

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL
No. 500-11-049142-157
DATE: August 26, 2015

PRESIDING : Me Julie Bégin, registraire

IN THE MATTER OF THE INTENTION TO MAKE A PROPOSAL OF:

INDUSTRIES COVER INC.

Debtor/Petitioner

-and-

DELOITTE RESTRUCTURING INC.

Trustee

-and-

THE REGISTRAR OF THE LAND REGISTRY OFFICE
FOR THE REGISTRY DIVISION OF MONTRÉAL

-and-

THE REGISTRAR OF THE LAND REGISTRY OFFICE
FOR THE REGISTRY DIVISION OF LOTBINIÈRE

Impleaded Parties

ORDER

ON READING Industries Cover Inc. (the "**Petitioner**")'s *Motion for the Issuance of an Order Approving the Sale of Assets and a Vesting Order* pursuant to the *Bankruptcy and Insolvency Act* (the "**BIA**"), the exhibits and the affidavit of Mr. Dave Kuta filed in support thereof (the "**Motion**"), relying upon the submissions of the parties appearing before the court for the presentation of the Motion and being advised that the interested parties were given prior notice of the presentation of the Motion;

GIVEN the provisions of the BIA;

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WHEREFORE, THE COURT:

1. **GRANTS** the Motion.

SERVICE

2. **ORDERS** that any prior delay for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

SALE APPROVAL

3. **ORDERS** and **DECLARES** that the sale of Petitioner's assets described in the Asset Purchase Agreement (Exhibit R-1) (the "**Purchased Assets**") to Novatech Group Inc. (the "**Purchaser**") (the "**Sale**") is hereby approved, that the execution of the Asset Purchase Agreement by Industries Cover Inc. (the "**Vendor**") is hereby authorized and approved, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of Deloitte Restructuring Inc., in its capacity as trustee to the *Notice of Intention to Make a Proposal* filed by Petitioner (the "**Trustee**").

EXECUTION OF DOCUMENTATION

4. **AUTHORIZES** the Vendor, the Trustee and the Purchaser to perform all acts, sign all documents and take any necessary action to execute any document, deed, provision, transaction or undertaking stipulated in the Asset Purchase Agreement (Exhibit R-1) and any other ancillary document which could be required or useful to give full and complete effect thereto.

AUTHORIZATION

5. **ORDERS** and **DECLARES** that this Order shall constitute the only authorization required by the Vendor to proceed with the Sale and that no shareholder or regulatory approval, if applicable, shall be required in connection therewith.

VESTING OF PURCHASED ASSETS

6. **ORDERS** and **DECLARES** that upon the issuance of a trustee's certificate substantially in the form appended as **Schedule "A"** hereto (the "**Certificate**"), all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear of and from any and all claims, liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, mortgages, pledges, deemed trusts, assignments, judgments, executions, writs of seizure or execution, notices of sale, options, adverse claims, levies, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or

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encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including without limiting the generality of the foregoing all charges, security interests or charges evidenced by registration, publication or filing pursuant to the *Civil Code of Québec*, or any other applicable legislation providing for a security interest in movable or immovable property; and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets be expunged and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate.

7. **DIRECTS** the Trustee to file with the Court a copy of the Certificate, forthwith after issuance thereof.

CANCELLATION OF SECURITY REGISTRATIONS

8. **ORDERS** the Registrars of the land registries for the registry divisions of Montreal and Lotbinière to strike the registration numbers 191 456, 21 622 252, 21 076 701, 21 076 607, 21 716 657, 21 687 454, 21 621 979, 21 719 053 and 21 724 268, upon presentation of the required form with a true copy of this Order and the Certificate.
9. **ORDERS** the Vendor to take all steps as may be necessary to effect the discharge of the Encumbrances.
10. **DECLARES** that the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.

