



**Report of
KSV Restructuring Inc.
as Proposed Receiver of
Brant Instore Corporation**

December 12, 2022

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Court File No.: CV-22-006915446-00CL

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

APPLICATION UNDER S. 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

BETWEEN:

BANK OF MONTREAL

APPLICANT

- AND -

BRANT INSTORE CORPORATION

RESPONDENT

**REPORT OF KSV RESTRUCTURING INC.
AS PROPOSED RECEIVER**

December 12, 2022

1.0 Introduction

1. This report (“Report”) is filed by KSV Restructuring Inc. (“KSV”) as proposed receiver and manager (the “Proposed Receiver”) of the property, assets and undertaking of Brant Instore Corporation (the “Company”).
2. Bank of Montreal (“BMO” or the “Bank”), the Company’s principal secured lender, intends to bring an application before the Ontario Superior Court of Justice (Commercial List) (the “Court”) for an order (the “Receivership Order”), among other things, placing the Company in receivership and appointing KSV as receiver and manager (in such capacity, the “Receiver”) of the Company. KSV has consented to act as Receiver, should the Court grant the Receivership Order.
3. The primary purpose of the receivership proceedings is to complete a going-concern sale (the “Transaction”) of the Company’s and the Receiver’s right, title and interest in the Company’s business and assets pursuant to an Asset Purchase Agreement dated December 9, 2022 (the “APA”) between the Receiver, as vendor, and 1000369798 Ontario Inc. (the “Purchaser”), an entity related to JAL Equity Corp. (“JAL”). The Transaction and the APA are subject to Court approval.
4. If KSV is appointed as Receiver, it is its intention to seek approval of the Transaction and the APA pursuant to a motion by the Receiver to be heard immediately following its appointment as Receiver.

1.1 KSV's Prior Mandates

1. On February 25, 2020, KSV¹ was engaged by BMO to provide it with financial advisory services in respect of BMO's loans to the Company (the "Bank Mandate"). The Bank Mandate included, among other things, reviewing the Company's financial information, preparing an estimate of the realizable value of the Company's assets, reviewing and assessing the reasonableness of the Company's financial projections and monitoring the Company's financial performance.
2. On January 5, 2021, with BMO's consent and support, KSV was retained by the Company to act as the Company's Chief Restructuring Advisor (the "CRA Mandate" and together with the Bank Mandate, the "Advisory Mandates"). The CRA Mandate provided that the Bank Mandate be terminated immediately upon the commencement of the CRA Mandate. The CRA Mandate engagement letter also states that the CRA Mandate will terminate if KSV is appointed to act as a court-officer in any insolvency proceeding involving the Company. The CRA Mandate engagement letter also provides that the CRA Mandate does not preclude KSV from acting as a court-officer in a court-supervised insolvency proceeding of the Company.
3. The Advisory Mandates were performed by KSV with the full cooperation of the Bank and the Company, and KSV has been providing advisory services to both parties during these mandates with full transparency. The Company and BMO have consented to KSV acting as Receiver.
4. As detailed further in this Report, KSV has obtained significant knowledge of the Company's business and operations while performing the Advisory Mandates, such that it is well situated to provide its recommendation that: (i) the Transaction is in the best interest of the Company and its stakeholders, and (ii) the Transaction should be completed on an urgent basis.

1.2 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Company;
 - b) discuss the Company's financial position, including the composition of, and amounts owing to, its creditors;
 - c) discuss an opinion prepared by Aird & Berlis LLP ("Aird & Berlis")² on the validity and enforceability of BMO's security;
 - d) discuss the results of a sale and investor solicitation process (the "SISP") carried out by New Direction Partners, LLC ("NDP"), an investment bank retained by the Company in July, 2022;
 - e) detail the terms of the Transaction;

¹ KSV's affiliate, KSV Advisory Inc., was engaged for the advisory mandates. KSV is a subsidiary of KSV Advisory Inc.

² KSV retained Aird & Berlis to act as its independent legal counsel in the event that the Court issues the Receivership Order.

- f) discuss a liquidation analysis prepared by KSV, which illustrates that the value of the Transaction significantly exceeds the liquidation value of the Company (the “Liquidation Analysis”);
- g) summarize the reasons that the Proposed Receiver believes it is appropriate that certain SISP related information prepared by NDP, the Transaction purchase price and the Liquidation Analysis be filed with the Court on a confidential basis for three (3) months following closing of the Transaction;
- h) summarize the terms of employee success bonus plan (the “Success Bonus Plan”) for certain of the Company’s employees and discuss the reasons that the Proposed Receiver believes it is appropriate that the terms of the Success Bonus Plan should be filed with the Court on a confidential basis pending further order of the Court;
- i) provide to the Court the Proposed Receiver’s rationale for recommending that the Court approve the Transaction; and
- j) recommend that the Court issue the following orders:
 - i. the Receivership Order which, among other things:
 - appoints KSV as Receiver;
 - grants a charge for the fees and disbursements of the Receiver and its legal counsel;
 - grants a charge for any amounts borrowed by the Receiver to fund costs of the receivership, if necessary; and
 - grants the Company a stay of proceedings;
 - ii. an Approval and Vesting Order (the “AVO”) which, among other things:
 - approves the APA and the Transaction;
 - approves the Success Bonus Plan in respect of certain of the Company’s employees (the “Key Employees”) and a distribution from the sale proceeds from the Transaction to the Key Employees on account of the success bonuses contemplated by the Success Bonus Plan (collectively, the “Success Bonus”), following Closing (as defined in the APA) of the Transaction;
 - authorizes and directs the Receiver to complete the Transaction;
 - transfers and vests all of the Company’s and the Receiver’s right, title and interest in and to the Purchased Assets (as defined in the APA) in the Purchaser, free and clear of and from any and all claims, liabilities, liens, and encumbrances;

- approves a distribution to BMO of the proceeds of the Transaction, net of professional and other costs to complete the Transaction and these proceedings, including the fees of NDP and payments to Key Employees; and
- seals the Confidential Appendices to this Report, pending closing of the Transaction other than in respect of the Success Bonus Plan, which the Proposed Receiver is recommending should be sealed until further Order of the Court.

1.3 Restrictions

1. In preparing this Report, the Proposed Receiver has relied upon the Company's unaudited financial information, the Company's books and records, discussions with BMO's representatives and its legal counsel, Davies Ward Phillips & Vineberg LLP, discussions with the Purchaser's legal counsel, Osler, Hoskin & Harcourt LLP, discussions with the Company's representatives, and discussions with NDP's representatives.
2. The Proposed Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the Company's financial and other information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
3. The Proposed Receiver expresses no opinion or other form of assurance with respect to the financial and other information presented in this Report or relied upon by the Proposed Receiver in preparing this Report. Other than the Court, any party wishing to place reliance on the Company's financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

1.4 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

2.0 Executive Summary

1. The Company is privately owned and operates from two leased premises located in Brantford, Ontario, one of which serves as its head office.
2. The Company's controlling shareholder is Hammond, Kennedy, Whitney & Company ("HKW"), an Indianapolis-based private equity firm. BMO also holds a minority equity interest in the Company as a result of converting a small portion of its debt to equity in 2021 and a BMO representative sat on the Company's Board of Directors. Further information concerning the Company's ownership structure is provided in the affidavit of Joshua Seager sworn on December 9, 2022 (the "Affidavit") filed in connection with the Receivership Application.

3. The Company provides a full range of commercial print solutions to some of North America's largest retailers. The Company's printing services include point-of-purchase signage, merchandising displays, banners, floor graphics, three-dimensional point-of-sale displays and other special print orders, using various methods of printing including digital, lithographic and dye sublimation.
4. As at the date of this Report, the Company had approximately 139 employees, 97 of whom are hourly unionized employees and 42 of whom are salaried employees.
5. The Company is party to a collective agreement with National Automotive, Aerospace, Transportation and General Workers Union of Canada (UNIFOR – Canada) and Local 504 in respect of its hourly employees (the "Collective Agreement"). Pursuant to the Collective Agreement, the Company contributes to a Canada-Wide Industrial Pension Plan on behalf of the unionized employees. As of the date hereof, the Company is current on its pension contributions.
6. Due to challenges faced by brick-and-mortar retailers in recent years, including the rise of e-commerce and more recently the COVID-19 pandemic, the Company has suffered declining sales and the loss of key customers, resulting in significant financial losses, which, since 2019, total approximately \$16 million. The Company's losses are continuing. The Company does not have the liquidity to continue to operate without BMO's financial support.
7. In recent months, the challenges facing the Company have increased:
 - a) in late November 2022, the Company learned that its second largest customer (representing 18% of its annual sales) intends to terminate its relationship with the Company in the near term;
 - b) in October, 2022, its largest unsecured creditor, Miller Zell Inc. ("Miller Zell"), commenced litigation against the Company by filing a Statement of Claim in respect of amounts owing to it by the Company (US\$457,975);
 - c) certain key employees resigned;
 - d) the Company has been required to outsource certain sales, as certain of its printing equipment is aged and in need of repair or replacement; and
 - e) several of its key suppliers have ceased supplying the Company or have refused to extend further credit to the Company.
8. BMO is the Company's primary secured creditor. BMO provides the Company various credit facilities, including, among others, a revolving credit facility and a capital expenditure facility. As at December 6, 2022, BMO's advances to the Company total \$13,022,365, with interest continuing to accrue. BMO's initial credit agreement with the Company is dated December 19, 2012, which has been amended and restated on several occasions since that date (as amended, restated, replaced, supplemented or otherwise, the "Credit Agreement").

9. The Company has been in default of its obligations under the Credit Agreement since the first quarter of 2020. The Company and the Bank first negotiated a forbearance agreement in April 2020 pursuant to which KSV was retained to act as the Bank's financial advisor³. BMO has continued to support the Company since the date of the first forbearance agreement, notwithstanding the Company's ongoing under-performance and its continuing and new defaults.
10. In September 2022, the Company and the Bank negotiated a support agreement pursuant to which BMO agreed to continue to provide credit to the Company while it completed a SISP. The Company had retained NDP in July 2022 to carry out the SISP.
11. The SISP resulted in the Transaction, which as discussed below, was the best offer submitted in the SISP, exceeds liquidation value and provides other benefits, including the preservation of the jobs for the vast majority of the Company's employees. The Transaction is supported by BMO, which is projected to incur a significant shortfall on its advances to the Company. The Purchaser is willing to complete the Transaction provided it closes by December 30, 2022.
12. Without the continuing financial support of BMO, or alternative sources of funding, the Company will be without liquidity to continue to operate. If the Transaction is not approved, it is likely to result in a wind-down and liquidation of the Company's business and assets through the receivership given the Company's illiquidity and that a SISP has already been conducted.
13. The Affidavit provides additional background concerning the Company including, *inter alia*, the Company's ownership structure, details of BMO's security and the events leading to the forbearance agreement (and its various amendments). To avoid repetition, these issues have not been repeated in detail in this Report, and the Proposed Receiver encourages the reader to refer the Affidavit concurrently with a review of this Report.

3.0 Financial Information

1. The following sections provide a summary of the Company's financial position as at October 29, 2022⁴ and its operating results for the last three fiscal years and the ten-month period ending October 29, 2022.

³ The full details of the various forbearance agreements between the Bank and the Company are provided in the Affidavit (as defined in paragraph 11 of this Section of the Report.).

⁴ This is the month-end for accounting purposes based on the Company's accounting policies.

3.1 Balance Sheet

1. The Company's balance sheet as at October 29, 2022 is presented below.

Description	\$000s (unaudited)
<u>Assets</u>	
Current Assets	
Accounts receivable	5,455
Inventory	2,541
Prepaid expenses and other	1,443
Total current assets	9,439
Property, plant and equipment, net	1,609
Intangible assets	3,875
Other long-term assets	648
Total Assets	15,571
<u>Liabilities and Equity</u>	
Current Liabilities	
BMO operating line, net of cash	173
BMO Term Loan and Capex loan	12,353
Accounts payable and accrued liabilities	8,314
Total current liabilities	20,840
Other liabilities	805
Total Liabilities	21,645
Shareholders' Equity/(Deficiency)	(6,074)
Total Liabilities and Shareholders' Equity	15,571

2. The Company's balance sheet reflects that:
 - a) as a result of the Company's defaults under the Credit Agreement, all of its obligations owing to BMO are classified as current liabilities, resulting in negative working capital (i.e., its total current assets (approximately \$9.4 million) are less than 50% of its total current liabilities (approximately \$20.9 million)), meaning that the Company cannot meet its liabilities in the ordinary course of business; and
 - b) the Company has negative shareholders' equity of approximately \$6.1 million, reflecting its recurring losses. This is before writing down the value of its intangible assets (book value of approximately \$3.9 million), which have nominal, if any, value if the Company's business is discontinued.

3.2 Income Statement

1. The table below summarizes the Company's operating results for its fiscal years ended December 31, 2019, 2020 and 2021 and for the ten-month period ending October 29, 2022.

<u>\$000s</u>	2022	2021	2020	2019
	(10 months) (unaudited)	(reviewed)	(audited)	(audited)
Sales	26,755	29,538	29,208	41,547
Cost of sales	(19,376)	(24,177)	(22,465)	(32,927)
Gross margin	7,379	5,360	6,743	8,620
Gross margin (%)	27.6%	18.1%	23.1%	21%
Operating expenses	(5,282)	(4,742)	(5,072)	(5,079)
CEWS	-	1,399	2,338	-
EBITDA	2,097	2,017	4,009	3,541
Interest	(664)	(1,187)	(1,129)	(1,435)
Depreciation and other	(2,216)	(2,324)	(3,158)	(17,152) ⁵
Income (taxes)/recovery	-	(53)	136	1,504
Net profit/(loss)	(783)	(1,547)	(142)	(13,542)

2. The results in the table reflect, *inter alia*, that:
 - a) revenue declined by approximately 29% between fiscal 2019 and 2021;
 - b) revenue in fiscal 2022 is consistent with fiscal 2021 – it has not recovered to prior years' levels;
 - c) net losses since January 1, 2019 total approximately \$16 million;
 - d) losses have continued in the current fiscal year;
 - e) the Company received the Canada Emergency Wage Subsidy (“CEWS”) during fiscal 2020 and 2021. Without CEWS, net losses would have been approximately \$2.5 million and \$2.9 million, respectively, in those years; and
 - f) since 2019, the Company has not generated sufficient EBITDA (even with CEWS) to service its debt owing to BMO, including interest payments of approximately \$1.2 million per year and quarterly principal repayments of approximately \$2.8 million per year.

3. In addition to other factors affecting the Company’s operations discussed in this Report, the Company’s recent financial results have been affected by the poor state of certain of its printing equipment. Certain of this equipment is aged and requires repair or replacement. The Company does not presently have the capital to fund these costs. As a result, the Company recently decommissioned one of its digital printing presses, causing the Company to outsource work, which resulted in lost revenue and reduced gross margins.

4. The Company is insolvent on both a balance sheet (its liabilities exceed its assets) and a cash flow basis (it cannot meet its liabilities as they come due).

⁵ As a result of its continuing losses, the Company booked an impairment of its goodwill and intangible assets of \$11.2 million in the year ended December 31, 2019.

4.0 Creditors

4.1 Secured Creditors

4.1.1 BMO

1. BMO's facilities are fully described in the Affidavit, as are the events of default which caused BMO, on December 1, 2022, to issue a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (the "244 Notice"). The history of events leading to the issuance of the 244 Notice has not been repeated herein.

