

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

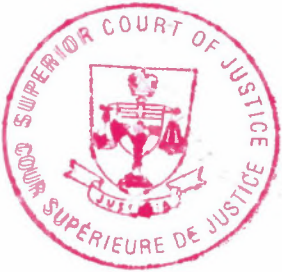
THE HONOURABLE

JUSTICE KIMMEL

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FRIDAY, THE 3RD

DAY OF OCTOBER, 2025



IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF NORWOOD INDUSTRIES INC.

Applicant

APPROVAL AND VESTING ORDER

**THIS MOTION**, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), for an order, *inter alia*:

- (a) approving the sale transaction (the "**Transaction**") contemplated by the Sale Agreement (defined below) between Norwood Industries Inc. ("**Norwood**") and 1001355216 ONTARIO INC. (the "**Purchaser**"), authorizing Norwood to enter into the Sale Agreement (defined below) and granting related relief, including:
  - (i) granting customary releases of Norwood's sole independent director and officers;
  - (ii) authorizing Norwood or the Monitor (defined below) to file an assignment in bankruptcy when appropriate following the close of the Transaction;
  - (iii) declaring that, following closing of the Transaction, Norwood is a company subject to CCAA proceedings and is a former employer all of whose employees in Canada have been terminated other than any retained to wind

down its business operations for purposes of the Wage Earner Protection Program Act (Canada) (“**WEPPA**”); and,

(iv) sealing the Confidential Exhibit (as defined in the Ross Affidavit) subject to closing of the Transaction or further order of the Court; and,

(b) authorizing Norwood to make a distribution or distributions of its net cash-on-hand, including the net proceeds of the Transaction, to the senior secured creditor, Monroe Capital Management Advisors LLC (“**Monroe**”), subject to a Holdback (defined below) in an amount determined by Norwood in consultation with KSV Restructuring Inc. (“**KSV**”) in its capacity as monitor (the “**Monitor**”) and Monroe,

was heard this day by judicial videoconference via Zoom.

**ON READING** the Notice of Motion dated September 26, 2025, as amended on September 29, 2025 and then October 1, 2025, the Affidavit of Rhett Ross, sworn September 26, 2025 (the “**Ross Affidavit**”), and the exhibits thereto, the Second Report of KSV in its capacity as the court-appointed Monitor dated September 29, 2025 (the “**Second Report**”), and such further materials as counsel may advise, and on hearing the submissions of counsel to the Applicant, counsel to the Monitor, counsel to the Purchaser and such other parties as listed on the counsel slip, no other party appearing although duly served as appears from the Lawyer’s Certificate of Service of Heather Meredith dated September 26, 2025, filed:

## **SERVICE AND DEFINITIONS**

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

2. **THIS COURT ORDERS** that capitalized terms used herein that are otherwise not defined shall have the meaning ascribed to them in the Sale Agreement, the Ross Affidavit and/or the Amended and Restated Initial Order made in this proceeding on September 19, 2025 (as amended from time to time, the “**ARIO**”), as applicable.

### APPROVAL OF TRANSACTION

3. **THIS COURT ORDERS** that the Sale Agreement dated as of September 26, 2025, attached to the Ross Affidavit as Exhibit "C" and the Transaction are hereby approved and the execution of the Sale Agreement by the Applicant is hereby authorized and approved, *nunc pro tunc*, with such minor amendments as the Applicant and the Purchaser, with the consent of the Monitor, may deem necessary. The Applicant is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. **THIS COURT ORDERS** that the Applicant is hereby authorized and empowered to comply with and perform its obligations under the Sale Agreement and any ancillary documents related thereto, as applicable.

### VESTING OF THE PURCHASED ASSETS

5. **THIS COURT ORDERS** that upon the delivery of a Monitor's certificate to the Applicant (or their counsel) and to the Purchaser (or their counsel) substantially in the form attached as Schedule A hereto (the "**Monitor's Certificate**"), all of the Applicant's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the ARIO or any other orders made in this CCAA Proceeding; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead

of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets 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.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate and post it to the website the Monitor maintains in respect of this CCAA Proceeding (the "**Monitor's Website**"), forthwith after delivery thereof to the Applicant and the Purchasers, or to their respective counsel.

