



NO. S-230764  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

**ROYAL BANK OF CANADA**

PETITIONER

AND:

**CANWEST AEROSPACE INC.,  
CAN WEST GLOBAL AIRPARTS INC., and  
THOMAS GEORGE JACKSON**

RESPONDENTS

**SECOND REPORT OF THE COURT APPOINTED  
RECEIVER AND MANAGER OF CANWEST AEROSPACE INC.  
AND CAN WEST GLOBAL AIRPARTS INC.**

**DATED MARCH 19, 2024**

**PREPARED BY DELOITTE RESTRUCTURING INC.**

## TABLE OF CONTENTS

INTRODUCTION.....	1
<i>Purpose of the Second Report</i> .....	2
<i>Terms of Reference</i> .....	2
BACKGROUND.....	3
<i>Leased Premises</i> .....	3
ACTIVITIES OF THE RECEIVER FOLLOWING THE FIRST REPORT.....	4
REGULATORY CONSIDERATIONS.....	5
<i>Transport Canada Civil Aviation Certifications</i> .....	5
<i>Controlled Goods Program</i> .....	6
THE CCAA SISP.....	7
RECEIVER'S SALE PROCESS.....	7
<i>Steps taken following the failure of the McGregor Transaction</i> .....	8
TRANSACTION AND RVO.....	10
<i>Reverse vesting order structure</i> .....	11
<i>Notice of the RVO</i> .....	12
CONCLUSIONS AND RECOMMENDATIONS.....	14

## APPENDICES

Appendix "A" – Subscription Agreement dated March 8, 2024

Appendix "B" – BC Personal Property Registry searches of the Companies performed  
March 19, 2024

Appendix "C" – Notice Parties

## INTRODUCTION

- 1) On March 8, 2023, the Supreme Court of British Columbia (the "**Court**") granted an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, RSC 1985 c. C-36, as amended (the "**CCAA**" and those proceedings, the "**CCAA Proceedings**") on the application of CanWest Aerospace Inc. ("**CW Aerospace**") and Can West Global Airparts Inc. ("**CW Airparts**" and together with CW Aerospace, the "**Companies**" or "**CanWest**"). Prior to the Initial Order, Royal Bank of Canada ("**RBC**") filed an application seeking to appoint a receiver and receiver-manager over the assets, undertakings and properties of CanWest.
- 2) Following a failed transaction and plan in the CCAA Proceedings, on August 29, 2023 (the "**Date of Receivership**"), and on application by RBC, the Court made an order (the "**Receivership Order**") appointing Deloitte Restructuring Inc. as receiver and manager (in such capacity, the "**Receiver**"), without security, of all assets, undertakings and properties of the Companies. The Court proceedings in which the Receiver was appointed are referred to herein as the "**Receivership Proceedings**".
- 3) RBC is the Companies' primary secured creditor. RBC is owed approximately \$3.6 million by CW Aerospace and \$0.2 million by CW Airparts, plus accrued interest, pursuant to various credit facilities. RBC holds various registered security over the Companies' assets, undertakings and properties, along with other corporate and personal guarantees (collectively, the "**RBC Security**"). The Receiver has not, as of the date of this report, instructed its counsel to review the RBC Security.
- 4) Following the issuance of the Receivership Order, the Receiver issued a statutory Notice and Statement of the Receiver for each of CW Aerospace and CW Airparts (the "**Notices to Creditors**") pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act (Canada)* (the "**BIA**").
- 5) On November 10, 2023, the Receiver issued its First Report to Court (the "**First Report**"). The First Report was filed to, among other things, provide the Court with an overview of the activities of the Receiver and the sale process undertaken, and to support the Receiver's application filed on November 10, 2023 (the "**November 10 Application**") for an order, among other things, directing the provision of information to the Receiver by various parties (the "**Directions Order**"), and approving the activities of the Receiver since the Date of Receivership (the "**Activities Approval Order**").
- 6) The November 10 Application was heard on November 17, 2023 and the Directions Order and the Activities Approval Order were granted on the same date.
- 7) This is the Receiver's second report to Court (the "**Second Report**" or "**this Report**"). The Receiver has also prepared a confidential supplement to the Second Report dated March 19, 2024 (the "**Confidential Supplement**"), which the Receiver is seeking to be filed under seal, as described further herein.
- 8) The Receivership Order and other documents pertaining to the Receivership Proceedings are posted on the Receiver's website at <http://www.insolvencies.deloitte.ca/canwest> (the "**Receiver's Website**"). This Report will also be posted to the Receiver's Website after it has been filed with the Court.
- 9) Unless otherwise provided, all other capitalized terms not defined in this Report are as defined in the Receivership Order.

## **Purpose of the Second Report**

- 10) The purpose of this Report is to:
- a) provide the Court with an overview of the Receiver's activities since the First Report;
  - b) report on the additional steps taken by the Receiver to realize on the assets of CanWest under the Receiver's sale process (the "**Sale Process**") since the First Report;
  - c) provide an overview of the salient terms of the subscription agreement entered into on March 8, 2024 (the "**Subscription Agreement**") as between the Receiver and 0854271 B.C. Ltd. and 2155531 Ontario Inc. (together, the "**Purchaser**"), a copy of which is attached hereto as Appendix "A"; and
  - d) support the Receiver's application (to be filed) (the "**RVO Application**") seeking:
    - i) a reverse vesting order (the "**RVO**") approving the Subscription Agreement and implementing the transactions contemplated by it, including the issuance of shares, cancellation of existing securities, and vesting of liabilities and claims in Residual Co. (as defined in the Subscription Agreement) (collectively, the "**Transaction**"); and
    - ii) an order (the "**Sealing Order**") that the Confidential Supplement be filed under seal until the earlier of: (1) the closing of the Transaction; (2) the completion of an alternative transaction involving the Companies or substantially all of their assets; or (3) the discharge of the Receiver in these proceedings.
- 11) The purpose of the Confidential Supplement is to provide the Court with further information on offers received in the Sale Process and negotiations with interested parties. As further described therein, the Confidential Supplement contains sensitive and confidential commercial information on competing bids and their relative merits, along with details of specific communications with bidders.

## **Terms of Reference**

- 12) In preparing this Report, the Receiver has relied upon unaudited financial and other information prepared by the Companies' bookkeeper and accountants, the Companies' books and records, and discussions with Mr. Jackson and Ms. Lundy (together, "**Management**").
- 13) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of this information.
- 14) All dollar amounts in this Report are in Canadian dollars, unless otherwise indicated.

## **BACKGROUND**

- 15) The Companies are British Columbia-based businesses that provide specialized aircraft and helicopter maintenance, repair and overhaul services locally and internationally. The Companies' primary assets are their Aviation Certificates (defined below), accounts receivable, work-in-progress on contracts, and prepaid expenses for deposits and associated costs, largely in relation to foreign contracts.
- 16) CW Aerospace was established to provide maintenance, repair and overhaul services to helicopter and fixed-wing aircraft customers throughout the world.
- 17) CW Airparts was incorporated to sell new and certified repaired parts to customers, including but not limited to CW Aerospace.
- 18) As further described in the First Report, on October 16, 2023, the Receiver terminated all the CW Aerospace employees, except for Mr. Jackson, and the operations of CanWest were ceased.
- 19) The sole director, officer and shareholder of both CW Aerospace and CW Airparts is Mr. Jackson. Mr. Jackson is a guarantor of RBC's loans to CW Aerospace.
- 20) Ms. Lundy acted as the Chief Financial Officer of both CW Aerospace and CW Airparts until October 16, 2023 when her contract of employment was terminated by the Receiver. The Receiver understands that Ms. Lundy worked part-time on Wednesdays and some evenings to maintain the Companies' accounting and financial records.
- 21) The Receiver understands that Mr. Jackson and Ms. Lundy had not drawn a salary from the Companies for several months prior to the Date of Receivership, and they also have not drawn a salary during the Receivership Proceedings. However, Ms. Lundy has provided certain accounting services to the Receiver, particularly related to processing of payroll, on a subcontract basis.

### ***Leased Premises***

- 22) The Companies are operated from two locations:
  - a) leased offices and a hangar located airside at the Boundary Bay Airport in Delta, BC (the "**Delta Premises**"). CanWest has operated from the Delta Premises since May 2023; and
  - b) two workshops and related storage areas located on the property owned by Ms. Lundy in Abbotsford, BC (the "**Abbotsford Premises**").
- 23) The Delta Premises are subject to a lease agreement (the "**Delta Lease**") dated April 19, 2023, between CW Aerospace and Advance Aerospace Inc. ("**AAI**") with a term ending on April 30, 2025, at a monthly rental amount of approximately \$10,500, inclusive of utilities and taxes. The Receiver understands that Mr. Jackson and the principal of AAI are acquaintances. The Receiver has been paying occupation rent to AAI since the Date of Receivership.
- 24) For context, the Receiver notes that the Companies moved from its former premises in Langley (the "**Langley Premises**") to the Delta Premises during the CCAA Proceedings. Based on information provided in the CCAA Proceedings, the Receiver understands that this move was necessary because, on April 1, 2023, the Langley Premises landlord locked the Companies out and refused access for a period of time. Management asserts

that certain CanWest and third-party assets at the Langley Premises were stolen or went missing during this period (the "**Langley Incident**"). The Companies' missing assets are subject to a pending insurance claim.

- 25) On January 21, 2024, following the Directions Order and several requests, Ms. Lundy provided the Receiver with a copy of a lease agreement (the "**Abbotsford Lease**") between CW Aerospace and Ms. Lundy dated April 1, 2022. Pursuant to the Directions Order, any obligation of the Receiver to pay rent in respect of the Abbotsford is stayed pending further order of the Court. As further described below, pursuant to the terms of the Subscription Agreement, the Purchaser will assume all obligations and liabilities in respect of the Abbotsford Lease and the Delta Lease.

## **ACTIVITIES OF THE RECEIVER FOLLOWING THE FIRST REPORT**

- 26) Since the First Report, the Receiver has, among other things:
- a) engaged extensively with its counsel, Management, RBC and its counsel, and various parties (including the Purchaser and its counsel) regarding all aspects of this receivership, including and in particular in respect of the Sales Process and the negotiation of the Subscription Agreement;
  - b) corresponded with Transport Canada Civil Aviation ("**TCCA**") and Public Services and Procurement Canada ("**PSPC**") regarding regulatory matters and the Sale Process (as further described herein); and
  - c) liaised with the Companies' existing insurance broker to obtain an extension to the insurance policy. Owing to a material increase in the policy premium, the Receiver canvassed other insurance providers and arranged for a new policy to cover CanWest's assets for the period to March 31, 2024.
- 27) Following the granting of the Directions Order, the Receiver also took certain steps to obtain the information sought thereunder, including that:
- a) it wrote to Mr. Jackson and Ms. Lundy setting out the information it required to be delivered by November 24, 2023 (the "**Deadline**") pursuant to the Directions Order;
  - b) on November 22, 2023, the Receiver had a follow-up call with Ms. Lundy and Mr. Jackson to discuss their progress with compiling the information, among other things;
  - c) thereafter, Ms. Lundy provided certain of the required information by the Deadline. No response was received from Mr. Jackson by the Deadline. The Receiver continued to correspond with Ms. Lundy and Mr. Jackson after the Deadline to obtain the missing information;
  - d) on January 16, 2024, seven weeks after the Deadline, the Receiver's counsel wrote to counsel for Ms. Lundy and Mr. Jackson setting out a list of the required information that remained outstanding; and

- e) over the course of the next several weeks, the Receiver liaised with Ms. Lundy and Mr. Jackson to obtain the majority of the outstanding information, though certain requests, specifically as listed in paragraphs 3(c), 3(d) and 3(e) in the Directions Order have not been provided or responded to fully.
- 28) Notwithstanding the lack of information provided, the Receiver continued its efforts to realize value for the business and assets of CanWest, as more fully described below.

## **REGULATORY CONSIDERATIONS**

### ***Transport Canada Civil Aviation Certifications***

- 29) The Companies operate within a highly regulated industry overseen by TCCA.
- 30) In this Report, the AMO Certificate and the CG Certificate (defined below), and the various other certificates issued by the TCCA, Canadian regulators, and other bilateral certification programs to CW Aerospace as described in this section, shall collectively be referred to as the "**Aviation Certificates**".
- 31) As outlined in the CCAA Monitor's first report to Court dated March 16, 2023, CW Aerospace operates under several certificates granted by TCCA including:
- a) a Certificate of Approval as an Approved Maintenance Organization ("**AMO Certificate**") for the maintenance of aeronautical products in the category of aircraft, avionics, components, instruments and structures pursuant to the *Canadian Aviation Regulations SOR/96-433* ("**CARS**");
  - b) approved Maintenance Organization Ratings for certain series of helicopters and fixed wing aircraft;
  - c) a Federal Aviation Association ("**FAA**") Certificate (a bilateral certification program with the United States);
  - d) a European Aviation Safety Agency Certificate (a bilateral certification program with the European Union);
  - e) separate Approved Maintenance Organization Ratings for avionics, components, instrument and structure; and
  - f) a Certificate of Approval as an Approved Organization for the distribution and certification of previously certified aeronautical products.
- 32) Based on correspondence with TCCA, the Receiver understands that the above certifications are not transferable.
- 33) On September 25, 2023, the Receiver wrote to the Minister of Transport advising of the Receivership Proceedings. The Receiver also notified the Minister of Transport that Mr. Jackson was the Accountable Executive (as defined under CARS) and that Mr. Jackson was continuing to oversee the operations of the Companies, with the oversight of the Receiver.
- 34) On December 12, 2023, CanWest received a notice of suspension from the Minister of Transport indicating that the CW Aerospace's AMO Certificate would be suspended effective January 31, 2024, due to the Accountable Executive no longer meeting the requirements of *Canadian Aviation Regulations* 106.02(2).

- 35) On January 25, 2024, CanWest received an extension to the notice of suspension effective until February 29, 2024. Following various discussions with TCCA, a further extension to the notice of suspension was granted until April 30, 2024. The extension was granted on the proviso that CanWest would not be carrying out any work under the AMO Certificate.

### **Controlled Goods Program**

- 36) CW Aerospace also holds a Certificate issued by Public Works and Government Services Canada (the "**CG Certificate**") allowing it to carry on business pursuant to the Controlled Goods Program ("**CGP**") and the *Defence Production Act* ("**DPA**").
- 37) CGP is a Canadian government program administered by PSPC that regulates the examination, possession, and transfer of controlled goods such as technology, equipment, and software, which have military, national security, or economic importance and are subject to export and import controls. To participate in the program, organizations must undergo a security assessment and obtain a CGP registration. This registration allows them to examine, possess, and transfer controlled goods within Canada.
- 38) **ITAR.** The Receiver understands that there are regulations in the US similar to under the CGP, specifically the *International Traffic in Arms Regulations* ("**ITAR**"), which are administered by the United States Department of State, that control the export and import of defense-related goods, equipment, services, and technical data.
- 39) Companies that deal with ITAR-controlled items must comply with strict regulations, including obtaining licenses and authorizations for the export of these items. They must also implement controls to ensure that ITAR-controlled items are not transferred to unauthorized parties or countries.
- 40) The Receiver understands that Mr. Jackson is the Designated Official with respect to the CG Certificate. The Designated Official is responsible for ensuring that the organization complies with all applicable regulations, including the *Controlled Goods Regulations (SOR/2011-32)* ("**CG Regulations**") and the DPA.
- 41) On October 31, 2023, the Receiver sent an email to PSPC advising of the Receivership Proceedings and seeking more information and guidance in relation to the CG Certificate.
- 42) The Receiver notes that the CG Certificate expired on September 13, 2023. The Receiver understands that Mr. Jackson submitted an application to renew the CG Certificate on August 25, 2023 prior to its expiry along with an updated security assessment application for Mr. Jackson (the "**Renewal Application**").
- 43) The Receiver has had several conversations with the Case Officer assigned to deal with CanWest, Mr. Bernie Martin ("**Mr. Martin**") to provide updates on the Receivership Proceedings and the Sale Process.
- 44) On February 1, 2024, Mr. Martin advised the Receiver that the Renewal Application was put on hold, pending the outcome of the Sale Process. He advised the Receiver that if the operations of CanWest were to be revived through a transaction, the PSPC would re-initiate the Renewal Application.
- 45) **CGP/ ITAR-controlled inventory.** Mr. Jackson has advised the Receiver that certain aircraft parts at the Delta Premises and the Abbotsford Premises may be subject to



the provisions of CG Regulations and ITAR due to dual military/civilian use, and that strict protocols must be followed in relation to the examination, possession and transfer of these parts.

