as the issuance by the Court of an order approving the transaction set forth in the Definitive Agreement.
15. Each Bid submitted in accordance with paragraph 14 above shall be a “**Qualified Bid**” and each such Bidder a “**Qualified Bidder**”, as determined by the Receiver.
16. The Receiver may determine whether to entertain Binding Bids for the Property that do not conform to one or more of the requirements specified herein and deem such Binding Bids to be a Qualified Bid.

Post-Bid Deadline Procedure

17. If one or more Qualified Bids are received the Receiver may:
- (a) accept one (or more, if for distinct transactions) Qualified Bid(s) (the “**Successful Bid**”) and each Qualified Bidder making the Successful Bid(s) being a “**Successful Bidder**”) and take such steps as are necessary to finalize and complete a Definitive Agreement for the Successful Bid(s) with the Successful Bidder(s); or
 - (b) continue negotiations with a selected number of Qualified Bidders (collectively, “**Shortlisted Bidders**”) with a view to finalizing one or more Definitive Agreements with one or more Shortlisted Bidders.
18. The Receiver shall not be under any obligation to accept the highest or best (or any) Qualified Bid and any selection of the Successful Bid(s) and the Shortlisted Bidder(s) shall be entirely in the discretion of the Receiver. For greater certainty, the Receiver is hereby permitted to decline acceptance of any and all Binding Bids, including Qualified Bids.
19. A Binding Bid may not be withdrawn, modified or amended without the written consent of the Receiver prior to the Successful Bid being determined. Any such withdrawal, modification or amendment made without the written consent of the Receiver prior to the Successful Bid being determined shall result in the forfeiture of such Prospective Bidder’s deposit as liquidated damages and not as a penalty.
20. No one, including any Potential Purchasers, Prospective Bidders, Qualified Bidders, Shortlisted Bidders or Successful Bidders, shall be entitled to nor permitted any break, termination or similar fee or reimbursement of any kind. For greater certainty, all such persons shall be responsible for their own fees and costs of any kind, including those relating to any due diligence they may have performed, and any Binding Bid they each may make.

21. In the event a Qualified Bidder is not selected as a Successful Bidder, the Deposit shall be returned to the Qualified Bidder as soon as reasonably practicable.

Auctioneer Bids

22. Capitalized terms that are used but not otherwise defined in this section shall have the meaning given to them in the First Report of the Receiver dated August 5, 2021.
23. Strategic purchasers are only required to submit one Binding Bid.
24. Prospective Bidders that operate as an auctioneer (an “**Auctioneer**”) shall submit two Binding Bids required for all assets as follows, in addition to the terms set forth in paragraph 14 herein (an “**Auctioneer Bid**”):
 - (a) Cash Purchase Price – an offer to purchase and take title to all of the Property at the Mexico Plant. Such offers must ascribe bid values to permit the Receiver to allocate them between the Debtors and Certus Mexico, if required; and
 - (b) Guaranteed Minimum Plus – Auctioneer offers to pay a specified minimum amount for all the Property to be auctioned (a “**Net Minimum Guarantee**” or “**NMG**”), and the proceeds from auction above the NMG would be shared by allocation between the Qualified Bidder and the Receiver based upon a negotiated / proposed structure.
25. Each Auctioneer Bid shall, as part of its Binding Bid: (i) provide a brief description of its corporate background, including but not limited to prior experience for projects of this size/scope, and any prior experience in the automotive or manufacturing industry in Mexico; (ii) demonstrate an in-depth knowledge of the various asset classes available and clear insight on the appropriate channels to market these assets to maximize recovery; (iii) provide evidence of financial ability to close the proposed transaction (e.g. Proof of Funds letter) and appropriate insurance to conclude the transaction; and (iv) specify partners that would participate in the transaction.
26. Each Auctioneer as part of an Auctioneer Bid shall outline an opinion on the estimated value range of recovery/price per asset/unit on the asset listing to be included in the Data Room.

Other Terms

27. Qualified Bidders will be responsible for: (i) coordinating with the local management on-site appropriate documentation to facilitate sale and asset removal; (ii) coordinating removal of all assets using bonded and insured riggers and service providers; and (iii) leaving the Certus Mexico (as defined above) leased facility “broom clean” and for restoring any damages caused to the premises that occurs as a result of the asset removal.

28. If a Successful Bidder breaches its obligations under the terms of its Binding Bid, and if the Receiver chooses not to proceed with the Successful Bidder, any Deposit submitted in connection with the Successful Bid shall be forfeited to the Receiver as liquidated damages and not as a penalty.
29. The Receiver may: (a) determine which Qualified Bid, if any, is the highest or otherwise best bid, (b) reject at any time before the issuance and entry of an order approving a Successful Bid, any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Sale Process or any order of the Court, or (iii) contrary to the best interests of the receivership estate, and (c) may modify the Sale Process or impose additional terms and conditions on the sale of the Property, acting reasonably.
30. The Receiver shall not have any liability whatsoever to any person or party, including without limitation any Potential Purchasers, Prospective Bidders, Qualified Bidders, Shortlisted Bidders, Auctioneer, Successful Bidders, the Certus Automotive Group, or any creditor or other stakeholder, for any act or omission related to the Sale Process. By submitting a Binding Bid, each Prospective Bidder shall be deemed to have agreed that it has no claim against the Receiver for any reason whatsoever.
31. Following the selection of the Successful Bid(s), and subject to the timeline set out above, the Receiver shall bring a motion to the Court for an order, authorizing and approving a Definitive Agreement, together with the transaction contemplated therein (the “**Transaction**”), and authorizing the Receiver to take such further actions as may be necessary or appropriate, to give effect to the Successful Bid(s) (the “**Approval Order**”).
32. Following the granting of any Approval Order by the Court, the Receiver shall take all reasonable steps necessary to complete the Transaction in accordance with the timeline set out above.
33. Notwithstanding anything else contained herein, if it becomes evident to the Receiver that no Qualified Bids will be received, the Receiver, may terminate the Sale Process.
34. This Sale Process is solely for the benefit of the Receiver and nothing contained in the Sale Process Order or this Sale Process shall create any rights in any other person or bidder (including without limitation rights as third party beneficiaries or otherwise).

Appendix “D”
to the First Report of the Receiver

**In the Matter of the Receivership of
Certus Automotive Inc. and Keen Point International Inc.
Statement of Receipts and Disbursements
For the period June 25, 2021 to August 3, 2021**

| | <u>US \$ Account</u> | <u>Cdn \$ Account</u> |
|---|-----------------------|-----------------------|
| Receipts | | |
| Cash on hand | 2,836 | 6,500 |
| Total receipts | <u>2,836</u> | <u>6,500</u> |
| Disbursements | | |
| Canadian employee payroll costs | - | 2,086 |
| Advances to Certus subsidiaries re protective disbursements | 112,985 | - |
| Warehouse costs | 3,050 | - |
| Banking charges and administrative costs | 65 | 140 |
| Filing fees paid to the Official Receiver | - | 146 |
| HST paid | - | 5 |
| Total disbursements | <u>116,100</u> | <u>2,378</u> |
| Net cash flow | (113,264) | 4,122 |
| Principal amount of the Receiver's Borrowings | 250,000 | - |
| Ending cash balance as at August 3, 2021 | <u><u>136,736</u></u> | <u><u>4,122</u></u> |

Appendix “E”
to the First Report of the Receiver

Court File No.: CV-21-00664429-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C B-3, AS AMENDED AND SECTION

AFFIDAVIT OF STEFANO DAMIANI
(Sworn August 5, 2021)

I, **STEFANO DAMIANI**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Chartered Professional Accountant, Chartered Insolvency and Restructuring Professional qualified to practice in the Province of Ontario, and am a Senior Vice-President of Deloitte Restructuring Inc. (“**Deloitte**”), the Court-Appointed receiver and manager (the “**Receiver**”) of the assets, undertakings and properties of Certus Automotive Inc. and Keen Point International Inc. (the “**Debtors**”). Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. Attached hereto as Exhibit “**A**” is a schedule summarizing the invoice in Exhibit “**B**”, the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.

3. Attached hereto as Exhibit “B” is a true copy of the invoice for fees and disbursements incurred by Deloitte in the course of the Receiver’s administration for the period June 25 to July 23, 2021.

4. To the best of my knowledge, the rates charged by Deloitte throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Toronto market for the provision of similar services, and are comparable to the hourly rates charged by Deloitte for services rendered in relation to similar proceedings.

5. Due to the circumstances of the COVID-19 pandemic, I am unable to be physically present to swear this Affidavit. I, however, was linked by way of video technology to the Commissioner commissioning this document.

6. I make this affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of the Receiver.

SWORN by Stefano Damiani of the City of Toronto in the Province of Ontario, before me on July 27, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for Taking Affidavits, etc.

Mark Freake
LSO #63656H



STEFANO DAMIANI

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF STEFANO DAMIANI
SWORN BEFORE ME THIS 5th DAY OF AUGUST,
2021.



A Commissioner for Taking Affidavits, etc.

EXHIBIT “A”

**In the matter of the Receivership of Certus Automotive Inc. and Keen Point International Inc.
 Calculation of Average Hourly Billing Rates of
 Deloitte Restructuring Inc.
 for the period June 25 to July 23, 2021**

| Invoice Date | Fees | Disbursements | HST | Total Invoice Amount | Hours | Average Hourly Fee Rate |
|---------------------|----------------------|----------------------|---------------------|-----------------------------|--------------|--------------------------------|
| August 5, 2021 | \$ 146,350.50 | \$ - | \$ 19,025.57 | \$ 165,376.07 | 259.3 | \$ 564.41 |
| Total | \$ 146,350.50 | \$ - | \$ 19,025.57 | \$ 165,376.07 | 259.3 | \$ 564.41 |

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF STEFANO DAMIANI
SWORN BEFORE ME THIS 5th DAY OF AUGUST,
2021.



