

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAME) TUESDAY, THE 6TH
)
JUSTICE CONWAY) DAY OF OCTOBER, 2020

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS
AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
GEOX CANADA INC., OF THE CITY OF MISSISSAUGA, IN THE PROVINCE OF
ONTARIO

**ORDER
(re Stay Extension and Administration Charge)**

THIS MOTION, made by Geox Canada Inc. (the “**Debtor**”), pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), was heard this day via Zoom at Toronto.

ON READING the Motion Record of the Debtor, including the Affidavit of Gino Stinziani sworn September 28, 2020 and exhibits thereto, the First Report of Richter Advisory Group Inc., in its capacity as the Proposal Trustee of the Debtor (in such capacity, the “**Proposal Trustee**”), dated October 1, 2020 (the “**First Report**”), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Debtor and counsel for the Proposal Trustee and all other parties listed on the Counsel Slip, no one else appearing for any other person on the service list, although properly served as appears from the affidavit of Jonathan Yantzi sworn September 28, 2020, filed:

SERVICE

1. **THIS COURT ORDERS AND DECLARES** that the time for service of this Motion, the Motion Record herein and the First Report is abridged and service is validated such that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which appears on the Commercial List website at the following link: <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (the “**Rules**”), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission.
3. **THIS COURT ORDERS** that the E-Service List Keeper (as defined in the Protocol) for the purpose of this proceeding shall be the Proposal Trustee.

APPROVAL OF FIRST REPORT

4. **THIS COURT ORDERS** that the First Report and the conduct and activities of the Proposal Trustee described therein be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

ADMINISTRATION CHARGE

5. **THIS COURT ORDERS** that counsel to the Debtor, the Proposal Trustee and counsel to the Proposal Trustee shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Debtor as part of the costs of these proceedings. The Debtor is authorized and directed to pay the accounts of the counsel for the Debtor, the Proposal Trustee and counsel for the Proposal Trustee. The Proposal Trustee and its counsel shall be authorized to immediately apply any such payments made by the Debtor to their fees and disbursements and

such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

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

7. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Debtor shall be entitled to the benefit of and are granted a charge (the “**Administration Charge**”), which charge shall not exceed an aggregate amount of \$150,000 on the Debtor’s current and future properties, assets and undertakings of every nature and kind whatsoever and wherever situated, including all proceeds thereof, including any real property of the Debtor (collectively, the “**Property**”), as security for their professional fees and disbursements incurred at their standard rates and charges, both before and after September 8, 2020, being the date that the Debtor commenced these proceedings by Notice of Intention to Make a Proposal. The Administration Charge shall have the priority set out in paragraph 10 hereof.

8. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

9. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the Property and the Administration Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”), in favour of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”), except statutory deemed trusts that, at law, rank in priority to all other charges.

10. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtor shall not grant any Encumbrances over any Property that ranks in priority to, or *pari passu* with, any of the Administration Charge, unless the Debtor also obtains the prior written consent of the Proposal Trustee and the beneficiaries of the Administration Charge, or further Order of this Court.

11. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing or deemed filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Debtor of any Agreement to which it is a party;
- (b) the chargees shall not have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting of the creation of the Administration Charge; and
- (c) the payments made by the Debtor pursuant to this Order and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

12. **THIS COURT ORDERS** that the Administration Charge created by this Order over leases of real property in Canada shall only be a charge in the Debtor’s interest in such real property leases.

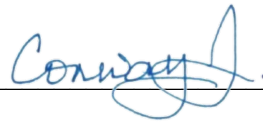
EXTENSION OF PROPOSAL PERIOD

13. **THIS COURT ORDERS** that, pursuant to subsection 50.4(9) of the BIA, the time for filing a proposal with the Official Receiver in the proceedings of the Debtor, including the stay of proceedings, is extended to and including November 22, 2020.

GENERAL

14. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, in the United States or Italy, to give effect to this Order and to assist the Debtor, the Proposal Trustee 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 Debtor and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

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

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

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AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF GEOX CANADA INC., OF THE CITY OF MISSISSAUGA, IN THE PROVINCE OF ONTARIO

Court File No. 32-2670414

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT TORONTO

ORDER
(Stay Extension and Administration Charge)

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