- 46) Mr. Jackson has further advised that due to the existence of military or dual use parts, the Receiver cannot take possession of any inventory at either location until those parts that are subject to restrictions have been identified and separated. Mr. Jackson has further advised the Receiver that it would require significant time to identify and separate the parts due to the number of parts. At the time of this Report, the Companies have limited resources and the Receivership Proceedings are, as they have always been, reliant on funding from RBC. Given the uncertain recovery, the Receiver limited its investigation of CARS, CG Regulations, ITAR, DPA and related regulations (the "**Applicable Regulations**") throughout, to ensure that the Receivership Proceedings are conducted in a cost-effective and efficient manner. However, the Receiver notes that this has impaired its ability to fully determine which of the Companies' assets can be sold or monetized without any regulatory approval.

## **THE CCAA SISP**

- 47) On March 17, 2023, the Court granted an Amended and Restated Initial Order (the "**ARIO**") that, among other things, authorized the Monitor to undertake a sale and investment solicitation process ("**SISP**") with the support of Mr. Jackson.
- 48) The SISP ultimately led to the Companies and Mr. Jackson entering into a share purchase agreement with MAR ONE Aviation, L.L.C. ("**Mar One**") pursuant to which Mar One agreed to purchase all of Mr. Jackson's shares in both CW Aerospace and CW Airparts for consideration of US \$1.7 million (the "**Mar One Transaction**").
- 49) The Mar One Transaction failed to close, despite the Companies obtaining the required approvals from the Court.
- 50) Pursuant to the terms of the Mar One Transaction, Mar One provided a deposit of \$225,000 (the "**Mar One Deposit**") that became non-refundable if the required Court approvals were obtained and Mar One failed to close. This deposit was subsequently forfeited by Mar One, and the monies were used to offset a portion of the professional fees incurred during the CCAA Proceedings.

## **RECEIVER'S SALE PROCESS**

- 51) As set out in the First Report, at the outset of the Receivership Proceedings the Receiver immediately started a process to identify parties that may be interested in completing the failed Mar One Transaction, or entering into another agreement for the shares or assets of the Companies. Due to the Companies' limited resources and the previous canvassing of the market, and in consultation with RBC, the Receiver proceeded on the basis that a purchaser would need to be able to conclude a transaction quickly to be viable. Accordingly, as further described below, the Receiver approached a targeted group of potential buyers, being the parties that the Receiver, in consultation with Mr. Jackson, believed were the most likely parties to conclude a transaction and the parties that would be able to proceed on the timeline required in these proceedings.

- 52) Mr. Jackson notified the Receiver that Mar One may still be interested in completing the Mar One Transaction. The Receiver contacted Mar One and, based on those discussions, concluded that Mar One could not proceed, primarily because it was unable to raise the funds required to complete the transaction.
- 53) The Receiver also contacted other potential parties that Mr. Jackson indicated may have an interest in pursuing a transaction in relation to the Companies, including among others: Axxeum Inc. ("**Axxeum**"), an aerospace company headquartered in Huntsville, Alabama; Mr. Mark McGregor ("**Mr. McGregor**"), the owner of a helicopter maintenance business in based in Malaysia; and Mr. Irshad Haroon ("**Mr. Haroon**") a businessman in the aerospace industry based in Toronto, Ontario. The Receiver understands that both Mr. McGregor and Mr. Haroon are contacts of Mr. Jackson and Ms. Lundy and have worked with CanWest for several years.
- 54) The First Report provides a detailed description of the Sale Process undertaken by the Receiver and the Receiver's effort to negotiate a sale transaction during the period of August 31, 2023 to November 10, 2023. For the sake of brevity, a description of this process is not repeated in this Report.
- 55) In summary, on September 29, 2023, after several weeks of negotiations, the Receiver entered into a conditional letter of intent ("**McGregor/ Haroon LOI**") with Mr. McGregor and Mr. Haroon (the "**Offeror**"). This LOI contemplated a sale of the shares of the Companies through a reverse vesting order for consideration of USD \$800,000 (the "**McGregor Transaction**"). The Offeror provided a non-refundable deposit of USD \$50,000 (the "**McGregor Deposit**"), but ultimately Mr. McGregor did not proceed with the transaction.
- 56) On October 16, 2023, immediately after the Receiver was notified that Mr. McGregor had stepped away from the transaction, it was informed that Ms. Lundy would be replacing Mr. McGregor in the proposed transaction and that Ms. Lundy was trying to secure the funding to finance the transaction.
- 57) At the time that the First Report was finalized, the Receiver had not received an indication or evidence that funding had been secured or that Ms. Lundy and Mr. Haroon would be able to conclude a transaction on substantially the same terms indicated in the McGregor/ Haroon LOI.

### ***Steps taken following the failure of the McGregor Transaction***

- 58) On or about October 24, 2023, Axxeum contacted the Receiver and advised that it continued to be interested in purchasing the Companies' assets.
- 59) Axxeum is a full-spectrum worldwide aviation services provider and defense contractor. Axxeum has provided to the Receiver copies of registration letters from the United States Department of State and the Receiver understands that Axxeum has clearance from the United States Department of State that allows it to export/import and act as a broker for restricted/military and dual use articles and services under ITAR. Axxeum has advised the Receiver that it has been providing military and dual use products and services for the last six years to many different countries. The Receiver understands that since Axxeum is registered under ITAR, it is exempt from registration under CGP.
- 60) In about the end of October 2023, it was contemplated that a potential transaction with Axxeum would involve Axxeum purchasing all the Companies' assets, including, amongst other things, its inventory, equipment, tools, accounts receivable, trade

name, trademarks, websites, transferable licences and contracts, leases, dealer agreements, marketing material, and intellectual property, other than those subject to ITAR for the reasons set out above at paragraphs 38, 39, and 45. In particular, ITAR contains strict protocols that must be followed if items subject to ITAR are transferred or sold under a traditional asset sale and vesting order. Since the Receiver has not been provided with information or records in relation to any assets of the Companies that are subject to ITAR, the Receiver is unable to comply with the ITAR protocols, and a carve-out of these items would be required.

- 61) However, Axxeum had raised several concerns around consummating a transaction, including, among other things, that:
  - a) there was, and still is, no detailed CanWest inventory listing available, on account of Mr. Jackson's failing to provide one;
  - b) Axxeum visited the Abbotsford Premises and Delta Premises on September 9, 2023 but it did not know if everything it viewed is still at either premises; and
  - c) at the time, the Receiver did not have access to a backup copy of the Quantum inventory system database and other information that would be required by Axxeum.
- 62) Following the granting of the Directions Order, the Receiver had various discussions with the Case Officer, Mr. Martin, regarding the ability of the Receiver to sell inventory subject to CGP to Axxeum. In late November 2023, Mr. Martin confirmed that PSPC would be supportive of a sale of the inventory, including any controlled goods, to Axxeum, provided that Axxeum dealt with the controlled goods in a manner consistent with the Applicable Regulations.
- 63) Around this same time, the Receiver also had discussions with specialist legal counsel related to the implications of ITAR and was advised that, depending on how the parts were initially moved to Canada, the provisions of ITAR could impart certain restrictions on the sale or transfer of parts subject to ITAR. However, given that Mr. Jackson failed or refused to provide any documentation in relation to inventory that he claimed to be subject to ITAR, the Receiver was prevented from investigating this issue any further and the Receiver determined that a sale of ITAR inventory may expose the Receiver to regulatory risk.
- 64) To summarize: Based on the foregoing advice from Mr. Martin and ITAR counsel, the Receiver understood—and proceeded to deal with Axxeum on the basis that—while CGP-controlled goods could be sold to an ITAR-registered company, ITAR would still impose certain restrictions on the sale of ITAR-controlled goods.
- 65) Therefore, and since the Receiver's understanding was limited as to: (a) how the Applicable Regulations applied to the Companies' assets (as described above at paragraph 46); and (b) which of the Companies' assets ITAR applied to (as described above at paragraphs 45, 46 and 60), the Receiver understood that if it were to sell ITAR-controlled goods, it would be exposed to regulatory risk.
- 66) In the second week of December 2023, the Receiver arranged for Axxeum to undertake a site visit at the Abbotsford Premises and Delta Premises to review the inventory and equipment. A second interested party also undertook a site visit at the Delta Premises, but decided not to attend at the Abbotsford Premises due to alleged threats received from Mr. Jackson.

- 67) On December 5 and 6, 2023, the Receiver wrote to three interested parties, including Axxeum and Ms. Lundy, to advise them that it had set a bid deadline of December 13, 2023 at 5:00 pm ("**Bid Deadline**") and that the bids must be accompanied by proof of funding.
- 68) A further description of the Sale Process, the bids received and the Receiver's subsequent negotiations with the interested parties is outlined in the Confidential Supplement.

## **TRANSACTION AND RVO**

- 69) Continuing from about February 2024, and following extensive discussions and negotiations with counsel to Ms. Lundy and Mr. Haroon, on March 8, 2024, the Receiver entered into the Subscription Agreement with the Purchaser.
- 70) Again, a copy of the Subscription Agreement is attached to this Report as Appendix "A". Capitalized terms used but not otherwise defined in this section have the meanings given to them in the Subscription Agreement.
- 71) As described above, the Purchaser is comprised of 0854271 B.C. Ltd. (a company beneficially owned by Ms. Lundy) and 2155531 Ontario Inc. (a company beneficially owned by Mr. Haroon).
- 72) The material terms and conditions of the Subscription Agreement include the following:
- a) The shares of the Companies will be purchased through a reverse vesting order approved by the Court (i.e., the RVO);
  - b) The aggregate purchase price is USD \$670,000 (the "**Purchase Price**") payable in cash on Closing;
  - c) A deposit of USD \$50,000 (the "**Deposit**") is payable to the Receiver and to be held in accordance with certain terms. The Deposit was paid to the Receiver on March 19, 2024;
  - d) The Transaction is on an "as is, where is" basis with no representations, warranties, statement or promise of any kind from the Receiver;
  - e) Closing of the Transaction shall occur no later than four (4) business days after the Approval Order is granted, with an outside date of April 30, 2024, unless otherwise agreed to by the parties;
  - f) The Purchaser will retain and assume all obligations and liabilities in respect of the Abbotsford Lease and the Delta Lease;
  - g) The Purchaser will assume all obligations in respect of the Company's employees and independent contractors that are employed as of the date of the Approval Order;
  - h) The Purchaser will retain the Retained Contracts, listed at Schedule "F" of the Subscription Agreement; and

- i) All Excluded Assets, Excluded Contracts, Excluded Liabilities and all Claims and Encumbrances will vest in Residual Co. (i.e., 1206546 B.C. Ltd., a company controlled by Ms. Lundy), which is contemplated to be bankrupted post-Closing.
- 73) The Receiver understands that approximately USD \$450,000 of the Purchase Price will be funded through a loan provided by Xalta Capital Partners Ltd. to 0854271 B.C. Ltd. (the "**Xalta Financing**") pursuant to an amended commitment letter dated December 21, 2023 (the "**Commitment Letter**"), with the balance funded by Mr. Haroon personally.
- 74) Pursuant to the Commitment Letter, the Transaction must close by April 30, 2024, in order for the loan to be advanced.
- 75) The Receiver understands that Mr. Jackson is supportive of the Transaction and will be retained by the Purchaser to recommence the operations of CanWest, to perform the obligations under the Retained Contracts, and to ensure that all Aviation Certificates are maintained.

### ***Reverse vesting order structure***

- 76) With reference to the factors that the Ontario Supreme Court of Justice held are to be considered in determining whether a reverse vesting order should be granted, as set out in *Harte Gold (Re)*, 2022 ONSC 653, the Receiver reports that:
- a) **The RVO is necessary.** In the Receiver's view, the RVO is necessary in this case for two primary reasons:
    - i) Aviation Certificates: First, the Aviation Certificates are critical to the Companies' ongoing operations, and the Purchaser has advised the Receiver that the same are critical to the Transaction. The Receiver has been advised by TCCA that these certificates are not transferrable via a traditional asset sale and vesting order structure, and this appears to be confirmed by the offers received (which contemplate share transactions where the Aviation Certificates are to be included).
    - ii) Retained Contracts: Second, the Transaction requires the Companies to retain the Retained Contracts, various of which require the counterparties' consent to their assignment.

The reverse vesting order structure will allow the Companies to retain the Retained Contracts without seeking the approval of the counterparties to an assignment to a third-party purchaser. Any alternative transaction structure would require the Receiver and the Companies to either obtain consent to the assignment and/or to force the assignment by court order.

The Purchaser has advised the Receiver that a prompt and efficient closing is critical to its offer, in particular because the Companies will be assuming material monetary penalties for further delays in deliveries under the Retained Contracts (in particular the agreements with the Bangladesh Ministry of Defence). The Purchaser has further advised the Receiver that, as a result of the foregoing, it is not willing to conclude a transaction to solely purchase the Companies' assets.

- b) **The RVO structure produces an economic result at least as favourable as any viable alternative/ the consideration being paid under the Transaction reflects the value of the Retained Assets (as defined in the**

**Subscription Agreement**). The Receiver is of the view that the Purchase Price reflects the market value of the Retained Assets (in particular, the Aviation Certificates and Retained Contracts), and therefore the RVO structure will produce a result at least as favourable as any viable alternative.

The Receiver notes that: (i) the Companies and their assets were adequately exposed to the market in the CCAA SISP and through the Sale Process; (ii) the Purchase Price is comparable to the various failed transactions previously described, which ultimately proved unviable; and (iii) there are business and performance risks associated with the Retained Contracts (including delay penalties) as well as the Companies' maintaining the Aviation Certificates. In the Receiver's view the market has been canvassed and has spoken as to the value of the Retained Assets, and—particularly in the absence of a viable alternative transaction—the Transaction is appropriate.

- c) **No stakeholder is worse off under the RVO structure than under a viable alternative**. As further discussed below, the Receiver is not aware of any stakeholder of the Companies' that would be worse off under the RVO than under any viable alternative. Rather, the Receiver is of the view that the RVO and the Transaction will maximize benefits to the Companies' stakeholders.

In regards to such benefits, the Receiver notes that: (i) RBC, the Companies' first-ranking secured creditor, is supportive of the Transaction notwithstanding that it will suffer a substantial shortfall on its indebtedness; and (ii) various stakeholders will benefit from the continuation of the Companies' business as a going concern, including the counterparties to the Retained Contracts, Mr. Jackson and any contractors and former employees of the Companies who may be engaged and re-employed, the Companies' vendors, customers and trading partners, and the landlords of the Delta and Abbotsford Premises.

In regards to any **viable alternatives** to the RVO, the Receiver notes that: (i) Firstly, and as further described in the Confidential Supplement, it is not aware of any viable alternative transaction that offers comparable benefits to the Companies' stakeholders; and (ii) Secondly, while RBC is supportive of the RVO and the Transaction, it has been funding the Receivership Proceedings for their duration and, should the Transaction fail to complete, RBC may be unwilling to continue to fund continued realization efforts.

- 77) For the foregoing reasons, and for the reasons further described below, the Receiver (and, it is advised, RBC) are of the view that completing the Transaction as soon as practicable is in the best interests of all of the Company's stakeholders, and the RVO is necessary and appropriate in the circumstances.

### ***Notice of the RVO***

- 78) As described above, the Transaction contemplates, among other things: (a) the Companies' retaining the Retained Assets (including the Retained Contracts) free and clear of all Claims and Encumbrances save for the Permitted Encumbrances; and (b) all Excluded Liabilities being vested into Residual Co., which is contemplated to be bankrupted.
- 79) Accordingly, the Transaction has the potential to impact, among others, two particular groups of parties; namely: (a) counterparties to the Retained Contracts, whose contracts will continue with the Companies, but subject to the RVO; and (b) parties holding registered charges over the Companies' property, or having statutory claims on same.