A Commissioner for Taking Affidavits, etc.


Invoice 8001992305
Deloitte Restructuring Inc.

Bay Adelaide Centre
8 Adelaide Street West, Suite 200
Toronto ON M5H 0A9

ATTN: Mr. Jordan Sleeth
Deloitte Restructuring Inc., Receiver of Certus Automotive Inc. et al.
c/o Deloitte Restructuring Inc.
8 Adelaide Street West, Suite 200
Toronto ON M5H 0A9
Canada

Tel: (416) 601-6150
Fax: (416) 601-6151
www.deloitte.ca

Date: August 05, 2021
Client No.: 1139799
WBS#: TDB00546
Engagement Partner: Jordan Sleeth
HST Registration : 122893605RT0001

For professional services rendered
Fees

Re: Services provided as court-appointed receiver of Certus Automotive Inc. et al, pursuant to the Receivership Order dated June 25, 2021, for the period to July 23, 2021. Refer to the attached detailed time descriptions.

Sales Tax

| | |
|----------------|------------------|
| HST applicable | 146,350.50 |
| HST at 13.00 % | <u>19,025.57</u> |

| | |
|-------------------------------|--------------------------|
| Total Amount Due (CAD) | <u>165,376.07</u> |
|-------------------------------|--------------------------|



Appendix #1

Summary of Fees

| Name | Level | Hours | Rate | Amount |
|--|------------------------------|--------------|-------------|-------------------|
| Sleeth, Jordan | Partner | 51.7 | 695.00 | 35,931.50 |
| Damiani, Stefano | Director | 107.6 | 580.00 | 62,408.00 |
| Greenbaum, Stacey | Senior Manager | 75.2 | 505.00 | 37,976.00 |
| Chu, Jonathan | Manager | 15.8 | 450.00 | 7,110.00 |
| Brown, Rose | Trust Administration Manager | 9.0 | 325.00 | 2,925.00 |
| Total Professional Hours and Fees | | 259.3 | | 146,350.50 |
| Out of Pocket Expenses | | | | - |
| Total Fees and Expenses (CAD) | | | | 146,350.50 |


Appendix #2
Work performed from June 25, 2021 to July 23, 2021

| Date | Name | Narrative | Hours |
|-------------|-------------------|---|--------------|
| 25-06-21 | Sleeth, Jordan | Review and summarize MTNA exit agreement, circulate to Certus principals, planning call with S. Greenbaum and S. Damiani; calls with R. Kennedy re: CM contract review, protocol re: Certus Mexico; funding agreement to secure advances to Certus Mexico; call with J. Prokopetz and R. Mollenhauer re: assistance arrangements; planning call with S. Damiani and S. Greenbaum. | 4.3 |
| 25-06-21 | Damiani, Stefano | Conference call with the Certus Principals; draft email response re payment terms and required information; draft Agenda, conference call with Dentons on same; telephone call and email correspondence with the former Controller (J. Kaintura); call and various emails with B. Pettit; draft employee termination letters and retention offer letters; review payroll registers and inquiries; e-mail to B. Casey re data capture; flow of funds protocol; planning; various correspondence. | 5.2 |
| 25-06-21 | Greenbaum, Stacey | Attend virtual court; call with R. Mollenhauer and J. Prokopetz re compensation proposal for receivership; prepare wind down budget; call with Dentons; calls with former staff re receivership and follow up emails; internal planning meetings. | 5.0 |
| 25-06-21 | Brown, Rose | Prepare banking documentation. | 0.8 |
| 26-06-21 | Sleeth, Jordan | Review MTNA responses from J. Prokopetz, circulate internally for review. | 0.4 |
| 26-06-21 | Damiani, Stefano | Telephone call with E. Burke (Accounts Payable Clerk); review MTNA analysis and email of J. Prokopetz; email correspondence with B. Pettit (Payroll Manager); instructions re creditor listing; email correspondence. | 1.9 |
| 26-06-21 | Greenbaum, Stacey | Call with S. Damiani and E. Burke (AP clerk) re receivership. | 0.5 |
| 26-06-21 | Chu, Jonathan | Review MTNA Exit Agreement and summarize figures for J. Sleeth's review. | 2.1 |
| 27-06-21 | Sleeth, Jordan | Team call with S. Damiani, S. Greenbaum, J. Chu; emails to Certus principals, MT, R. Kennedy re: receivership launch and planning. | 2.5 |
| 27-06-21 | Damiani, Stefano | Conference call with team; emails with Certus employees; review various payables listings compiled by E. Burke (AP Manager); draft reporting email; amendment to form of employee retention offer letter; emails with counsel; review employee listing and emails with B. Pettit (Payroll Manager) on same. | 3.5 |
| 27-06-21 | Chu, Jonathan | Attendance on status update call and plan for the week with team. | 0.5 |

| Date | Name | Narrative | Hours |
|----------|------------------|--|-------|
| 28-06-21 | Sleeth, Jordan | Call with S. Wybo, J. Prokopetz and R. Mollenhauer re: weekly priorities and realization process launch; review MTNA settlement proposal and call with R. Mollenhauer re same; attend to bank accounts opening documents; call with MT and Dentons re: MTNA deal and FGI approach; consult with P. Casey; update call with JJ Perojo and E. Flores of DRI Mexico re: creditor priorities, attendance at Mexico plant; call with S. Wybo re: payments and realization plan; follow up call with S. Greenbaum; call with R. Kennedy re: FGI role and resolution. | 5.5 |
| 28-06-21 | Damiani, Stefano | Review of Mexico real property lease documentation and landlord letter proposal dated June 24, 2021; various emails with R. Mollenhauer and J. Prokopetz; review CRA email correspondence; drafting of the statutory Notice and Statement of Receiver; telephone call and various emails with B. Pettit (Payroll Manager); conference call with S. Wybo (Conway MacKenzie) and the Principals re sale process planning, safeguarding assets and information, landlord, reporting protocol; conference call & emails with Miller Thomson & Dentons; call and emails with E. Burke (AP Manager) re creditor information; review Germany matter; emails with Controller and Principal re leased vehicle; planning discussion with Deloitte Mexico; instructions to J. Chu. | 7.1 |
| 28-06-21 | Chu, Jonathan | Attend call with mgmt. and S. Wybo re initial planning meeting; review motion record; review financial statements and records. | 2.5 |
| 29-06-21 | Sleeth, Jordan | Prepare for and attend call with staff in Mexico (introduction, plan, environmental considerations); call with R. Kennedy and C. Burr re: MTNA exit agreement. | 1.8 |
| 29-06-21 | Damiani, Stefano | Conference call with Principals and Certus Mexico staff; review asset listings, telephone call and emails with J. Prokopetz on same; review Audi lease, email to Dentons on same; call, emails with A. Pushalik of Dentons re employee letters; finalize, sign, and issue termination and retention offer letters to the debtors employees; emails with Deloitte Mexico and D. Martinez (Certus Mexico) re site visit; call and emails with E. Burke (AP Manager); review updated statutory Notice and Statement of Receiver, instructions to J. Chu on same; review listing of bank accounts, instructions to E. Burke and J. Chu on same; correspondence with counsel re MTNA matter; email of J. Prokopetz re suppliers; review banking listing and HSBC summary, email to Principals on same; emails with B. Pettit (Payroll Manager); telephone call with J. Kaintura (Controller). | 5.2 |
| 29-06-21 | Chu, Jonathan | Update Notice and Statement of Receiver for KPI and Certus Canada, including appendices; creditor mailing list. | 2.7 |
| 30-06-21 | Sleeth, Jordan | Calls with J. Swan to update on status of receivership; calls with S. Damiani re: priorities and TD update, draft summary update to TD; call with J. Propoketz re: MTNA, FGI, 1450 Ton equipment sale; email exchanges with R. Mollenhauer; emails with C. Burr re: MTNA-FGI deal. | 2.5 |

| Date | Name | Narrative | Hours |
|-------------|------------------|--|--------------|
| 30-06-21 | Damiani, Stefano | Conference call and emails with J. Prokopetz; review Mexico asset listing; email to S. Wybo of Conway MacKenzie re sale process; update re FGI; emails with Deloitte Mexico re site tour and asset listings; call and emails with E. Burke (Payables Manager); draft reporting update to TD; emails re WEPPA; banking administration re HSBC; instructions to J. Chu; correspondence with employees re retention offer letters. | 3.8 |
| 30-06-21 | Chu, Jonathan | Update Certus mailing list for notice and statement; emails re Keen Point Limited and wire transfer; update notice and statement and appendices. | 2.2 |
| 01-07-21 | Sleeth, Jordan | Call with R. Kennedy, prepare agenda for call with Dentons Mexico. | 1.0 |
| 02-07-21 | Sleeth, Jordan | Call with R. Kennedy and Dentons Mexico. | 1.0 |
| 02-07-21 | Damiani, Stefano | Call, emails with J. Kaintura (Controller); review creditor listing and email of E. Burke; review various legal letters forwarded by R. Mollenhauer, comments to J. Sleeth; instructions to J. Chu; email to Principals; Miller Thomson email. | 2.5 |
| 03-07-21 | Damiani, Stefano | Review updated creditor listing, emails on same; emails with the former Controller; review reporting update from Deloitte Mexico. | 1.4 |
| 04-07-21 | Damiani, Stefano | Review proposed marketing process timeline and activities, emails with S. Wybo (Conway MacKenzie) on same; email correspondence with R. Mollenhauer; review equipment offer letter and email of J. Prokopetz on same; review and amend form of services agreement with Conway MacKenzie; review Statement of Claim by Toronto landlord; review draft Settlement Agreement re FGI and comments to Dentons on same; various emails. | 3.7 |
| 04-07-21 | Chu, Jonathan | Reconcile notice and statement of Receiver to the balance sheet. | 0.4 |
| 05-07-21 | Sleeth, Jordan | Prepare for and attend Certus planning meeting with S. Greenbaum and S. Damiani - review, discuss and allocate workstreams; review and revise receiver s.245 notices; liaise with R. Kennedy re: MTNA-FGI agreement; file admin re: inter firm agreement; review S. Wybo/CW engagement letter; review final MTNA-FGI draft agreement and circulate to TD/MT for review, revise agreement and circulate to FGI. | 3.5 |
| 05-07-21 | Damiani, Stefano | Conference call with team; finalize and sign Notice and Statement of Receiver, instructions to J. Chu; review payroll and protective disbursements, emails with Principals and Certus Mexico; email to R. Kennedy (Dentons), R. Lopez (Dentons Mexico); telephone call with E. Burke re banking matters; emails with J. Kaintura (Controller); update on CRA; correspondence with Miller Thomson; correspondence re insurance; emails re corporate finance advisor; emails re HSBC bank accounts, instructions to J. Chu on same; various emails; WEPPA matters. | 5.1 |