8. **THIS COURT ORDERS** that the Monitor and its counsel may rely on written notice from the Applicant and the Purchaser, or their respective counsel, regarding the fulfilment or waiver of conditions to closing under the Sale Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

9. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of this CCAA Proceeding;
- (b) any applications for a bankruptcy or receivership order now or hereinafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") or other applicable legislation, in respect of the Applicant or their property, and any bankruptcy or receivership order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Applicant,

the entering into of the Sale Agreement and the vesting of the Purchased Assets in the Purchaser, as applicable, pursuant to this Order shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it 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 it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

## PIPEDA

10. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Monitor and the Applicant are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Applicant's records pertaining to the Applicant'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 Applicant.

## DISTRIBUTION

11. **THIS COURT ORDERS** that the Applicant is hereby authorized to make one or more distributions of the net proceeds of sale of the Transaction to Monroe (the "**Distributions**"). The amount of the Distributions shall be subject to a reasonable holdback in an amount to be determined by the Applicant, in consultation with the Monitor, Monroe and the Canada Revenue Agency (the "**Holdback**") for costs including outstanding costs to complete the CCAA process, fund a bankruptcy, and satisfy prior-ranking amounts, to be decided no later than October 10, 2025 unless otherwise agreed to between the parties.

12. **THIS COURT ORDERS** that the Monitor and/or the Applicant are hereby authorized and directed to take all reasonably necessary steps and actions to effect the Distributions in accordance with the provisions of this Order and shall not incur any liability as a result of making any Distributions.

## NAME CHANGE

13. **THIS COURT ORDERS** that, notwithstanding section 168 and section 171(3) of the *Business Corporations Act* (Ontario) (the "**OBCA**") or any provision of any other applicable federal or provincial legislation, the Applicant is hereby authorized and directed, on or following the delivery of the Monitor's Certificate, to take any appropriate action to change its name to a name that does not include the words "Norwood Industries" or any similar words, including, but not limited to, filing articles of amendment in accordance with the OBCA and registering an amendment, renewal or cancellation of a registration in accordance with the *Business Names Act* (Ontario) (the "**BNA**") or any other applicable federal or provincial legislation, for and on behalf

of such Applicant for the sole purpose of complying with this paragraph 13, and this Court hereby directs the Director (as defined in the OBCA) and the Registrar (as defined in the BNA) and any analogous Governmental Authority to endorse, certify and/or issue such documents and take such further actions as are necessary to give effect to this paragraph 13.

14. **THIS COURT ORDERS** that following the delivery of the Monitor's Certificate, the style of cause of this CCAA Proceeding shall be hereby amended by being deleted and replaced in its entirety by the following:

IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 1000016601 ONTARIO INC.

**BANKRUPTCY**

15. **THIS COURT ORDERS** that from and after the Closing Date, the Applicant or the Monitor is authorized to file an assignment in bankruptcy for 1000016601 Ontario Inc. pursuant to the BIA in the City of Toronto, Province of Ontario, naming KSV as the trustee in bankruptcy, and, in that regard to sign such documents in the name of 1000016601 Ontario Inc. and take all such steps as are necessary to make the assignment in bankruptcy and commence proceedings under the BIA.

## RELEASES AND OTHER PROTECTIONS

16. **THIS COURT ORDERS** that, effective as of the Closing Date, the current and former directors and officers of Norwood (in such capacities, collectively, the “**Released Parties**”) shall be deemed to be forever irrevocably released by the Releasing Parties (as hereinafter defined) and discharged from any and all present and future claims (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 on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Closing Date or undertaken or completed in connection with or pursuant to the terms of this Order in respect of, relating to, or arising out of: (i) the business, operations, assets, property and affairs of the Applicant wherever or however conducted or governed, the administration and/or management of the Applicant and this CCAA Proceeding; or (ii) the Sale Agreement, any agreement, document, instrument, matter or transaction involving the Applicant arising in connection with or pursuant to any of the foregoing, and/or the consummation of the Transaction (collectively, subject to the excluded matters below, the “**Released Claims**”), which Released Claims shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties; provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar (x) any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA or claim with respect to any act or omission that is determined by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, or gross negligence, or (y) any obligations of any of the Released Parties under or in connection with the Sale Agreement. “**Releasing Parties**” means any and all Persons, and their current and former affiliates’ current and former members, directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, participants, subsidiaries, affiliates, partners, limited partners, general partners, affiliated investment funds or investment vehicles, managed accounts or funds, and each of their respective current and former members, equity holders, officers, directors, managers, principals, members, management companies, advisory board

members, investment fund advisors or managers, employees, agents, trustees, investment managers, financial advisors, partners, legal counsel, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