80) Again, the Receiver is not aware of any stakeholder who would be worse off by the granting of the RVO, particularly given the lack of viable alternatives. However, out of an abundance of caution, the Receiver intends to provide notice of the RVO Application to—along with the Canadian regulators—the following parties falling into the above-mentioned two groups (collectively, the “**Notice Parties**”):

- a) **Retained Contract counterparties:** Again, the Retained Contracts are listed at Schedule “F” to the Subscription Agreement. Apart from the Companies, the parties to these contracts include: the Government of the People’s Republic of Bangladesh (Ministry of Defence), the Bangladesh Airforce, Zara Trading, Sayeedayn International Ltd., Air Ambulance Technology GmbH, Advance Aerospace Inc. and Ms. Lundy (as landlords of the Premises).

In respect of the Retained Contracts, the Receiver notes that: (i) under the Subscription Agreement, the Companies will retain the Liabilities (as such term is defined therein) relating to them, except for any Liability related to any change of control provision that may arise in connection with the Transaction; and (ii) the RVO contemplates the release of (among others) the present and former directors, officers, and employees of the Companies from all pre-Closing Claims.

In respect of the proposed form of the foregoing, the Receiver notes: (i) that it is not aware of any particular Liability that may arise in connection with a Retained Contract having a change of control provision; (ii) the release sought under the RVO is standard in reverse vesting order transactions, and—the Receiver understands—is required to ensure such released parties’ continued engagement with the Companies post-Closing; and (iii) it is not aware of any extant claims by the Retained Contract counterparties as against the parties contemplated to be released under the RVO.

- b) **Encumbrancers to be discharged/ statutory property claimants:** The Receiver understands that these parties include: the beneficiaries of the court-ordered charges granted in the CCAA Proceedings and the Receivership Proceedings (including the Receiver and its counsel); RBC; Business Development Bank of Canada; TDF Group Inc.; Mr. Jackson (as an employee); the Province of British Columbia; Canada Revenue Agency (“**CRA**”); and WorkSafe BC.

In respect of these parties, the Receiver notes that, pursuant to the Subscription Agreement and the RVO, all Claims held by them will attach to the Excluded Assets and all other assets of Residual Co. (including the Purchase Price) with the same nature and priority as prior to the Transaction. The Receiver understands that the amount of the Purchase Price is sufficient to satisfy all statutory priority payables, subject to the priorities applicable in the bankruptcy of Residual Co., as well as any claims by beneficiaries of court-ordered charges. As a result, and again, the Receiver is not aware that any of these parties would be worse off if the RVO were to be granted as opposed to the alternatives described above; however, the Receiver intends to provide each of the foregoing parties with notice.

81) Attached hereto as Appendix “B” are B.C. Personal Property Registry searches of the Companies conducted on March 11, 2024, which show the Encumbrances to be discharged pursuant to the RVO.

- 82) Attached hereto as Appendix "C" is a list of the Notice Parties, which are listed along with their contact information in accordance with the group they fall into as above. The regulators are listed under their own heading. The Receiver has sourced the Notice Parties' contact information either from correspondence with such party, notice provisions of the applicable Retained Contracts, or the above-mentioned BC Personal Property Registry searches. In the Receiver's view, the Notice Parties are most likely to receive notice of this application by it being sent to the contact information listed in Appendix "C", and that such notice is reasonable and sufficient in the circumstances.
- 83) **CRA.** As regarding CRA, the Receiver understands that it has submitted property claims in respect of: (a) CW Aerospace totalling \$50,376 (the "**CRA CW Aerospace Property Claim**") comprised of \$49,727 in respect of outstanding deemed trust payroll deductions and \$649 in respect of outstanding goods and services tax ("**GST**"); and (b) CW Airparts totalling \$2,250 in respect of outstanding GST (the "**CRA CW Airparts Property Claim**" and together with the CRA CW Aerospace Property Claim, the "**CRA Property Claims**"). The Receiver further understands that CRA has recently conducted a payroll and GST audit on CanWest and additional liabilities may be assessed. With that said, and as above, the Receiver expects that all priority payables owing to CRA (subject to the priorities applicable in the bankruptcy of Residual Co.) will not (by a wide margin) exceed the Purchase Price.
- 84) **WEPPA.** The Receiver issued letters to twelve former employees of CW Aerospace that the Receiver understands were owed unpaid vacation pay and/or termination pay and who may have been eligible to claim amounts under the Wage Earner Protection Program and *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("**WEPPA**"). The Receiver understands that these individuals have made WEPPA claims and received WEPPA payments. Pursuant to the RVO, former employees' claims shall vest in Residual Co., and Service Canada will be entitled to recoup priority amounts payable from the estate of Residual Co. pursuant to s. 81.4(4) of the BIA, which are estimated to total approximately \$8,277.

## **CONCLUSIONS AND RECOMMENDATIONS**

- 85) The Receiver is of the view that the Sale Process in this matter has been robust in the circumstances, having been carried out over more than six (6) months, and has engaged several interested parties following a prolonged SISP undertaken by the Monitor in the CCAA Proceedings. Accordingly, the CanWest business and assets have been exposed to the market for some time.
- 86) The Receiver is further of the opinion that the terms of the Transaction are reasonable and appropriate under the circumstances and will maximize the value of CanWest's assets, especially in light of the unique regulatory and other challenges faced by the Receiver in the Receivership Proceedings.
- 87) Based on the foregoing, the Receiver respectfully recommends that this Court approve the Subscription Agreement and grant the RVO in the form sought in the RVO Application.



All of which is respectfully submitted at Vancouver, BC this 19<sup>th</sup> day of March, 2024.

**DELOITTE RESTRUCTURING INC.**

In its capacity as Court-Appointed Receiver and Manager of  
CanWest Aerospace Inc. and Can West Global Airparts Inc.  
and not in its personal capacity.



Per: Jeff Keeble, CPA, CMA, CIRP, LIT  
Senior Vice-President



Paul Chambers, FCA(UK), CIRP, LIT  
Senior Vice-President

## **Appendix "A"**

### Subscription Agreement

SUBSCRIPTION AGREEMENT

Between

DELOITTE RESTRUCTURING INC., in its capacity as the receiver and manager of  
CANWEST AEROSPACE INC. and CAN WEST GLOBAL AIRPARTS INC., and not in its  
personal capacity

-and-

0854271 B.C. Ltd. and 2155531 Ontario Inc., doing business as Avion Zone

March 8, 2024

## TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS AND PRINCIPLES OF INTERPRETATION.....	5
1.1    Definitions .....	5
1.2    Certain Rules of Interpretation .....	11
1.3    Entire Agreement.....	12
1.4    Schedules .....	12
ARTICLE 2 TRANSACTION PRICE FOR SUBSCRIBED SHARES AND ASSUMPTION OF LIABILITIES.....	12
2.1    Deposit.....	12
2.2    Transaction Price .....	13
ARTICLE 3 TRANSFER OF EXCLUDED ASSETS AND EXCLUDED LIABILITIES .....	13
3.1    Transfer of Excluded Liabilities to Residual Co. ....	13
3.2    Transfer of Excluded Assets and Excluded Contracts to Residual Co. ....	13
ARTICLE 4 REPRESENTATIONS AND WARRANTIES.....	13
4.1    Representations and Warranties of Company.....	13
4.2    Representations and Warranties of the Purchasers.....	14
4.3    As is, where is.....	15
ARTICLE 5 CLOSING .....	17
5.1    Closing.....	17
5.2    Closing Sequence.....	17
5.3    The Purchasers' Closing Deliveries .....	19
5.4    Company's Closing Deliveries .....	19
ARTICLE 6 CONDITIONS PRECEDENT .....	20
6.1    Conditions for the Benefit of Company.....	20
6.2    Conditions for the Benefit of the Purchasers.....	20
6.3    Mutual Conditions for the Benefit of Company and the Purchasers .....	21
6.4    Non-Satisfaction of Conditions .....	21
ARTICLE 7 COVENANTS OF THE PARTIES .....	21
7.1    Pre-Closing Covenants of the Purchasers.....	21
7.2    Pre-Closing Covenants of the Company.....	22
7.3    Mutual Covenants.....	22
7.4    Receiver's Certificate .....	23
ARTICLE 8 TERMINATION.....	23
8.1    Grounds for Termination .....	23

8.2	Effect of Termination.....	24
ARTICLE 9 GENERAL.....		24
9.1	Receiver’s Capacity .....	24
9.2	Expenses .....	24
9.3	Notices .....	25
9.4	Time of Essence.....	27
9.5	Successors and Assigns .....	27
9.6	Assignment .....	27
9.7	Amendment.....	27
9.8	Waiver.....	27
9.9	Survival.....	28
9.10	Further Assurances .....	28
9.11	Severability .....	28
9.12	Specific Performance.....	28
9.13	Governing Law and Jurisdiction.....	28
9.14	Execution and Delivery .....	29

THIS SUBSCRIPTION AGREEMENT is made as of March 8, 2024,

BETWEEN:

DELOITTE RESTRUCTURING INC., in its capacity as the receiver and manager of CANWEST AEROSPACE INC. ("**CAI**") and CAN WEST GLOBAL AIRPARTS INC. ("**CWGAI**" and together with CAI, the "**Company**"), and not in its personal capacity (the "**Receiver**")

- and -

0854271 B.C. Ltd., a corporation incorporated pursuant to the laws of British Columbia

- and -

2155531 Ontario Inc., a corporation incorporated pursuant to the laws of Ontario and doing business as Avion Zone

(together with 0854271 B.C. Ltd., the "**Purchasers**")

**RECITALS:**

- A. On March 8, 2023, on the application of the Company, the Supreme Court of British Columbia ("**Court**") granted the Company, amongst other things, creditor protection and a stay of proceedings pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C-36 (the "**CCAA Proceedings**").
- B. On August 29, 2023, the Court granted an order appointing the Receiver over the Company's assets, undertakings and property.
- C. On February 13, 2024, counsel for 0854271 B.C. Ltd. provided the Receiver with an offer for purchase of the Company as a going concern on behalf of the Purchasers for a purchase price of \$670,000.00.
- D. Following completion of the Transactions contemplated by this Subscription Agreement, the Subscribed Shares (as defined below) shall represent all of the existing equity of Company.
- E. The Company wishes to issue to the Purchasers, and the Purchasers have agreed to subscribe for and purchase from Company, the Subscribed Shares, upon the terms and conditions set forth herein.
- F. The Transactions contemplated by this Subscription Agreement are subject to the approval of the Court and will be consummated only pursuant to and in accordance with the approval of the Court pursuant to the Approval Order.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties (as defined below) agree as follows:

## ARTICLE 1 DEFINITIONS AND PRINCIPLES OF INTERPRETATION

### 1.1 Definitions

Whenever used in this Subscription Agreement the following words and terms shall have the meanings set out below:

“Action” means any claim, action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity and by or before a Governmental Authority;

“AECA” means the *Arms Export Control Act* (United States);

“Affiliate” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to "control" another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term "controlled" shall have a similar meaning;

“Agreement Date” means the date of this Subscription Agreement as set forth on the first page of this Subscription Agreement;

“Approval Order” means an order issued by the Court substantially in the form attached hereto as **Schedule A**;

“Assumed Liabilities” means (a) Liabilities specifically and expressly designated by the Purchasers as Assumed Liabilities in Schedule G; (b) Cure Costs; and, (c) Liabilities under any Retained Contracts, Permits and Licenses or Permitted Encumbrances (in each case, to the extent forming part of the Retained Assets);

“BIA” means the *Bankruptcy and Insolvency Act* (Canada), as amended from time to time;

“Books and Records” means all books and records of Company and its subsidiaries, including minute books, annual returns filed with corporate registry, books of account, ledgers, general, financial and accounting records, Tax Returns and other records in the possession and control of Company or its subsidiaries as of the Agreement Date;

“Business” means the business carried on by Company;

“Business Day” means any day, other than a Saturday or Sunday or any day on which banks are generally not open for business in the City of Vancouver, British Columbia;

“Chief Executive Officer” means Thomas Jackson, the Chief Executive Officer of the Company and individual with primary responsibility for direction of the Company prior to the appointment of the Receiver on August 29, 2023;

“Claims” means any and all security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, liens, trusts or deemed trusts (whether contractual, statutory or otherwise), reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, indemnities, liabilities, debts, or other claims or obligations, of any nature or kind whatsoever, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise;

“Closing” means the completion of the Transactions pursuant to this Subscription Agreement;

“Closing Date” means the date on which the Closing occurs, which date shall be no later than four (4) Business Days from the date on which all conditions set out in Article 6 (other than those conditions that by their nature can only be satisfied on the Closing Date) have been satisfied or waived or such other date as may be agreed to in writing by the Parties. For greater clarity, the Closing Date shall be no later than four (4) Business Days after the Approval Order is granted;

“Closing Sequence” has the meaning set out in Section 5.2;

“Closing Time” means the time on the Closing Date at which Closing occurs, as evidenced by the Receiver's Certificate;

“CCL” means the Commerce Control List (United States)

“Company” has the meaning set out in preamble to this Subscription Agreement;

“Conditions Certificates” has the meaning set out in Section 7.4.

“Contracts” means all contracts, agreements, deeds, licenses, leases, obligations, commitments, promises, undertakings, engagements, understandings or arrangements to which Company is a party to or by which Company is bound by, including, without limitation, or those under which Company has, or will have at Closing, any right, obligation, or Liability or contingent right, obligation, or Liability (in each case, whether written or oral, express or implied) or under which any Claims or Encumbrances against Company arise, including those which in anyway relate to the Business;

“CGR” means the *Controlled Goods Regulations* (Canada);

“Court” has the meaning set out in the recitals;



“Cure Costs” means any monetary defaults in relation to the Retained Contracts as at the date of Closing, other than those arising by reason only of Company’s insolvency, the CCAA Proceedings, the appointment of the Receiver or Company’s failure to perform a non-monetary obligation;

“Deposit” has the meaning set out in 2.1;

“Discharged” means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, including all proceeds thereof, the full, final, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof;

“DPA” means the *Defence Production Act* (Canada);

“EAR” means the *Export Administration Regulations* (United States);

“Encumbrances” means all security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, liens, trusts or deemed trusts (whether contractual, statutory or otherwise), reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise;

“Encumbrances to Be Discharged” means all Encumbrances on the Retained Assets, including without limitation the Encumbrances listed in Schedule E, and excluding only the Permitted Encumbrances;

“Equity Interest” includes (i) any shares, interests, participations or other equivalents (however designated) of capital stock or share capital or related rights or interests; (ii) any phantom stock, phantom stock rights, stock appreciation rights or stock-based performance securities ; (iii) any warrants, options, convertible, exchangeable or exercisable securities, subscriptions, rights (including any pre-emptive or similar rights), calls; (iv) any other rights or interests to purchase or acquire any of the foregoing; and (v) any interest that constitutes an “equity interest” as such term is defined in the BIA;

“Excluded Assets” means those assets listed in Schedule B;

“Excluded Contracts” means all Contracts that are not Retained Contracts, including those Contracts listed in Schedule C;

“Excluded Liabilities” means all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, Contracts, leases, agreements, undertakings, Claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against Company or relating to any Retained Assets,

Excluded Assets, or Excluded Contracts, as at the Closing Time, other than Assumed Liabilities, including, inter alia, (i) the non-exhaustive list of those certain Liabilities set forth in Schedule D, (ii) any and all Liability relating to any change of control provision that may arise in connection with the change of control contemplated by the Transactions and to which Company may be bound as at the Closing Time, (iii) all Liabilities relating to or under the Excluded Contracts and Excluded Assets, (iv) all Liabilities to or in respect of Company's Affiliates;

“Existing Shares” means all issued and outstanding shares of Company prior to Closing;

“Governmental Authority” means any government, regulatory authority, governmental department, agency, agent, commission, bureau, official, minister, Crown corporation, court, body, board, tribunal or dispute settlement panel or other law or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled to or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

“ITAR” means the *International Traffic in Arms Regulations* (United States);

“Laws” means, with respect to any Person, property, transaction, event or other matter; all laws, statutes, by-laws, rules, regulations, treaties, Orders, ordinances or judgments, guidelines, directives or other requirements having the force of law, whether federal, provincial, state or municipal, relating or applicable to that Person, property, transaction, event or other matter, including without limitation, the Regulations and laws or requirements of stock exchanges and any consent decree or administrative order;