| Date | Name | Narrative | Hours |
|-------------|-------------------|---|--------------|
| 05-07-21 | Greenbaum, Stacey | Receiver's cert and budget for funding request; review of support re weekly funding; review of emails; call with S. Damiani re various (IT matters, claims, landlord, employees). | 3.5 |
| 05-07-21 | Chu, Jonathan | Attendance on planning call; compile and calls with Rose re 246 Report and mailing lists; email to E. Burke re bank accounts; draft CRA authorization forms and covering letter; call with CRA. | 1.7 |
| 05-07-21 | Brown, Rose | Estate/Banking Administration - Clean up spreadsheet of creditors, prepare labels and label envelopes for mailing of notices; prepare mail voucher and send to mailing room; set up bank accounts in Ascend; confirm receipt of wires in CDN\$ and US\$; fax Notice of Receiver to OSB. | 3.1 |
| 06-07-21 | Sleeth, Jordan | Call with Dentons Mexico re: Certus receivership, operating considerations in Mexico re: landlord position, staff payments/priorities, chemical removals, banking and facilitating payments; review and approve borrowing and funding documents; review Principals' queries re: supplier treatment; call with Principals and S. Wybo on realization plan, MTNA agreement considerations; prepare for and attend call with J. Carhart and R. Kennedy re: FGI account, MTNA settlement proceeds agreement. | 3.2 |
| 06-07-21 | Damiani, Stefano | Attend conference call with R. Lopez-Velarde of Dentons Mexico and R. Kennedy of Dentons Canada; emails to T. Torres (Controller, Certus Mexico); finalize and sign letter to HSBC; emails with M. Beauregard of Rhodes Williams (Insurance Broker); review email of T. Torres (Controller-Certus Mexico) and principals re protective disbursements; emails re Receiver's Certificate, funding; review asset listings and call with S. Greenbaum on same; emails with Principals re banking matters; email confirmation from VW re leased vehicle, review of documentation; conference call with S. Wybo and the Principals re Sales Process timeless and plan; internal correspondence; emails re customer invoice and warehousing; review email of J. Prokopetz and the attached inventory listing; review executed employee letter, email correspondence with Landlord; emails on same. | 6.9 |
| 06-07-21 | Greenbaum, Stacey | Call with B. Pettit re WEPP and prepare first draft of WEPP listing; call with Dentons; weekly funding request; prepare receiver's certificate; review of emails from Certus principals (taxes, inventory sales); call with S. Damiani re asset listing. | 5.7 |
| 06-07-21 | Chu, Jonathan | Catalogue bank statements; redact auction agreement for confidential terms; draft bank account freeze letter to HSBC and distribute. | 2.0 |
| 06-07-21 | Brown, Rose | Trust Banking Administration - Import Creditor into Ascend, confirm US\$ wire received; save support documentation on Q drive. | 1.3 |
| 07-07-21 | Sleeth, Jordan | Call with R. Mollenhauer re: funding, VAT sizing; internal planning meetings with S. Damiani and S. Greenbaum. | 1.2 |

| Date | Name | Narrative | Hours |
|----------|-------------------|---|-------|
| 07-07-21 | Damiani, Stefano | Prepare and attend conference call with Landlord (Aerotech) and M. Nowina of Baker McKenzie (Landlord counsel), detailed email to Dentons Canada and Mexico on same; WEPPA update, emails with B. Pettit (Payroll Manager) on same; review email of Diaz Igareda and the attached asset listings; review email of C. Martin of Rhodes Williams (Insurance Broker) and attached insurance documents; email to A. Colucci of FCA Insurance Brokers; conference call with the Principals re fixed assets, tax matters, funding mechanism, other potential recoveries; amendments to the Conway MacKenzie engagement letter, email to Dentons on same; call with S. Greenbaum re asset reconciliation; call with J. Prokopetz; review email of Dentons Mexico re inventory matter; telephone call with A. Pushalik (Dentons); various emails re banking matters; CRA letter; emails with VW Credit; emails with Deloitte Mexico re funding matters. | 6.6 |
| 07-07-21 | Greenbaum, Stacey | Various calls with Certus principals re taxes and equipment; WEPP matters; receivership checklist; weekly funding request; review of equipment listings; call with former employee; calls with S. Damiani re various (including asset listing). | 5.2 |
| 07-07-21 | Chu, Jonathan | Catalogue bank statements; deposit requisition forms; update CRA authorization letter. | 1.0 |
| 07-07-21 | Brown, Rose | Trust Banking Administration - Transfer inquiry and email to TD Bank to obtain back up. | 0.5 |
| 08-07-21 | Sleeth, Jordan | Receive and review J. Carhart's comments on MTNA exit agreement, call with J. Prokopetz and R. Mollenhauer re: same; internal planning meeting with S. Greenbaum and S. Damiani. | 2.5 |
| 08-07-21 | Damiani, Stefano | Various emails with S. Wybo (Conway MacKenzie) re marketing teaser, listings, site visit, prospective purchasers, other matters; emails with Dentons Mexico re loan document; conference call with A. Colucci (FCA Insurance) re existing policies; conference call with J. Sleeth, S. Greenbaum re various; emails with prospective purchasers; emails with B. Pettit (Payroll Manager) and R. Mollenhauer re payroll, funding; CRA update; email to Deloitte Mexico; prepare and attend call with Rhodes & Williams (incumbent insurance broker); drafting of consulting services agreement, emails with A. Pushalik of Dentons on same; telephone call with E. Burke (AP Manager). | 4.8 |
| 08-07-21 | Greenbaum, Stacey | Planning call with DT team and update checklist; WEPP call with B. Pettit; call with S. Damiani re various; call with E. Burke re weekly payments; emails to Certus principals re inventory and A/R; email to Dentons re employee entitlements; invoicing. | 4.8 |
| 08-07-21 | Brown, Rose | Trust Banking Administration - Input incoming wires and disbursements into Ascend for CDN\$ and US\$ accounts. | 0.8 |

| Date | Name | Narrative | Hours |
|-------------|-------------------|---|--------------|
| 09-07-21 | Sleeth, Jordan | Various: MTNA exit agreement - call with J. Carhart, revise and circulate updated agreement; call with JJ Perojo and DRI Mexico team re: update on realization plan, VAT considerations; debrief with S. Damiani and S. Greenbaum; review and revise reporting update memo; sale process call with S. Wybo. | 4.5 |
| 09-07-21 | Greenbaum, Stacey | Draft TD reporting email; call with DT team and S. Wybo re sale process; call with DT Mx team re update; call with Dentons re employee entitlements; review of inventory sale and provide comments; team calls re status. | 4.3 |
| 09-07-21 | Chu, Jonathan | Emails to HSBC re account closure. | 0.2 |
| 09-07-21 | Brown, Rose | Estate Administration - Update OSB with postal code to register receivership; handle courier of online banking keys. | 0.3 |
| 10-07-21 | Damiani, Stefano | Emails with Dentons Mexico re funding mechanism; emails with R. Mollenhauer re counsel letter; emails with B. Pettit (Payroll Manager); emails with Insurance Broker and R. Mollenhauer; review details re inventory and A/R dispute, emails. | 1.7 |
| 11-07-21 | Damiani, Stefano | Review draft marketing teaser; conference call with S. Wybo (Conway MacKenzie) re sales process; emails and telephone call with M. Beauregard of Rhodes & Williams re insurance; review funding mechanism agreement, emails with Dentons on same; amend consulting services letter, email to Dentons on same; correspondence with R. Mollenhauer; wire confirmation; emails with HSBC; WEPPA matters; reporting email to TD and counsel; review draft loan agreement, emails with Dentons Mexico; conference call with Deloitte Mexico on various estate matters. | 4.5 |
| 12-07-21 | Sleeth, Jordan | Revise MTNA agreement with MT comments, circulate to Jim and Rob for review; call S. Greenbaum, S. Damiani and Certus Principals re: priorities and items to advance (A/R listing, consulting agreements, landlord waiver, Maynards tour of Mexico facility); review and comment on draft teaser; comments on creditor notice letter; consider single equipment offer, liaise with S. Wybo re: same. | 0.7 |
| 12-07-21 | Damiani, Stefano | Conference call with Principals re various matters; payroll matters, correspondence with B. Pettit (Payroll Manager) on same; email to R. Mollenhauer re funding letter; emails with principals re duty drawback; emails re Maynards site visit; emails with Dentons Mexico; emails re WEPPA; legal notifications; emails with Toronto landlord counsel; emails with former Controller; call with S. Greenbaum. | 3.0 |
| 12-07-21 | Greenbaum, Stacey | Call with S. Damiani; payroll matters; review of July 5 funding request re wire confirmations; call with Certus Principals re priorities for week; WEPP administration. | 4.8 |
| 13-07-21 | Sleeth, Jordan | Call with TD/MT re: status update - sale process, FGI & MTNA discussions, staffing, VAT, AR collections, landlord. | 1.0 |