17. **THIS COURT ORDERS** that any right of set off of Canada Revenue Agency is preserved to the extent that: (i) any amounts that are, or become, due to the Applicant with respect to obligations arising prior to September 12, 2025 (the “**Filing Date**”) are applied against any amounts that are, or become due, from such Applicant with respect to obligations arising prior to the Filing Date; or (ii) any amounts that are, or become, due to the Applicant with respect to obligations arising after the Filing Date are applied against any amounts that are, or become due, from the Applicant with respect to obligations arising after the Filing Date.

#### **SEALING**

18. **THIS COURT ORDERS** that the Confidential Exhibit “1” to the Ross Affidavit, containing the Purchase Price, shall be sealed, kept confidential and shall not form part of the public record pending closing of the Transaction or further Order of the court.

#### **WAGE EARNER PROTECTION PROGRAM ACT**

19. **THIS COURT ORDERS** that pursuant to subsections 5(1)(b)(iv) and 5(5) of the *Wage Earner Protection Program Act*, SC 2005, c. 47, s. 1, effective as of the Closing Date, the Applicant meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222.

#### **GENERAL**

20. **THIS COURT ORDERS** that the Applicant, the Monitor and the Purchaser may apply to the Court as necessary to seek further orders and directions to give effect to this Order.

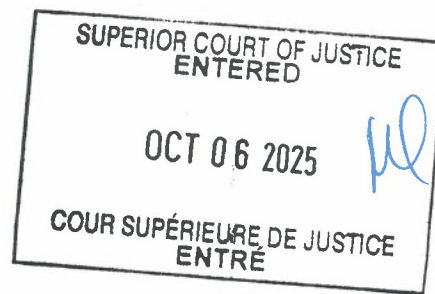
21. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and the Purchaser and their respective agents in carrying out 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

Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

22. **THIS COURTS ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order without any need for filing or entry.

Jessica  
Kimmel

Digitally signed by  
Jessica Kimmel  
Date: 2025.10.03  
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**Schedule “A” – Form of Monitor’s Certificate**

Court File No. CV-25-00751289-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES’ CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF NORWOOD INDUSTRIES INC.**

**Applicant**

**MONITOR’S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of Justice Steele of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated September 12, 2025 (as amended and restated on September 19, 2025, and as may be further amended and restated from time to time, the “**Initial Order**”), KSV Restructuring Inc. was appointed as monitor of the Applicant (in such capacity, the “**Monitor**”) in a proceeding commenced by the Applicant under the *Companies’ Creditors Arrangement Act*.

B. Pursuant to the Approval and Vesting Order of the Court dated October 3, 2025 (the “**Approval and Vesting Order**”), the Court approved the Sale Agreement between the Applicant and the Purchaser (the “**Sale Agreement**”), providing for, among other things, the vesting of the Purchased Assets in and to the Purchaser (both as defined in the Approval and Vesting Order), as applicable, free and clear of all Claims and Encumbrances (both as defined in the Approval and Vesting Order, with such terms not including Assumed Liabilities and Permitted Encumbrances, respectively), which vesting is to be effective upon the delivery by the Monitor to the Purchaser (or their counsel) and the Applicant (or their counsel) of this Monitor’s Certificate.

C. Unless otherwise indicated or defined herein, capitalized terms used in this Monitor’s

Certificate shall have the meanings given to them in the Approval and Vesting Order and/or the Sale Agreement.

**THE MONITOR CERTIFIES** the following:

1. The conditions to Closing as set out in section 4.1 and section 4.3 the Sale Agreement have been satisfied or waived by the Applicant and the Purchaser, as applicable.
2. The Purchaser has paid and the Applicant has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement and/or the Approval and Vesting Order.
3. The Transaction has been completed to the satisfaction of the Applicant, the Monitor and the Purchaser, respectively.

DATED at Toronto, Ontario this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

**KSV RESTRUCTURING INC., solely in its capacity as Monitor of the Applicant and not in its personal capacity**

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

Name:

Title:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF NORWOOD INDUSTRIES INC.

Court File No. CV-25-00751289-00CL

*Ontario*  
**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceedings commenced in Toronto

**APPROVAL AND VESTING ORDER**

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