4.1.2 BMO Security Opinion

1. The amounts advanced by BMO under the Credit Agreement are secured by substantially all of the Company's property, assets and undertakings pursuant to security documents dated December 19, 2012. In contemplation of these potential proceedings, KSV, as Proposed Receiver, retained Aird & Berlis⁶ to act as its independent legal counsel, if appointed Receiver. KSV requested that Aird & Berlis provide it with an opinion as to the validity and enforceability of BMO's security. Aird & Berlis's opinion confirms that subject to the customary assumptions and qualifications contained therein, BMO's security is valid and enforceable. A copy of the security opinion can be made available to the Court if it wishes to review the opinion.

4.1.3 Other Secured Creditors

1. In addition to BMO, the creditors in the table below have registered security against specific assets of the Company pursuant to the *Personal Property Security Act* (Ontario) (the "PPSA"):

Creditor	Registration Date	Security
Carrier Truck Center Inc.	July 31, 2017	Specific equipment and motor vehicles classifications
Xerox Canada Ltd.	June 2, 2022	Specific equipment and other collateral classifications
Hewlett-Packard Financial Services Canada Company	April 1, 2021	Specific equipment and other collateral classifications
De Lage Landen Financial Services Canada Inc.	February 16, 2022	Specific equipment, accounts, other and motor vehicle collateral classifications
CWB National Leasing Inc.	May 6, 2022	Specific equipment collateral classifications

⁶ Aird Berlis previously acted for the Company in respect of its negotiations with the Union concerning the Collective Agreement. BMO and the Company have each consented to Aird & Berlis acting as the Receiver's counsel.

4.2 Unsecured Creditors

1. Based on the Company's books and records, as of December 8, 2022, the Company's accounts payable totaled approximately \$6.5 million. These obligations include:
 - a) \$5.1 million owing to suppliers and service providers; and
 - b) \$1.4 million owing to HKW in respect of management fees.
2. The above amounts exclude off-balance sheet obligations, including amounts that may be owing to employees for termination and severance pay, as well as amounts that may be owing to real property and personal property lessors on the termination or disclaimer of their leases.
3. Of the amounts owing to unsecured creditors (excluding HKW), approximately \$2.2 million is aged more than 60 days (43% of the total payables). The Company's largest unsecured trade creditor, Miller Zell, filed a Statement of Claim dated October 19, 2022, in respect of overdue amounts owing to it by the Company.
4. KSV understands that the Company is current on its sales tax and employee withholding remittances, as well as on its pension contributions.

5.0 The SISP

1. NDP was retained by the Company on July 5, 2022 to conduct the SISP. NDP provides a broad range of investment banking and consulting services, with a particular focus on the printing sector, including both sell-side and buy-side M&A transactions. NDP's partners have been involved in the sale or purchase of over 400 printing/packaging companies.
2. An overview of the SISP conducted by NDP is as follows:
 - a) NDP assembled a list of 47 prospective purchasers located in Canada and the US, including 42 strategic parties and five financial targets. NDP had previously sold businesses to 16 of the parties on the buyers list;
 - b) NDP launched the SISP on August 19, 2022 by sending a "teaser" to the 47 parties it identified (the "Teaser"). The Teaser provided prospective purchasers with a description of the Company's business and the potential benefits resulting from a transaction;
 - c) Parties interested in learning more about the Company, were required to sign a non-disclosure agreement ("NDA"), following which they were provided the Company's name, a detailed confidential information memorandum concerning the Company and a bid process letter (the "Bid Process Letter"). Fourteen parties signed the NDA;

- d) Prospective purchasers who signed an NDA were required to submit to NDP written non-binding expressions of interest (an “EOI”) by September 14, 2022. Parties who submitted an acceptable EOI were then provided the opportunity to perform due diligence in the last two weeks of September 2022, including attending plant visits. Final written non-binding letters of intent (a “LOI”) were required to be submitted to NDP by October 14, 2022. Parties who submitted an acceptable LOI were provided the opportunity to perform further diligence, including access to a data room and further plant meetings.
3. The Purchaser submitted the best LOI in the SISP and thereafter NDP, the Company and the Purchaser negotiated the LOI while the Purchaser continued to perform due diligence.
4. Given the Company’s financial position and illiquidity, the Purchaser requires that the Transaction be completed through a restructuring process. Accordingly, the Purchaser and the Company commenced negotiations of the APA, with the concurrence of the Bank. The Proposed Receiver was kept apprised of the status of the SISP and the initial negotiations of the APA. Since late November, the Proposed Receiver, the Purchaser, the Company and the Bank have been negotiating the APA. The APA was finalized on December 9, 2022 and the Proposed Receiver will execute the APA if the Court approves the APA and the Transaction.
5. Copies of the Teaser, Bid Process Letter, and a process summary memorandum (the “Process Summary”) prepared by NDP (which has been redacted for confidential information regarding the participation of bidders in the process) are provided in Appendix “A”. Confidential Appendix “1” provides an unredacted copy of the Process Summary and a list of the parties contacted by NDP.
6. NDP has advised the Proposed Receiver that it believes that the Transaction (i) is the best available in the circumstances; (ii) maximizes the value of the Company’s business and assets; and (ii) that further time marketing the business would not result in a superior transaction.

6.0 Transaction⁷

1. A summary of the APA is as follows:
 - a) **Purchaser:** 1000369798 Ontario Inc.
 - b) **Purchased Assets:** Substantially all of the Company’s right, title and interest in the Company’s business and assets.
 - c) **Excluded Assets:** include, among other things:
 - all Unassumed Employee Benefit Plans;
 - the Company’s insurance policies;
 - the Company’s Cash and Cash Equivalents as of the Closing Date.

⁷ Defined terms in this section of the Report have the meanings provided to them in the APA.

- d) **Purchase Price:** The purchase price is provided in the unredacted APA in Confidential Appendix “2”, which the Receiver believes should be sealed for three (3) months following completion of the Transaction for the reasons provided in Section 11 of this Report. A copy of the APA with the purchase price redacted is attached as Appendix “B”.

The Purchase Price is to be paid in full in cash on closing.

Pursuant to the terms of the APA, the Purchaser is required to pay a deposit to the Proposed Receiver immediately upon the granting of the AVO.

- e) **Assumed Liabilities:** include:
- Post-Closing Assumed Contract Liabilities;
 - Leases;
 - Unionized Employee Obligations; and
 - Non-Unionized Employee Obligations.
- f) **Excluded Liabilities:** all Liabilities, other than the Assumed Liabilities;
- g) **Transferred Employees:** all Unionized Employees and all other Employees who accept the Purchaser’s offer of employment made with effect at the Closing Time;
- h) **Representation and Warranties:** Consistent with the terms of a standard insolvency transaction, i.e., on an “as is, where is” basis, with limited representations and warranties.
- i) **TSA:** The APA contemplates that, to the extent that any Consent in respect of a Material Contract (as described below in (i)) has not been obtained prior to the Closing Time, the Receiver and the Purchaser will enter into a Transition Services Agreement (“TSA”). Pursuant to the TSA, the Receiver shall agree to provide the Purchaser with the benefit of such Material Contract during the period from the Closing Time until the earlier of (i) a date that is three (3) months from the Closing Date, or (ii) the termination of the TSA. During the Transition Period, each of the Seller and the Purchaser shall use commercially reasonable efforts to obtain any Consent in respect of a Material Contract that has not been obtained prior to the Closing Time. The Purchaser may also request the Receiver to apply to the Court for an order assigning its rights, benefits and interests in and to a Material Contract.
- j) **Material Contracts:** include, among other things:
- the Leases;
 - certain equipment financing agreements; and
 - the other agreements listed in Schedule 1.1(tt) to the APA.

- k) **Closing:** Closing is required to occur by no later than December 30, 2022; and
- l) **Material Conditions:** The only material conditions precedent are that (i) the Court shall have issued the Receivership Order and the Approval and Vesting Order, and (ii) the Purchaser shall have obtained Consents for the Leases or an Order from the Court assigning the Leases to it on the existing terms.

7.0 Liquidation Analysis

1. The Liquidation Analysis was prepared by the Proposed Receiver based on the Company's balance sheet as at October 29, 2022.
2. Subject to the underlying assumptions detailed therein, the Liquidation Analysis reflects that the net realizable value of the Company's assets is less than the amount of the:
 - a) Company's indebtedness owing to BMO; and
 - b) Transaction purchase price.
3. A copy of the Liquidation Analysis is provided in Confidential Appendix "3". The Proposed Receiver's rationale for sealing the Liquidation Analysis is provided in Section 11 below.

8.0 Urgency

1. KSV, as Proposed Receiver, is of the view that there is urgency to complete the Transaction for the following reasons:
 - a) the Company is without liquidity to continue to operate absent the continuing financial support of BMO;
 - b) if the Transaction is not completed, it is likely to result in a wind-down and liquidation of the Company through the receivership given a SISF has already been conducted and the Company's illiquidity;
 - c) the Proposed Receiver understands that the Company is at risk of losing key employees if the Transaction is not completed;
 - d) the Company requires immediate capital to repair and/or replace its equipment, which is not available outside of completion of the Transaction, and which is adversely affecting the Company's operations and financial results; and
 - e) the Company is under significant pressure from its vendors, and its largest unsecured creditor has recently commenced litigation against the Company.

9.0 Transaction Recommendation

1. The Proposed Receiver recommends that the Court issue an order approving the Transaction for the following reasons:
 - a) in the Receiver's view, the SISP conducted by NDP was commercially reasonable, including the timelines, breadth of marketing process and information made available to interested parties;
 - b) NDP is of the view that the Transaction maximizes recoveries and is the best available transaction in the circumstances. Based on the process conducted, the Receiver does not believe a superior transaction is likely to be completed if the SISP is continued, and in any event, the Company is without liquidity to continue the SISP;
 - c) the Transaction will see the business of the Company continue, which will preserve employment for the vast majority of the Company's employees. The Transaction will provide the Company's customers with a continuing vendor and its suppliers with a continuing customer;
 - d) the purchase price under the Transaction materially exceeds the liquidation value of the Company's business and assets, as evidenced by the Liquidation Analysis;
 - e) BMO, which is expected to incur a significant shortfall on the BMO Debt, supports the Transaction. Absent the Transaction, BMO has advised the Proposed Receiver and the Company that it is not prepared to continue to fund the Company's business and operations; and
 - f) the "urgency issues" discussed in Section 8 above.

10.0 Success Bonus

1. On or around November 3, 2022, the Company entered into the Success Bonus Plan with the Key Employees in order to enhance the likelihood that these employees would not resign while the SISP was carried out. The Success Bonus Plan was developed by the Company, in consultation with BMO. KSV has worked closely with the Key Employees during its Advisory Mandates and agrees that the Key Employees are integral to the operation of the business and that their involvement assisted in advancing the SISP, which ultimately culminated in the Transaction.
2. The Proposed Receiver has reviewed the terms of the Success Bonus Plan and is of the view that the terms of the Success Bonus Plan are consistent with the market for an employee retention plan and that the amounts payable under the plan are reasonable. The names of the Key Employees and the amounts payable to each Key Employee is provided in Confidential Appendix "4".
3. If the proposed Transaction is approved and the Transaction closes, the Success Bonus Plan payments will be earned and payable. BMO has advised the Proposed Receiver that it consents to the payment of the Success Bonus Plan amounts from the proceeds of the Transaction in priority to BMO.

4. A court-ordered charge is not being sought for the Success Bonus Plan.
5. The Proposed Receiver believes the Success Bonus Plan is appropriate for the following reasons:
 - a) the continued involvement and cooperation of the Key Employees will assist to complete the Transaction;
 - b) in the Proposed Receiver's view, the amounts payable under the Success Bonus Plan are reasonable;
 - c) the involvement of the Key Employees has assisted, and will continue to assist, to reduce professional costs; and
 - d) BMO, which is projected to suffer a significant shortfall on its advances to the Company notwithstanding the Transaction, is supportive of the payment of the Success Bonus Plan and has, as noted above, agreed to permit these payments to be made ahead of it, thereby reducing its own recovery.

11.0 Sealing

1. Confidential Appendices "1", "2" and "3" include confidential information regarding the SISP, the unredacted APA and the Liquidation Analysis, respectively. The Proposed Receiver recommends that these appendices be sealed for three (3) months⁸ following completion of the Transaction (if approved), as making publicly available these documents may negatively impact any future recoveries in these proceedings if the Transaction does not close. The Proposed Receiver is not aware of any party that will be prejudiced if these documents are temporarily sealed.
2. As Confidential Appendix "4" includes personal information, including the terms of the Success Bonus Plan and the names of the Key Employees, the Proposed Receiver is of the view that the information in this confidential appendix should be sealed subject to further order of the Court.
3. Sealing the confidential appendices is beneficial to maximizing value in these proceedings and maintains the integrity of the SISP. The salutary effect of sealing the confidential information greatly outweighs the deleterious effects of making this information publicly available at this time. Accordingly, the Proposed Receiver believes that sealing the Confidential Appendices is appropriate in the circumstances.

12.0 Distribution and Net Steps

1. If the Proposed Receiver is appointed Receiver and the Transaction is approved by the Court, the Receiver intends, subject to Court approval, to make a distribution or distributions of the sale proceeds generated from the Transaction to BMO up to the amount of the secured indebtedness owed by the Company to BMO, after paying or reserving for the costs of these proceedings, including the fees and costs of NDP and the Receiver, as well as payment of the Success Bonus Plan amounts. As noted, BMO is projected to incur a significant shortfall on its secured loans to the Company.

⁸ To align with the end date of the TSA.

13.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposed Receiver respectfully recommends that the Court make the Orders granting the relief detailed in Section 1.2 (1)(j) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS PROPOSED COURT-APPOINTED RECEIVER
OF THE PROPERTY, ASSETS AND UNDETKING OF
BRANT INSTORE CORPORATION**

Appendix “A”

OVERVIEW

- ❖ An industry leader in point-of-purchase (“POP”) retail signage and environments that are aimed at lowering marketing costs, generating in-store traffic, and driving revenue.
- ❖ Specializes in custom, innovative solutions focused on supporting the retail industry: POP print solutions, merchandising displays, retail environments, décor, branded promotional products, fulfillment, and a proprietary online ordering and program management platform.
- ❖ Provides a full range of services by integrating a suite of services, including G7 certified printing (digital, litho, and screen), finishing, fulfillment/inventory management, dye sublimation, and distribution.
- ❖ Prints on virtually any substrate, ranging from standard paperboard to fabrics, foam board, corrugated board, plastics and vinyls.
- ❖ Has earned a reputation for quality, efficiency, and superior client service and serves many of North America’s largest and most known retailers.
- ❖ Strategically located for optimal distribution in suburban Toronto in two facilities totaling more than 250,000 square feet with approximately 135 full-time employees.
- ❖ LTM revenues of approximately \$30.0 – 35.0 million with an EBITDA margin approaching 10%.
- ❖ The PE owners have retained NDP to offer the business to a limited number of strategic and financial buyer candidates.