| Date | Name | Narrative | Hours |
|-------------|-------------------|---|--------------|
| 13-07-21 | Damiani, Stefano | Review and amend WEPPA letter and schedule, instructions on same; telephone call with warehouse representative re inventory; instructions re payroll; emails with counsel in Mexico re funding matter; conference call with TD and counsel; call and emails with R. Kennedy of Dentons; detailed comments to S. Wybo (Conway MacKenzie) re teaser, buyer list, process; internal correspondence; emails with E. Burke (AP Manager); emails with prospective purchaser. | 4.8 |
| 13-07-21 | Greenbaum, Stacey | Team status update call; call with J. Sleeth; payroll funding for receivership; former employee email; review of teaser. | 2.9 |
| 14-07-21 | Damiani, Stefano | Emails with M. Beauregard of Rhodes & Williams (Insurance Broker); review and amend form of NDA; review correspondence with logistics provider, emails with R. Mollenhauer re container contents/options; emails with Principals re Scotia account; review and sign payroll wire, instructions to R. Brown; various WEPPA email correspondence with former employees; emails with Dentons Mexico; call with S. Greenbaum; correspondence with prospective buyer; emails with Deloitte Mexico; emails with prospective purchasers; review updated teaser, emails with A. Racey (Conway MacKenzie) on same; review and amend employee letter. | 5.1 |
| 14-07-21 | Greenbaum, Stacey | Call with S. Damiani; WEPP administration; creditor inquiries; disbursement requisitions; former employee correspondence. | 4.8 |
| 14-07-21 | Chu, Jonathan | Complete mail merge for WEPP and review. | 0.5 |
| 14-07-21 | Brown, Rose | Trust Banking Administration - Prepare wire disbursement for payroll and update GL's per S. Greenbaum's request. | 0.8 |
| 15-07-21 | Sleeth, Jorden | Update call with S. Damiani and S. Greenbaum, review status of workstreams and steps to advance same; summarize MTNA agreement and circulate internally. | 1.0 |
| 15-07-21 | Damiani, Stefano | Review A/R listing and details; review and amend sale advisor agreement, emails with A. Pushalik (Dentons); review inventory listing; emails with; WEPPA correspondence; telephone call and emails with M. Beauregard of Rhodes Williams (insurance); emails with former employee; emails re claims; email to S. Wybo (Conway MacKenzie); review MTNA agreement and correspondence; conference call with team; emails with prospective purchaser; banking matters, emails with R. Mollenhauer on same; emails with the principals; review settlement and release agreements, provide comments on same. | 6.4 |
| 15-07-21 | Greenbaum, Stacey | WEPP administration; review of claims and emails re the same; review of A/R and inventory; weekly funding request and review of support; status update DT call; prepare sample settlement agreement. | 6.6 |

| Date | Name | Narrative | Hours |
|----------|-------------------|---|-------|
| 16-07-21 | Sleeth, Jordan | Call with C. Burr (FGI counsel) re: FGI position; debrief same with R. Kennedy; MTNA agreement - call with Jim Propoketz re: location of goods, delivery issues; update call with S. Damiani and S. Greenbaum re: status of workstreams; call with Dentons Mexico re: landlord status and waiver. | 2.8 |
| 16-07-21 | Damiani, Stefano | Attend conference call with MTNA re exit agreement; discussion re form of release; wire transfer; review employee email; telephone call with J. Prokopetz re warehousing, inventory; emails with L. Negrete (Qualita Warehouse); correspondence with prospective purchaser; review publication details, emails with S. Wybo (Conway MacKenzie) on same; emails re FGI matter; emails with JJ Perojo of Deloitte Mexico; emails with A. Kuratczyk of Chubb insurance; review Maynards debrief email; WEPPA claim. | 3.6 |
| 16-07-21 | Greenbaum, Stacey | Weekly funding review and confirmation; call with counsel to FGI and follow up email; call with Certus USA employee; call with J. Prokopetz re warehouses; email re former employee. | 4.2 |
| 16-07-21 | Brown, Rose | Trust Banking Administration - Prepare wire request. | 0.5 |
| 17-07-21 | Greenbaum, Stacey | WEPP processing. | 0.5 |
| 19-07-21 | Sleeth, Jordan | Call with S. Greenbaum and S. Damiani re: A/R collections, MTNA agreement, FGI account status, landlord arrangements, principals' retention agreement; call with Hillco and S. Wybo re: sale process and launch; debrief and update with S. Wybo re: sale process. | 1.2 |
| 19-07-21 | Damiani, Stefano | Prepare and attend conference call with L. Negrete (Qualita) re warehousing, inventory, logistics; emails with former employees; conference call with team re various; review Maynards update re site attendance; WEPPA claims update; review correspondence with prospective purchaser; emails with M. Sopoci of CH Robinson re container matter; email of E. Burke (AP Manager) re wire transfers; MTNA inventory listing and emails on same; emails re Grupo Antolin; review email and materials of J. Prokopetz re specific A/R; conference call with A. Kuratczyk (Chubb) and R. Mollenhauer re insurance claims, emails on same; email of B. Pettit (Payroll Manager); emails re GE Logistics; review CH Robinson container listing and emails with J. Prokopetz on same; review and amend Landlord letter. | 5.2 |
| 19-07-21 | Greenbaum, Stacey | Call with Qualita warehouse; internal DT team update call; call with former employee; review of various customer transactions and summarize to Principals; set up call with customer re settlement; emails re various inventory warehouse facilities. | 4.1 |
| 20-07-21 | Sleeth, Jordan | Call with MTNA counsel and R. Kennedy re: exit agreement; review and discuss file matters with R. Kennedy, agreement status; FGI memo. | 2.2 |

| Date | Name | Narrative | Hours |
|----------|-------------------|--|-------|
| 20-07-21 | Damiani, Stefano | Review blackline of funding letter, emails with Dentons Mexico and R. Mollenhauer on same; emails with J. Baca (Landlord) and M. Nowina (Baker McKenzie); conference calls and emails with Carter Logistics (warehouse) re inventory and invoicing; email correspondence with the principals re inventory, receivables, vendor matters; emails with collection agency; conference call with CH Robinson re two containers; review A/R listing, discussion with S. Greenbaum on same; conference call with customer (Grupo Antolin), emails and review documentation on same; emails with prospective purchasers; emails with S. Wybo (Conway MacKenzie); emails with L. Negrete (Qualita) re warehouse inventory matters; review cash budget, comments to S. Greenbaum; emails with Dentons. | 6.6 |
| 20-07-21 | Greenbaum, Stacey | Call with Laredo warehouse and review of stock reports; Grupo Antolin call; call with CH Robinson warehouse; Qualita warehouse discussions; creditor inquiries; discussions with S. Damiani re customer settlements. | 4.3 |
| 21-07-21 | Sleeth, Jordan | Call with S. Greenbaum re: AR and warehouse settlements; meeting with AJR and Deloitte Mexico re: VAT filings and issues in Mexico; finalize revisions to MTNA agreement and circulate to TD. | 1.5 |
| 21-07-21 | Damiani, Stefano | Conference call with Conway MacKenzie re marketing launch, NDA, tracking list; various emails re weekly funding budget and supporting documentation; attend conference call with the Principals and the Certus Mexico tax advisor (AJR); review detailed plant update from J. Prokopetz; conference call with prospective purchaser and Conway MacKenzie; emails with M. Nowina of Baker McKenzie (Landlord counsel); review updated landlord waiver letter, comments to Dentons Mexico; emails with Grupo Antolin re GM product inventory matter; review Laredo warehouse transaction reports, emails on same; emails with the principals re Scotia bank account. | 4.1 |
| 21-07-21 | Greenbaum, Stacey | Call with Tradewin re duty drawback; AJR vat call; funding request and review of support, call with R. Mollenhauer; call with GE warehouse and emails; WEPP administration. | 4.6 |
| 21-07-21 | Brown, Rose | Trust Banking Administration - Prepare wire transfer for fund July 19, 2021 and confirm with TD Bank received and processed, input into Ascend; discuss payroll wire transfer for July 28, 2021 with S. Greenbaum. | 0.9 |
| 22-07-21 | Sleeth, Jordan | Call with Certus principals' re: FGI account reconciliation; provide updates on workstreams and instructions to advance; review FGI position paper, provide comments and discuss same with R. Kennedy; revise MTNA agreement and circulate for final review. | 4.2 |

| Date | Name | Narrative | Hours |
|--------------|-------------------|--|--------------|
| 22-07-21 | Damiani, Stefano | Telephone and email correspondence with L. Negrete (Qualita warehouse), review parts listing; conference call with Grupo Antolin re transaction, inventory; emails and telephone call with Principals re consulting agreement; conference call with Tesla re inventory, PO, review details and emails on same; call with S. Greenbaum re A/R and warehouses; review amendments to the MTNA agreement, emails on same; review marketing update from A. Racey (Conway), emails; review A/R listings, emails with B. Pettit; review amended Landlord agreement, email to Landlord and M. Nowina (Baker McKenzie) on same; email to J. Prokopetz re Scotia account; follow up email to M. Beauregard (Rhodes Williams) re insurance; emails re TD blocked accounts; emails with E. Burke (AP Manager). | 4.9 |
| 22-07-21 | Greenbaum, Stacey | Call with B. Pettit re customers; Tesla call; warehouse discussions and call with Qualita; draft of Grupo settlement agreement; review of inventory re Grupo and Tesla; WEPP administration; review of FGI position email and comment. | 6.2 |
| 23-07-21 | Sleeth, Jordan | Call with R. Kennedy and J. Swan re: MTNA deal, follow up call with R. Kennedy and J. Carhart re: same; status update call with S. Greenbaum and S. Damiani; review TD update; review sale process launch update memo; update email re: FGI to TD. | 3.2 |
| 23-07-21 | Greenbaum, Stacey | Call with Dentons re settlement agreement; status update call with J. Sleeth and S. Damiani; emails re DT Mexico, FGI, warehouse; WEPP administration. | 3.2 |
| Total | | | 259.3 |