PROCEEDS

11. **ORDERS** that the proceeds from the Sale (the "**Proceeds**") shall be remitted to the Trustee in trust and shall be used in accordance with applicable legislation, including for the reimbursement by Petitioner of its secured creditors.
12. **ORDERS** that the Proceeds shall stand in the place and stead of the Purchased Assets, and that upon payment of the purchase price by the Purchaser, all Encumbrances shall attach to the Proceeds with the same priority as they had with respect to the Purchased Assets immediately prior to the Sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the Sale.

PROTECTION OF PERSONAL INFORMATION

13. **ORDERS** that, pursuant to sub-section 7(3)© of the *Canada Personal Information Protection and Electronic Documents Act* or any similar provision of any applicable provincial legislation, the Trustee and the Vendor are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Vendor's past and current employees. The

Purchaser shall maintain and protect the privacy of such information 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 Vendor.

VALIDITY OF THE SALE

14. **ORDERS** that notwithstanding:

- (i) The pendency of these proceedings;
- (ii) Any petition for a receiving order now or hereafter issued pursuant to the BIA and any order issued pursuant to any such petition;
- (iii) Any assignment in bankruptcy made in respect of the Vendor, or
- (iv) The provisions of any federal or provincial legislation.

The vesting of the Purchased Assets contemplated in this Order, as well as the execution of the Asset Purchase Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Vendor, the Purchaser or the Trustee, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any federal or provincial legislation.

LIMITATION OF LIABILITY

- 15. **DECLARES** that, subject to other orders of the Court, nothing herein contained shall require the Trustee to occupy or to take control, or to otherwise manage all or any part of the Purchased Assets. The Trustee shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the BIA.
- 16. **DECLARES** that no action lies against the Trustee by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court.

GENERAL

- 17. **ORDERS** that the Asset Purchase Agreement be kept confidential and under seal until completion of the sale process.
- 18. **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

19. **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

THE WHOLE WITHOUT COSTS.



COPIE COMPOSITE

Nelia J. G. A. C. S.
Greiffier adjoint, C. J. M.

"Schedule A"

CERTIFICATE OF THE TRUSTEE

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

SUPERIOR COURT
(Commercial Division)

No.: 500-11-049142-157
Estate No: 41-2016258

IN THE MATTER OF THE INTENTION TO
MAKE A PROPOSAL OF:

INDUSTRIES COVER INC.

Debtor

-and-

DELOITTE RESTRUCTURING INC.

Trustee

CERTIFICATE OF THE TRUSTEE

RECITALS:

WHEREAS on July 16, 2015, Industries Cover Inc. ("Cover") filed a *Notice of Intention to make a Proposal* (the "NOI");

WHEREAS pursuant to the terms of the NOI, Deloitte Restructuring Inc. (the "Trustee") was named Trustee to the proposal; and

WHEREAS on August • 2015, the Court issued an Order (the "Vesting Order") thereby, *inter alia*, authorizing and approving the execution by the Petitioner of an Asset Purchase Agreement dated August 21, 2015 by and between Cover, as vendor (the "Vendor"), and Novatech Group Inc. (the "Purchaser") with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the Trustee (the "Sale");

WHEREAS the Vesting Order contemplates the issuance of the Certificate of the Trustee upon receiving written confirmation from the Vendor and the Purchaser that (a) all conditions of closing have been satisfied or waived; (b) the closing has occurred and (c) the Purchase Price (as defined in the Asset Purchase Agreement) has been paid by the Purchaser to the Vendor.

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THE TRUSTEE CERTIFIES THAT IT HAS BEEN ADVISED BY THE VENDOR AND THE PURCHASER AS TO THE FOLLOWING:

- (a) All conditions of closing have been satisfied or waived;
- (b) The closing has occurred; and
- (c) The Purchase Price (as defined in the Asset Purchase Agreement) has been paid by the Purchaser to the Vendor.

This Certificate was therefore issued by the Trustee on ●

Deloitte Restructuring Inc., in its capacity as
Trustee to the Notice of Intention to Make a
Proposal of Industries Cover Inc.

Name :

Title:

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