GROWTH OPPORTUNITIES & INVESTMENT HIGHLIGHTS

- ❖ **Marketing Supply Chain Partner.** Decades of experience, a track record of execution, and cutting-edge technology drive its end-to-end marketing solutions. Clients trust the Company to deliver innovative marketing solutions by optimizing campaigns and localized marketing to maximize in-store impact, drive sales growth, and build brand recognition.
- ❖ **Innovative Products & Capabilities.** Focused exclusively on POP and has developed numerous differentiated products that enable the Company to craft retail displays, fabric, signage, floor graphics, wallpaper, and visual magnetics that compliment any footprint. Differentiated solutions include glitter and foil finishes, fluorescent ink, and holographic backgrounds.
- ❖ **World Class Results.** Strives to provide POP solutions that exceed the needs of its customers. By producing world-class and consistent results with its fully integrated suite of equipment and best-in-class customer service. The Company's Inca Onset X3 was the first installation in North America and second worldwide.
- ❖ **Proprietary Technology Platform.** Has designed and developed a proprietary IT and online ordering and project management platform that allows retailers to optimize their in-store environments through store profiling intelligence, print on demand features, and real time inventory to drive production and kit packing.
- ❖ **Substrates.** Products can be produced in short, medium, and long-run lengths on more than one hundred different materials and substrates, including fabrics, plastics, papers, boards and vinyls. Popular backings include a wide range of flexible, eco-friendly, and rigid materials.
- ❖ **Complex Fulfillment and Distribution.** Manages complex rollouts and distributions to thousands of individual retail locations, including the ability to deliver up to 20,000 fulfilled packages per week.

ADDITIONAL INFORMATION

Peter Schaefer, Partner

(610) 935-1000

PSchaefer@NewDirectionPartners.com

Jim Russell, Partner

(248) 891-6992

JRussell@NewDirectionPartners.com



BRANT INSTORE CORPORATION

Bid Process Outline

STRICTLY PRIVATE AND CONFIDENTIAL

We appreciate your interest in a possible acquisition of Brant InStore Corporation (“Brant” or the “Company”). Brant was the entity referred to as the “**POP Solutions Partner located in Canada**” in the Non-Disclosure Agreement that you executed and returned to New Direction Partners. The Confidential Information Memorandum, which accompanies this letter, is being furnished to you to assist in your evaluation of a possible transaction with the Company. Additionally, at your request, we would be pleased to arrange an introductory conference call with the Brant management team.

This letter outlines how we intend to proceed with the sale process. If you wish to proceed with an in-depth evaluation of the Company, with the objective of making a definitive acquisition proposal, please submit a written non-binding indication of interest to New Direction Partners by **no later than Wednesday, September 14, 2022**. Written indications of interest may be sent via email to PSchaefer@NewDirectionPartners.com or JRussell@NewDirectionPartners.com.

All written indications of interest should include the following information:

1. A preliminary non-binding estimate of the purchase price assuming that Brant is sold free of debt and cash;
2. A description of the form of the proposed consideration to be received by Brant with as much detail as possible regarding any possible restrictions or contingencies attached to such consideration. Please note that the Company will strongly favor bids that are all-cash rather than other forms of consideration;
3. Any assumed amounts of financing, if necessary, to consummate the transaction (including a detailed source and uses summary), a description of any steps taken to secure necessary financing and the timing and additional steps required to obtain financing commitments;
4. Any material preconditions to the consummation of a transaction, including shareholder approval, board approval, regulatory approvals, etc., as well as your proposed timetable for consummating a transaction;
5. Your intentions with respect to the Brant employees; and
6. A description of any additional due diligence that will be required and the time required to complete such due diligence and the anticipated timing for execution and closing of the acquisition.

Brant, with the assistance of its institutional owner, Hammond, Kennedy, Whitney & Company, Inc. (“HKW”) and New Direction Partners, will decide in its sole discretion based upon your indication of interest whether it is appropriate to proceed to the second phase of the sale process with you. Brant anticipates selecting only a limited group of qualified parties to undertake a more complete evaluation of the Company, which will include the opportunity to meet with ownership and conduct other appropriate due diligence, as required, and comment on a draft purchase agreement. Certainty of closing will be one of the key determinative factors in choosing qualified parties. Accordingly, minimal enumerated contingencies will be viewed favorably.

As you consider this opportunity and review the information provided, New Direction Partners will be available to consult with you and answer questions about the Company or transaction. We anticipate plant visits will be held with selected parties within the last two week of September, 2022. We will then request the submission of final, written non-binding Letters of Intent by **no later than Friday, October 14, 2022** in anticipation of a closing to occur by **no later than Wednesday, November 30, 2022**.

Brant reserves the right to negotiate with one or more prospective buyers at any time and/or to enter into a definitive agreement for the sale of the Company without prior notice to any of the interested parties. Brant and its representatives reserve the right to amend or terminate these proceedings, to terminate discussions with any or all interested parties and to reject any or all proposals at any time and without prior notice. This process does not create any legal rights of any nature whatsoever in favor of any prospective buyer and all parties will be solely responsible for their own costs incurred in connection with diligence and the purchase agreement. None of Brant, New Direction Partners or their respective advisors or agents shall have any liability to any prospective buyer as a result of the rejection of any proposal.

Brant and New Direction Partners (and its advisor or agents) expressly disclaim any and all liabilities for representations, warranties or statements contained in this letter of any other written material furnished or information orally transmitted to any prospective buyer.

The individuals at New Direction Partners listed within the Confidential Information Memorandum should be the sole points of contact for the transaction process. You should not, without the prior consent of New Director Partners, contact Brant or any of its officers, directors or employees. If you have any questions regarding this letter or the Company, please feel free to contact us directly. We appreciate you maintaining the strictest confidentiality with respect to the Company and the transaction.

Thank you for your interest in this opportunity. Again, please feel free to contact Peter Schaefer (610-935-1000 or PSchaefer@NewDirectionPartners.com) or Jim Russell (248-891-6992 or JRussell@NewDirectionPartners.com) with any questions or comments.



Status of Sale Process



Peter Schaefer
December 1, 2022

NEW  **DIRECTION**
PARTNERS

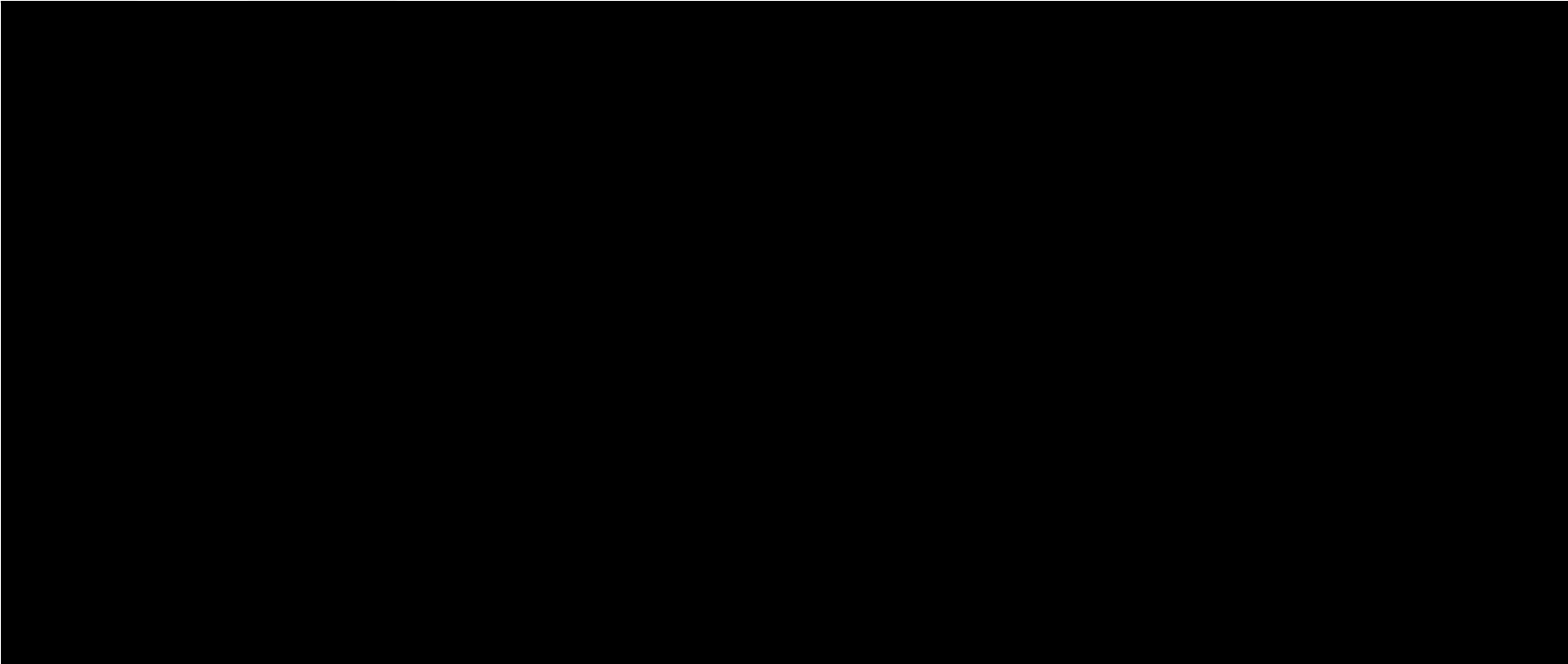
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- **Status of Process**
- **Status of the Interested Candidates**
- **Process Timeline**
- **NDP Services**
- **NDP Expertise in POP (Brant's niche)**
- **NDP Partner Biographies**

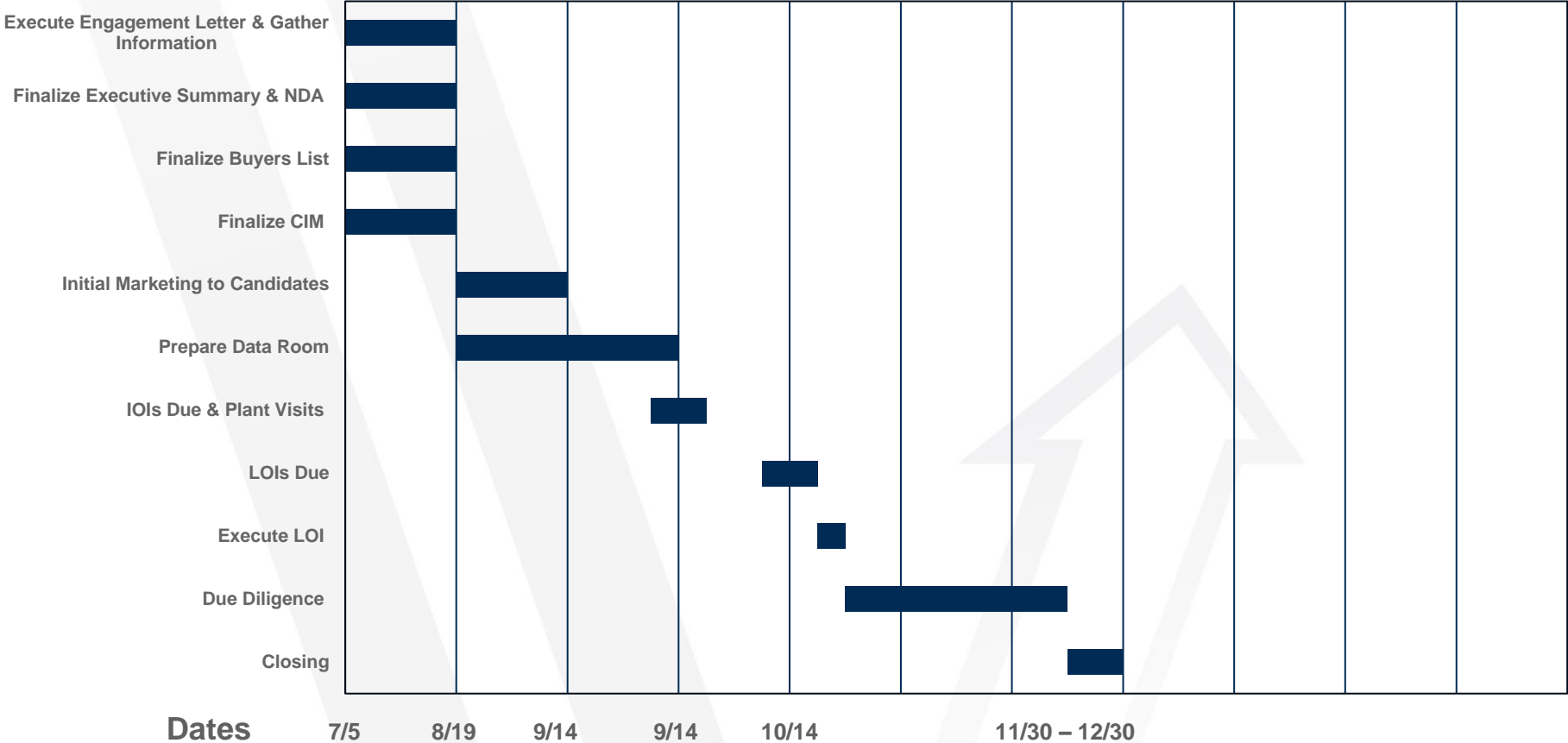
Status of Process

- Created an auction type process in which NDP developed a list of candidates to approach and prepared marketing information (Executive Summary, Confidential Information Memorandum and Bid Process Outline). See attached documents.
- Approached 47 candidates, including 27 strategics, 15 quasi strategics (strategic but PE owned) and 5 traditional financial buyers that previously expressed an interest in printing. See attached candidate listing.
- Of the 47 candidates approached, NDP has previously sold clients to 16. Another 7 had previously made offers to acquire NDP clients.

Status of the Interested Candidates



Process Timeline



NDP Services

NDP was formed to provide investment banking and financial advisory services to closely-held corporations and many publicly-traded companies. While its activities have spanned many industries, NDP has focused particular attention on the printing/packaging industry. The partners at New Direction Partners collectively have more than 100 years of investment banking experience and have been involved in the sale or purchase of more than 400 printing/packaging companies, the securing of financing of over \$2 billion for printing firms and the execution of scores of turnarounds and restructurings in the industry.

NDP was formed to embrace the changes that have occurred in the method in which investment banking and financial advisory services are being delivered. NDP believes that the financial and corporate development needs of the printing/packaging industry are best served by professionals who understand the industry. NDP's printing clients occupy virtually every industry segment, ranging from commercial to financial printing to inserts, labels, forms, publications, catalogs, books and direct mail.

NDP Services (continued)

NDP offers a broad range of investment banking and consulting services for the owners and managers of printing companies. The principals of NDP assist CEOs in making important strategic decisions. NDP's transaction experience is supplemented by years of senior level management positions. NDP's research department maintains extensive records on more than three thousand public and private companies in the industry. This automated database includes market share data by segment, sales volumes, corporate growth statistics, and names of key officers and managers.

NDP's investment banking and consulting services include the following:

Representing Selling Shareholders. NDP offers a full range of professional services for the selling shareholders of a business. NDP's involvement allows clients to operate from a position of strength and to obtain the best possible transaction. NDP's expertise involves an authoritative assessment of value, the preparation of a comprehensive and confidential descriptive memorandum on the selling company, the identification of the best strategic and/or financial buyers, the design of the transaction structure, negotiation of the key terms with the chosen buyer candidate, and oversight of the closing process.

NDP Services (continued)

Growth by Acquisition Consulting. NDP's services to companies interested in growing through acquisition are based on a thorough approach beginning with an assessment of the client's objectives. NDP works closely with the client to develop an acquisition team capable of working through the issues that make for a successful acquisition. A large element of NDP's work involves the search for appropriate acquisition targets - again an opportunity for NDP to use its extensive database of printing/packaging industry companies.

Valuations. Going-concern valuation analyses prepared by NDP are used to determine the fair market of illiquid holdings for a range of purposes: buy/sell agreements, stock options, estate and gift taxes, litigation, ESOPs, and various others. NDP believes that clients must be provided with valuation advice that is timely, accurate, objective and defensible. NDP professionals have been qualified as expert witnesses in State and Federal courts, bankruptcy courts, Delaware Chancery Court and American Arbitration Association hearings. NDP's expertise in the printing/packaging industry and its database of printing transactions, which is second to none in the industry, adds to the credibility of a NDP valuation opinion.