THE TORONTO-DOMINION BANK
Applicant

- and -

CERTUS AUTOMOTIVE INC., et al.
Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF STEFANO DAMIANI

DENTONS CANADA LLP

77 King Street West, Suite 400
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Toronto, Ontario M5K 0A1

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*Lawyers for Deloitte Restructuring Inc., in its capacity as
Court-appointed Receiver and Manager of Certus
Automotive Inc. and Keen Point International Inc.*

Appendix “F”
to the First Report of the Receiver

Court File No.: CV-21-00664429-00CL

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

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 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 43, AS AMENDED

**AFFIDAVIT OF ROBERT KENNEDY
(sworn August 6, 2021)**

I, **ROBERT KENNEDY**, of the City of Pickering, in the Province of Ontario, **SWEAR
AND SAY AS FOLLOWS:**

1. I am a Partner with Dentons Canada LLP (“**Dentons**”), as such, I have knowledge of the matters to which I hereinafter depose.
2. Pursuant to an Order dated June 25, 2021 (the “**Receivership Order**”), Deloitte Restructuring Inc. was appointed receiver of Certus Automotive Inc. and Keen Point International Inc. in the within proceedings (the “**Receiver**”).
3. The Receiver retained Dentons as counsel to advise it with regard to the matters related to its appointment and the exercise of its powers and performance of its duties.
4. The Receivership Order provides at paragraph 18 that the Receiver, and counsel to the Receiver, shall be paid their reasonable fees and disbursements at their standard rates and charges.

5. The Dentons fees and disbursements for the period of June 18, 2021 to July 31, 2021 (the “**Fee Period**”), are summarized in the invoice rendered to the Receiver (the “**Invoice**”). The Invoice is a fair and accurate description of the services provided, the disbursements incurred and the amounts charged by Dentons. I am advised by the Receiver that it has reviewed the Invoice and that it considers the fees and disbursements as fair and reasonable. A copy of the Invoice, with minor redactions to protect confidentiality, are marked and attached as **Exhibit "A"**.
6. Attached and marked as **Exhibit "B"** is a schedule summarizing the Invoice, the total billable hours charged, the total fees charged (both prior to and after the application of the applicable discount) along with the average hourly rate charged.
7. Attached and marked as **Exhibit "C"** is a schedule summarizing the respective years of call and standard billing rates of each of the solicitors at Dentons who acted for the Receiver.
8. The Dentons rates and disbursements are consistent with those in the market for these types of matters and have been previously approved by this Honourable Court in similar proceedings.
9. Due to the circumstances of the COVID-19 pandemic, I am unable to be physically present to swear this Affidavit. I, however, was linked by way of video technology to the Commissioner commissioning this document.
10. I make this affidavit in support of the motion for, among other things, approval of the fees and disbursements of Dentons and for no other or improper purpose.

SWORN by Robert Kennedy of the City of Pickering in the Province of Ontario, before me at the City of Toronto in the Province of Ontario on August 6, 2021 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



A Commissioner for Taking Affidavits, etc.



ROBERT KENNEDY

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY
SWORN BEFORE ME THIS 6th DAY OF AUGUST,
2021.

A handwritten signature in black ink, appearing to read "M. J. [unclear]", positioned above a horizontal line.

A Commissioner for Taking Affidavits, etc.

Dentons Canada LLP
 77 King Street West, Suite 400
 Toronto-Dominion Centre
 Toronto, ON, Canada M5K 0A1

T 416 863 4511
 F 416 863 4592

dentons.com

Deloitte Restructuring Inc.
 22 Adelaide Street West
 Suite 200
 Toronto ON M5H 0A9
 Attention: Jorden Sleeth

INVOICE # 3602990

GST/HST # R121996078
 QST # 1086862448 TQ 0001

| <u>Date</u> | <u>Matter Number</u> | <u>Lawyer</u> |
|---------------|----------------------|----------------|
| July 31, 2021 | 569588-000011 | Robert Kennedy |

**Deloitte Restructuring Inc.
 Re: Certus Automotive Inc. and Keen Point International Inc.**

| | |
|----------------------------|--------------------------------|
| Professional Fees | \$ 79,280.50 |
| Less: Discount | <u>(1,280.50)</u> |
| Net Professional Fees | \$ 78,000.00 |
| Disbursements | 60.00 |
| HST (13.0%) on \$78,060.00 | <u>10,147.80</u> |
| Total Amount Due | <u>\$ 88,207.80 CAD</u> |

Payment Options:

Cheques:

Cheques payable to Dentons Canada LLP and mailed to the above noted address.

Wire Transfer:

Bank of Montreal
 1st Canadian Place, Toronto, ON
 Swift Code: BOFMCAM2
 Bank ID: 001 Transit: 00022
 CAD Funds Bank Account : 0004-324

Credit Card:

Payments are accepted via telephone, email or fax. We accept American Express, MasterCard or Visa (please circle one).

Card No. _____ Expiry Date: _____ Card Verification Code (CVC): _____

Amount: _____ Cardholder Name: _____

Signature: _____

Internet Banking:

Accepted at most financial institutions. Your payee is Dentons Canada LLP and your account number is 569588. Please email us at AR.Canada@dentons.com referencing invoice number and payment amount.

Interac e-Transfer:

e-Transfer funds to AR.Canada@dentons.com referencing invoice number in message. Please use matter number referenced on your invoice as the password. Alternatively, send password to AR.Canada@dentons.com in separate email.

Please email us at AR.Canada@dentons.com referencing invoice number and payment amount.

Payment due on receipt. Interest will be charged at the rate of 1.3% per annum on all outstanding amounts over 30 days.

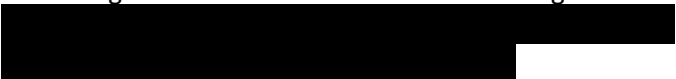
Invoice Detail

TO PROFESSIONAL SERVICES RENDERED in connection with the above noted matter:

| Date | Timekeeper | Description of Work |
|-------------|-------------------|--|
| 18-Jun-21 | Robert Kennedy | Attend various conversations re: receivership application and appointment matters. Review various correspondence re: receivership application. |
| 23-Jun-21 | Daniel Loberto | Attend conference call re: discussion of preliminary options and strategy. |
| 23-Jun-21 | Robert Kennedy | Review various correspondence re: receivership application. Attend conference call re: appointment strategy. |
| 23-Jun-21 | Kenneth Kraft | Discussion with Rob Kennedy. |
| 24-Jun-21 | Daniel Loberto | Review employment contract and termination letter. Correspond with Robert Kennedy. |
| 24-Jun-21 | Robert Kennedy | Review various correspondence re: application. Conversation with Jordan Sleeth re: appointment matters and strategy. |
| 25-Jun-21 | Robert Kennedy | Review various correspondence re: application matters. Review endorsement. Review receivership order. Attend conference call re: appointment matters. |
| 26-Jun-21 | Andy Pushalik | Receive and review email from Rob Kennedy regarding receivership. |
| 26-Jun-21 | Robert Kennedy | Review various correspondence and documentation re: administration matters. |
| 27-Jun-21 | Andy Pushalik | Review Initial Order. Review draft termination letter. Review draft offer of engagement for contractors. |
| 28-Jun-21 | Anneli LeGault | Email from Andy Pushalik. Review letters. Call with Andy Pushalik concerning retention of employees. |
| 28-Jun-21 | Daniel Loberto | Review file information and correspondence. Attend conference call. |
| 28-Jun-21 | Andy Pushalik | Telephone attendance with Anneli LeGault regarding offers of engagement to former employees. Draft email to Rob Kennedy regarding same. Brief review of revised offer of employment. |
| 28-Jun-21 | Robert Kennedy | Review various correspondence re: administration matters. Conversation with Jordan Sleeth re: FGI and MTNA matters. |
| 29-Jun-21 | Rennie Ali | Ordering VIN and PPSA search with respect to Certus Automotive Inc. Correspondence with Daniel Loberto regarding same. |
| 29-Jun-21 | Daniel Loberto | Correspond with Stefano Damiani and Rennie Ali regarding VIN search. |

| Date | Timekeeper | Description of Work |
|-----------|----------------|--|
| 29-Jun-21 | Andy Pushalik | Review drafts of template employee termination letters and offer letter. Telephone attendance with Rob Kennedy regarding same. Telephone attendance with Stefano Damiani regarding same. Revise employee offer letter. Draft email to Stefano Damiani regarding same. |
| 29-Jun-21 | Robert Kennedy | Review MTNA agreement. Review draft employment agreements. Conference with Andy Pushalik re: employment letters. Conference with Ken Kraft. Review various correspondence from Chris Burr. Various correspondence to and from Jordan Sleeth. Review motion materials. Correspondence Rogelio López-Velarde. Review documentation re: FGI documentation. Attend conference call re: FGI and MTMA matters. |
| 29-Jun-21 | Kenneth Kraft | Various emails. Discussion with Rob Kennedy. |
| 30-Jun-21 | Daniel Loberto | Review Service List. |
| 30-Jun-21 | Robert Kennedy | [REDACTED] Conversation with Jordan Sleeth. |
| 30-Jun-21 | Kenneth Kraft | Various emails. Discussion with Rob Kennedy. |
| 01-Jul-21 | Robert Kennedy | Review application materials. Review loan and security documentation. [REDACTED] Conference with Jeff Swan. |
| 01-Jul-21 | Kenneth Kraft | Various emails. |
| 02-Jul-21 | Robert Kennedy | Review documentation re: administration matters. Attend conference call re: strategy. Conversation with Jordan Sleeth. Conference with Ken Kraft. [REDACTED] |
| 02-Jul-21 | Kenneth Kraft | Various emails. Conference call with counsel in Mexico. Follow up discussion with Rob Kennedy. |
| 05-Jul-21 | Robert Kennedy | Review various correspondence re: administration matters. Review and consider MTNA agreement. Review proceeds agreement. Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth. [REDACTED] |
| 06-Jul-21 | Robert Kennedy | Attend conference call re: Certus MX and strategy. Review draft MTNA agreements. Conference with Jordan Sleeth. Review various correspondence re: MTNA agreements. Conference call with Jordan Sleeth and Jeff Carhart. Review correspondence re: supplier issue. Conversation with Jordan Sleeth re: supplier issue and Certus MX matters. [REDACTED] |
| 07-Jul-21 | Daniel Loberto | Draft Template Auction Services Agreement and NDA. Correspond with Robert Kennedy. Review correspondence on the same. |