“Liability” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person;

“Notice” has the meaning set out in Section 9.3;

“Orders” means orders, injunctions, judgments, administrative complaints, decrees, rulings, awards, assessments, directions, instructions, penalties or sanctions issued, filed or imposed by any Governmental Authority or arbitrator and includes any orders granted in the CCAA Proceedings or the receivership proceedings;

“Outside Date” means April 30, 2024 or such other date as the Parties agree in writing;

“Parties” means, collectively, Company and the Purchasers, and “Party” means any one of them;

“Permits and Licenses” means the permits, licenses, authorizations, approvals or other evidence of authority Related to the Business or issued to, granted to, conferred upon, or otherwise created for, Company;

“Permitted Encumbrances” means the Encumbrances related to the Retained Assets listed in Schedule H, an amended list of which may be agreed to by the Purchasers, Company and the Receiver prior to the granting of the Approval Order;

“Person” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, corporation, Governmental Authority, and where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

“Purchasers Release” has the meaning set out in Section 5.3;

“Receiver” has the meaning set out in the recitals;

“Receiver’s Certificate” means the certificate, substantially in the form attached as Schedule "A" to the Approval Order, to be delivered by the Receiver in accordance with Section 7.4, and thereafter filed by the Receiver with the Court;

“Regulated Property” means any and all assets or records, in each case whether tangible or intangible, including but not limited to aircraft parts, data, technical drawings, technical manuals, wiring boards and intellectual property, which are owned or possessed by the Companies and which are subject to restrictions on export, sale, transfer or retransfer under the Regulations;

“Regulations” means ITAR, AECA, EAR, CCL, USML, DPA or CGR, or any similar legislation or regulations applicable to the Company or any property, assets or information in its possession or control;

“Residual Co.” means 1206546 B.C. Ltd., a corporation incorporated pursuant to the laws of British Columbia and designated by the Purchasers for the purpose of this transaction;

“Purchase and Sale Transactions” means the transactions contemplated by this Subscription Agreement which provide for, among other things, (a) the issuance by Company of the Subscribed Shares to the Purchasers in consideration for the Transaction Price, (b) the assignment by Company to Residual Co. of the Excluded Assets, Excluded Contracts, and the Excluded Liabilities, each on and subject to the terms set forth herein, and (c) the transfer of the Transaction Price to Residual Co., in full payment and satisfaction of the Excluded Liabilities, Excluded Assets and Excluded Contracts.

“Purchasers” has the meaning set out in preamble to this Subscription Agreement;

“Related to the Business” means primarily (i) used in; (ii) arising from; or (iii) otherwise Related to the Business or any part thereof;

“Released Parties” has the meaning set out in Section 5.3(d);

“Representative” when used with respect to a Person means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

“Retained Assets” has the meaning set out in Section 3.2;

“Retained Contracts” means those Contracts listed in Schedule F;

“Subscribed Shares” means a number of Class A Shares and Class C Shares in the capital of CAI and a number of A Voting Common shares and B Nonvoting Common shares in the capital of CWGAI, to be advised by the Purchasers, which will be issued on Closing and which will represent 100% of the Equity Interest in Company;

“Subscription Agreement” means this Subscription Agreement, including all schedules, and all amendments or restatements, as permitted pursuant to the terms hereof, and references to “Article” or “Section” mean the specified Article or Section of this Subscription Agreement;

“Transaction Price” means the amount of \$670,000.00;

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

“Tax Liabilities” means the Liabilities arising from or related to the Transaction Taxes;

“Tax Returns” means all returns, reports, declarations, designations, forms, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form;

“Taxes” or “Tax” means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, governmental pension plan premiums and contributions, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add- on minimum taxes, HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person;

“Transaction Taxes” means all documentary, stamp, transfer, sales and transfer taxes, registration charges and transfer fees, including HST, use, value added, and excise taxes and all filing and recording fees (and any penalties and interest associated with such taxes and fees) or any other Tax consequences arising from, or relating to, or in respect of the consummation of the Transactions;

“Transactions” means all of the transactions contemplated by this Subscription Agreement, including the Purchase and Sale Transactions; and

“USML” means the United States Munitions List (United States).

## **1.2 Certain Rules of Interpretation**

In this Subscription Agreement:

- (a) Currency - Unless otherwise specified, all references to monetary amounts are to lawful currency of the United States of America..
- (b) Headings - Headings of Articles and Sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Subscription Agreement.
- (c) Including - Where the word "including" or "includes" is used in this Subscription Agreement, it means "including (or includes) without limitation".
- (d) No Strict Construction - The language used in this Subscription Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.
- (e) Number and Gender - Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (f) Statutory reference - A reference to a statute includes all regulations and rules made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, supplements or supersedes any such statute or any such regulation.
- (g) Time - Time is of the essence in the performance of the Parties' respective obligations.
- (h) Time Periods - Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

### 1.3 Entire Agreement

This Subscription Agreement and the agreements and other documents required to be delivered pursuant to this Subscription Agreement constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Subscription Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise with respect to the subject matter of this Subscription Agreement.

### 1.4 Schedules

The schedules to this Subscription Agreement, listed below, are an integral part of this Subscription Agreement:

Schedule	Description
Schedule A	Approval Order
Schedule B	Excluded Assets
Schedule C	Excluded Contracts
Schedule D	Excluded Liabilities
Schedule E	Encumbrances to be Discharged
Schedule F	Retained Contracts
Schedule G	Assumed Liabilities
Schedule H	Permitted Encumbrances
Schedule I	Release of Thomas George Jackson

## ARTICLE 2 TRANSACTION PRICE FOR SUBSCRIBED SHARES AND ASSUMPTION OF LIABILITIES

### 2.1 Deposit

The Parties acknowledge that the Purchaser shall pay a deposit of \$50,000 (the “**Deposit**”) within 1 Business Day of executing this Subscription Agreement.

The Deposit shall be held by the Receiver in a non-interest bearing account until one of the following events occurs:

- (a) if Closing does not occur due to a failure to fulfill the condition set out Section 6.3(b) (the requirement to obtain the Approval Order), the Deposit shall be returned to the Purchaser for the account of the Purchaser absolutely; and

- (b) if Closing does not occur for any reason, other than failure to fulfill the condition set out in Section 6.3(b), the Deposit shall be paid to the Receiver.

The Parties agree that the amount of the Deposit represents their genuine estimate of all damages that will be suffered by the Company and the Receiver as a result of Closing not occurring and in the event this Subscription Agreement is terminated for any reason other than failure to meet the condition set out in Section 6.3(b), the Receiver shall retain the Deposit pursuant to this section and the Deposit shall constitute liquidated damages.

## **2.2 Transaction Price**

The Transaction Price shall be paid by wire transfer or solicitor's trust cheque to the Receiver's legal counsel.

### **ARTICLE 3 TRANSFER OF EXCLUDED ASSETS AND EXCLUDED LIABILITIES**

#### **3.1 Transfer of Excluded Liabilities to Residual Co.**

On the Closing Date, in accordance with the Closing Sequence and pursuant to the Approval Order, the Excluded Liabilities shall be transferred to and assumed by Residual Co. All of the Excluded Liabilities shall be discharged from the Company as of the Closing, pursuant to the Approval Order.

#### **3.2 Transfer of Excluded Assets and Excluded Contracts to Residual Co.**

On the Closing Date, Company shall retain, free and clear of any and all Encumbrances, Claims, and Liabilities, other than Permitted Encumbrances, all of the assets owned by each of them on the date of this Subscription Agreement and any assets acquired by each of them up to and including Closing, including the Retained Contracts, Permits and Licenses and Books and Records (the "**Retained Assets**"). For greater certainty, the Retained Assets shall not include the Excluded Assets or the Excluded Contracts, which the Company shall transfer to Residual Co., in accordance with the Closing Sequence, on the Closing Date and same shall be vested in Residual Co. pursuant to the Approval Order. For greater certainty, the Company (and not Residual Co.) shall be solely liable for all Tax Liabilities and Transaction Taxes, if any, arising in connection with or as a result of the transfer of the Excluded Assets and Excluded Contracts to Residual Co.

### **ARTICLE 4 REPRESENTATIONS AND WARRANTIES**

#### **4.1 Representations and Warranties of Company**

The Receiver represents and warrants as of the Agreement Date the following to the Purchasers and acknowledges that the Purchasers are relying upon the representations and warranties in connection with the Transactions:

- (a) subject to the granting and terms of the Approval Order, this Subscription Agreement is a legal, valid and binding obligation of Company, enforceable against it in accordance with its terms; and
- (b) Company is not a non-resident of Canada within the meaning of the Tax Act.

#### **4.2 Representations and Warranties of the Purchasers**

The Purchasers represent and warrant as of the Agreement Date the following to Company and acknowledge that Company is relying upon the representations and warranties in connection with the Transactions:

- (a) the Purchasers are corporations incorporated and existing under the Laws of their jurisdiction of incorporation and they have the corporate power to enter into and perform its obligations under this Subscription Agreement;
- (b) the execution and delivery of and performance by the Purchasers of this Subscription Agreement have been authorized by all necessary corporate action on the part of the Purchasers;
- (c) the execution and delivery of and performance by the Purchasers of this Subscription Agreement:
  - (i) does not constitute or result in a violation or breach of, or conflict with, any of the terms or provisions of its constituting documents or bylaws; and
  - (ii) does not result in the violation of any Laws;
- (d) no filing with, notice to or authorization of, any Governmental Authority is required on the part of the Purchasers as a condition to the lawful completion of the Transactions;
- (e) this Subscription Agreement has been duly executed and delivered by the Purchasers and constitutes a legal, valid and binding agreement of the Purchasers, enforceable against it in accordance with its terms, subject only to any limitation under Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar Laws of general application affecting creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies including specific performance and injunction;
- (f) the Purchasers will deal with, handle, move and transfer any Regulated Property in accordance with the Regulations, including, but not limited to, that to the extent that the Company is in possession of Regulated Property, the Purchasers have such permissions, authorizations and approvals, or capacity to obtain permission, authorization and approval, to ensure compliance with the Regulations;



- (g) the Purchasers acknowledge that they have been encouraged to and should obtain independent legal, tax and investment advice with respect to their subscription for the Subscribed Shares, including, but not limited to, the Regulated Property and applicable resale and transfer restrictions, and accordingly, have been independently advised, or have waived such independent advice, as to the meanings of all terms contained herein relevant to the Purchasers for purposes of giving representations, warranties and covenants under this Subscription Agreement;
- (h) the Purchasers are informed and sophisticated buyers, they have engaged expert advisors and are experienced in the evaluation and purchase of property and assets and assumption of liabilities such as the Subscribed Shares as contemplated hereunder, and have undertaken such investigations and have been provided with and have evaluated such documents and information as they have deemed necessary to enable them to make an informed and intelligent decision with respect to the execution, delivery and performance of this Subscription Agreement;
- (i) the Purchasers acknowledge that investment in the Subscribed Shares involves risk, and represents that they are able, without materially impairing its financial condition, to hold the Subscribed Shares for an indefinite period of time and to suffer a complete loss of its investment;
- (j) the Purchasers understand that the Subscribed Shares are being issued to them under an exemption from the prospectus requirements applicable under Canadian securities Laws and that there are restrictions imposed on the Purchasers and the Subscribed Shares which limit the Purchasers' ability to resell the Subscribed Shares in Canada. The Purchasers further acknowledge that if an exemption from resale restrictions is available, it may be conditioned on various requirements including the time and manner of sale, the holding period for the Subscribed Shares, and on requirements relating to Company which are outside of the Purchasers' control, and which Company is under no obligation and may not be able to satisfy;
- (k) it is an "accredited investor", as such term is defined in National Instrument 45-106 - Prospectus Exemptions; and
- (l) the Purchasers understand that the investment in, or holding, acquisition or disposition of, the Subscribed Shares may have material tax consequences under Laws, and that it is the sole responsibility of the Purchasers to determine and assess such tax consequences as may apply to their particular circumstances.

#### **4.3 As is, where is**

Notwithstanding any other provision of this Subscription Agreement, the Purchasers acknowledge, agree and confirm that:

- (a) except for the representations and warranties of Company set forth in Section 4.1, they are entering into this Subscription Agreement and acquiring its Subscribed Shares on an “as is, where is” basis as they exist as of the Closing Time;
- (b) they have conducted to their satisfaction and have relied on such independent searches, investigations, reviews and inspections of Company and the Subscribed Shares as they deemed appropriate, and based thereon, have determined to proceed with the Transactions;
- (c) except as expressly stated in Section 4.1, none of Company or the Receiver is making, and the Purchasers are not relying on, any written or oral representations, warranties, statements, information, promises or guarantees, express or implied, statutory or otherwise, concerning the Transactions, Company, the Business, the Subscribed Shares, including the right, title or interest of Company in and to any assets relating to the Business, and any and all conditions, warranties or representations expressed or implied pursuant to any Laws in any jurisdiction, which the Purchasers confirm do not apply to this Subscription Agreement, are hereby waived in their entirety by the Purchasers;
- (d) none of Company or the Receiver has made any representation or warranty as to any regulatory approvals, permits, licences, consents, registrations, filings or authorizations that may be needed to complete the Transactions or to obtain the benefit of the Subscribed Shares or any portion thereof, and the Purchasers are relying entirely on their own investigation, due diligence and inquiries in connection with such matters;
- (e) the obligations of the Purchasers under this Subscription Agreement are not conditional upon any additional due diligence;
- (f) except for the representations and warranties of Company set forth in Section 4.1, any information regarding or describing the Subscribed Shares, or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchasers, and no representation, warranty or condition, express or implied, has or will be given by Company or the Receiver concerning the completeness or accuracy of such information or descriptions;
- (g) except as otherwise expressly provided in this Subscription Agreement, and except for fraud on the part of Company, the Purchasers hereby unconditionally and irrevocably waive any and all actual or potential rights or claims the Purchasers might have against Company or the Receiver pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties of Company expressly set forth in Section 4.1. Except as set out above in this Subsection (g), such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, completeness of warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects,

whether or not discoverable or latent, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights; and the provisions of Section 4.3 shall survive and not merge on Closing.

## **ARTICLE 5 CLOSING**

### **5.1 Closing**

The Closing shall take place virtually by exchange of documents in PDF format on the Closing Date, in accordance with the Closing Sequence, and shall be subject to such escrow document release arrangements as the Parties may agree.

