

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

THE HONOURABLE MR.)

FRIDAY, THE 27th DAY

JUSTICE HAINEY)

OF OCTOBER, 2017

STRELLSON AG

Applicant

- and -

STRELLMAX LTD.

Respondent

APPLICATION UNDER section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended and section 101 of the Courts of Justice Act, R.S.O. 1990, c. c-43, as amended

APPROVAL AND VESTING ORDER

THIS APPLICATION made by Richter Advisory Group Inc. ("**Richter**"), in its capacity as receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Strellmax Ltd. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, for an Order, *inter alia*, approving the sale transaction (the "**Samples Transaction**") contemplated in the purchase agreement appended at Tab 3 of the Receiver's Motion Record in respect of certain assets (the "**Purchased Assets**") of the Debtor between, among others, the Receiver and Strellson AG (the "**Purchaser**"), authorizing and directing the Receiver to complete the Samples Transaction and vesting in the Purchaser, or such party as it directs, the Debtor's right, title and interest in and to the Purchased Assets, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING Richter's Pre-Filing Report dated July 5, 2017 and the Appendices thereto (the "**Pre-Filing Report**"), the First Report of the Receiver dated October 6, 2017 and the Appendices thereto (the "**First Report**") and on hearing the submissions of counsel for the Receiver and counsel for the

Purchaser, no one else appearing although duly served as appears from the affidavit of service of Danny M. Nunes sworn October 25, 2017, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record in respect of this motion be and it is hereby abridged and that the motion is properly returnable today and that the service of the Notice of Motion and Motion Record herein as effected by the Receiver is hereby validated in all respects and this Court hereby dispenses with further service thereof.

APPROVAL OF REPORTS AND ACTIVITIES

2. **THIS COURT ORDERS** that the Pre-Filing Report, the First Report and the activities of Richter, as proposed receiver, and the Receiver, respectively, as described therein are hereby approved.

3. **THIS COURT ORDERS** that this Order is without prejudice to the rights of any party, including without limitation the Receiver, the Applicant and Accord Financial Ltd., to make whatever arguments (and in the case of the Receiver, recommendations) they wish with respect to the Receiver's motion for the authorization to disburse the Controlled Funds (as defined in the First Report).

APPROVAL OF SAMPLES TRANSACTION

4. **THIS COURT ORDERS AND DECLARES** that the Samples Transaction is hereby approved and the Receiver is hereby authorized and directed to execute such documents and take such steps as the Receiver may deem necessary or desirable for the completion of the Samples Transaction and for the conveyance of the Purchased Assets to the Purchaser.

5. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, or such party as it directs, 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, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Madam Justice Conway dated July 7, 2017 (the "**Receivership Order Charges**"); 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 Claims 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 Receiver’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 their 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 Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (“**BIA**”) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, 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.

9. **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 Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide

such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

A handwritten signature in blue ink, appearing to read "Hainey J", written over a horizontal line.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

OCT 27 2017

PER / PAR:

Handwritten initials in blue ink, possibly "pl", written next to the "PER / PAR:" label.

Schedule A – Form of Receiver’s Certificate

Court File No. CV-17-11864-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.) FRIDAY, THE 27th DAY
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RECEIVER’S CERTIFICATE

RECITALS

- A. Pursuant to the Order of the Honourable Madam Justice Conway of the Ontario Superior Court of Justice [Commercial List] (the "Court") dated July 7, 2017, Richter Advisory Group Inc. was appointed as the receiver (the "Receiver") of the assets, undertakings and properties of Strellmax Ltd. (the "Debtor").
- B. Pursuant to the Order of the Honourable Mr. Justice Hainey dated October 27, 2017, the Court approved a transaction (the "Samples Transaction") between, among others, the Receiver and Strellson AG (the "Purchaser") for the sale of certain of the Debtor’s assets (the "Purchased Assets") and provided for the vesting in the Purchaser, or such party as it directs, of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the satisfaction by the Purchaser of the purchase price; (ii) that any conditions to closing of the Samples Transaction have been satisfied or waived by the Purchaser and the Receiver; and (iii) the Samples Transaction has been completed to the satisfaction of the Receiver.

THE RECEIVER CERTIFIES the following:

1. the Receiver confirms that the Purchaser has satisfied the purchase price for the Purchased Assets due on the closing date of the Samples Transaction;
2. the conditions to closing have been satisfied or waived by the Purchaser and the Receiver;
3. the Samples Transaction has been completed to the satisfaction of the Receiver; and
4. this Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**Richter Advisory Group Inc., in its capacity as
Receiver of the assets, undertakings and
properties of Strellmax Ltd., and not in its
personal capacity**

Per: _____

Name:

Title:

B E T W E E N:

STRELLSON AG
Applicant

- and -

STRELLMAX LTD.
Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
(PROCEEDING COMMENCED AT TORONTO)

APPROVAL AND VESTING ORDER

WEIRFOULDS LLP
Barristers & Solicitors
66 Wellington Street West, Suite 4100
Toronto-Dominion Centre
Toronto ON M5K 1B7

Edmond F.B. Lamek (LSUC No. 33195Q)
Tel: 416.947.5042
Fax: 416.365.1876
Email: elamek@weirfoulds.com

Danny M. Nunes (LSUC No. 53802D)
Tel: 416.619.6293
Fax: 416.365.1876
Email: dnunes@weirfoulds.com

Lawyers for the Receiver