| Date | Timekeeper | Description of Work |
|-------------|-------------------|--|
| 07-Jul-21 | Andy Pushalik | Telephone attendance with Stefano Damiani regarding consulting agreement. |
| 07-Jul-21 | Robert Kennedy | Review various correspondence re: proceeds agreement. Correspondence from and to Chris Burr. Conference with Jordan Sleeth. Review various correspondence re: supplier issue. Conference with Daniel Loberto re: auction agreement and motion. [REDACTED]. Review MTNA agreement. |
| 08-Jul-21 | Andy Pushalik | Draft template consulting agreement. Draft email to Stefano Damiani regarding same. |
| 08-Jul-21 | Robert Kennedy | [REDACTED] Conversation with Jordan Sleeth. Conference with Daniel Loberto. Review various correspondence re: administration matters. |
| 09-Jul-21 | Andy Pushalik | Draft email to Stacey Greenbaum regarding employer termination obligations. Telephone attendance with Stacey Greenbaum regarding same. |
| 09-Jul-21 | Robert Kennedy | Work on MTNA agreement. Review various correspondence re: administration matters. Conference with Daniel Loberto. Conversation with Jordan Sleeth. Correspondence to and from Stefano Damiani. Conversation with Stefano Damiani. Consider Mexico matters and strategy. |
| 12-Jul-21 | Daniel Loberto | Brief review of Exit Agreement revisions. |
| 12-Jul-21 | Andy Pushalik | Review and revise consulting agreement. Draft email to Rob Kennedy regarding same. |
| 12-Jul-21 | Robert Kennedy | Work on MTNA agreement. Conversation with Jordan Sleeth. Various correspondence to and from Jordan Sleeth. Review various correspondence re: administration matters. |
| 13-Jul-21 | Daniel Loberto | Attend conference call re: receivership update. Further review of Exit Agreement, Settlement Proceeds Agreement, and Receivership Application. |
| 13-Jul-21 | Andy Pushalik | Email exchange with Rob Kennedy regarding review of consultant agreement. |
| 13-Jul-21 | Robert Kennedy | Review various correspondence re: administration matters. Review consultant agreement. Conference with Andy Pushalik. Attend update conference call. Work on confidentiality agreement. Various correspondence to and from Jordan Sleeth and Chris Burr re: FGI claim. |
| 14-Jul-21 | Robert Kennedy | Work on Conway engagement. Correspondence to Stefano Damiani. Review various correspondence re: administration matters. Conversation with Jordan Sleeth re: administration. |

| Date | Timekeeper | Description of Work |
|-------------|-------------------|---|
| 15-Jul-21 | Daniel Loberto | Correspond with Stefano Damiani. Draft blackline and provide to Stefano. |
| 15-Jul-21 | Andy Pushalik | Review and revise multiple agreements. Email exchange with Stefano Damiani regarding same. |
| 15-Jul-21 | Robert Kennedy | Review revised Conway engagement. Review various correspondence from Stefano Damiani re: administration matters. Work on administration matters. Consider lease issues. |
| 16-Jul-21 | Daniel Loberto | Review correspondence from Dentons Mexico. Attend conference call with Dentons Mexico and Deloitte re: Certus Mexico Plant Lease. |
| 16-Jul-21 | Robert Kennedy | Review various correspondence re: administration matters. Review Certus MX lease documentation. Conference with Ken Kraft. Various correspondence to and from Rogelio López-Velarde. Attend conference call re: landlord waiver. Consider landlord waiver matters. |
| 16-Jul-21 | Kenneth Kraft | Discuss with Rob Kennedy issues related to addressing lease of Mexican subsidiary where equipment is to be auctioned. |
| 19-Jul-21 | Daniel Loberto | Review correspondence from Deloitte and Robert Kennedy. Revise waiver agreement. |
| 19-Jul-21 | Robert Kennedy | Work on landlord waiver. Review and comments on settlement and release documents. Various correspondence to and from Stacey Greenbaum. Work on auction agreement. Review various correspondence re: administration matters. |
| 19-Jul-21 | Kenneth Kraft | Review and comment on draft landlord waiver and acknowledgment. |
| 20-Jul-21 | Robert Kennedy | Work on auction agreement. Various correspondence to and from Jordan Sleeth re: administration matters. Review revisions to MTNA agreement. Conversation with Jordan Sleeth. Review correspondence from Stefano Damiani. Correspondence to Stacey Greenbaum re: settlements. Various correspondence to and from Stefano Damiani re: administration matters. |
| 21-Jul-21 | Robert Kennedy | Work on auction agreement. Conference with Andy Pushalik re: engagement letters. Correspondence to Jordan Sleeth. |
| 22-Jul-21 | Robert Kennedy | Review MTNA agreement. Review various correspondence regarding MTNA agreement. Review correspondence from Jordan Sleeth. Conversation with Jeff Swan. Review various correspondence regarding waiver agreement. Review revised waiver agreement.  |
| 23-Jul-21 | Daniel Loberto | Review correspondence from Deloitte and Robert |

| Date | Timekeeper | Description of Work |
|-----------|----------------|--|
| 23-Jul-21 | Robert Kennedy | Kennedy. Review and revise settlement agreement. Discussion with Stacey Greenbaum. Review correspondence and documentation re: delivery of goods. Correspondence to Stacey Greenbaum. Review revised waiver agreement. Review FGI claim memorandum. Various correspondence to and from Jordan Sleeth. Conversation with Jordan Sleeth. Various correspondence to and from Jeff Carhart. Attend conference call with Jeff Swan. Review MTNA agreement. Correspondence to Rob Bell. |
| 25-Jul-21 | Robert Kennedy | Review various correspondence re: MTNA agreement. Review MTNA agreement. |
| 26-Jul-21 | Daniel Loberto | Review Confidentiality Agreement. |
| 27-Jul-21 | Robert Kennedy | Review various correspondence re: administration matters. Review and revise draft demand letter. Review NDA revisions. Various correspondence to and from Stefano Damiani. Various correspondence to and from Jordan Sleeth. Review MTNA agreement. Attend update conference call. Conversation with Jordan Sleeth re: administration matters. [REDACTED] |
| 27-Jul-21 | Kenneth Kraft | Rob Kennedy update discussion. |
| 28-Jul-21 | Daniel Loberto | Review SASA agreement. Correspond with Robert Kennedy. Review Settlement Agreement. |
| 28-Jul-21 | Robert Kennedy | [REDACTED] Review various Correspondence re: Certus Germany matters. Various correspondence from and to Stacey Greenbaum. Conversation with Stacey Greenbaum. Conversation with Jeff Swan. Conference with Daniel Loberto. Review various correspondence re: administration matters. Review various correspondence re: side letter agreement. Review correspondence from Jordan Sleeth. [REDACTED] [REDACTED] Conversation with Jeff Swan. Review correspondence from Jeff Carhart. |
| 29-Jul-21 | Daniel Loberto | Correspond with Robert Kennedy. Review Settlement Agreement. Draft notice of motion and Order. |
| 29-Jul-21 | Robert Kennedy | Review NDA matters. Various correspondence to and from Stefano Damiani. Review side letter agreement. Attend conference call re: side letter agreement. Review MTNA agreement. Conversation with Jordan Sleeth. [REDACTED] [REDACTED] Various correspondence to and from Jordan Sleeth. Review Grupo settlement. Various correspondence to and from Stacey |

| Date | Timekeeper | Description of Work |
|-----------|----------------|--|
| | | Greenbaum. Conference with Daniel Loberto. Conversation with Stacey Greenbaum. Review various correspondence re: MTNA agreement. |
| 30-Jul-21 | Daniel Loberto | Draft notice of motion and Order. |

| Timekeeper | Hours | Rate | Fees |
|----------------|--------------|--------|--------------------|
| Andy Pushalik | 5.2 | 730.00 | 3,796.00 |
| Anneli LeGault | 0.3 | 960.00 | 288.00 |
| Daniel Loberto | 23.2 | 480.00 | 11,136.00 |
| Kenneth Kraft | 2.5 | 990.00 | 2,475.00 |
| Rennie Ali | 0.2 | 230.00 | 46.00 |
| Robert Kennedy | 73.7 | 835.00 | 61,539.50 |
| Total | 105.1 | | \$79,280.50 |

| | |
|--------------------------------|---------------------|
| TOTAL PROFESSIONAL FEES | \$ 79,280.50 |
| Less: Discount | <u>(1,280.50)</u> |
| NET PROFESSIONAL FEES | \$ 78,000.00 |

TAXABLE DISBURSEMENTS

| | |
|------------------------------------|-----------------|
| Searches | <u>\$ 60.00</u> |
| TOTAL TAXABLE DISBURSEMENTS | \$ 60.00 |

| | |
|----------------------------|--------------|
| TOTAL DISBURSEMENTS | <u>60.00</u> |
|----------------------------|--------------|

| | |
|-------------------------------------|---------------------|
| TOTAL FEES AND DISBURSEMENTS | \$ 78,060.00 |
|-------------------------------------|---------------------|

TAXES

| | |
|---|--------------|
| HST (13.0%) on Professional Fees of \$78,000.00 | \$ 10,140.00 |
| HST (13.0%) on Taxable Disbursements of \$60.00 | <u>7.80</u> |

| | |
|--------------------|-------------------------|
| TOTAL TAXES | <u>10,147.80</u> |
|--------------------|-------------------------|

| | |
|-------------------------|--------------------------------|
| TOTAL AMOUNT DUE | <u>\$ 88,207.80</u> CAD |
|-------------------------|--------------------------------|

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY
SWORN BEFORE ME THIS 6th DAY OF AUGUST,
2021.