### **5.2 Closing Sequence**

On the Closing Date, Closing shall take place in the following sequence (the "**Closing Sequence**"):

- (a) First, the Purchasers shall pay: (i) the Transaction Price (less the Deposit) to be held in escrow on behalf of the Company, to be dealt with in accordance with this Closing Sequence;
- (b) Second, Company shall transfer to and cause Residual Co. to assume the Excluded Assets, the Excluded Contracts, and the Excluded Liabilities, and all Claims and Encumbrances, other than the Permitted Encumbrances shall be discharged from and against Company, all in accordance with the Approval Order;
- (c) Third, notwithstanding any other provision in this paragraph, the Transaction Price shall vest in Residual Co., and all existing Claims and Encumbrances save and except Permitted Encumbrances and Assumed Liabilities shall attach to the Transaction Price in accordance with the Approval Order;
- (d) Fourth, all of Company's right title and interest in and to the Excluded Liabilities, all Claims and Encumbrances, but specifically excluding the Assumed Liabilities and Permitted Encumbrances, shall be channeled to, assumed by and vest absolutely and exclusively in Residual Co. and: (i) such Excluded Liabilities, Claims, and Encumbrances shall continue to attach to the Excluded Assets, the Excluded Contracts, and all other property and assets of Residual Co., with the same nature and priority as they had immediately prior to the Effective Time; (ii) such Excluded Liabilities, Excluded Contracts, Claims, and Encumbrances shall be transferred to and assumed by Residual Co. in consideration for the Transaction Price (as and in the manner contemplated by this Section 5.2), such that the Excluded Liabilities, Excluded Contracts, and all Claims and Encumbrances (other than the Assumed Liabilities and Permitted Encumbrances) shall become obligations of Residual Co. which shall be deemed to have been party to the Contracts giving rise thereto and which shall stand in place and stead of Company in respect of all such Liability or obligation, all of which shall no

longer be a Liability or obligation of Company, and Company shall be and is hereby forever released and discharged from such Excluded Liabilities, Excluded Contracts, Claims and Encumbrances (other than the Assumed Liabilities and Permitted Encumbrances);

- (e) Fifth, all Equity Interests, including all Existing Shares, shall be redeemed or terminated at the nominal price of CA\$0.00001 per common share, and all redeemed Existing Shares together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital or Equity Interests of Company shall be deemed terminated and cancelled in accordance with and pursuant to the Approval Order;
- (f) Sixth, the Retained Assets will be retained by Company free and clear of all Encumbrances and Claims, save and except Permitted Encumbrances and Assumed Liabilities;
- (g) Seventh, Company shall issue the Subscribed Shares and the Purchasers shall subscribe for and purchase the Subscribed Shares free and clear of all Encumbrances and Claims, save and except the Permitted Encumbrances. 0854271 B.C. Ltd. shall subscribe for and purchase 60% of the Subscribed Shares, and 2155531 Ontario Inc. shall subscribe for and purchase 40% of the Subscribed Shares;
- (h) Eighth, all of the right, title and interest in and to the Subscribed Shares issued by Company to the Purchasers shall vest absolutely in the Purchasers free and clear of all Encumbrances and Claims, save and except the Permitted Encumbrances;
- (i) Ninth, the Purchasers Release shall be released from escrow and shall become effective;
- (j) Tenth, Company shall cease to be a party to the receivership proceedings and the Company be deemed to be released from the purview of the Receivership Order and all other Orders of this Court granted these receivership proceedings, save and except for the Approval Order the provisions of which (as they relate to Company) shall continue to apply in all respects; and
- (k) Eleventh, the receivership proceedings shall have no further force or effect, and will be terminated upon the issuance and filing of the Receiver's Certificate.

The Purchasers, with the prior consent of Company and the Receiver, acting reasonably, may amend the Closing Sequence provided that such amendments to the Closing Sequence do not materially alter or impact the Transactions or the consideration which Company or its stakeholders will benefit from, as part of the Transactions.

### 5.3 The Purchasers' Closing Deliveries

At or before the Closing (as applicable), the Purchasers shall deliver or cause to be delivered to Company (or to the Receiver, if so indicated below), the following:

- (a) a certificate dated as of the Closing Date and executed by executive officers of the Purchasers confirming and certifying that each the conditions in Sections 6.1(a) and 6.1(b) have been satisfied;
- (b) a certificate of status, compliance, good standing or like certificate with respect to the Purchasers issued by an appropriate Governmental Authority;
- (c) the Transaction Price in accordance with Section 5.2;
- (d) an irrevocable release (the "**Purchasers Release**") by the Purchasers in favour of (i) Company's current and former directors, officers, employees, agents, representatives, and all of their respective advisors, including financial advisors and legal counsel and (ii) the Receiver and its current and former Affiliates, directors, officers and employees and all of their respective advisors, legal counsel and agents (such persons in (i) and (ii) above being collectively referred to herein as the "**Released Parties**") from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present or future, direct or indirect, whether known or unknown (collectively, the "**Purchasers Released Claims**") against any of the Released Parties, including in their capacity as equity holders of Company, as applicable; save and except for any and all Purchasers Released Claims arising out of or in connection with any gross negligence, fraud or willful misconduct, on the part of the Released Parties; and,
- (e) such other agreements, documents and instruments as may be reasonably required by Company to complete the Transactions provided for in this Subscription Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

### 5.4 Company's Closing Deliveries

At or before the Closing (as applicable), Company shall deliver or cause to be delivered to the Purchasers, the following:

- (a) a copy of the Approval Order;
- (b) share certificates representing the Subscribed Shares; and
- (c) a mutual release in the form attached as Schedule I executed by Royal Bank of Canada, to be delivered to the Purchasers' lawyer on his, her or their undertaking (i) not to release or otherwise make use of the same until the Purchasers' lawyer has received an executed copy of the mutual release from Thomas George

Jackson; (ii) forthwith upon receipt of the fully executed mutual release, to provide the same to Royal Bank of Canada; and (iii) to return the executed release to counsel for Royal Bank of Canada if the fully executed mutual release is not delivered within 14 days of the Closing Time. For greater clarity, the signature of Thomas George Jackson shall not be required to fulfill this deliverable.

## **ARTICLE 6 CONDITIONS PRECEDENT**

### **6.1 Conditions for the Benefit of Company**

The obligation of Company to complete the Transactions is subject to fulfilment of each of the following conditions on the date stated for fulfilment thereof, and if not so stated on or before the Closing Time, each of which is acknowledged to be for the exclusive benefit of Company and may be waived by Company in whole or in part:

- (a) Representations and Warranties. The representations, warranties and agreements of the Purchasers in Section 4.2 and 4.3 shall be true and accurate in all material respects as at the Closing Time with the same force and effect as if made at and as of such time, and the Purchasers shall have executed and delivered a certificate to that effect;
- (b) Fulfilment of Purchasers' Covenants. All of the terms, covenants and conditions of this Subscription Agreement to be complied with or performed by the Purchasers at or before the Closing Time shall have been complied with or performed in all material respects and the Purchasers shall not be in material breach of any agreement or covenant on its part contained in this Subscription Agreement; and
- (c) Delivery. The Purchasers shall have paid, in aggregate, the Transaction Price and delivered the documents and other items referred to in 5.3.

### **6.2 Conditions for the Benefit of the Purchasers**

The obligation of the Purchasers to complete the Transaction is subject to fulfilment of each of the following conditions on or before the Closing Time, each of which is included for the exclusive benefit of the Purchasers and may be waived by the Purchasers in whole or in part:

- (a) Fulfilment of Company's Covenants. All of the terms, covenants and conditions of this Subscription Agreement to be complied with or performed, by Company at or before the Closing Time shall have been complied with or performed in all material respects and Company shall not be in material breach of any agreement or covenant on its part contained in this Subscription Agreement;
- (b) Delivery. The Receiver or the Company shall have executed and delivered or caused to have been executed and delivered to the Purchasers at the Closing the documents and other items referred to in Section 5.4.

### **6.3 Mutual Conditions for the Benefit of Company and the Purchasers**

The obligation of each of Company and the Purchasers to complete the Transactions is subject to the fulfillment of each of the following conditions or before the Closing Time, each of which is included for the benefit of Company and the Purchasers and may be waived in whole or in part upon the mutual agreement of the Parties:

- (a) No Violation of Orders or Law. Prior to Closing, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has: (i) the effect of making any of the Transactions illegal, or (ii) the effect of otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Subscription Agreement; and
- (b) Approval Order. The Approval Order, in form and substance satisfactory to each of the Parties acting reasonably, has been issued.

### **6.4 Non-Satisfaction of Conditions**

If any condition set out in Section 6.1, 6.2, or 6.3 is not satisfied or performed prior to the Outside Date, the Party for whose benefit the condition is inserted may:

- (a) in writing, waive compliance with the condition in whole or in part in its sole discretion by notice to the other Party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
- (b) elect to terminate this Subscription Agreement, in which case neither of the Parties shall be under any further obligation to the other to complete the Transactions, except that if this Subscription Agreement is terminated by a Party because of a breach of this Subscription Agreement by the other Party or because a condition for the benefit of the terminating Party has not been satisfied because the other Party has failed to perform any of its obligations or covenants under this Subscription Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired.

## **ARTICLE 7 COVENANTS OF THE PARTIES**

### **7.1 Pre-Closing Covenants of the Purchasers**

The Purchasers covenant to Company that, during the period from the Agreement Date through and including the Closing Date or the earlier termination of this Subscription Agreement:

- (a) The Purchasers will take, or cause to be taken, all commercially reasonable actions and to do, or cause to be done, all things necessary or proper, consistent with Laws, to consummate and make effective as soon as possible the Transactions, provided that the foregoing shall not be construed as a requirement

that the Purchasers waive any Closing condition set out in Sections 6.2 or 6.3 hereof.

- (b) The Purchasers will take such actions as may be reasonably requested by Company to assist Company in obtaining the Court's entry of the Approval Order and any other Order reasonably necessary to consummate the Transactions.
- (c) The Purchasers shall: (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under any Laws or otherwise to consummate and make effective the Transactions; (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Subscription Agreement and the consummation of the Transactions; and (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Subscription Agreement and the Transactions required under any Laws.

## **7.2 Pre-Closing Covenants of the Company**

- (a) The Company will take, or cause to be taken, all commercially reasonable actions and to do, or cause to be done, all things necessary or proper, consistent with Laws, to consummate and make effective as soon as possible the Transactions, provided that the foregoing shall not be construed as a requirement that the Company waive any Closing condition set out in Section 6.1 or 6.3.
- (b) The Company will use commercially reasonable efforts to maintain its inventory and assets and will not dispose of any inventory or assets outside of the ordinary course of business.
- (c) The Company will use commercially reasonable efforts, in consultation with the Chief Executive Officer, the Purchaser, to ensure that all current existing licenses and permits as are required to continue the business of the Company are maintained and preserved. The Purchaser acknowledges and agrees that such efforts will be limited by the applicable regulations and availability of financing.

## **7.3 Mutual Covenants**

- (a) The Parties shall use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section 7.3.
- (b) The Parties shall cause their respective Affiliates to, promptly provide all information, documents and data to Governmental Authorities as may be requested, required or ordered pursuant to statutory or non-statutory requests for



information, supplemental information requests and any court orders in connection with the approvals and consents outlined in this Section 7.2.

#### **7.4 Receiver's Certificate**

When the conditions to Closing set out in 6.1 6.2 and 6.3 have been satisfied or waived by Company or the Purchasers, as applicable, Company, the Purchasers or their respective counsel will each deliver to the Receiver confirmation in writing that such conditions of Closing, as applicable, have been satisfied or waived and that the Parties are prepared for the Closing Sequence to commence (the “**Conditions Certificates**”). Upon receipt of the Conditions Certificates and the receipt of the entire Transaction Price, the Receiver shall: (i) issue forthwith its Receiver's Certificate concurrently to Company, and the Purchasers, at which time the Closing Sequence will be deemed to commence and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Receiver's Certificate with the Court (and shall provide a true copy of such filed certificate to the Company and the Purchasers). In the case of (i) and (ii) above, the Receiver will be relying exclusively on the Conditions Certificates without any obligation whatsoever to verify or inquire into the satisfaction or waiver of the applicable conditions, and the Receiver will have no liability to Company or the Purchasers as a result of filing the Receiver's Certificate.

### **ARTICLE 8 TERMINATION**

#### **8.1 Grounds for Termination**

- (a) This Subscription Agreement is irrevocable until the occurrence of any event contemplated under Section 8.1(b) below.
- (b) This Subscription Agreement may be terminated on or prior to the Closing Date:
  - (i) by the mutual agreement of Company and the Purchasers;
  - (ii) by the Purchasers or Company upon notice to the other Party if the Court declines at any time to grant the Approval Order, provided that the reason for the Approval Order not being approved by the Court is not due to any act, omission, or breach of this Subscription Agreement by the Party proposing to terminate this Subscription Agreement;
  - (iii) by the Purchasers or Company at any time following the Outside Date, if Closing has not occurred on or prior to 11:59 p.m. (Vancouver time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission, or breach of this Subscription Agreement, by the Party proposing to terminate this Subscription Agreement;
  - (iv) by Company, if there has been a material violation or breach by the Purchasers of any agreement, covenant, representation or warranty of the

Purchasers in this Subscription Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 6.2, as applicable, by the Outside Date and such violation or breach has not been waived by Company or cured by the Purchasers within five (5) Business Days of Company providing notice to the Purchasers of such breach, unless Company is itself in material breach of its own obligations under this Subscription Agreement at such time; or

- (v) by the Purchasers, if there has been a material violation or breach by Company of any agreement, covenant, representation or warranty of Company in this Subscription Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 6.1, as applicable, by the Outside Date and such violation or breach has not been waived by the Purchasers or cured by Company within five (5) Business Days of the Purchasers providing notice to Company of such breach, unless the Purchasers are themselves in material breach of their own obligations under this Subscription Agreement at such time.
- (c) Prior to Company agreeing or electing to any termination pursuant to Section 8.1, Company shall first obtain the prior written consent of the Receiver.

## **8.2 Effect of Termination.**

If this Subscription Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Subscription Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in Sections 2.1 (Deposit), 9.1 (Receiver's Capacity), 9.2 (Expenses), 9.3 (Indemnity), 9.4 (Notices) 9.6 (Successors and Assigns), 9.7 (Assignment), 9.8 (Amendment), 9.9 (Waiver), 9.10 (Survival), 9.12 (Severability), 9.13 (Specific Performance), 9.14 (Governing Law), which shall survive such termination.

## **ARTICLE 9 GENERAL**

### **9.1 Receiver's Capacity**

The Purchasers acknowledge and agrees that the Receiver will have no liability whatsoever in connection with this Subscription Agreement or the Transactions, whether in its capacity as Receiver, in administering Residual Co., in its personal capacity or otherwise, and that the representations, covenants, obligations and agreements of Company pursuant to this Subscription Agreement and any related or ancillary document shall be those of Company exclusively and shall not constitute, or be deemed to constitute, representations, covenants, obligations or agreements of the Receiver.

### **9.2 Expenses**

Each of the Parties shall pay their respective legal, accounting, and other professional advisory fees, costs and expenses incurred by them in connection with this Subscription Agreement and the Transactions, including in connection with the review, negotiation, preparation, execution

and performance of this Subscription Agreement, except as otherwise contemplated in this Subscription Agreement.

### **9.3 Indemnity**

Subject to the other terms and conditions of this Subscription Agreement, the Purchaser shall indemnify and defend the Receiver and its representatives (collectively, the “**Indemnified Parties**”) against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for any and all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including legal fees, disbursements and charges on a substantial indemnity/solicitor-client basis and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, “**Losses**”) incurred or sustained by, or imposed upon, the Indemnified Parties based upon, arising out of, with respect to, or by reason of:

- (a) any inaccuracy or breach of any of the representations of the Purchaser contained in this Subscription Agreement or in any certificate or instrument delivered by or on behalf of the Purchaser under this Subscription Agreement;
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by the Purchaser under this Subscription Agreement; or
- (c) any non-compliance with any Laws for the Parties entering into this Subscription Agreement or the completion of the transactions contemplated by this Subscription Agreement.

### **9.4 Notices**

Any notice, direction, approval, consent or other communication given regarding the matters contemplated by this Subscription Agreement (each a “Notice”) shall be in writing and shall be sufficiently given if delivered by courier service, personal delivery or electronic mail:

- (a) in the case of a Notice to Company, to:

c/o Deloitte Restructuring Inc.  
Level 19 – 410 West Georgia Street  
Vancouver, BC V6B 0S7

Attention: Jeff Keeble and Paul Chambers  
Email: [jkeeble@deloitte.ca](mailto:jkeeble@deloitte.ca) / [pachambers@deloitte.ca](mailto:pachambers@deloitte.ca)

with a copy to:

Fasken Martineau DuMoulin LLP  
Suite 2900, 550 Burrard Street  
Vancouver, BC V6C 0A3

Attention: Lisa Hiebert  
E-mail: lhiebert@fasken.com

(b) in the case of a Notice to the Purchasers, to:

2155531 Ontario Inc. (doing business as Avion Zone)  
73 Kaitting Trail,  
Oakville, Ontario, L6M 0T6

Attention: Irshad Haroon  
E-mail: irshad@avionzone.com

and to:

0854271 B.C. Ltd.  
28629 58 Ave,  
Abbotsford, BC, V4X 2E8

Attention: Tara Lundy  
E-mail: taral@canwestaerospace.com

with a copy to:

Boughton Law Corporation  
700 - 595 Burrard Street  
Vancouver, BC V7X 1S8

Attention: Martin C. Sennott  
E-mail: msennott@boughtonlaw.com

(c) in the case of a Notice to the Receiver, to:

Deloitte Restructuring Inc.  
Level 19 – 410 West Georgia Street  
Vancouver, BC V6B 0S7

Attention: Jeff Keeble and Paul Chambers  
Email: jkeeble@deloitte.ca / pachambers@deloitte.ca

with a copy to:

Fasken Martineau DuMoulin LLP  
Suite 2900, 550 Burrard Street  
Vancouver, BC V6C 0A3

Attention: Lisa Hiebert  
E-mail: lhiebert@fasken.com

Any Notice delivered or transmitted to a party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day then the Notice shall be deemed to have been given and received on the next Business Day: Any party may, from time to time, change its address by giving Notice to the other parties in accordance with the provisions of this Section 9.3.