NDP Expertise in POP

Sale of SEG Systems & Services to Orbus (Tenex)	Producer of POP displays
Sale of NGS Printing to 4over	Producer of digital and screen wide format retail graphics
Sale of Holland & Crosby Limited to TC Transcontinental	POP entity
Sale of Customer Color Corporation to GSP Retail	Producer of wide format POP
Sale of Standard Printing to Entrepreneur Partners	Producer of large format litho labels & wide format POP
Sale of Midnight Oil to Imagine (Oak Hill Capital Partners)	Creative agency and POP entity
Sale of Marketing Services by Vectra to Taylor Corporation	Commercial printer and producer of large format POP products

NDP Expertise in POP (continued)

Sale of Classic Graphics to Imagine	Producer of large format graphics and Program Sale oriented organization
Sale of Sandy Alexander to Snow Peak Capital	\$100 million diversified printer & POP producer
Sale of Foxfire Printing and Packaging to Court Square	Large and wide format graphics
Sale of Meisel to R.R. Donnelley & Sons	Producer of digital wide format retail graphics
Sale of Photocraft to Taylor Corporation	Producer of wide format POP
Sale of Rastar to Sun Litho	Division of Transcontinental (a publicly-traded company) that produces dynamic/personalized direct mail, photobooks and large format POP products
Sale of Western Graphics & Data to Taylor Corporation	Producer of wide format POP

Biographies

Peter J. Schaefer, Partner

- Peter Schaefer is an experienced dealmaker with more than twenty years of investment banking and valuation experience. He has closed more than one hundred transactions in virtually every segment of the printing/packaging industry including the sale of Trend Offset & Creel to Mittera, Midnight Oil to Oak Hill Capital Partners, Classic Graphics to Imagine! Print Solutions, the divestiture of Transcontinental's Rastar division to Sun Litho, the sale of Meisel to R.R. Donnelley, the sale of Vectra to Taylor Corporation, the sale of Express Label to Cenveo, the purchase of Journal Communications' IPC Print Services by Walsworth Publishing Company and the sale of ICS Marketing Services to Taylor Corporation. In addition, he has performed hundreds of valuations for ESOPs, estate and gift tax planning and strategic planning purposes.
- Prior to helping form New Direction Partners, Schaefer worked for fifteen years at Compass Capital Partners, having served most recently as its President. Prior to that, he worked in the investment banking and valuation departments of KPMG Peat Marwick in New York City and Coopers & Lybrand in Philadelphia.
- Schaefer received a BS in Economics and Political Science from Trinity College and an MBA from Villanova University. He is a Candidate Member of the American Society of Appraisers and is a member of the printing/packaging industry's prestigious *NAPL* Soderstrom and *PIA* Ben Franklin Societies. He serves on the Board of Advisors to several companies and is a Board member of the Print & Graphics Scholarship Foundation. He is married to Kathleen and they have six children.

Biographies (continued)

James A. Russell, Partner

- Prior to joining NDP, Jim Russell owned Arbor Press in Royal Oak (Detroit), Michigan. During his tenure at Arbor Press, the company was recognized as an eight-time winner of the National Association for Printing Leadership's (NAPL) prestigious Management Plus Awards program that recognizes the best managed graphic arts companies in the country. Arbor Press was also recognized twice during Russell's leadership as one of the 50 fastest growing printers in the U.S.
- During his last three years at Arbor Press, he simultaneously served as President and CEO of RBF, Inc., of Lansing, Michigan, an industry leader in the forms and document management industry. In 2005 and 2006, working with NDP, he orchestrated the sale of both of these companies to separate industry buyers.
- A lifelong Michigan resident, Russell is a dedicated family man who is active with his wife and sons in a number of church and community organizations. He earned a degree in Business Administration from Hope College in 1983. Russell also serves on the Board of Directors for the Michigan Chamber of Commerce, the NAPL, and the Printing Industries of Michigan. He is a member of the Amy Foundation Advisory Board, the Board of Directors of Covenant Community Care (a faith-based, non-profit organization dedicated to providing primary health care to the uninsured and underinsured of Southwest Detroit), and the Board of Directors of Chosen Vision.

Questions?



Peter Schaefer

New Direction Partners

Tel: (610) 935-1000

Email: PSchaefer@NewDirectionPartners.com

COMPETENCE | CONFIDENTIALITY | ACCESS

Appendix “B”

THIS ASSET PURCHASE AGREEMENT dated as of the ___ day of December, 2022.

AMONG:

KSV RESTRUCTURING INC., solely in its capacity as court-appointed receiver of the assets, undertakings and properties of **BRANT INSTORE CORPORATION** and not in its personal or corporate capacity, (the “**Seller**”)

- and -

1000369798 ONTARIO INC., a corporation incorporated pursuant to the laws of Ontario (the “**Purchaser**”)

RECITALS:

- A. **WHEREAS** Brant Instore Corporation (“**Brant**”) is in the business of providing various distribution, finishing, pre-press, printing and related services (the “**Business**”);
- B. **AND WHEREAS** the Bank of Montreal has obtained an order of Ontario Superior Court of Justice (Commercial List) (the “**Court**”) appointing the Seller as receiver (the “**Receiver**”) without security, of all the assets, undertakings, and properties of Brant, pursuant to which, the Seller is authorized and empowered, subject to Court approval, to sell such assets;
- D. **AND WHEREAS** the Seller wishes to sell and assign to the Purchaser, and the Purchaser wishes to purchase and assume from the Seller, the Purchased Assets (as defined herein), subject to the terms and conditions set forth herein.
- E. **NOW THEREFORE** this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party (as defined herein) to the other, the Parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

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

In this Agreement:

- (a) “**Accounts Receivable**” means any and all (i) accounts receivable, notes receivable and other amounts receivable owed to Brant (whether current or non-current), together with all security or collateral therefor and any interest or unpaid financing charges accrued thereon, including all Claims pertaining to the collection of amounts payable, or that may become payable, to Brant, (ii) amounts receivable owing or payable to Brant from any Governmental Authority, and (iii) other

amounts due to Brant which have historically been classified as accounts receivable in the consolidated balance sheet of Brant;

- (b) “**Administration Charge**” has the meaning given to that term in the Receivership Order;
- (c) “**Agreement**” means this asset purchase agreement, including all schedules, and all supplements, amendments or restatements, as permitted, and references to “**Article**”, “**Section**” or “**Schedule**” mean the specified Article or Section of, or Schedule to, this Agreement;
- (d) “**Applicable Law**” means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order that applies in whole or in part to such Person, property, transaction or event;
- (e) “**Approval and Vesting Order**” means an order substantially in the form attached hereto as Schedule 1.1(e);
- (f) “**Assumed Contracts**” means all Contracts listed in Schedule 2.5 hereto;
- (g) “**Assumed Employee Benefit Plans**” has the meaning ascribed thereto in Section 5.2(b);
- (h) “**Assumed Liabilities**” has the meaning ascribed thereto in Section 2.3;
- (i) “**BSC Lease**” means that certain lease agreement by and between Brant Screen Craft Inc., and and BSC Landco Inc., dated December 19, 2012, as amended pursuant to that certain Lease Amending and Extending Agreement, by and between Brant and BSC Landco Inc., dated December 15, 2017, further amended pursuant to that certain Notice of Lease Extension and Agreement, by and between Brant and BSC Landco Inc., dated June 28, 2021;
- (j) “**Books and Records**” means all of the books, records, books of account, supplier and customer lists, business information, research and development information, business analyses and plans, and records, and all other documents, files, records, correspondence, electronic information (including emails and web page content), and other data and information, financial or otherwise related to the Business within the control or possession of the Seller at the Closing Date, and including all data and information stored by Brant electronically, digitally or on computer related media, which can be transferred in accordance with Applicable Law but excluding any of the foregoing as applicable to any Excluded Asset or any Excluded Liability;
- (k) “**Brant**” has the meaning ascribed thereto in the Recitals;
- (l) “**Brantscreen Lease**” means that certain lease agreement by and between Brant Screen Craft Inc., and Brantscreen Landco Inc., dated December 19, 2012, as amended pursuant to that certain Lease Amending and Extending Agreement, by and between Brant and Brantscreen Landco Inc., dated December 15, 2017, further amended pursuant to that certain Notice of Lease Extension, by and between Brant and Brantscreen Landco Inc., dated June 28, 2021;
- (m) “**Business**” has the meaning ascribed thereto in the Recitals;

- (n) “**Business Day**” means any day which is not a Saturday, a Sunday or a day observed as a statutory or civic holiday under the laws of the Province of Ontario or the federal laws of Canada applicable in the Province of Ontario, on which the principal commercial banks in the City of Toronto, Ontario are open for business;
- (o) “**Business Names**” has the meaning ascribed thereto in Section 2.1;
- (p) “**Cash and Cash Equivalents**” means cash, bank balances, monies in possession of banks and other depositories, term or time deposits, marketable securities, short term investments, funds, bankers’ acceptances, commercial paper, security entitlements, securities accounts and any other cash equivalents of Brant;
- (q) “**Cash Purchase Price**” means \$ [REDACTED] in cash to be paid by the Purchaser to Brant pursuant to the terms and conditions herein;
- (r) “**Claim**” means any claim, action, demand, cause of action, suit, complaint, proceeding, arbitration, judgment, settlement, award, assessment, re-assessment, order, investigation, enquiry or hearing made or threatened;
- (s) “**Closing**” means the completion of the purchase by the Purchaser and sale by the Seller of the Purchased Assets in accordance with the terms and subject to the conditions of this Agreement on the Closing Date at the Closing Time;
- (t) “**Closing Date**” means the date on which Closing occurs;
- (u) “**Closing Time**” has the meaning ascribed thereto in Section 8.1(c);
- (v) “**Collective Agreement**” means the collective agreement between Brant and the National Automotive, Aerospace, Transportation and General Workers Union of Canada (UNIFOR – Canada) and Local 504, as amended by memorandum of agreement dated April 27, 2022;
- (w) “**Consent**” means any approval, authorization, consent, order, license, permission, permit (including any environmental permit), qualification, exemption or waiver by any Governmental Authority or other Person;
- (x) “**Contracts**” means all contracts, licences, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements to which Brant is a party or by which Brant is bound or under which Brant has, or will have, any liability or contingent liability (in each case, whether written or oral, express or implied) relating to the Business, as same may be amended and/or restated, and including any and all related quotations, orders, proposals or tenders which remain open for acceptance, warranties and guarantees and documents ancillary thereto;
- (y) “**Court**” has the meaning ascribed thereto in the Recitals;
- (z) “**Cure Costs**” means all amounts necessary to cure any monetary defaults as a condition to assuming the Assigned Contracts;

(aa) “**Deposit**” means the deposit to be paid by or on behalf of the Purchaser to KSV as the proposed Receiver in an amount equal to \$ [REDACTED] plus interest earned thereon at the effective annual rate applicable to the trust account maintained by KSV, calculated from the date the Deposit is deposited by KSV to its trust account;

(bb) “**Employees**” means any and all employees who are employed by Brant in connection with the Business, including full-time, part-time and temporary employees and including employees who are on lay-off or other leaves of absence (including pregnancy leave, parental leave, disability leave, sickness leave, workers' compensation and other statutory leaves);

(cc) “**Employee Benefit Plan**” means each plan, policy, agreement or arrangement providing employee benefits, including any bonus, profit sharing, retirement, savings, pension, supplemental pension, medical, dental, life, disability, accidental death and dismemberment and critical illness coverage, or other similar benefits, that is sponsored, maintained or contributed to by Brant for the benefit of one or more current Employees of the Business, other than the Canada Pension Plan, Quebec Pension Plan, any health or drug plan established and administered by a Province and any employment, parental or workers' compensation insurance required to be contributed to by an employer pursuant to Canadian federal or provincial Laws.

(dd) “**Encumbrances**” means 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 including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order or subsequent order in the Receivership Proceedings, including the Administration Charge; 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;

(ee) “**Equipment**” means all machinery, vehicles, tools, production equipment, servers and networking equipment, handling equipment, furniture, furnishings, computer hardware and peripheral equipment and accessories used in the Business and any of the parts and components thereof and any of the warranties associated therewith;

(ff) “**Excluded Assets**” means:

- (A) subject to Section 5.2(b), the Unassumed Employee Benefit Plans;
- (B) any retention payments owing to any Employee accruing on or before Closing;
- (C) any contracts of insurance, insurance policies and insurance plans of Seller;
- (D) all Books and Records required by Applicable Law to be retained by Seller, including applicable personnel records, corporate minute books and tax records;
- (E) Brant's Cash and Cash Equivalents as of the Closing Date; and
- (F) The Seller's rights under this Agreement and any documents related thereto;

(gg) “**Excluded Contracts**” means all Contracts, but excluding the Assumed Contracts;

(hh) “**Excluded Liabilities**” means all Liabilities, other than the Assumed Liabilities, including, without limitation, any Encumbrances and any Liabilities relating to any Excluded Contract or any claim for income taxes, interest, penalties or fines and any Cure Costs in excess of the Cure Costs Cap;

(ii) “**Final Order**” means, in respect of any order of any court of competent jurisdiction, that such order shall not have been vacated, set aside, or stayed, and that the time within which an appeal or request for leave to appeal must be initiated has passed with no appeal or leave to appeal having been initiated;

(jj) “**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), Tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation;

(kk) “**Governmental Order**” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority;

(ll) “**HST**” means the harmonized sales tax imposed pursuant to Section IX of the *Excise Tax Act* (Canada);

(mm) “**Intellectual Property**” means all intellectual and industrial property of any kind used in the Business protected or protectable in any jurisdiction throughout the world, including: all software, computer programs and computer hardware, layouts, interfaces, templates, applications and tools, and code of all types, including object and source code, and including ephemeral aspects, “look and feel”, graphic design and user interface design (“**Software**”), all information and data, databases, database layouts and data structures (whether or not subject to copyright protection) (“**Databases**”), all literary, graphical, pictorial, artistic, audio-visual and other works, including webpages and webpage designs, templates, scripts, and similar material, and all compilations of any of the foregoing (collectively, together with Software and Databases, “**Works**”), all trade-marks, trade names, service marks, trade dress, logos and other marks and associated goodwill (“**Marks**”), all registered domain names; all patents, inventions, discoveries, arts, systems, methods, processes, machines, manufactures, developments and improvements (“**Inventions**”), all industrial designs; all formulae, confidential information, proprietary information, trade secrets and know how (“**Know-How**”), and any other works or other subject-matter that is subject to intellectual or industrial property protection under the laws of any jurisdiction throughout the world, in all cases whether or not registrable, registered or the subject of applications for registration, including Intellectual Property Rights;

(nn) “**Intellectual Property Rights**” means in relation to the Business of Brant, (i) any and all statutory, common law or other intellectual and industrial property rights and interests of any kind or nature in and to Intellectual Property provided or protectable under the laws of any jurisdiction, including all copyrights and other rights in and to Works, moral rights and benefits in all waivers of moral rights, patents, patent rights and other rights in and to Inventions, rights to Marks and the associated goodwill, rights and benefits in and to domain name registrations, industrial design and

design patent rights, trade secret rights and other rights in and to Know-How, (ii) all registrations, pending applications for registration, and rights to file applications, and rights of priority, renewal, extensions, continuations (in whole or in part) or other derivative applications and registrations, for any of the foregoing; (iii) all licenses or other contractual rights in and to any of the foregoing (including third party software licenses) and all licenses granted in respect of any of the foregoing Intellectual Property, rights and interests; (iv) all future income and proceeds from any of the foregoing Intellectual Property, rights, interests or licenses; and (v) all rights of enforcement and to obtain remedies, including damages and profits, by reason of infringement of any of the foregoing Intellectual Property, rights, interests or licenses;