A handwritten signature in black ink, appearing to read "M. J. [unclear]", positioned above a horizontal line.

A Commissioner for Taking Affidavits, etc.

EXHIBIT "B"

Summary of Invoices and Calculation of Average Hourly Billing Rates of Dentons Canada LLP

The Period from June 18, 2021 to July 31, 2021

| Date | Invoice No. | Fees | Discount | Disbursements | Taxes(HST) | Hours | Average Rate | Total |
|----------------|--------------------|-------------|-----------------|----------------------|-------------------|--------------|---------------------|--------------|
| July 31, 2021 | 3602990 | 79,280.50 | -1,280.50 | 60.00 | 10,147.80 | 105.1 | 704.17 | 88,207.80 |
| TOTALS: | | \$79,280.50 | (\$1,280.50) | \$ 60.00 | \$10,147.80 | 105.1 | \$ 704.17 | \$88,207.80 |

THIS IS EXHIBIT "C" REFERRED TO IN THE
AFFIDAVIT OF SERVICE OF ROBERT KENNEDY
SWORN BEFORE ME THIS 6th DAY OF AUGUST,
2021.

A handwritten signature in black ink, appearing to read "M. J. [unclear]".

A Commissioner for Taking Affidavits, etc.

EXHIBIT “C”**Billing Rates of Dentons Canada LLP**

For the period June 18, 2021 to July 31, 2021

| | <u>Standard Rate</u> | <u>Year of Call</u> |
|----------------|-----------------------------|----------------------------|
| Anneli LeGault | \$960 | 1982 |
| Kenneth Kraft | \$990 | 1991 |
| Robert Kennedy | \$835 | 2002 |
| Andy Pushalik | \$730 | 2007 |
| Daniel Loberto | \$480 | 2020 |
| Rennie Ali | \$230 | Law Clerk |

THE TORONTO-DOMINION BANK
Applicant

- and -

CERTUS AUTOMOTIVE INC., et al.
Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF ROBERT KENNEDY

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, Ontario M5K 0A1

Robert Kennedy (LSO #474070)
Tel: (416) 367-6756
Fax: (416) 863-4592
robert.kennedy@dentons.com

Mark Freake (LSO # 63656H)
Tel: (416) 863-4456
mark.freake@dentons.com

*Lawyers for Deloitte Restructuring Inc., in its capacity as
Court-appointed Receiver and Manager of Certus
Automotive Inc. and Keen Point International Inc.*

THE TORONTO-DOMINION BANK
Applicant

- and -

CERTUS AUTOMOTIVE INC., et al.
Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

FIRST REPORT OF THE RECEIVER

DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, Ontario M5K 0A1

Robert Kennedy (LSO #474070)

Tel: (416) 367-6756

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Mark Freake (LSO # 63656H)

Tel: (416) 863-4456

mark.freake@dentons.com

*Lawyers for Deloitte Restructuring Inc., in its capacity as
Court-appointed Receiver and Manager of Certus
Automotive Inc. and Keen Point International Inc.*

Tab 3

Court File No. CV-21-00664429-00CL

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

| | | |
|-----------------|---|------------------------------------|
| THE HONOURABLE |) | THURSDAY, THE 12 TH DAY |
| |) | |
| JUSTICE KOEHNEN |) | OF AUGUST, 2021 |

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Respondents

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243 OF THE
BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, AS AMENDED AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, RSO 1990, c 43, AS AMENDED

SALE PROCESS ORDER

THIS MOTION, made by Deloitte Restructuring Inc. (“**Deloitte**”), in its capacity as the court-appointed receiver and manager (the “**Receiver**”) of Certus Automotive Inc. and Keen Point International Inc. (collectively, the “**Debtors**”), for an order,

- (a) abridging the time for service of the Notice of Motion dated August 6, 2021 and the Motion Record dated August 6, 2021 (the “**Motion Record**”) herein and validating service thereof;

- (b) for an order approving the sale process, attached as **Schedule “A”** hereto (the “**Sale Process**”);
- (c) approving the first report of the Receiver dated August 6, 2021 (the “**First Report**”), and the activities of the Receiver as described therein;
- (d) approving the fees and disbursements of the Receiver as set out in the affidavit of Stefano Damiani sworn August 5, 2021 (the “**Receiver’s Fee Affidavit**”), and the fees and disbursements of the Receiver’s counsel, Dentons Canada LLP (“**Dentons**”), as set out in the affidavit of Robert Kennedy sworn August 6, 2021 (“**Dentons’ Fee Affidavit**”, and together with the Receiver’s Fee Affidavit, the “**Fee Affidavits**”);
- (e) approving the Receiver’s interim statement of receipts and disbursements for the period June 25, 2021 to August 3, 2021 (the “**Interim R&D**”); and
- (f) such further and other grounds as counsel may advise and this Honourable Court may permit;

was heard this day by video conference.

ON READING the Motion Record, the First Report, and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Amanda Campbell sworn August ●, 2021, filed:

SERVICE

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

SALE PROCESS

2. **THIS COURT ORDERS** that the Sale Process be and is hereby approved and that the Receiver is authorized and directed to implement the Sale Process for the purpose of soliciting interest in and opportunities for a sale of the Property (as defined in the Sale Process).

3. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to perform its obligations under the Sale Process, and to do all things reasonably necessary to do so.

4. **THIS COURT ORDERS** the Receiver and its respective affiliates, partners, employees and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Process, except to the extent such losses, claims, damages or liabilities result from gross negligence or wilful misconduct of the Receiver in performing its obligations under the Sale Process (as determined by this Court).

RECEIVER'S ACTIVITIES

5. **THIS COURT ORDERS** that the First Report and the activities of the Receiver, as described in the First Report, be and are hereby approved.

6. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and Dentons, as set out in the First Report and in the Fee Affidavits, are hereby approved.

7. **THIS COURT ORDERS** that the Interim R&D is hereby approved.

GENERAL

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

Schedule "A"

Certus Automotive Group Sale Process

Purpose

1. The proposed sale process (the "**Sale Process**") for Certus Automotive Inc. and Keen Point International Inc. (collectively, the "**Debtors**", and together with its subsidiaries, the "**Certus Automotive Group**") for sale of the Debtor's machinery and equipment (collectively, the "**Property**") will be conducted by Deloitte Restructuring Inc., in its capacity as court-appointed receiver and manager of the Debtors (in such capacity, the "**Receiver**"), in accordance with the terms and timeline set out below.
2. Any contemplated sale shall be subject to approval by the Court.
3. Unless otherwise indicated herein, any event that occurs on a day that is not a business day shall be deemed to occur on the next business day.
4. Notwithstanding anything contained herein, the Receiver shall have the right to enter into an exclusive transaction for the sale of the Property, or any portion thereof, outside the Sale Process prior to the selection of a Successful Bidder (as defined herein).

Sale Process Procedures

5. The Receiver will compile a list of prospective purchasers (collectively with any other party expressing an interest in the Property, the "**Potential Purchasers**"). The Receiver will make reasonable efforts to canvass the interest (if any) in the Property, of all Potential Purchasers.
6. The sale of the Property will be on an "*as is, where is*" basis without representations or warranties of any kind, nature or description by the Receiver, or any of its directors, officers, partners, employees, agents, advisors or estates, except to the extent as may be set forth in a Successful Bid (as defined herein), and approved by the Court. By submitting a bid, each Prospective Bidder (as defined herein) shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Property prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith, except as expressly stated in this Sale Process or as set forth in a Successful Bid and approved by the Court.

7. The Receiver will distribute to Potential Purchasers an interest solicitation letter (“**Teaser**”) which will provide an overview of this opportunity. A Confidentiality and Non-Disclosure Agreement (“**NDA**”) will also be distributed to the Potential Purchasers. Potential Purchasers will be required to sign the NDA in order to gain access to confidential information and to commence performing due diligence, if the Receiver determines that such Potential Purchaser has a *bona fide* interest in the purchase of the Property (hereinafter referred to as a “**Prospective Bidder**”). All NDAs shall enure to the benefit of any purchaser of the Property.
8. The Receiver will provide to each Prospective Bidder access to a secure electronic data room (the “**Data Room**”) established by the Receiver with information and documentation in the possession of the Receiver (which will include certain relevant and customary financial, operational and other information regarding the Property).
9. The Receiver will also facilitate, due diligence by Prospective Bidders, including arranging site visits, as the Receiver determines appropriate. The Receiver may also attend such site visits as it considers appropriate.
10. Notwithstanding paragraph 8 above, the Receiver shall have the right to deny or limit any Prospective Bidder's access to confidential information at any time, which may include denying access to confidential information, if in the Receiver’s reasonably held view such Prospective Bidder is not likely to be serious about submitting a bid for the Property.
11. The Receiver makes no representation or warranty as to the information to be provided through this due diligence process or otherwise.