### **9.5 Time of Essence**

Time shall be of the essence of this Subscription Agreement in all respects.

### **9.6 Successors and Assigns**

This Subscription Agreement shall become effective only when executed by each of the Parties and shall thereafter be binding on and enure to the benefit of the Parties and their respective successors and permitted assigns.

### **9.7 Assignment**

Neither this Subscription Agreement nor any of the rights or obligations under this Subscription Agreement may be assigned or transferred, in whole or in part, by any Party without the prior written consent of the other Party.

### **9.8 Amendment**

This Subscription Agreement may only be amended, supplemented or otherwise modified by written agreement by the Parties.

### **9.9 Waiver**

No waiver of any of the provision of this Subscription Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Subscription Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

### **9.10 Survival**

Other than those representations, warranties, covenants or other agreements which by their terms contemplate performance after Closing or unless otherwise expressly provided in this Subscription Agreement (including Section 4.3), the representations, warranties, covenants and other agreements contained in this Subscription Agreement shall not survive Closing.

### **9.11 Further Assurances**

The Parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the Transactions, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Subscription Agreement and carry out its provisions, whether before or after the Closing provided that the costs and expenses of any actions taken after Closing at the request of a Party shall be the responsibility of the requesting Party.

### **9.12 Severability**

If any covenant or other provision of this Subscription Agreement is invalid, illegal or incapable of being enforced by reason of any rule of Law or public policy, then such covenant or other provision will be severed from and will not affect any other provision of this Subscription Agreement and this Subscription Agreement will be construed as if such invalid, illegal or unenforceable provision had never been contained in this Subscription Agreement. All other covenants and provisions of this Subscription Agreement will, nevertheless, remain in full force and effect and no covenant or provision will be deemed dependent upon any other covenant or provision unless so expressed herein.

### **9.13 Specific Performance**

The Purchasers acknowledge and agrees that Company and its estate would be damaged irreparably in the event the Purchasers do not perform their obligations under this Subscription Agreement in accordance with its specific terms or otherwise breach this Subscription Agreement, so that, in addition to any other remedy that Company may have under law or equity, Company shall be entitled, without the requirement of posting a bond or other security, to injunctive relief to prevent any breaches of the provisions of this Subscription Agreement and to enforce specifically this Subscription Agreement and the terms and provisions hereof.

### **9.14 Governing Law and Jurisdiction**

This Subscription Agreement, the rights and obligations of the Parties hereunder, and any claim based upon or arising out of this Subscription Agreement or the Transactions shall be governed by and interpreted and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each Party irrevocably attorns and submits to the exclusive jurisdiction of the Court in any action, application, reference or other proceeding arising out of or relating to this Subscription Agreement or the Transactions and consents to all claims in respect of any such action, application, reference or other proceeding being heard and determined in the Court.

**9.15 Execution and Delivery**

This Subscription Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by email or other electronic means is as effective as a manually executed counterpart of this Subscription Agreement.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS OF WHICH the Parties have executed this Subscription Agreement as of the date first written above.

**DELOITTE RESTRUCTURING INC.,  
in its capacity as receiver and manager  
of CANWEST AEROSPACE INC. and  
CAN WEST GLOBAL AIRPARTS  
INC., and not in its personal capacity**

Per: Paul Chambers

Paul Chambers, Senior Vice President

**0854271 B.C. Ltd.**

Per: \_\_\_\_\_

\_\_\_\_\_

**2155531 ONTARIO INC.**

Per: \_\_\_\_\_

\_\_\_\_\_



IN WITNESS OF WHICH the Parties have executed this Subscription Agreement as of the date first written above.

**DELOITTE RESTRUCTURING INC.,  
in its capacity as receiver and manager  
of CANWEST AEROSPACE INC. and  
CAN WEST GLOBAL AIRPARTS  
INC., and not in its personal capacity**

Per: \_\_\_\_\_

\_\_\_\_\_

**0854271 B.C. Ltd.**

Per: \_\_\_\_\_



TARA LUNDY  
\_\_\_\_\_

**Avion Zone**

Per: \_\_\_\_\_



Irshad Haroon  
\_\_\_\_\_

**Schedule A Approval Order**

See attached

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

ROYAL BANK OF CANADA

PLAINTIFF

AND:

CANWEST AEROSPACE INC.  
CAN WEST GLOBAL AIRPARTS INC.  
THOMAS GEORGE JACKSON

DEFENDANTS

**ORDER MADE AFTER APPLICATION**  
**(APPROVAL AND REVERSE VESTING ORDER)**

BEFORE THE HONOURABLE )  
JUSTICE GOMERY ) April 2, 2024

**ON THE APPLICATION** of Deloitte Restructuring Inc., in its capacity as Receiver and Receiver and Manager (in such capacity, the “**Receiver**”) of Canwest Aerospace Inc. and Can West Global Airparts Inc. (together, the “**Company**”), coming on for hearing at Vancouver, British Columbia on this 2nd day of April 2024; **AND ON HEARING** [●] counsel for the Receiver, and those other counsel listed on **Schedule “A”** hereto; **AND UPON READING** the material filed including, among other things, the Receiver’s First Report, dated November 10, 2023 (the “**First Report**”) and the Receiver’s Second Report dated March 19, 2024 (the “**Second Report**” and together with the First Report, the “**Reports**”); **AND PURSUANT TO** the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended (the “**BIA**”), the *British Columbia Supreme Court Civil Rules* and the inherent jurisdiction of this Honourable Court;

**THIS COURT ORDERS AND DECLARES THAT:**

## **SERVICE**

1. The time for service of the Notice of Application and supporting materials for this Order is hereby abridged such that the Notice of Application is properly returnable today, and service thereof upon any interested party other than those listed on the Service List is hereby dispensed with.

## **DEFINITIONS**

2. Unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the Subscription Agreement dated March 8, 2024 between the Receiver and 0854271 B.C. Ltd. and 2155531 Ontario Inc. (together, the “**Purchaser**”) attached as **Schedule “B”** (as may be amended, supplemented or otherwise modified from time to time in accordance with the terms of that agreement and this Order, the “**Agreement**”).

## **APPROVAL AND VESTING**

3. The Agreement and the transactions contemplated therein (collectively, the “**Transactions**”) are hereby approved, and the Agreement is hereby declared to be commercially reasonable. The Receiver is hereby authorized and directed to perform its obligations under the Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, including cancellation of the Existing Shares and the issuance of the Subscribed Shares to the Purchaser, including any additional documents contemplated by the Agreement or required to implement the Transactions.

4. This Order shall constitute the only authorization required by the Receiver to proceed with the Transactions including, without limitation, no director, shareholder or other approval shall be required and no authorization, approval or other action or filing is required for the due execution, delivery and performance by the Receiver and the Purchaser of the Agreement and the completion of the Transactions.

5. The following shall occur and shall be deemed to have occurred at the Effective Time (as defined below), all in accordance with the Closing Sequence set out in the Agreement and the steps contemplated thereunder:

- (a) the Purchaser shall pay to the Receiver the balance of the Transaction Price, being US\$620,000, to be held in escrow on behalf of the Company, and to be dealt with in accordance with this Closing Sequence;
- (b) 1206546 B.C. Ltd. (“**Residual Co.**”) shall be added as a Defendant in these Receivership Proceedings and all references in any Order of this Court in respect of these receivership proceedings to (i) the “Company” shall refer to and include Residual Co., *mutatis mutandis*, and (ii) “Property” shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of Residual Co., as applicable, including the Excluded Assets (the “**Residual Co. Property**”), and, for greater certainty, each of the charges granted by the Receivership Order made in these proceedings on August 29, 2023 and charges granted by the orders made in Action No. S-231354 shall constitute charges on the Residual Co. Property;
- (c) the Company shall transfer to and Residual Co. shall assume the Excluded Assets, the Excluded Contracts, and the Excluded Liabilities, and all Claims and Encumbrances, other than the Permitted Encumbrances (as defined in the Agreement and as also listed on Schedule “C” hereto), shall be discharged from and against the Company, all in accordance with this Order;
- (d) all of the Company’s right title and interest in and to the Excluded Liabilities, all Claims and Encumbrances, but specifically excluding the Assumed Liabilities and Permitted Encumbrances, shall be channeled to, assumed by and vest absolutely and exclusively in Residual Co., such that: (i) such Excluded Liabilities, Claims, and Encumbrances shall continue to attach to the Excluded Assets, the Excluded Contracts, and all other property and assets of the Residual Co., with the same nature and priority as they had immediately prior to the Effective Time; (ii) such Excluded Liabilities, Excluded Contracts, Claims, and Encumbrances shall be transferred to and assumed by Residual Co. in consideration for the Transaction Price, such that the Excluded Liabilities, Excluded Contracts, and all Claims and Encumbrances (other than the Assumed Liabilities and Permitted Encumbrances)

shall become obligations of Residual Co. which shall be deemed to have been party to the Contracts giving rise thereto and which shall stand in place and stead of the Company in respect of all such Liability or obligations, all of which shall no longer be a Liability or obligation of the Company, and the Company shall be and is hereby forever released and discharged from such Excluded Liabilities, Excluded Contracts, Claims and Encumbrances (other than the Assumed Liabilities and Permitted Encumbrances);

- (e) all Equity Interests, including all Existing Shares, shall be redeemed or terminated at the nominal price of \$0.00001 per common share, and all redeemed Existing Shares together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital or Equity Interests of the Company shall be deemed terminated and cancelled in accordance with this Order;
- (f) the Retained Assets will be retained by the Company free and clear of all Encumbrances and Claims, save and except Permitted Encumbrances and Assumed Liabilities;
- (g) the Company shall have paid, assumed or otherwise satisfied the Assumed Liabilities, in accordance with the terms of the Agreement;
- (h) the Company shall issue the Subscribed Shares and the Purchaser shall subscribe for and purchase the Subscribed Shares. All of the right, title and interest in and to the Subscribed Shares issued by the Company to the Purchaser shall vest absolutely in the Purchaser and will be retained by the Company, in each case free and clear of and from any and all Claims and Encumbrances (which term shall include the Permitted Encumbrances) and, for greater certainty, all of the Encumbrances affecting or relating to the Subscribed Shares and the Retained Assets are hereby expunged and discharged as against the Subscribed Shares and Retained Assets;

- (i) the Purchaser Release shall be released from escrow and shall become effective;
- (j) notwithstanding any other provision in this paragraph, the funds paid by the Purchaser pursuant to the Agreement, in the amount of the Transaction Price, shall vest in Residual Co., and all existing Claims and Encumbrances save and except Permitted Encumbrances and Assumed Liabilities shall attach to the Transaction Price in accordance with paragraph 7 hereof;
- (k) the Company will pay the Cure Costs in the fashion contemplated by paragraph 15 hereof;
- (l) the Company shall cease to be parties to the Receivership Proceedings and the Company will be deemed to be released from the purview of the Receivership Order and all other Orders of this Court granted in these Receivership Proceedings, save and except for this Order the provisions of which (as they relate to the Company) shall continue to apply in all respects; and
- (m) the Receiver shall deliver to the Purchaser an executed copy of the Receiver's certificate, substantially in the form attached as **Schedule "D"** hereto (the "**Receiver's Certificate**") confirming the Transactions contemplated in the Agreement have closed (the time and date of such delivery being the "**Effective Time**").

6. The Receiver shall issue and file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof in connection with the Transactions.

7. For the purposes of determining the nature and priority of Claims, from and after the delivery of the Receiver's Certificate, all Claims and Encumbrances shall attach to the Excluded Assets and the Excluded Contracts, including for greater certainty the Transaction Price, with the same priority as they had with respect to the Retained Assets immediately prior to the sale, as if the Excluded Assets, the Excluded Contracts and the Excluded Liabilities had not been transferred to Residual Co., as applicable, and remained liabilities of the Company immediately prior to the foregoing transfer.

8. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Receiver is authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Company's records pertaining to past and current employees of the Company. The Purchaser shall maintain and cause the Company, after Closing, to maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Company prior to Closing.

9. At the Effective Time and without limiting the provisions of paragraph 5 hereof, the Company and the Purchaser shall both be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Company, including, without limiting the generality of the foregoing, all taxes that could be assessed against the Company or the Purchaser (including its affiliates and any predecessor corporations) pursuant to section 160 of the *Income Tax Act* (Canada), or any provincial equivalent, in connection with the Company, provided, as it relates to the Company, such release shall not apply to (i) Taxes arising from the Transactions, or (ii) Taxes in respect of the business and operations conducted by the Company after the Effective Time.

10. Except to the extent expressly contemplated by the Agreement, or otherwise agreed by the Purchaser, all Retained Contracts to which the Company is a party upon delivery of the Receiver's Certificate will be and remain in full force and effect upon and following delivery of the Receiver's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement shall make or pursue any demand, claim, action or suit or exercise any right or remedy under any Contracts (excluding the Excluded Contracts) relating to:

- (a) the Company having sought or obtained relief under the *BIA* or the *Companies Creditors' Arrangement Act* (Canada);
- (b) the commencement of the Receivership Proceedings; or



- (c) the insolvency of the Company,

and all such counterparties and persons shall be forever barred and estopped from taking such action.

11. The designation of any Claim as an Assumed Liability is without prejudice to the Company's right to dispute the existence, validity or quantum of any such Assumed Liability, and nothing in this Order or the Agreement shall affect or waive the Company's rights and defences, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.

12. From and after the Effective Time:

- (a) the nature of the Assumed Liabilities retained by the Company, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;
- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to Residual Co.;
- (c) any Person that prior to the Effective Time had a valid right or claim against the Company under or in respect of any Excluded Contract or Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have such right or claim against the Company but will have an equivalent Excluded Liability Claim against Residual Co., in respect of the Excluded Contract and Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against Residual Co.; and
- (d) the Excluded Liability Claim of any Person against Residual Co. following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Company prior to the Effective Time.

13. Notwithstanding:

- (a) these proceedings
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *BIA* in respect of the Company, and any bankruptcy order issued pursuant to any such applications; and
- (c) the Agreement, and the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to Residual Co., as applicable, and the issuance of the Subscribed Shares to the Purchaser),

any payments by the Purchaser authorized herein or pursuant to the Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company, and shall not be void or voidable by creditors of the Company, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *BIA* or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

## **RELEASES**

14. Effective upon the delivery of the Receiver's Certificate: (i) the present and former directors, officers, employees, legal counsel and advisors of the Company; (ii) the Receiver and its legal counsel, and their respective present and former directors, officers, partners, employees and advisors; and (iii) the Purchaser, its directors, officers, employees, legal counsel and advisors (the Persons listed in (i), (ii) and (iii) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims whatsoever (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or

in part and in connection with the Transactions in respect of the Company or these Receivership Proceedings (collectively, the “**Released Claims**”), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to Residual Co. or to any other entity and are extinguished, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for gross negligence, fraud or willful misconduct or any claim that is not permitted to be released pursuant to section 50(14) of the *BIA*.

### **CURE COSTS**

15. All Cure Costs payable in accordance with the Agreement shall be paid by or on behalf of the Company to the relevant counterparty to a Retained Contract on or before Closing or such later date as may be agreed to by the Company and the relevant counterparty to a Retained Contract.

### **RESIDUAL CO**

16. At the Effective Time, Residual Co. shall be added as a Defendant in these proceedings in place of the Company and the style of cause of these proceedings shall be changed by deleting the Company as Defendants and adding Residual Co. as a Defendant.

17. The administration of Residual Co. shall remain subject to the Court’s oversight and these proceedings.

18. The Receiver is authorized to assign or file voluntary assignments into bankruptcy in respect of Residual Co. and, in that regard, sign such documents in the name of Residual Co. and to take all such steps as are necessary to make the assignments into bankruptcy. For greater certainty, no resolutions or other authorizations from directors, officers or shareholders of Residual Co. will be required to commence the bankruptcy proceedings. The Receiver shall be entitled, but not obligated, to act as trustee of Residual Co. in such bankruptcy.