(oo) “**Inventory**” means all inventories, supplies, work in progress and finished goods of Brant;

(pp) “**KSV**” means KSV Restructuring Inc.;

(qq) “**Landlords**” means Brantscreen Landco Inc., and BSC Landco Inc;

(rr) “**Leases**” means the BSC Lease and the Brantscreen Lease;

(ss) “**Liabilities**” means any and all debts, liabilities, commitments and obligations of any nature whatsoever, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim or Governmental Order, and those arising under any contract, agreement, arrangement, commitment or undertaking;

(tt) “**Material Contracts**” means the Assumed Contracts identified on Schedule 1.1(tt);

(uu) “**Parties**” means, collectively, the Purchaser and the Seller, and “**Party**” means any one of them;

(vv) “**Permits and Licences**” means all permits, consents, waivers, licences, sub-licences, certificates, approvals, authorizations, registrations, rights, privileges, certification, quotas and exemptions, or any item with a similar effect, issued or granted by any Governmental Authority for or related to the Business;

(ww) “**Person**” means individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities;

(xx) “**Purchase Price**” means the Cash Purchase Price plus the assumption of the Assumed Liabilities;

(yy) “**Purchased Assets**” has the meaning ascribed thereto in Section 2.1(a);

(zz) “**Purchaser**” has the meaning ascribed thereto in the Recitals;

(aaa) “**Receiver**” has the meaning ascribed thereto in the Recitals;

(bbb) “**Receiver’s Certificate**” has the meaning given in the Receivership Order;

(ccc) “**Receivership Order**” means the order of the Court, among other things, appointing KSV as receiver over all of the assets, undertaking and property of Brant and granting the Administration Charge;

(ddd) “**Receivership Proceedings**” means the proceedings to be commenced pursuant to the issuance of the Receivership Order;

(eee) “**Seller**” has the meaning ascribed thereto in the Recitals;

(fff) “**Specific Conveyances**” means all conveyances, bills of sale, assignments, transfers, and other documents or instruments that are reasonably required or desirable to convey, assign and transfer all of the Seller’s right, title and interest in and to the Purchased Assets to the Purchaser, including, but not limited to:

(A) an agreement (or agreements) evidencing the assignment to the Purchaser of the Assumed Contracts and the Purchaser’s assumption of the Assumed Liabilities;

(B) a bill of sale; and

(C) specific assignments of each of the Permits and Licences;

(ggg) “**Tax Legislation**” means, collectively, the *Income Tax Act* and all federal, provincial, territorial, municipal, foreign, or other statutes imposing a Tax, including all treaties, conventions, rules, regulations, orders, and decrees of any jurisdiction;

(hhh) “**Tax**” or “**Taxes**” means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable Tax Legislation, including Canadian federal, provincial, territorial, municipal and local, foreign or other income, capital, goods and services, sales, harmonized sales, use, consumption, excise, value added, business, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, customs, import, anti dumping or countervailing duties, Canada Pension Plan contributions, employment insurance premiums, and provincial workers’ compensation payments, including any interest, penalties and fines associated therewith;

(iii) “**Termination Date**” has the meaning ascribed thereto in Section 9.1(c);

(jjj) “**Transaction**” means the purchase and sale of all of the Seller’s right, title and interest, if any, in and to the Purchased Assets contemplated by this Agreement;

(kkk) “**Transferred Employees**” means all Unionized Employees and all other Employees who accept the Purchaser’s offer of employment made with effect at the Closing Time;

(lll) “**Transition Services Agreement**” has the meaning ascribed thereto in Section 2.4(a);

(mmm) “**Tribunal**” means any court (including a court of equity), arbitrator or arbitration panel and any other Governmental Authority, stock exchange, professional or business organization or association or other body exercising adjudicative, regulatory, judicial or quasi judicial powers;

(nnn) “**Unassumed Employee Benefit Plans**” has the meaning attributed thereto in Section 5.2(a); and

(ooo) “**Wages**” means all salaries, wages, commissions, bonuses, incentive compensation, allowances, indemnities, expenses, vacation pay, overtime pay, statutory holiday pay, personal days, sick days, employment-related payments and other remuneration as well as all employer contributions related thereto.

1.2 Currency

All references in this Agreement to monetary amounts, unless indicated to the contrary, are to the currency of Canada.

1.3 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to its subject matter, and supersedes any and all prior negotiations, understandings and agreements between the Parties. This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the Party to be bound thereby.

1.4 Governing Law

This Agreement is a contract made under and shall be governed by and construed in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable in the Province of Ontario. Each Party hereto irrevocably submits to the exclusive jurisdiction of the Court supervising the Receivership Proceedings with respect to any matter arising hereunder or relating hereto.

1.5 Singular, Plural and Gender

Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.

1.6 Certain Words

In this Agreement, the words “**including**” and “**includes**” means “**including (or includes) without limitation**”, and “**third party**” means any Person who is not a Party.

1.7 Headings

The headings contained in this Agreement, including the separation of this Agreement into articles, sections, subsections, paragraphs and clauses, are for convenience of reference only, and shall not affect the meaning or interpretation.

1.8 Statutory References

All references to any statute is to that statute or regulation as now enacted or as may from time to time be amended, re-enacted or replaced and includes all regulations made thereunder, unless something in the subject matter or context is inconsistent therewith or unless expressly provided otherwise in this Agreement.

1.9 Actions to be Performed on a Business Day

Whenever this Agreement provides for or contemplates that a covenant or obligation is to be performed, or a condition is to be satisfied or waived on a day which is not a Business Day, such covenant or obligation shall be required to be performed, and such condition shall be required to be satisfied or waived on the next Business Day following such day.

1.10 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof.

Schedule 1.1(e) – Form of Approval and Vesting Order

Schedule 1.1(tt) – Material Contracts

Schedule 2.3 – Assumed Liabilities

Schedule 2.4 – Form of Transition Services Agreement

Schedule 2.5 – Assumed Contracts

Schedule 5.2 – Employee Benefit Plans

ARTICLE 2 PURCHASE AND SALE OF PURCHASED ASSETS AND ASSUMPTION OF LIABILITIES

2.1 Agreement of Purchase and Sale

(a) On the Closing Date and subject to the terms and conditions of this Agreement, the Seller hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Seller, all of the Seller's and Brant's right, title and interest in and to the rights, properties and assets which are used in, related to or otherwise associated with the Business, including the following (collectively, the "**Purchased Assets**"):

- (i) all goodwill of the Business as a going concern;
- (ii) all Equipment;
- (iii) all Inventory;
- (iv) all Assumed Contracts;
- (v) all Accounts Receivable;

- (vi) all rights in those business names used by Brant (the “**Business Names**”), including the sole and exclusive right to own and use the Business Names, along with any and all corresponding rights that now or hereafter may be secured throughout the world;
 - (vii) all Intellectual Property;
 - (viii) all prepaid items/deposits;
 - (ix) all data, databases and customer lists; and
 - (x) the Leases.
- (b) Such foregoing purchase shall be free and clear of all Encumbrances as provided for in the Approval and Vesting Order.

2.2 Excluded Assets

Notwithstanding anything to the contrary in Section 2.1 or elsewhere in this Agreement, the Purchased Assets shall not include the Excluded Assets, and nothing herein shall be deemed to sell, transfer, assign or convey the Excluded Assets.

2.3 Assumed Liabilities

Upon the terms and subject to the conditions set forth in this Agreement, the Purchaser shall assume as of the Closing Date and shall pay, discharge, honour and perform, as the case may be and as and when due, from and after the Closing Date, the liabilities and obligations with respect to the Business and/or the Purchased Assets listed on Schedule 2.3 hereto (the “**Assumed Liabilities**”).

2.4 Consents and Transition Services Agreement

- (a) To the extent that any Consent in respect of a Material Contract or License or Permit has not been obtained prior to the Closing Time, the Seller shall enter into a transition services agreement (the “**Transition Services Agreement**”) with the Purchaser substantially in the form attached as Schedule 2.4, pursuant to which it shall agree to provide the Purchaser with the benefit of such Material Contract, License or Permit during the period (the “**Transition Period**”) from the Closing Time until the earlier of (i) a date that is three (3) months from the Closing Date, or (ii) the termination of the Transition Services Agreement.
- (b) During the Transition Period, each of the Seller and the Purchaser shall use commercially reasonable efforts to obtain any Consent in respect of a Material Contract, License or Permit that has not been obtained prior to the Closing Time. The parties acknowledge that the requirement to obtain any such Consent shall not be a condition precedent to Closing.
- (c) Notwithstanding anything contained in this Agreement or elsewhere, the Purchaser will not assume and will have no obligation to discharge any debt, liability or obligation under any Assumed Contract which is not assigned.

(d) The Purchaser may at any time during the Transition Period, request the Seller to apply to the Court for an order assigning the Seller's rights, benefits and interests in and to a Material Contract.

(e) The Purchaser shall be responsible for all reasonable and documented fees and out-of-pocket expenses and costs of the Seller incurred in the performance of the Transition Services Agreement, payable in accordance with the terms thereof.

2.5 Final Schedule of Assumed Contracts

No later than December 28, 2022, the Purchaser shall provide the Seller with Schedule 2.5 identifying the Assumed Contracts that will be assumed. The parties agree that effective immediately upon the delivery of such schedules, without any further action or formality, the Assumed Contracts shall only be those identified on Schedule 2.5, and there shall be no adjustment to the Purchase Price.

2.6 Exclusion of Liabilities

The Purchaser shall not, at Closing, assume or be liable for the Excluded Liabilities or any other Liabilities of Brant whatsoever other than the Assumed Liabilities.

ARTICLE 3 PURCHASE PRICE

3.1 Satisfaction of Purchase Price

The Purchase Price shall be paid and satisfied on Closing as follows:

(a) The Cash Purchase Price shall be paid in cash and satisfied by (i) the release of the Deposit from escrow by the Receiver, and (ii) as to the remainder, by wire transfer to the Receiver for the account of Seller; and

(b) The Assumed Liabilities shall be assumed pursuant to and in accordance with the terms herein at the Closing Time.

3.2 Deposit

The Parties acknowledge that the Purchaser shall pay the Deposit to KSV forthwith upon its appointment as Receiver. The Deposit shall be held by KSV in trust and released or returned in accordance with the terms of this Agreement.

3.3 Allocation of Purchase Price

The Purchaser and the Seller will make best efforts to allocate the Purchase Price among the Purchased Assets prior to Closing, and agree to allocate the Purchase Price among the Purchased Assets no later than 30 Business Days after the Closing Date and to report the sale and purchase of the Purchased Assets for all federal, provincial and local tax purposes in a manner consistent

with such allocation. If the Parties are unable to agree on an allocation of the Purchase Price within 45 days of the Closing Date, then the dispute shall be resolved by a nationally recognized accounting firm mutually agreed upon by Seller and Purchaser, and Seller, on the one hand, and Purchaser, on the other, shall each bear fifty percent (50%) of the costs of such accounting firm.

3.4 HST Election

The Seller, on behalf of Brant, and the Purchaser shall jointly elect under section 167(1) of the *Excise Tax Act* (Canada) to have subsection 167(1.1) apply to the sale of the Purchased Assets to the Purchaser such that no HST shall be payable in respect of such sale. The Seller, on behalf of Brant, and the Purchaser shall take all necessary actions in order to complete and file such valid joint election on or before the date on which the Purchaser, on behalf of Brant, must submit its HST return for the reporting period in which the Closing occurs.

3.5 Section 22 Election

The Purchaser and Seller shall execute jointly an election in the prescribed form under Section 22 of the *Income Tax Act* (Canada) in respect of the Accounts Receivable and shall designate in such election an amount equal to the portion of the Purchase Price allocated to such assets pursuant to Section 3.3 as the consideration paid by the Purchase therefor. The Purchaser and the Seller shall each file such election with their respective tax returns for their respective taxation years that include the Closing Date. Nothing herein shall require the Purchaser or the Seller to file any income tax returns that it is not otherwise required to file.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Seller's Representations

The Seller represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Subject to the granting of the Approval and Vesting Order, this Agreement has been duly authorized, executed and delivered by the Seller and is a legal, valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (b) Brant is not a non-resident of Canada for the purposes of the ITA; and
- (c) Brant is a registrant for the purposes of the tax imposed under Part IX of the *Excise Tax Act* (Canada) and its registration number is 895756807 RT0001.

4.2 Purchaser's Representations

The Purchaser represents and warrants to the Seller as follows and acknowledge that the Seller is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) the Purchaser is a corporation duly formed and validly subsisting under the laws of the jurisdiction of its formation and has the requisite power and authority to carry on its business as now conducted by it and to own its properties and assets, and is qualified to carry on business under the Applicable Laws of the jurisdictions where it carries on a material portion of its business;

(b) the Purchaser has taken all necessary action to authorize the entering into and performance by it of this Agreement and completion of the Transaction, and the execution, delivery and performance by the Purchaser of this Agreement does not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any Consent or approval under, result in a breach or a violation of, or conflict with, any of the terms or provisions of its constating documents or by-laws or any contracts or instruments to which it is a party or pursuant to which any of its assets or property may be affected, and will not result in the violation of any Applicable Law;

(c) the execution, delivery and performance of this Agreement by the Purchaser does not and will not require any Consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such Consent, approval, authorization or action, or to make such filing or notification, would not prevent, affect or delay the consummation by the Purchaser of the Transaction, other than the Approval and Vesting Order;

(d) there is no action, suit, proceeding or Claim that is pending or, to the Purchaser's knowledge, threatened in any court or by or before any Governmental Authority that would adversely affect the Purchaser's ability to perform its obligations under this Agreement on a timely basis;

(e) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity; and

(f) the Purchaser or its permitted assignee is or will be a registrant for the purposes of the tax imposed under Part IX of the *Excise Tax Act* (Canada) on or prior to Closing, and agrees that the Purchaser will be jointly and severally liable for any Tax consequences of not so being. The Purchaser's registration number is ■.

4.3 Limitations

With the exception of the Seller's representations and warranties in Section 4.1 and the Purchaser's representations and warranties in Section 4.2, neither Party nor its representatives, nor any of its officers, directors, employees make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of Brant, the Purchaser, the Purchased Assets or the sale or purchase of the Purchased Assets pursuant to this Agreement.

ARTICLE 5 EMPLOYEE MATTERS

5.1 Offers to Employee

Conditional upon the closing of the Transaction and with effect as of the Closing Date (or such later date on which those Employees who are on leave return to active service) the Purchaser shall:

(a) employ the Employees who are part of a bargaining unit in respect of which the Collective Agreement is in force (the “**Unionized Employees**”) and agrees to be bound by the Collective Agreement as a successor employer thereto, in each case to the extent required by Applicable Law; and

(b) offer employment to all or substantially all of the Employees who are not Unionized Employees, and who are identified to the Seller in writing no later than 7 days after the date of the Approval and Vesting Order, such offers of employment to be on terms and conditions of employment which are substantially similar in the aggregate to those terms and conditions as applicable to such Employees as at the date that the Receivership Order is granted by the Court, provided that the Employees’ service will only be recognized if and as required by applicable employment standards legislation.