Timeline

12. A chart summarizing the material deadlines for the Sale Process is set out below:

| Timing | Activity |
|--|---|
| June 25, 2021 to July 20, 2021 (completed) | <ul style="list-style-type: none"> • Identification of Potential Purchasers. • Preparation of the Teaser and form of NDA for circulation to Potential Purchasers. • Compile and review information that will be required by Potential Purchasers to assess their bid(s) for the assets. • Arrange third-party inspection of assets and preparation of |

| Timing | Activity |
|--|---|
| | <p>equipment listing for use by Potential Purchasers.</p> <ul style="list-style-type: none"> Respond to in-bound calls and inquiries. |
| July 21, 2021 (completed) | <ul style="list-style-type: none"> Launch the market outreach campaign with an email distribution of the Teaser and NDA to Potential Purchasers. |
| July 29, 2021 (completed) | <ul style="list-style-type: none"> Establish and commence populating the Data Room with information for Potential Purchasers who executed an NDA to assess the equipment and acquisition opportunity. |
| July 22, 2021 to September 1, 2021 (partially completed) | <ul style="list-style-type: none"> Continue outreach to Potential Purchasers, respond to inquiries, and execution of NDAs. Ongoing compilation and review of information, updating the Data Room. Coordinate site visits and review of assets by Prospective Bidders. Place advertisement in an industry publication. |
| September 2, 2021 | <ul style="list-style-type: none"> Bid deadline for submission of bids, including conditions, supplemental bidder information about its operational background, experience, corporate disclosures, and financial capability (the “Bid Deadline”). |
| September 2, 2021 to September 9, 2021 | <ul style="list-style-type: none"> Review of bids (each, a “Bid”), selection of shortlisted Bids (each, a “Shortlisted Bid”), correspondence and clarifying questions with Shortlisted Bids, and consultations with stakeholders. |
| September 9, 2021 | <ul style="list-style-type: none"> Selection of the most advantageous Shortlisted Bid, conditional on Court approval. |
| September 9, 2021 to September 16, 2021 | <ul style="list-style-type: none"> Negotiation with the successful bidder and execution of a definitive agreement (a “Definitive Agreement”). |
| September 30, 2021 | <ul style="list-style-type: none"> Projected date to seek the Court’s approval of the successful purchaser and the corresponding Definitive Agreement (the “Sale Approval Hearing”). |
| October 1, 2021 to November 30, 2021 | <ul style="list-style-type: none"> Close the transaction set out in the Definitive Agreement. |

| Timing | Activity |
|--------|--|
| | <ul style="list-style-type: none"> • Implement the terms of the Definitive Agreement (if applicable). • Targeted date for removal of all Property and vacate the associated leased premises. |

13. Subject to any Order of the Court, the dates set out in the Sale Process may be extended by the Receiver in its sole discretion acting reasonably, all with a view of maximizing the value of the Property.

Submission of Bids

14. The Receiver shall seek binding Bids and accompanying materials from Prospective Bidders (each, a “**Binding Bid**”) in accordance with the timeline set out above that provides for:
- (a) delivery of each Binding Bid by the Prospective Bidder on or before the Bid Deadline;
 - (b) the identity of each person or entity (including its shareholders) that is sponsoring or participating in the Binding Bid and the complete terms of such participation, evidence of corporate authority, and proof of such bidder's financial ability to perform the proposed transaction to the satisfaction of the Receiver, acting reasonably;
 - (c) a Binding Bid capable of acceptance and irrevocable 21 days after the Bid Deadline;
 - (d) all Binding Bids are to be accompanied by a deposit (the “**Deposit**”) in the form of a wire transfer (to a bank account specified by the Receiver), in an amount equal to at least 10% of the total consideration contained in the Binding Bid;
 - (e) includes an acknowledgement and representation that the Prospective Bidder: (i) has had an opportunity to conduct any and all due diligence regarding the Property prior to making its Binding Bid, (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents, the Property and/or any other assets to be acquired and liabilities to be assumed in making its Binding Bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business and/or assets to be acquired

or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in any definitive documents;

- (f) no conditions based upon: (i) the outcome of any further due diligence, (ii) obtaining financing, or (iii) any other conditions to closing, except the usual limited conditions such as the issuance by the Court of an order approving the transaction set forth in the Definitive Agreement.
15. Each Bid submitted in accordance with paragraph 14 above shall be a “**Qualified Bid**” and each such Bidder a “**Qualified Bidder**”, as determined by the Receiver.
 16. The Receiver may determine whether to entertain Binding Bids for the Property that do not conform to one or more of the requirements specified herein and deem such Binding Bids to be a Qualified Bid.

Post-Bid Deadline Procedure

17. If one or more Qualified Bids are received the Receiver may:
 - (a) accept one (or more, if for distinct transactions) Qualified Bid(s) (the “**Successful Bid**”) and each Qualified Bidder making the Successful Bid(s) being a “**Successful Bidder**”) and take such steps as are necessary to finalize and complete a Definitive Agreement for the Successful Bid(s) with the Successful Bidder(s); or
 - (b) continue negotiations with a selected number of Qualified Bidders (collectively, “**Shortlisted Bidders**”) with a view to finalizing one or more Definitive Agreements with one or more Shortlisted Bidders.
18. The Receiver shall not be under any obligation to accept the highest or best (or any) Qualified Bid and any selection of the Successful Bid(s) and the Shortlisted Bidder(s) shall be entirely in the discretion of the Receiver. For greater certainty, the Receiver is hereby permitted to decline acceptance of any and all Binding Bids, including Qualified Bids.
19. A Binding Bid may not be withdrawn, modified or amended without the written consent of the Receiver prior to the Successful Bid being determined. Any such withdrawal, modification or amendment made without the written consent of the Receiver prior to the Successful Bid being determined shall result in the forfeiture of such Prospective Bidder’s deposit as liquidated damages and not as a penalty.
20. No one, including any Potential Purchasers, Prospective Bidders, Qualified Bidders, Shortlisted Bidders or Successful Bidders, shall be entitled to nor permitted any break, termination or similar fee or reimbursement of any kind. For greater certainty, all such

persons shall be responsible for their own fees and costs of any kind, including those relating to any due diligence they may have performed, and any Binding Bid they each may make.

21. In the event a Qualified Bidder is not selected as a Successful Bidder, the Deposit shall be returned to the Qualified Bidder as soon as reasonably practicable.

Auctioneer Bids

22. Capitalized terms that are used but not otherwise defined in this section shall have the meaning given to them in the First Report of the Receiver dated August 5, 2021.
23. Strategic purchasers are only required to submit one Binding Bid.
24. Prospective Bidders that operate as an auctioneer (an “**Auctioneer**”) shall submit two Binding Bids required for all assets as follows, in addition to the terms set forth in paragraph 14 herein (an “**Auctioneer Bid**”):
 - (a) Cash Purchase Price – an offer to purchase and take title to all of the Property at the Mexico Plant. Such offers must ascribe bid values to permit the Receiver to allocate them between the Debtors and Certus Mexico, if required; and
 - (b) Guaranteed Minimum Plus – Auctioneer offers to pay a specified minimum amount for all the Property to be auctioned (a “**Net Minimum Guarantee**” or “**NMG**”), and the proceeds from auction above the NMG would be shared by allocation between the Qualified Bidder and the Receiver based upon a negotiated / proposed structure.
25. Each Auctioneer Bid shall, as part of its Binding Bid: (i) provide a brief description of its corporate background, including but not limited to prior experience for projects of this size/scope, and any prior experience in the automotive or manufacturing industry in Mexico; (ii) demonstrate an in-depth knowledge of the various asset classes available and clear insight on the appropriate channels to market these assets to maximize recovery; (iii) provide evidence of financial ability to close the proposed transaction (e.g. Proof of Funds letter) and appropriate insurance to conclude the transaction; and (iv) specify partners that would participate in the transaction.
26. Each Auctioneer as part of an Auctioneer Bid shall outline an opinion on the estimated value range of recovery/price per asset/unit on the asset listing to be included in the Data Room.

Other Terms

27. Qualified Bidders will be responsible for: (i) coordinating with the local management on-site appropriate documentation to facilitate sale and asset removal; (ii) coordinating removal of all assets using bonded and insured riggers and service providers; and (iii) leaving the Certus Mexico (as defined above) leased facility “broom clean” and for restoring any damages caused to the premises that occurs as a result of the asset removal.
28. If a Successful Bidder breaches its obligations under the terms of its Binding Bid, and if the Receiver chooses not to proceed with the Successful Bidder, any Deposit submitted in connection with the Successful Bid shall be forfeited to the Receiver as liquidated damages and not as a penalty.
29. The Receiver may: (a) determine which Qualified Bid, if any, is the highest or otherwise best bid, (b) reject at any time before the issuance and entry of an order approving a Successful Bid, any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Sale Process or any order of the Court, or (iii) contrary to the best interests of the receivership estate, and (c) may modify the Sale Process or impose additional terms and conditions on the sale of the Property, acting reasonably.
30. The Receiver shall not have any liability whatsoever to any person or party, including without limitation any Potential Purchasers, Prospective Bidders, Qualified Bidders, Shortlisted Bidders, Auctioneer, Successful Bidders, the Certus Automotive Group, or any creditor or other stakeholder, for any act or omission related to the Sale Process. By submitting a Binding Bid, each Prospective Bidder shall be deemed to have agreed that it has no claim against the Receiver for any reason whatsoever.
31. Following the selection of the Successful Bid(s), and subject to the timeline set out above, the Receiver shall bring a motion to the Court for an order, authorizing and approving a Definitive Agreement, together with the transaction contemplated therein (the “**Transaction**”), and authorizing the Receiver to take such further actions as may be necessary or appropriate, to give effect to the Successful Bid(s) (the “**Approval Order**”).
32. Following the granting of any Approval Order by the Court, the Receiver shall take all reasonable steps necessary to complete the Transaction in accordance with the timeline set out above.
33. Notwithstanding anything else contained herein, if it becomes evident to the Receiver that no Qualified Bids will be received, the Receiver, may terminate the Sale Process.
34. This Sale Process is solely for the benefit of the Receiver and nothing contained in the Sale Process Order or this Sale Process shall create any rights in any other person or bidder (including without limitation rights as third party beneficiaries or otherwise).

THE TORONTO-DOMINION BANK

- and -

CERTUS AUTOMOTIVE INC. and KEEN POINT INTERNATIONAL INC.

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

SALE PROCESS ORDER

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THE TORONTO-DOMINION BANK
Applicant

- and -

CERTUS AUTOMOTIVE INC., et al.
Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

MOTION RECORD
(returnable August 12, 2021)

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