19. In addition, and without limiting the rights and protections afforded to the Receiver pursuant to the Receivership Order and the BIA, which continue to apply, the Receiver and its employees and representatives shall not incur any liability as a result of acting in accordance with

this Order or administering Residual Co., save and except for any gross negligence or willful misconduct on the part of such parties.

20. No action lies against the Receiver, by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Receiver and its legal counsel. Any persons related to the Receiver or belonging to the same group as the Receiver shall benefit from the protection arising under this paragraph.

## **GENERAL**

21. Following the Effective Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances (each as described herein) as against the Subscribed Shares and the Retained Assets.

22. This Order shall have full force and effect in all provinces and territories in Canada.

23. The Company and the Receiver shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Company and the Receiver as may be deemed necessary or appropriate for that purpose.

24. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order, the Agreement and all amendments thereto, in connection with any dispute involving the Company or Residual Co., and to adjudicate, if necessary, any disputes concerning the Company or Residual Co. related in any way to the Transactions.

25. This Order and all of its provisions are effective as of 12:01 a.m. Prevailing Pacific Time on the date hereof, provided that the transaction steps set out in paragraph 5 hereof shall be deemed to have occurred sequentially, one after the other, in the order set out in paragraph 5 hereof.

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

27. Endorsement of this Order by counsel appearing on this application, other than counsel for the Receiver is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

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[●], Lawyer for the Receiver

BY THE COURT

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**SCHEDULE "A"**

Appearance List

<b>Counsel Name</b>	<b>Party Represented</b>

**SCHEDULE "B"**  
**Purchase Agreement**

**SCHEDULE "C"**

Permitted Encumbrances

None



**SCHEDULE “D”**

Form of Receiver’s Certificate

No.: S-230764  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

ROYAL BANK OF CANADA

PLAINTIFF

AND:

CANWEST AEROSPACE INC.  
CAN WEST GLOBAL AIRPARTS INC.  
THOMAS GEORGE JACKSON

DEFENDANTS

**RECEIVER’S CERTIFICATE**

**RECITALS**

- A. Pursuant to an Order of the Supreme Court of British Columbia (the “**Court**”) dated August 29, 2023, Deloitte Restructuring Inc. was appointed Receiver and Receiver and Manager (in such capacity, the “**Receiver**”) of Canwest Aerospace Inc. and Can West Global Airparts Inc. (collectively, the “**Company**”), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 as amended (the “**BIA**”) and the *Law and Equity Act*, R.S.B.C. 1996, c 253.
- B. Pursuant to the Approval and Reverse Vesting Order granted by the Honourable Justice Gomery on April 2, 2024 (the “**Approval and Reverse Vesting Order**”), the Court approved the transactions contemplated by the Subscription Agreement between the Receiver and 0854271 B.C. Ltd. and 2155531 Ontario Inc. (the “**Purchaser**”) dated March 8, 2024, which provided for, among other things: (i) the vesting out of the Company’s Excluded Assets, Excluded Contracts and Excluded Liabilities (ii) the discharge of Encumbrances against the Company and the Retained Assets, except only the Permitted

Encumbrances; (iii) certain ancillary relief, with the steps set out in paragraph 5 of the Approval and Reverse Vesting Order to become effective upon the Receiver filing a certificate confirming that the Purchaser has paid the Transaction Price and all conditions to Closing set out in the Agreement have been satisfied or waived by the Receiver and the Purchaser.

- C. Unless otherwise indicated therein, capitalized terms used and not otherwise defined in this Receiver's Certificate have the meanings set out in the Approval and Reverse Vesting Order.

THE RECEIVER CERTIFIES that:

1. The Purchaser has paid the Transaction Price (as defined in the Agreement) in accordance with the Agreement;
2. The conditions to Closing as set out in the Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The transactions contemplated in the Agreement have closed.

This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**Deloitte Restructuring Inc. in its capacity as  
Receiver and Receiver and Manager of  
Canwest Aerospace Inc. and Can West  
Global Airparts Inc., and not in its personal  
capacity**

Per: \_\_\_\_\_  
Name:  
Title:

---

No.: S-230764  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

BETWEEN:

ROYAL BANK OF CANADA

PLAINTIFF

AND:

CANWEST AEROSPACE INC.  
CAN WEST GLOBAL AIRPARTS INC.  
THOMAS GEORGE JACKSON

DEFENDANTS

---

**ORDER MADE AFTER APPLICATION  
(APPROVAL AND REVERSE VESTING ORDER)**

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**FASKEN MARTINEAU DuMOULIN LLP**

Barristers and Solicitors  
550 Burrard Street, Suite 2900  
Vancouver, BC, V6C 0A3  
+1 604 631 3131

Counsel: Lisa Hiebert  
Matter No: 242587.00106

**Schedule B Excluded Assets**

The Excluded Assets are:

- Cash balances in the Company's bank accounts as of the Closing Date, except for US\$8,204.09 relating to INV No. S53189370 in CAI's TD Canada Trust Account No. 7200424

**Schedule C Excluded Contracts**

NIL

**Schedule D Excluded Liabilities**

All

### **Schedule E Encumbrances to be Discharged**

All financial charges and encumbrances in respect of the Company including:

- the Charges granted pursuant to orders made in the CCAA Proceedings, including the Administration Charge;

- the Charges granted in the Receivership Proceedings, including the Receiver's Charge and the Receiver's Borrowings Charge;

- the following Personal Property Registry Charges against CAI:

- 840673D registered August 7, 2007;
- 103019K registered June 27, 2017;
- 115715K registered July 4, 2017;
- 115717K registered July 4, 2017;
- 224500N registered September 7, 2021;
- 338493N registered October 29, 2021;
- 338526N registered October 29, 2021;
- 937179N registered August 23, 2022;

- the following Personal Property Registry Charges against CWGAI:

- 877984K registered July 6, 2018; and
- 294764L registered January 31, 2019.

### **Schedule F Retained Contracts**

All, including the following:

1. Canwest Aerospace Inc. – P.O. P12077
2. Air Ambulance Technology – Quote No. 5729a
3. Air Ambulance Technology – Quote No. 5729c
4. Air Ambulance Technology – Quote No. 5728-1a
5. Air Ambulance Technology – Quote No. 5728a
6. Government of the People's Republic of Bangladesh – Contract Number - 278.230.20
7. The Company's lease for the premises located at 28629 58<sup>th</sup> Avenue, Abbotsford, BC V4X 2E8
8. The Company's lease for the premises located at 4345 King Street, Delta, BC, V4K 0A5



**Schedule G Assumed Liabilities**

All obligations incurred prior to August 29, 2023 in respect of:

- The Company's employees and independent contractors that are employed as of the date of the Approval Order;

All obligations and liabilities incurred in respect of:

- The Company's lease for the premises located at 28629 58<sup>th</sup> Avenue, Abbotsford, BC V4X 2E8

- The Company's lease for the premises located at 4345 King Street, Delta, BC, V4K 0A5

**Schedule H Permitted Encumbrances**

NIL

**Schedule I – Release in favour of Thomas George Jackson**

**MUTUAL RELEASE**

IN CONSIDERATION of the payment of CA\$10.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby irrevocably acknowledged by all signatories hereto, Royal Bank of Canada (“RBC”) and Thomas George Jackson (each referred to herein as a “Party”, and collectively referred to as the “Parties”), HEREBY FULLY RELEASE, REMISE AND FOREVER DISCHARGE EACH OTHER and each of their respective officers, directors, employees, agents, subsidiaries, affiliates, parents, heirs, executors, successors and assigns, without qualification or limitation, from and against any and all claims, actions, causes of action, demands for monies, losses, damages, indemnity or injuries howsoever arising, whether in contract, in tort or in equity, or arising as a result of a fiduciary duty, or by virtue of any statute, or upon or by reason of any damage, loss or injury that that Party ever had, now has, or can, shall or may hereafter have against the other Party for any reason, arising from or relating to Action No. S-230764 in the Supreme Court of British Columbia, Vancouver Registry.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, the Parties hereto declare that the intent of this Mutual Release is to conclude all issues arising from the matters set forth above and to release the Parties from any claims whatsoever and howsoever arising from the matters set forth above.

AND EACH PARTY HEREBY CONFIRMS that he, she, or it has full authority and capacity to release his, her, or its respective rights and interests as against the other Party and has authorized and instructed his, her or its solicitors to settle the matters set forth above.

AND FOR THE SAID CONSIDERATION the Parties hereby irrevocably represent and warrant that they have not assigned to any person, firm, or corporation any of the actions, causes of action, claims, debts, suits or demands of any nature or kind which they have released by this Mutual Release.

AND FOR THE SAID CONSIDERATION it is agreed and understood that Thomas George Jackson (the “Debtor”) shall not make or continue with any claim or take any proceedings against any other person or corporation who might claim, in any manner or forum, contribution or indemnity in common law or in equity, or under the provisions of any statute or regulation, from or against RBC in connection with the matters outlined above.

IT IS AGREED AND UNDERSTOOD that if the Debtor should commence or continue with such an action, or take such proceeding, and RBC is added to such action or proceeding in any manner whatsoever, including attending examinations of any sort whatsoever, the Debtor will immediately discontinue the proceeding or action and the Debtor will be liable to RBC for the actual legal costs and disbursements incurred in any such proceeding. This Mutual Release shall operate conclusively as an estoppel in the event of any claim, action, complaint or proceeding which might be brought or continued in the future by the Debtor with respect to the matters covered by this Mutual Release. This Mutual Release may be pleaded in the event any such

claim, action, complaint or proceeding is brought or continued as a complete defence and reply, and may be relied upon by RBC in any proceeding to dismiss the claim, action, complaint or proceeding on a summary basis and no objection will be raised by the Debtor in any subsequent action.

AND IT IS HEREBY DECLARED that the terms of this Mutual Release are fully understood, that the consideration stated herein is the sole consideration for this Mutual Release and that the said consideration is accepted voluntarily for the purpose of making full and final compromise in settlement of all claims and proceedings advanced between, or against the Parties, now or hereafter brought, for damages, loss or injury in respect of the matters set forth above.

AND IT IS FURTHER UNDERSTOOD AND AGREED that the fact and terms of this Mutual Release will be held in confidence by the Debtor and will receive no publication either oral or in writing, directly or indirectly, by them, unless deemed essential on auditors' or accountants' written advice for financial statement or income tax purposes, or for the purpose of any judicial proceeding, in which event the fact that the Mutual Release is made without any admission of liability will receive the same publication contemporaneously. The Debtor will not publish, post or disseminate any disparaging or critical statements, whether orally or in writing, about the matters released herein.

AND IT IS FURTHER UNDERSTOOD AND AGREED that this Mutual Release shall be governed by the laws of the Province of British Columbia and that any dispute arising from this Mutual Release will be adjudicated by the Supreme Court of British Columbia, and the Parties hereby attorn to the exclusive jurisdiction of this Court for this purpose.

AND IT IS FURTHER UNDERSTOOD AND AGREED that this Mutual Release may be executed by facsimile or electronic transmission and in counterparts, each of which shall be deemed to be an original, and that such separate counterparts shall constitute together one and the same instrument, notwithstanding their date of actual execution.

AND IT IS FURTHER UNDERSTOOD AND AGREED that this Mutual Release shall be of no force and effect unless signed by all Parties.

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## **Appendix "B"**

### BC PPR Searches of the Companies

**Business Debtor - "Can West Global Airparts Inc."**

**Search Date and Time:** March 19, 2024 at 1:36:07 pm Pacific time  
**Account Name:** FASKEN MARTINEAU DUMOULIN LLP  
**Folio Number:** 242587.00106

**TABLE OF CONTENTS**

2 Matches in 2 Registrations in Report

Exact Matches: 2 (\*)

Total Search Report Pages: 6

	<b>Base Registration</b>	<b>Base Registration Date</b>	<b>Debtor Name</b>	<b>Page</b>
1	<a href="#">877984K</a>	July 6, 2018	* CAN WEST GLOBAL AIRPARTS INC.	<a href="#">2</a>
2	<a href="#">294764L</a>	January 31, 2019	* CAN WEST GLOBAL AIRPARTS INC.	<a href="#">5</a>

**Base Registration Number: 877984K**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	July 6, 2018 at 12:21:00 pm Pacific time
<b>Current Expiry Date and Time:</b>	July 6, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

---

**CURRENT REGISTRATION INFORMATION**

(as of March 19, 2024 at 1:36:07 pm Pacific time)

---

**Secured Party Information**

**ROYAL BANK OF CANADA**

**Address**

36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO ON  
M2P 0A4 Canada

---

**Debtor Information**

**CAN WEST GLOBAL AIRPARTS INC.**

**Address**

HANGAR 10, 5225 216TH STREET  
LANGLEY BC  
V2Y 2N3 Canada

---

**Vehicle Collateral**

None



---

## General Collateral

### Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHEREVER SITUATE INCLUDING BUT NOT LIMITED TO GOODS (INCLUDING INVENTORY, EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANTS, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND), BUT EXCLUDING CONSUMER GOODS) CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES, MONEY, LICENCES, CROPS, SECURITIES AND OTHER INVESTMENT PROPERTY.

---

## Original Registering Party

**ROYAL BANK OF CANADA**

### Address

36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO ON  
M2P 0A4 Canada



---

**HISTORY**

(Showing most recent first)

---

**RENEWAL**

---

**Registration Date and Time:** June 12, 2023 at 10:08:55 am Pacific time  
**Registration Number:** 595959P  
**Registration Life:** 5 Years  
**New Expiration Date and Time:** July 6, 2028 at 11:59:59 pm Pacific time

**Registering Party Information**

**D + H LIMITED PARTNERSHIP**

**Address**

2 ROBERT SPECK PARKWAY, 15TH FLOOR  
MISSISSAUGA ON  
L4Z 1H8 Canada



## Base Registration Number: 294764L

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	January 31, 2019 at 3:58:11 pm Pacific time
<b>Current Expiry Date and Time:</b>	January 31, 2029 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

## CURRENT REGISTRATION INFORMATION

(as of March 19, 2024 at 1:36:07 pm Pacific time)

### Secured Party Information

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Address**

1500 - 1133 MELVILLE STREET  
VANCOUVER BC  
V6E 4E5 Canada

### Debtor Information

**CAN WEST GLOBAL AIRPARTS INC.**

**Address**

1130 - 400 BURRARD STREET  
VANCOUVER BC  
V6C 3A6 Canada

**0854271 B.C. LTD.**

**Address**

1130 - 400 BURRARD STREET  
VANCOUVER BC  
V6C 3A6 Canada

### Vehicle Collateral

None

---

## General Collateral

### Base Registration General Collateral:

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND WITHOUT LIMITATION, ALL CROPS, FIXTURES AND LICENCES.