5.2 Employee Benefit Plans

(a) Schedule 5.2 lists all Employee Benefit Plans. Copies of all Employee Benefit Plans have been provided to Purchaser. Conditional upon the closing of the Transaction and with effect as of the Closing Date the Purchaser shall have established or designated new employee benefit plans that, for Unionized Employees, are consistent with the Collective Agreement, and for Employees who are not Unionized Employees, are similar to the Employee Benefit Plans provided by Brant to such Employees prior to the Closing Date. The current Employee Benefit Plans that are established prior to the Closing Date in accordance with this section 5.2(a) shall be the “**Unassumed Employee Benefit Plans**” and shall become Excluded Assets.

(b) In the event that the conditions to establishing or designating new employee benefit plans for Unionized Employees are not met by the Closing Date, the Purchaser will assume the relevant Employee Benefit Plans and such plans shall be the “**Assumed Employee Benefit Plans**”

ARTICLE 6 COVENANTS

6.1 Pre-Closing Cooperation

(a) Prior to the Closing, upon the terms and subject to the conditions of this Agreement, each Party shall take, or cause to be taken, all reasonable actions and to do, or cause to be done, and cooperate with each other in order to do, all things reasonably necessary, proper or advisable under Applicable Law to consummate the Transaction as soon as practicable, including the preparation and filing of all forms, registrations and notices required to be filed to consummate the Closing, the taking of such actions as are necessary to obtain any requisite Consent, and assistance with respect to obtaining any non-transferrable and non-assumable Permits and Licences, provided that

the Seller shall not be obligated to make any payment or deliver anything of value to any Person in order to obtain any Consent nor shall it be required to negotiate new arrangements with any party.

(b) Prior to the Closing, each Party shall take, or cause to be taken, all reasonable actions and to do, or cause to be done, all things reasonably necessary to obtain, prior to the Closing, a valid and current Workplace Safety and Insurance Board Purchase or Clearance Certificate or the written equivalent in respect of the Business that confirms that all of its workers' compensation accounts are in good standing.

(c) Each of the Seller and the Purchaser shall promptly notify each other of the occurrence, to such Party's knowledge, of any event or condition, or the existence, to such Party's knowledge, of any fact, that would reasonably be expected to result in any of the conditions set forth in Sections 7.1, 7.2, or 7.3 not being satisfied by the Termination Date.

6.2 Information Covenants

(a) For a period of six years following the Closing Date, the Purchaser covenants to use reasonable care to preserve the Books and Records of Brant and to permit the Seller and its representatives and successors and assigns and any trustee in bankruptcy access to any such Books and Records as the Seller and its representatives and successors and assigns and any trustee in bankruptcy may reasonably request. The Purchaser shall not be responsible or liable to the Seller, Brant, or to any other Person for or as a result of any unintentional loss or destruction of or damage to any of the Books and Records.

(b) For a period of six years following the Closing Date, the Seller covenants to use reasonable care to preserve the Books and Records that constitute Excluded Assets and to permit the Purchaser and its representatives and successors and assigns access to such Books and Records, to the extent permitted by Applicable Law, as the Purchaser and its representatives and successors may reasonably request. The Seller shall not be responsible or liable to the Purchaser or to any other Person for or as a result of any unintentional loss or destruction of or damage to any of such Books and Records.

6.3 Conduct of Business Before Closing

Except as otherwise expressly provided in this Agreement or consented to in writing by the Purchaser, for the period between the date of the Approval and Vesting Order and the Closing Time the Seller shall cause Brant to: (i) conduct the Business in the ordinary course consistent with past practice; and (ii) use its reasonable best efforts to maintain and preserve intact Brant's current Business organization and operations and to preserve the rights, goodwill and relationship of its employees, customers, suppliers and others having relationships with the Business.

6.4 Name Change

Within 10 days of the Closing Time, the Seller shall discontinue use of the name "Brant Instore Corporation" and any variation thereof and have changed Brant's name to a numbered entity name or such other name as approved by the Purchaser in writing in advance of such name change. The Seller shall cause the style of cause in the Receivership Proceedings to be changed accordingly

through a Court Order or as otherwise appropriate. To the extent necessary, Seller shall seek a Court Order authorizing and directing the appropriate Governmental Authority to accept any articles of amendment notwithstanding the insolvency of Brant.

6.5 Acquisition of Assets on "As Is, Where Is" Basis

Purchaser acknowledges that, subject to the representations and warranties set out herein, Seller is selling the Purchased Assets on an "**as is, where is**" basis as they shall exist on the Closing Date and that, as of the date of this Agreement, Purchaser has had an opportunity to conduct any and all due diligence regarding Brant, the Purchased Assets, the Business and the Assumed Liabilities and that it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or regarding Brant, the Purchased Assets, the Business and the Assumed Liabilities. No reduction in the Purchase Price will be made for any change in condition, value, quantity or quality of any of the Purchased Assets from the date hereof to the Closing Date, or otherwise. Any information provided by Brant or the Seller to the Purchaser describing the Purchased Assets, the Business and the Assumed Liabilities has been prepared solely for the convenience of prospective purchasers and is not warranted to be complete, accurate or correct. Unless specifically stated herein, the Purchaser acknowledges that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding Brant, the Business, the Purchased Assets or Assumed Liabilities or the completeness of any information provided in connection therewith or in any instrument furnished in connection with this Agreement including, without limitation, the respective rights, titles and interests of Brant, if any, in the Purchased Assets. This Section 6.5 shall not merge on the Closing Date and is deemed incorporated by reference in all documents delivered pursuant to the terms of this Agreement.

ARTICLE 7 CONDITIONS

7.1 Conditions for the Benefit of the Purchaser

The obligations of the Purchaser to complete the Transaction shall be subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent:

- (a) all representations and warranties of the Seller contained in this Agreement shall be true and correct as at the Closing Time with the same force and effect as if made at and as of such time;
- (b) the Seller shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement required to be performed by it prior to or by the Closing Time;
- (c) the Seller shall have delivered or caused to be delivered to the Purchaser all items referred to in Section 8.2;
- (d) [intentionally deleted];

(e) Consents from the Landlords or an assignment order relating to the assignment of the Leases from Brant to the Purchaser shall have been obtained, in form and substance satisfactory to the Purchaser, acting reasonably; and

(f) agreements shall have been entered into prior to Closing with such employees of Seller as Purchaser in its sole discretion wishes to be employed by Purchaser on the Closing Date on such terms of employment or contract as are satisfactory to Purchaser.

The foregoing conditions are for the exclusive benefit of the Purchaser and non-satisfaction or non-performance of any such condition may only be waived by the Purchaser, in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have. Any such waiver is only binding on the Purchaser if it is made in writing and delivered forthwith.

7.2 Conditions for the Benefit of the Seller

The obligations of the Seller to complete the Transaction shall be subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent:

(a) all representations and warranties of the Purchaser contained in this Agreement shall be true and correct as at the Closing Time with the same force and effect as if made at and as of such time;

(b) the Purchaser shall have complied with and performed in all material respects all of their covenants and obligations contained in this Agreement to be performed by them before or by the Closing Time; and

(c) the Purchaser shall have delivered, or caused to be delivered to the Seller all items referred to in Section 8.3.

The foregoing conditions are for the exclusive benefit of the Seller and non-satisfaction or non-performance of any such condition may only be waived by the Seller, in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Seller may have. Any such waiver is only binding on the Purchaser if it is made in writing and delivered forthwith.

7.3 Mutual Conditions

The obligations of the Parties to complete the Transaction shall be subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent:

(a) the Receivership Order and the Approval and Vesting Order shall have been issued and entered by the Court and such orders shall have become Final Orders; and

(b) there shall be no order issued by any Governmental Authority delaying, restricting or preventing, and no pending or threatened Claim, judicial or administrative proceeding, or investigation against any Party by any Person, for the purpose of enjoining, delaying, restricting or preventing the consummation of this Transaction, or otherwise claiming that this Agreement or

the consummation of the Transaction is improper or would give rise to proceedings under any Applicable Law, that would not otherwise be vested out under the Approval and Vesting Order.

The foregoing conditions are for the exclusive benefit of all Parties and non-satisfaction or non-performance of any such condition may only be waived by no less than all of them, in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which they each may have. Any such waiver is only binding on a Party if it is made in writing, however no Party shall be able to delay or prevent Closing due to non-satisfaction of these mutual conditions due to a breach of this Agreement by that Party.

ARTICLE 8 CLOSING

8.1 Closing Date and Place of Closing

- (a) Following the execution of this Agreement, the Seller and the Purchaser, as applicable, hereby covenant and agree to use commercial best efforts to satisfy all conditions set forth in Sections 7.1, 7.2 and 7.3 as soon as practicable;
- (b) Unless otherwise agreed by the Parties, the Parties hereby covenant and agree that Closing shall occur on the date as soon as practicable after the satisfaction or waiver of all conditions set out in Sections 7.1, 7.2 and 7.3; and
- (c) Closing shall take place at 10:00 a.m. (the “**Closing Time**”) on the Closing Date at the offices of the Purchaser’s solicitors, or such other time and location as the Parties may agree upon in writing. Any tender of documents or money hereunder may be made upon the Seller or the Purchaser or upon the solicitors acting for the Person on whom tender is desired.

8.2 Deliveries on Closing by the Seller

At the Closing Time, the Seller shall deliver, or cause to be delivered to the Purchaser:

- (a) pursuant to the Approval and Vesting Order, free and clear title and possession of the Purchased Assets on an “as is, where is” basis in accordance with Section 6.5, provided that delivery of the Purchased Assets shall occur in situ wherever such Purchased Assets are located on the Closing Date;
- (b) a true and complete copy of the Approval and Vesting Order, as issued by the Court;
- (c) an executed Receiver’s Certificate;
- (d) a bring-down certificate executed by the Seller, in form satisfactory to the Purchaser, acting reasonably, certifying that all of the representations and warranties of the Seller hereunder remain true and correct in all material respects as of the Closing Time;
- (e) the elections referred to in Sections 3.4 and 3.5, executed by the Seller;
- (f) the Specific Conveyances to which it is party in a form satisfactory to the Purchaser and the Seller, acting reasonably;

- (g) an executed copy of the Transition Services Agreement;
- (h) reasonably satisfactory evidence that Brant has changed its name to a numbered entity name or such other name as approved by the Purchaser in writing in advance of such name change;
- (i) Consents from each of the Landlords to the assignment of the Leases or an assignment order relating to the assignment of the Leases from Brant to the Purchaser; and
- (j) such other documents as may be reasonably requested by the Purchaser to effect or evidence Closing and the transfer of the Purchased Assets.

8.3 Deliveries on Closing by the Purchaser

At the Closing Time, the Purchaser shall deliver, or cause to be delivered to the Seller:

- (a) the payment required by Section 3.1(a);
- (b) a bring-down certificate executed by the Purchaser, in a form satisfactory to the Seller, acting reasonably, certifying that all of the representations and warranties of the Purchaser hereunder remain true and correct in all material respects as of the Closing Time;
- (c) the elections referred to in Sections 3.4 and 3.5, executed by the Purchaser;
- (d) an executed copy of the Transition Services Agreement;
- (e) the Specific Conveyances to which it is party in a form satisfactory to the Seller and the Purchaser, acting reasonably; and
- (f) such other documents as may be reasonably requested by the Seller to effect or evidence Closing and the transfer of the Purchased Assets.

8.4 Possession

The Purchaser shall be entitled to possession of the Purchased Assets on and after the Closing Time. On and after the Closing Time, the Seller shall permit and provide the Purchaser with unrestricted and unconditional access to the Purchased Assets, and the Seller shall deliver to the Purchaser such authorizations, directions, consents, approvals, keys, lock and safe combinations and other similar items as the Purchaser may require to obtain immediate, exclusive and full occupation and control of the Purchased Assets.

ARTICLE 9 TERMINATION

9.1 Termination

This Agreement may be terminated at any time prior to the Closing:

- (a) automatically and without any action or notice by either Party, immediately upon the issuance of a final and non-appealable order, decree, or ruling or any other action by a Governmental Authority to restrain, enjoin or otherwise prohibit the Transaction;
- (b) by mutual written consent of the Seller and the Purchaser;
- (c) by either the Seller or the Purchaser if the Closing has not occurred on or before December 30, 2022 (the “**Termination Date**”); provided, however, that a Party may not exercise such termination right if they are in material breach of their obligations under this Agreement;
- (d) by the Seller, if the Purchaser fails to fulfill any condition set forth in Section 7.2 by the Termination Date and failure has not been waived by the Seller or cured by the Termination Date;
- (e) by the Purchaser, if the Seller fails to fulfill any condition set forth in Section 7.1 by the Termination Date and such failure has not been waived by the Purchaser or cured by the Termination Date; or
- (f) by any Party, if the conditions set forth in Section 7.3 have not been satisfied by the Termination Date.

9.2 Effect of Termination

- (a) If this Agreement is terminated due to any of the circumstances set out in paragraphs 9.1(a) through (f) of Section 9.1, all further obligations of the Parties under this Agreement will terminate and neither Party shall have any liability or further obligations hereunder except for and subject to the provisions of this Section 9.1.
- (b) If this Agreement is terminated by the Seller pursuant to Section 9.1(d) due to the Purchaser's failure to perform any of its obligations hereunder, then the full amount of the Deposit shall be released to BMO by the Receiver and shall first be used to repay the expenses of the Receiver and thereafter become the property of and be retained by BMO to compensate BMO for expenses incurred in connection with the Transaction and the delay caused to Seller's efforts to sell the Purchased Assets.
- (c) Except as set out in Section 9.2(b), the Parties, their respective directors, officers, employees, managers, Affiliates or agents or their respective directors, officers and employees shall not be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction.
- (d) This Section 9.2 shall survive termination of this Agreement.

ARTICLE 10 MISCELLANEOUS

10.1 Disclosure of Agreement

Each of the Parties agree that this Agreement shall be filed in the Receivership Proceedings with redactions as agreed upon between the Parties and the Court.

10.2 Obligations to Survive

(a) The obligations and covenants of the Parties set out in the following sections and articles of this Agreement shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties thereafter: Section 2.3 [Assumed Liabilities], Section 3.4 [HST Election], Section 3.5 [Section 22 Election], Section 6.5 [Acquisition of Assets on “As Is, Where Is” Basis], Section 8.4 [Possession], Section 10.2 [Obligations to Survive], Section 10.3 [Damages] Section 10.4 [Further Assurances] and Section 10.6 [Costs and Expenses];

(b) Termination of this Agreement shall not relieve any Party of any liability for any wilful breach by it of this Agreement.

10.3 Damages

Except as set out in Section 9.2(b), under no circumstance shall any of the Parties, their representatives or their respective directors, officers, employees or agents be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the transactions contemplated herein.

10.4 Further Assurances

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

10.5 Time of the Essence

Time shall be of the essence of this Agreement.

10.6 Costs and Expenses

Except as set out in Section 9.2(b), each Party hereto shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the transactions contemplated herein, provided that Purchaser shall not bear any costs of the application for the Receivership Order and the motion for the Approval and Vesting Order.

10.7 Notices

Any notice, demand or other communication required or permitted to be given to any Party hereunder shall be given in writing and addressed as follows:

(a) In the case of the Seller:

KSV Restructuring Inc.
Attention: Bobby Kofman and Noah Goldstein
Email: bkofman@ksvadvisory.com
ngoldstein@ksvadvisory.com

And with a copy (which shall not constitute notice) to the Seller's solicitors:

Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
P.O. Box 754
Toronto, ON M5J 2T9
Attention: Kyle B. Plunkett and Steven L. Graff
Email: kplunkett@airdberlis.com
sgraff@airdberlis.com

(b) in the case of Brant:

Brant InStore Corporation
Attention: Heather Nicholls
Email: heather.nicholls@brantinstore.com

And with a copy (which shall not constitute notice) to Brant's solicitors:

McMillan LLP
Attention: Tushara Weerasooriya
Email: tushara.weerasooriya@mcmillan.ca

(c) In the case of the Purchaser:

1000369798 Ontario Inc.
100 King Street West
1 First Canadian Place, Suite 6200
Toronto, ON M5X 1B8
Attention: Eran Salu

And with a copy (which shall not constitute notice) to the Purchaser's solicitors:

Osler, Hoskin & Harcourt LLP
Attention: Dave Rosenblat
Email: drosenblat@osler.com

If such notice is received after 4:00 p.m. (addressee's local time), such notice shall be deemed to have been validly and effectively given and received on the Business Day next following the day it was received.

10.8 Receiver's Capacity

It is acknowledged by the Purchaser that KSV Restructuring Inc. is entering into this Agreement solely in its capacity as the Receiver and that KSV Restructuring Inc. shall have absolutely no personal or corporate liability under or as a result of this Agreement in any respect.

10.9 Successors and Assigns

This Agreement shall be binding upon, and enure to the benefit of, the Parties hereto and their respective successors and permitted assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. No assignment shall relieve the assigning Party of any of its obligations hereunder.

10.10 No Brokers

It is understood and agreed that the Purchaser shall not be liable for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted in connection with this transaction.

10.11 Amendment

Other than with respect to Schedule 1.1(tt), Schedule 2.3, Schedule 2.4 and Schedule 2.5, no amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound thereby.

10.12 Third Party Beneficiaries

Each Party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties hereto and their successors and permitted assigns, and no Person, other than the Parties hereto and their successors and their permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum, save and except in the event of any action, suit, proceeding, hearing or other forum as it pertains to matters of confidentiality and any particular representative in connection therewith.

10.13 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

10.14 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by

facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

10.15 No Strict Construction

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favouring or disfavoring either Party by virtue of authorship of any provision of this Agreement.

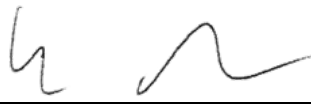
[Remainder of Page Intentionally left blank]

IN WITNESS WHEREOF this Agreement has been properly executed by the Parties hereto as of the date first above written.

KSV RESTRUCTURING INC. solely in its capacity as court-appointed receiver of the assets, undertakings and properties of **BRANT INSTORE CORPORATION** and not in its personal or corporate capacity,

Per: _____
Name:
Title:

1000369798 ONTARIO INC.

Per:  _____
Name: Eran Salu
Title: President

SCHEDULE 1.1(E)

FORM OF APPROVAL AND VESTING ORDER

SCHEDULE 1.1(EE)

APPROVAL AND VESTING ORDER

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
JUSTICE CAVANAGH)

TUESDAY, THE 20TH DAY
OF DECEMBER, 2022

APPLICATION UNDER S. 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

BETWEEN:

BANK OF MONTREAL

Applicant

and

BRANT INSTORE CORPORATION

Respondent

APPROVAL AND VESTING ORDER

THIS MOTION, made by KSV Restructuring Inc. (“**KSV**”) in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the undertaking, property and assets of Brant Instore Corporation (the “**Debtor**”) for an order approving the sale transaction (the

“**Transaction**”) contemplated by an asset purchase agreement (the “**Purchase Agreement**”) between the Receiver and 1000369798 Ontario Inc. (the “**Purchaser**”) dated December 20, 2022 and appended in redacted form to the Pre-Filing Report of KSV in its capacity as proposed Receiver dated December [9], 2022 (the “**Report**”), and included, in unredacted form, in the confidential appendices to the Report (collectively, the “**Confidential Appendices**”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the assets described in the Purchase Agreement (the “**Purchased Assets**”), was heard this day by Zoom judicial video conference.

ON READING the Report and the Confidential Appendices, and on hearing the submissions of counsel for the Receiver, counsel for the Applicant, counsel for the Purchaser, and no one appearing for any other person on the service list, although properly served as appears from the affidavit of <*> sworn December <*>, 2022, filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver 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.

2. **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 described in the Purchase 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, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order of the Honourable Justice Cavanagh dated December 20, 2022; (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; and (iii) those Claims listed on **Schedule “B”** hereto (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.

3. **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 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.

4. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

5. **THIS COURT ORDERS** that, notwithstanding the provisions of subsection 171(3) of the *Business Corporations Act* (Ontario) (the “**OBCA**”), the Receiver be and is hereby authorized and directed, upon filing of the Receiver’s Certificate, to complete, execute and file articles of amendment for and on behalf of the Debtor and any officer and director of the Debtor (such articles of amendment to be deemed to have been signed by a director or an officer of the Debtor and executed in accordance with the OBCA when so signed by the Receiver as directed by this Court) for the sole purpose of changing the corporate name of the Debtor to 1886695 Ontario Inc. (and such amendment shall be deemed to have been duly authorized by Section 168 of the OBCA without any shareholder or director resolution approving such amendment being required), and this Court hereby directs the Director (as defined in the OBCA) to endorse thereon a certificate of amendment upon receipt from the Receiver of two duplicate originals of such articles of amendment together with the prescribed fees and any other required documents under the OBCA (which the Receiver be and is hereby authorized and directed to complete, execute and file for and on behalf of the Debtor and any officer and director of Debtor, if and as required) except for any such documents as have been dispensed or otherwise dealt with pursuant to the deeming provisions contained herein.

6. **THIS COURT ORDERS** that, upon filing of the articles of amendment changing the name of the Debtor in accordance with paragraph 5 above and the Receiver filing with this Court

and written confirmation that such name change has been effected, the title of these proceedings shall be and is hereby amended to the following:

APPLICATION UNDER S. 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

BETWEEN:

BANK OF MONTREAL

Applicant

and

1886695 ONTARIO INC.

Respondent

and the registrar is hereby directed to change and modify its court records as necessary so as to reflect this change in the title of proceeding.

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

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) 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 *Bankruptcy and Insolvency Act* (Canada) 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.

SEALING

9. **THIS COURT ORDERS** that, until such time as the Transaction is completed, the Confidential Appendices to the Report shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon filing of the Receiver's Certificate.

INTERIM DISTRIBUTION

10. **THIS COURT ORDERS** that, subject to maintaining sufficient reserves to satisfy the priority claims described in the Report and to complete the administration of the receivership, the Receiver is authorised to pay:

- (a) the KERP Payments as defined and described in the Report; and
- (b) the remaining proceeds of the Transaction and any monies that come into the estate at a later date, to the Bank of Montreal up to the amount of the Debtor's indebtedness owing to the Bank of Montreal.

GENERAL

11. **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.

12. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. on the date of this Order and is enforceable without the need for entry or filing.

Schedule “A” – Form of Receiver’s Certificate

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

APPLICATION UNDER S. 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

BETWEEN:

BANK OF MONTREAL

Applicant

and

BRANT INSTORE CORPORATION

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Cavanagh of the Ontario Superior Court of Justice (the “**Court**”) dated December 20, 2022, KSV Restructuring Inc. was appointed as the receiver and manager (the “**Receiver**”) of the undertaking, property and assets of Brant Instore Corporation (the “**Debtor**”).

B. Pursuant to an Order of the Court dated December 20, 2022, the Court approved the asset purchase agreement made as of December 9, 2022 (the “**Purchase Agreement**”) between the Receiver and 1000369798 Ontario Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser 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 payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 7 of the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the transaction

contemplate by the Purchase Agreement (the “**Transaction**”) has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Purchase Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Purchase Agreement;
2. The conditions to Closing as set out in Article 7 of the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

KSV RESTRUCTURING INC., in its capacity
as Receiver of the undertaking, property and
assets of **BRANT INSTORE CORPORATION**,
and not in its personal capacity

Per: _____

Name:

Title:

Schedule “B” – Claims to be deleted and expunged

NONE.

51347257.5

SCHEDULE 1.1(TT)
MATERIAL CONTRACTS

SCHEDULE 1.1(tt)

Material Contracts

1. Master Services Agreement, by and between Brant Instore Corporation (“**Brant**”) and The Children’s Place Services Company, dated October 4, 2018.
2. Master Services Agreement, by and between Brant and Home Depot of Canada Inc. (“Home Depot”), dated February 1, 2013, as amended by that certain Letter of Agreement and Amendment to Master Services Agreement, by and between Brant and Home Depot, dated June 1, 2016, further amended by that certain Amendment 1, by and between Brant and Home Depot, dated August 1, 2019, further amended by that certain Amendment 2, by and between Brant and Home Depot, dated December 31, 2020, further amended by that certain Amendment 3, by and between Brant and Home Depot, dated September 1, 2021.
3. Independent Contractor Agreement Marketing, by and between Brant and Kohl’s Department Stores, Inc., dated March 28, 2016.
4. Master Printing Services Agreement, by and between Brant and Premium Brands Opco LLC, dated October 26, 2021.
5. Non-Merchandise Goods Master Purchase Agreement, by and between Brant and Maurices Incorporated, dated February 1, 2021.
6. Limited Brands Inc. Master Purchase Agreement, by and between Brant Screen Craft Inc. and Limited Brands, Inc., dated October 7, 2010, as assigned pursuant to the Assignment & Assumption of Master Purchase Agreement, by and between Brant Screen Craft Inc., L Brands, Inc. f/k/a Limited Brands, Inc. (Assignor) and VS Service Company, LLC (Assignee), dated August 1, 2021.
7. Supplier Agreement, by and between Brant and DEMCO, Inc., dated July 26, 2019.
8. Pick & Pack Agreement, by and between Brant and La Senza International, LLC, dated September 22, 2020.
9. All Statement of Works currently in place pursuant to the Master Services Agreement, by and between Brant and The Gap, Inc., dated November 19, 2012, as amended by that certain First Amendment to MSA, by and between Brant and The Gap, Inc., dated February 1, 2012.
10. Supplier Agreement (Fixtures and Signage), by and between Brant and Office Depot, Inc., dated December 1, 2018.
11. Services Agreement, by and between Brant and Owens Corning Canada LP, dated July 14, 2017.

12. Services Agreement, by and between Brant and Wal-Mart Canada Corp, dated January 12, 2018.
13. Terms and Conditions for the Purchase of Goods and Services, by and between Brant and Tag Worldwide (USA) Inc., dated April 1, 2022.
14. Master Provider Agreement – Print Production, by and between Brant and Ulta, Inc. (“Ulta”), dated June 20, 2016, as amended pursuant to that certain Amendment No. 1, by and between Brant and Ulta, dated August 27, 2018, further amended pursuant to that certain Amendment No. 2, by and between Brant and Ulta, dated February 18, 2019, further amended pursuant to that certain Amendment No. 3, by and between Brant and Ulta, dated June 25, 2019, further amended pursuant to that certain Amendment No. 4, by and between Brant and Ulta, dated September 1, 2021.
15. Fujifilm Service Contract (No. C02485_1), by and between Brant and Fujifilm Canada, Inc., dated February 22, 2016.
16. Equipment Lease and Supply Agreement, by and between Brant and Packsize, LLC, dated August 13, 2019.
17. Care Plan Proposal, by and between Brant and Kongsberg Precision Cutting Systems, dated November 1, 2021.
18. FedEx Transportation Services Agreement, by and between Brant and FedEx, dated May 3, 2021.
19. FedEx Transportation Services Agreement, by and between Brant and FedEx, dated May 20, 2022.
20. FedEx Transportation Services Agreement, by and between Brant and FedEx, dated May 30, 2022.
21. Lease, by and between Brant Screen Craft Inc., and BSC Landco Inc., dated December 19, 2012, as amended pursuant to that certain Lease Amending and Extending Agreement, by and between Brant and BSC Landco Inc., dated December 15, 2017, further amended pursuant to that certain Notice of Lease Extension and Agreement, by an between Brant and BSC Landco Inc., dated June 28, 2021.
22. Lease, by and between Brant Screen Craft Inc., and Brantscreen Landco Inc., dated December 19, 2012, as amended pursuant to that certain Lease Amending and Extending Agreement, by and between Brant and Brantscreen Landco Inc., dated December 15, 2017, further amended pursuant to that certain Notice of Lease Extension, by an between Brant and Brantscreen Landco Inc., dated June 28, 2021.
23. Lease Agreement No.: 3089025, by and between Brant and CWB National Leasing, dated February 24, 2022.
24. Lease Agreement No.: 3086403, by and between Brant and CWB National Leasing, dated February 24, 2022.

25. Lease, by and between Brant and Xerox Canada Ltd., dated June 12, 2020.
26. Business Lease Agreement between Brant and Hewlett-Packard Financial Services Canada Company dated January 26, 2021.

SCHEDULE 2.3
ASSUMED LIABILITIES

SCHEDULE 2.3

ASSUMED LIABILITIES

The Buyer shall assume as of the Closing Time and shall pay, discharge and perform, as the case may be, from and after the Closing Time, the following obligations and liabilities of the Seller with respect to the Business or the Purchased Assets (collectively, the “**Assumed Liabilities**”), which Assumed Liabilities shall consist only of and shall not include the Excluded Liabilities:

1. *Post-Closing Assumed Contract Liabilities* all liabilities and obligations arising under the Assumed Contracts but only to the extent first arising on or after the Closing Time, in each case;
2. *Leases* – all liabilities and obligations under the Leases from and after the Closing Time;
3. *Unionized Employee Matters* – all liabilities and obligations pursuant to the Collective Agreement but only to the extent first arising on or after the Closing Time; and
4. *Non-Unionized Employee Matters* – all liabilities and obligations under the Assumed Employee Benefit Plans but only to the extent first arising on or after the Closing Time.

SCHEDULE 2.4

FORM OF TRANSITION SERVICES AGREEMENT

TRANSITION SERVICES AGREEMENT

THIS AGREEMENT is made as of the ____ day of December, 2022

BETWEEN:

KSV RESTRUCTURING INC., solely in its capacity as court-appointed receiver of the assets, undertakings and properties of BRANT INSTORE CORPORATION and not in its personal or corporate capacity

(the “**Seller**”)

- and -

1000369798 ONTARIO INC., a corporation duly incorporated under the laws of Province of Ontario

(the “**Purchaser**”)

WHEREAS:

- A. On December 20, 2022 (the “**Appointment Date**”), the Seller was appointed as receiver, without security, of all the assets, undertakings, and properties of Brant Instore Corporation (“**Brant**”) pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), on the application of Bank of Montreal (the “**Appointment Order**”);
- B. Pursuant to the terms of the Appointment Order, the Seller was authorized and empowered, subject to Court approval, to sell any or all of Brant’s business and assets;
- C. Immediately following the issuance of the Appointment Order, the Seller sought and obtained an Order from the Court, in its capacity as Court-appointed Receiver of Brant, approving a sale transaction (the “**Transaction**”) contemplated by the asset purchase agreement dated as of the Appointment Date (the “**APA**”) pursuant to which the Seller will sell substantially all of the Brant’s assets to the Purchaser;
- D. The Transaction closed on December ____, 2022 and the Purchased Assets vested in the Purchaser, free any clear from all encumbrances;
- E. Brant is a party to certain Material Contracts which the Purchaser has deemed critical to Brant’s business and operations and are included as Purchased Assets under the APA;
- F. Purchaser requires that an executed copy of the Transition Services Agreement be delivered by the Seller as condition to completing the Transaction;

- G. As a term of the APA, the parties have sought Consents to assign the Material Contracts prior to the Closing of the Transaction;
- H. As of the Appointment Date, certain Consents to assign the Material Contracts have not been obtained from the applicable counterparty to assign, all of which are set out on Schedule A hereto (collectively, the “**Transition Contracts**”);¹
- I. The Seller has agreed, subject to the terms of this Transition Services Agreement, to facilitate Closing of the Transaction and to provide the benefit of the Transition Contracts to the Purchaser while the parties work to obtain Consents to Assign, or seek an order of the Court assigning, the Transition Contracts;
- J. The execution and performance of this Transition Services Agreement is an integral part of the Purchase Agreement without which the Purchaser would not have entered into the APA; and
- K. Capitalized terms used (including in these recitals) but not defined in this Transition Services Agreement have the meanings ascribed to such terms in the APA.