---

## Original Registering Party

**BUSINESS DEVELOPMENT BANK OF  
CANADA**

### Address

1500 - 1133 MELVILLE STREET  
VANCOUVER BC  
V6E 4E5 Canada



**Business Debtor - "CanWest Aerospace Inc."**

**Search Date and Time:** March 19, 2024 at 1:35:35 pm Pacific time  
**Account Name:** FASKEN MARTINEAU DUMOULIN LLP  
**Folio Number:** 242587.00106

**TABLE OF CONTENTS**

8 Matches in 8 Registrations in Report

Exact Matches: 8 (\*)

Total Search Report Pages: 21

	<b>Base Registration</b>	<b>Base Registration Date</b>	<b>Debtor Name</b>	<b>Page</b>
1	<a href="#">840673D</a>	August 7, 2007	* CANWEST AEROSPACE INC.	<a href="#">2</a>
2	<a href="#">103019K</a>	June 27, 2017	* CANWEST AEROSPACE INC.	<a href="#">6</a>
3	<a href="#">115715K</a>	July 4, 2017	* CANWEST AEROSPACE INC.	<a href="#">8</a>
4	<a href="#">115717K</a>	July 4, 2017	* CANWEST AEROSPACE INC.	<a href="#">11</a>
5	<a href="#">224500N</a>	September 7, 2021	* CANWEST AEROSPACE INC.	<a href="#">14</a>
6	<a href="#">338493N</a>	October 29, 2021	* CANWEST AEROSPACE INC.	<a href="#">16</a>
7	<a href="#">338526N</a>	October 29, 2021	* CANWEST AEROSPACE INC.	<a href="#">18</a>
8	<a href="#">937179N</a>	August 23, 2022	* CANWEST AEROSPACE INC.	<a href="#">20</a>

## Base Registration Number: 840673D

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	August 7, 2007 at 11:42:32 am Pacific time
<b>Current Expiry Date and Time:</b>	August 7, 2027 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

## CURRENT REGISTRATION INFORMATION

(as of March 19, 2024 at 1:35:35 pm Pacific time)

### Secured Party Information

**ROYAL BANK OF CANADA**

**Address**

36 YORK MILLS ROAD 4TH FLR  
TORONTO ON  
M2P 0A4 Canada

### Debtor Information

**CANWEST AEROSPACE INC.**

**Address**

UNIT 240, 19358 96 AVE  
SURREY BC  
V4N 4C1 Canada

### Vehicle Collateral

None

---

## General Collateral

### Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHEREVER SITUATE INCLUDING BUT NOT LIMITED TO GOODS (INCLUDING INVENTORY, EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANTS, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND), BUT EXCLUDING CONSUMER GOODS) ,CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES, MONEY, LICENCES, CROPS, SECURITIES AND OTHER INVESTMENT PROPERTY.

---

## Original Registering Party

**ROYAL BANK OF CANADA**

**Address**

180 WELLINGTON ST, W. 3RD FLR.  
TORONTO ON  
M5J 1J1 Canada



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## HISTORY

(Showing most recent first)

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### RENEWAL

---

**Registration Date and Time:** July 8, 2022 at 6:07:48 am Pacific time  
**Registration Number:** 846687N  
**Registration Life:** 5 Years  
**New Expiration Date and Time:** August 7, 2027 at 11:59:59 pm Pacific time

#### Registering Party Information

**D + H LIMITED PARTNERSHIP**

**Address**

2 ROBERT SPECK PARKWAY, 15TH FLOOR  
MISSISSAUGA ON  
L4Z 1H8 Canada

---

### RENEWAL

---

**Registration Date and Time:** July 10, 2017 at 12:03:57 pm Pacific time  
**Registration Number:** 128785K  
**Registration Life:** 5 Years  
**New Expiration Date and Time:** August 7, 2022 at 11:59:59 pm Pacific time

#### Registering Party Information

**D & H LIMITED PARTNERSHIP**

**Address**

4126 NORLAND AVENUE, SUITE 201  
BURNABY BC  
V5G 3S8 Canada

---

### AMENDMENT

---

**Registration Date and Time:** January 17, 2014 at 11:07:05 am Pacific time  
**Registration Number:** 758492H  
**Description:** AMEND DEBTOR'S NAME. AMEND SECURED PARTY.



## Debtor Information

### CANWEST AEROSPACE INC.

(Formerly CAN WEST COMPONENT SERVICES INC.)

NAME CHANGED

### Address

UNIT 240, 19358 96 AVE  
SURREY BC  
V4N 4C1 Canada

## Secured Party Information

### ROYAL BANK OF CANADA

ADDRESS CHANGED

### Address

36 YORK MILLS ROAD 4TH FLR  
TORONTO ON  
M2P 0A4 Canada

## Registering Party Information

### D & H LIMITED PARTNERSHIP

### Address

4126 NORLAND AVENUE, SUITE 201  
BURNABY BC  
V5G 3S8 Canada

## RENEWAL

---

**Registration Date and Time:**

June 18, 2012 at 12:58:44 pm Pacific time

**Registration Number:**

800916G

**Registration Life:**

5 Years

**New Expiration Date and Time:**

August 7, 2017 at 11:59:59 pm Pacific time

## Registering Party Information

### D & H LIMITED PARTNERSHIP

### Address

4126 NORLAND AVENUE, SUITE 201  
BURNABY BC  
V5G 3S8 Canada

**Base Registration Number: 103019K**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	June 27, 2017 at 10:23:54 am Pacific time
<b>Current Expiry Date and Time:</b>	June 27, 2029 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

**CURRENT REGISTRATION INFORMATION**

(as of March 19, 2024 at 1:35:35 pm Pacific time)

**Secured Party Information**

**BUSINESS DEVELOPMENT BANK OF CANADA**

**Address**

1500 - 1133 MELVILLE STREET  
VANCOUVER BC  
V6E 4E5 Canada

**Debtor Information**

**CANWEST AEROSPACE INC.**

**Address**

1130 - 400 BURRARD STREET  
VANCOUVER BC  
V6C 3A6 Canada

**Vehicle Collateral**

None

**General Collateral**

**Base Registration General Collateral:**

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND WITHOUT LIMITATION, ALL CROPS, FIXTURES AND LICENCES.

## Original Registering Party

**BUSINESS DEVELOPMENT BANK OF  
CANADA**

**Address**

1500 - 1133 MELVILLE STREET  
VANCOUVER BC  
V6E 4E5 Canada



## Base Registration Number: 115715K

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	July 4, 2017 at 9:53:51 am Pacific time
<b>Current Expiry Date and Time:</b>	July 4, 2027 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

## CURRENT REGISTRATION INFORMATION

(as of March 19, 2024 at 1:35:35 pm Pacific time)

### Secured Party Information

**ROYAL BANK OF CANADA**

**Address**

36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO ON  
M2P 0A4 Canada

### Debtor Information

**CANWEST AEROSPACE INC.**

**Address**

SUITE 10, 5225 216 ST  
LANGLEY BC  
V2Y 2N3 Canada

### Vehicle Collateral

None

---

## General Collateral

### Base Registration General Collateral:

ALL INTANGIBLES NOW OWNED OR HEREAFTER OWNED OR ACQUIRED BY DEBTOR INCLUDING, WITHOUT LIMITATION, ALL ACCOUNTS (INCLUDING BOOK ACCOUNTS), DEBTS (INCLUDING BOOK DEBTS), DUES, CLAIMS, CHOSSES IN ACTION AND DEMANDS OF EVERY NATURE AND KIND HOWSOEVER ARISING OR SECURED, WHICH ARE NOW DUE, OWING, OR ACCRUING OR GROWING DUE TO OR OWNED BY OR WHICH MAY HEREAFTER BECOME DUE, OWING OR ACCRUING OR GROWING DUE TO OR OWNED BY DEBTOR, AND ALL DEEDS, DOCUMENTS, WRITINGS, PAPERS, BOOKS OF ACCOUNT AND OTHER BOOKS RELATING TO OR BEING RECORDS OF DEBTS OR THE PROCEEDS THEREOF OR BY WHICH ,DEBTS OR THE PROCEEDS THEREOF ARE OR MAY HEREAFTER BE SECURED, EVIDENCED, ACKNOWLEDGED OR MADE PAYABLE, NOW OWNED OR HEREAFTER OWNED OR ACQUIRED BY OR ON BEHALF OF DEBTOR, AND ALL MONEY HEREAFTER RECEIVED BY OR ON BEHALF OF DEBTOR IN PAYMENT OR SATISFACTION OF DEBTS. PROCEEDS: ALL ,PROCEEDS INCLUDING, WITHOUT LIMITATION, GOODS (INCLUDING INVENTORY, EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANT, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND BUT EXCLUDES CONSUMER GOODS), MONEY, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS AND SECURITIES.

---

## Original Registering Party

**ROYAL BANK OF CANADA**

### Address

36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO ON  
M2P 0A4 Canada

---

**HISTORY**

(Showing most recent first)

---

**RENEWAL**

---

**Registration Date and Time:** June 10, 2022 at 6:09:53 am Pacific time  
**Registration Number:** 788399N  
**Registration Life:** 5 Years  
**New Expiration Date and Time:** July 4, 2027 at 11:59:59 pm Pacific time

**Registering Party Information**

**D + H LIMITED PARTNERSHIP**

**Address**

2 ROBERT SPECK PARKWAY, 15TH FLOOR  
MISSISSAUGA ON  
L4Z 1H8 Canada



**Base Registration Number: 115717K**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	July 4, 2017 at 9:54:03 am Pacific time
<b>Current Expiry Date and Time:</b>	July 4, 2027 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

**CURRENT REGISTRATION INFORMATION**

(as of March 19, 2024 at 1:35:35 pm Pacific time)

**Secured Party Information**

**ROYAL BANK OF CANADA**

**Address**

36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO ON  
M2P 0A4 Canada

**Debtor Information**

**CANWEST AEROSPACE INC.**

**Address**

SUITE 10, 5225 216 ST  
LANGLEY BC  
V2Y 2N3 Canada

**Vehicle Collateral**

None

---

## General Collateral

### Base Registration General Collateral:

ALL PRESENT AND AFTER-ACQUIRED INVENTORY OF DEBTOR WHEREVER SITUATE, AND ALL DEEDS, DOCUMENTS, WRITINGS, PAPERS AND BOOKS RELATING TO OR BEING RECORDS OF INVENTORY OR ITS PROCEEDS OR BY WHICH INVENTORY OR ITS PROCEEDS ARE OR MAY HEREAFTER BE SECURED, MADE PAYABLE, EVIDENCED OR ,ACKNOWLEDGED, INCLUDING SECURITIES, MONEY, CHATTEL PAPER, INSTRUMENTS, AND DOCUMENTS OF TITLE, AND ALL CONTRACTUAL RIGHTS, INSURANCE CLAIMS, PATENTS, TRADEMARKS, COPYRIGHTS AND OTHER INDUSTRIAL PROPERTY RELATING TO INVENTORY OR ITS PROCEEDS. PROCEEDS: ALL PROCEEDS INCLUDING, WITHOUT ,LIMITATION, GOODS, EQUIPMENT, (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANT, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND BUT EXCLUDES CONSUMER GOODS), INTANGIBLES, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, SECURITIES, LICENSES, CROPS, FIXTURES AND MONEY.

---

## Original Registering Party

**ROYAL BANK OF CANADA**

**Address**

36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO ON  
M2P 0A4 Canada



---

**HISTORY**

(Showing most recent first)

---

**RENEWAL**

---

**Registration Date and Time:** June 10, 2022 at 6:12:20 am Pacific time  
**Registration Number:** 788459N  
**Registration Life:** 5 Years  
**New Expiration Date and Time:** July 4, 2027 at 11:59:59 pm Pacific time

**Registering Party Information**

**D + H LIMITED PARTNERSHIP**

**Address**

2 ROBERT SPECK PARKWAY, 15TH FLOOR  
MISSISSAUGA ON  
L4Z 1H8 Canada



**Base Registration Number: 224500N**

**Registration Description:** PPSA SECURITY AGREEMENT  
**Act:** PERSONAL PROPERTY SECURITY ACT  
**Base Registration Date and Time:** September 7, 2021 at 8:01:16 am Pacific time  
**Current Expiry Date and Time:** September 7, 2026 at 11:59:59 pm Pacific time  
 Expiry date includes subsequent registered renewal(s)  
**Trust Indenture:** No

**CURRENT REGISTRATION INFORMATION**

(as of March 19, 2024 at 1:35:35 pm Pacific time)

**Secured Party Information**

**TDF GROUP INC.**

**Address**

17631 103 AVE NW  
 EDMONTON AB  
 T5S 1N8 Canada

**Debtor Information**

**CANWEST AIR LIFT INC.**

**Address**

23925 58A AVE  
 LANGLEY BC  
 V2Z 1A5 Canada

**CANWEST AEROSPACE INC.**

**Address**

200-5225 216 ST.  
 LANGLEY BC  
 V2Y 2N3 Canada

**Vehicle Collateral**

Type	Year	Make/Model	Serial/VIN/DOT Number
Motor Vehicle (MV)	2020	FORD / SUPER DUTY F-350	1FT8W3DT0LED26525

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**General Collateral**

None.

---

**Original Registering Party**

**THE DRIVING FORCE INC.**

**Address**

11025 184 STREET NW  
EDMONTON AB  
T5S 0A6 Canada



## Base Registration Number: 338493N

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	October 29, 2021 at 1:22:01 pm Pacific time
<b>Current Expiry Date and Time:</b>	October 29, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

## CURRENT REGISTRATION INFORMATION

(as of March 19, 2024 at 1:35:35 pm Pacific time)

### Secured Party Information

**ROYAL BANK OF CANADA**

**Address**

36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO ON  
M2P 0A4 Canada

### Debtor Information

**CANWEST AEROSPACE INC.**

**Address**

SUITE 200, 12-5225 216 STREET  
LANGLEY BC  
V2Y 2N3 Canada

### Vehicle Collateral

None

### General Collateral

**Base Registration General Collateral:**

ALL ACCOUNTS RECEIVABLE AND CLAIMS OF THE GRANTOR AND ALL RIGHTS OF THE GRANTOR IN ALL ITS PRESENT AND FUTURE DGDP OF BANGLADESH EXPORT CONTRACTS INSURED BY EDC

## Original Registering Party

**D + H LIMITED PARTNERSHIP**

## Address

2 ROBERT SPECK PARKWAY, 15TH F  
MISSISSAUGA ON  
L4Z 1H8 Canada



**Base Registration Number: 338526N**

<b>Registration Description:</b>	PPSA SECURITY AGREEMENT
<b>Act:</b>	PERSONAL PROPERTY SECURITY ACT
<b>Base Registration Date and Time:</b>	October 29, 2021 at 1:36:09 pm Pacific time
<b>Current Expiry Date and Time:</b>	October 29, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
<b>Trust Indenture:</b>	No

**CURRENT REGISTRATION INFORMATION**

(as of March 19, 2024 at 1:35:35 pm Pacific time)

**Secured Party Information**

**ROYAL BANK OF CANADA**

**Address**

36 YORK MILLS ROAD, 4TH FLOOR  
TORONTO ON  
M2P 0A4 Canada

**Debtor Information**

**CANWEST AEROSPACE INC.**

**Address**

UNIT 200, 12-5225 216 STREET  
LANGLEY BC  
V2Y 2N3 Canada

**Vehicle Collateral**

None

**General Collateral**

**Base Registration General Collateral:**

ALL INVENTORY AND CLAIMS OF THE GRANTOR AND ALL RIGHTS OF THE GRANTOR IN ALL ITS  
PRESENT AND FUTURE DGDP OF BANGLADESH EXPORT CONTRACTS INSU RED BY EDC.

## Original Registering Party

**D + H LIMITED PARTNERSHIP**

## Address

2 ROBERT SPECK PARKWAY, 15TH F  
MISSISSAUGA ON  
L4Z 1H8 Canada



## Base Registration Number: 937179N

<b>Registration Description:</b>	CROWN CHARGE - OTHER - FILED PURSUANT TO EMPLOYER HEALTH TAX
<b>Act:</b>	MISCELLANEOUS REGISTRATIONS ACT
<b>Base Registration Date and Time:</b>	August 23, 2022 at 4:19:47 pm Pacific time
<b>Current Expiry Date and Time:</b>	Never

## CURRENT REGISTRATION INFORMATION

(as of March 19, 2024 at 1:35:35 pm Pacific time)

### Secured Party Information

**RECEIVABLES MANAGEMENT  
OFFICE - TARA KLINGSPORN**

**Address**

1802 DOUGLAS STREET, 6TH FLOOR  
VICTORIA BC  
V8T 4K6 Canada

### Debtor Information

**CANWEST AEROSPACE INC.**

**Address**

12-5225 216 ST  
LANGLEY BC  
V2Y 2N3 Canada

### Vehicle Collateral

None



## General Collateral

### Base Registration General Collateral:

ALL THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY,  
INCLUDING BUT NOT RESTRICTED TO MACHINERY, EQUIPMENT, FURNITURE,  
FIXTURES, INVENTORY AND RECEIVABLES.

---

## Original Registering Party

**MINISTRY OF FINANCE**

**Address**

1802 DOUGLAS ST  
PO BOX 9445  
VICTORIA BC  
V8T 4K6 Canada



**Appendix "C"**

Notice Parties

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ROYAL BANK OF CANADA

PLAINTIFF

AND:

CANWEST AEROSPACE INC.  
CAN WEST GLOBAL AIRPARTS INC.  
THOMAS GEORGE JACKSON

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