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Provision of Transition Contracts.** The Seller shall provide the Purchaser with the benefit of the Transition Contracts during the period (the “**Contract Period**”) from 12:01 a.m. (prevailing Toronto, Ontario time) on the Closing Date, being the date of Closing of the Transaction (the “**Effective Time**”) until the earlier of (i) two (2) days following receipt of notice of termination or receipt of the applicable Consent from the Purchaser; or (ii) three (3) months from the Effective Time. For certainty, each time “**Effective Time**” is used in this Agreement, such term shall be interpreted by the parties hereto to reference the time that a specific Transition Contract that forms part of the Business of Brant is made available to the Purchaser (such that the applicable Contract Period with respect to a specific Transition Contract commences following the Closing of the Transaction to which such Transition Contract relates).
2. **Abandoning of Transition Contract.** On notice from the Purchaser to the Seller that the Purchaser no longer intends to receive the benefit of an identified Transition Contract, the Purchaser shall cease to receive the benefit of the identified Transition Contract upon the effective date of the disclaimer or termination of the Transition Contract and the Purchaser shall cease to bear any liability or obligations under the identified Transition Contract at that time.
3. **Forced Assignment of Transition Contracts.** On written instruction from the Purchaser, the Seller will bring a motion before the Court for an Order forcing the assignment of any one or more Transition Contracts (an “**Assignment Motion**”). The Seller shall consult with the Purchaser in the conduct of any and each Assignment Motion and shall provide the Purchaser with copies of all documents filed with the Court by any

¹ NTD: The schedule should just list the Material Contracts that haven't been transferred by Closing.

party in connection with any and each Assignment Motion. The Purchaser shall be solely responsible for the costs incurred by the Seller with respect to any Assignment Motion.

4. **Payment of Contracts etc.** The Purchaser shall be responsible to pay the Seller for all amounts owing under the Transition Contracts from and after the Effective Time in accordance with the terms thereof (the “**Contract Costs**”), which shall be pre-approved by the Purchaser. Prior to the Closing of the Transaction, Seller and Purchaser shall come to agreement on the amounts payable for the Transition Contracts between January 1, 2023 and January 16, 2023 (the “**Payment Schedule**”). The Purchaser shall prefund that amount to Seller and authorizes Seller to pay the amounts as set out in the Payment Schedule, and the parties will agree to update the Payment Schedule during the period of this Transition Services Agreement. If Brant or the Seller receives funds that apply to a Transition Contract subsequent to the Closing of the Transaction that relate to post-Closing period, the Seller shall remit such amounts to the Purchaser within three (3) days of receipt.

5. **Payment of Seller Costs; Sales Taxes.** The Purchaser shall be responsible for all reasonable and documented fees and out-of-pocket disbursements, costs and expenses of the Seller and its legal counsel incurred from and after the Effective Time in connection with carrying out this Transition Services Agreement (the “**Seller’s Costs**”), including any Assignment Motion costs in section 3. The Purchaser shall be responsible for and shall pay all applicable goods and services, harmonized sales, value added, sales, use, transfer and other similar taxes (“**Sales Taxes**”) in relation to the Contract Costs, Seller’s Costs and other amounts payable under this Agreement. All payments under this Agreement shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law requires the deduction or withholding of any Tax from any payment to the Seller or Brant, then Purchaser shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and the amount payable to the Seller shall be increased as necessary for such amount deducted or withheld to the relevant Governmental Entity so that after such deduction or withholding has been made, the Seller receives an amount equal to the amount it would have received had no such deduction or withholding been made.

6. **Payment Terms.** The Purchaser shall promptly pay to the Seller from time to time within thirty (30) days of receiving an invoice from the Seller of such amounts as may be due under this Transition Services Agreement; provided that, in the event any of the Transition Contracts or services contemplated thereunder require that Brant prepay or make any upfront payments under the terms of agreement and which prepayment is instructed to be made by the Seller, the Purchaser shall immediately pay any such amounts to the Seller. Following the Termination Date (as defined below), the Seller shall provide a reconciliation of the amounts paid by the Purchaser, the Contract Costs and the Seller’s Costs to the Purchaser. The Purchaser shall pay any amount owing to the Seller within thirty (30) days of receipt of written notice. The Seller shall make good faith efforts to advise the Purchaser if Seller anticipates it has financial exposure for any Transition Contract, but shall be entitled to terminate any Transition Contract without notice if it has any financial exposure for any Transition Contract.

7. **Acknowledgement of Limited Liability and Indemnity.** The Purchaser shall accept the services at its own risk and in no event shall the Seller be responsible or liable to the Purchaser or any person, corporation, association, government, authority or entity whatsoever (collectively, “**Persons**”) for any loss, damage, injury, harm, death or destruction to such Persons, save and except for any liability arising from the gross negligence or wilful misconduct of the Seller. The Purchaser hereby indemnifies the Seller and Brant against all claims, liabilities, costs, suits, actions or damages of any nature or kind brought against the Seller by any Persons in connection with the services for any loss damage, injury, harm, death or destruction, to such Persons or in respect of the services, however caused save and except for any liability arising from the negligence of the Seller.

8. **Representations.** The Purchaser agrees that it will accept the services contemplated under this Agreement on an “as is, where is” basis without representations or warranties. The Seller makes no representation or warranty as to the status or terms of the Transition Contracts.

9. **Termination.** This Agreement shall terminate on the earlier of (i) the expiry of the Contract Period, (ii) upon all Transition Contracts having been either assigned to the Purchaser or abandoned under operation of section 2, or (iii) such other date as agreed to in writing between the Seller and the Purchaser, each in their sole discretion (the “**Termination Date**”); provided, however, that sections 4, 5, 6, 7 and 13 hereof shall survive such termination. Notwithstanding the foregoing, (A) the Seller may terminate this Agreement or suspend performance of its obligations hereunder upon notice to the Purchaser if the Purchaser: (i) fails to pay any amounts owing to the Seller in accordance with this Agreement (including section 6 hereof); or (ii) materially breaches this Agreement, and (B) the Purchaser may terminate this Agreement or suspend performance of its obligations hereunder upon notice to the Seller if the Seller materially breaches this Agreement and fails to cure such breach within five (5) Business Days after the Purchaser provides the Seller with notice of such breach; however, the Purchaser shall be responsible for all Transaction Costs until the effective date of the disclaimer of all Transition Contracts or the assignment to the Purchaser of same.

10. **Disclaimer of Contracts.** The Seller shall not surrender possession or disclaim, or otherwise terminate any interest Brant may have in the Transition Contracts prior to the termination of the Contract Period with respect to such Transition Contract without the prior written consent of the Purchaser, provided however that the Purchaser acknowledges and agrees that the Seller shall be entitled, in its sole discretion and without further notice to or consent of the Purchaser, to disclaim, or otherwise terminate any interest it may have in, any Transition Contract following the termination of the Contract Period in respect of such Transition Contract or as a result of the Purchaser failing to remit payment to the Seller in accordance with the terms of this Agreement with respect to any Transition Contract.

11. **General Limitations.** Nothing contained in this Agreement shall require the Seller to provide (or cause the provision of) any services (i) that are not contemplated in this Agreement, (ii) that would constitute the provision of any legal, financial, accounting or tax advice or regulated activity, (iii) that are in support of any business or operations other

than the Business as conducted immediately prior to the date hereof, (iv) at a level of quantity or volume in excess of the levels provided by Brant to the Business immediately prior to the date hereof, (v) that exceed the scope of the services provided by Brant to the Business immediately prior to the date hereof, or (vi) for the benefit of any Person other than Purchaser or its Affiliates. Further, in no event shall the Seller be: (i) obligated to provide (or cause the provision of) any services if the provision of such services violate any law, order (including the Appointment Order or any other order issued by the Court in the Receivership Proceedings), Contract (including any Transition Contract), license or permit to which Brant is subject; (ii) obligated to provide any services that in the Seller's reasonable determination will create deficiencies in the Seller's controls over financial information or adversely affect the maintenance of Brant's financial books and records; (iii) obligated to hire any additional employees to perform the services unless the Purchaser agrees to bear all related costs and expenses thereof; (iv) obligated to purchase, lease or license any additional equipment or software or licenses for provision of the services; (v) obligated to create or supply any documentation or information not currently existing or reasonably available (subject to any requirements or obligations hereunder to provide any documentation or information); or (vi) obligated to enter into new or additional contracts with third parties or change the scope of current contracts (including the Transition Contracts) with third parties or take any actions that would result in the breach of any contracts of Brant with third parties.

12. Independent Contractors; No Employer Relationship. The relationship between the Seller, on the one hand, and the Purchaser, on the other hand, is that of independent contractors, not partners or joint venturers.

13. Confidential Information. The Seller will not use information related to Brant or to the Purchaser, including but not limited to information related to Brant or the Purchaser's products, services, research, development, marketing and selling, business plans, budgets and unpublished financial statements, licences, prices and costs, suppliers, customer lists and customers, whether obtained from Brant or from the Purchaser ("**Confidential Information**"), and will not disclose such Confidential Information to any third party or to any of its affiliates, employees, or advisors except as required in connection with the services to be provided hereunder or as may be required by law. The provisions of this Section 13 shall survive the termination of this Transition Services Agreement.

14. Successors and Assigns. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

15. Capacity. The Purchaser acknowledges that the Seller is acting in its capacity as Court-appointed Receiver of Brant, with no personal or corporate liability.

16. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

17. Further Assurances. Each of the parties hereto will, from time to time, execute and deliver all such further documents, and instruments and do all acts and things as any other

party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

18. **Counterparts.** This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile or other electronic means and all such counterparts and facsimiles (or other electronic deliveries) shall together constitute one and the same agreement.

19. **Amendment.** This Agreement may be amended or supplemented only by a written agreement signed by each party.

20. **Assignment.** This Agreement may be assigned by a party only with the prior written consent of the other parties.

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IN WITNESS WHEREOF the parties have duly executed this Agreement as of the day and year first written above.

KSV RESTRUCTURING INC., solely in its capacity as court-appointed receiver of the assets, undertakings and properties of BRANT INSTORE CORPORATION and not in its personal or corporate capacity

By: _____

Name:

Title:


1000369798 ONTARIO INC.

By: _____

Name:

Title:

Schedule A
Material Contracts

1. 

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SCHEDULE 2.5

ASSUMED CONTRACTS

SCHEDULE 2.5

Assumed Contracts

1. Master Services Agreement, by and between Brant Instore Corporation (“**Brant**”) and The Children’s Place Services Company, dated October 4, 2018.
2. Master Services Agreement, by and between Brant and Home Depot of Canada Inc. (“Home Depot”), dated February 1, 2013, as amended by that certain Letter of Agreement and Amendment to Master Services Agreement, by and between Brant and Home Depot, dated June 1, 2016, further amended by that certain Amendment 1, by and between Brant and Home Depot, dated August 1, 2019, further amended by that certain Amendment 2, by and between Brant and Home Depot, dated December 31, 2020, further amended by that certain Amendment 3, by and between Brant and Home Depot, dated September 1, 2021.
3. Independent Contractor Agreement Marketing, by and between Brant and Kohl’s Department Stores, Inc., dated March 28, 2016.
4. Master Printing Services Agreement, by and between Brant and Premium Brands Opco LLC, dated October 26, 2021.
5. Rebate Agreement, by and between Brant and Lane Bryant, Inc., dated June 1, 2020.
6. Rebate Agreement, by and between Brant and Ann Inc., dated June 1, 2020.
7. Non-Merchandise Goods Master Purchase Agreement, by and between Brant and Maurices Incorporated, dated February 1, 2021.
8. Limited Brands Inc. Master Purchase Agreement, by and between Brant Screen Craft Inc. and Limited Brands, Inc., dated October 7, 2010, as assigned pursuant to the Assignment & Assumption of Master Purchase Agreement, by and between Brant Screen Craft Inc., L Brands, Inc. f/k/a Limited Brands, Inc. (Assignor) and VS Service Company, LLC (Assignee), dated August 1, 2021.
9. Statement of Work for Print Services, by and between Brant and the TJX Companies, Inc., dated February 2, 2019, pursuant to the terms of the Master Agreement for Print Services, by and between Brant and the TJX Companies, Inc., dated January 31, 2013.
10. Supplier Agreement, by and between Brant and DEMCO, Inc., dated July 26, 2019.
11. Pick & Pack Agreement, by and between Brant and La Senza International, LLC, dated September 22, 2020.
12. All Statement of Works currently in place pursuant to the Master Services Agreement, by and between Brant and The Gap, Inc., dated November 19, 2012, as amended by that certain First Amendment to MSA, by and between Brant and The Gap, Inc., dated February 1, 2012.

13. Supplier Agreement (Fixtures and Signage), by and between Brant and Office Depot, Inc., dated December 1, 2018.
14. Services Agreement, by and between Brant and Owens Corning Canada LP, dated July 14, 2017.
15. Trademark licenses and Manufacturing Agreement, by and between Brant and Sony Interactive Entertainment Canada, Inc., dated [•], amended pursuant to that certain Amendment Number One to Trademark License and Manufacturing Agreement, by and between Brant and Sony Interactive Entertainment Canada, Inc., dated, June 30, 2018.
16. Services Agreement, by and between Brant and Wal-Mart Canada Corp, dated January 12, 2018.
17. Terms and Conditions for the Purchase of Goods and Services, by and between Brant and Tag Worldwide (USA) Inc., dated April 1, 2022.
18. Master Provider Agreement – Print Production, by and between Brant and Ulta, Inc. (“Ulta”), dated June 20, 2016, as amended pursuant to that certain Amendment No. 1, by and between Brant and Ulta, dated August 27, 2018, further amended pursuant to that certain Amendment No. 2, by and between Brant and Ulta, dated February 18, 2019, further amended pursuant to that certain Amendment No. 3, by and between Brant and Ulta, dated June 25, 2019, further amended pursuant to that certain Amendment No. 4, by and between Brant and Ulta, dated September 1, 2021.
19. Brantford Hydro Inc. Network Services Agreement, by and between Brant and Brantford Hydro Inc.
20. Fujifilm Service Contract (No. C02485_1), by and between Brant and Fujifilm Canada, Inc., dated February 22, 2016.
21. Master Communications Agreement: 1-233045471-M1, by and between Brant and Bell Canada, dated January 3, 2022.
22. Order #1931563, by and between Brant and HubSpot, Inc., dated January 20, 2022.
23. Equipment Lease and Supply Agreement, by and between Brant and Packsize, LLC, dated August 13, 2019.
24. Importer's Bond Renewal, by and between Brant and Link +, dated November 22, 2021,
25. Care Plan Proposal, by and between Brant and Kongsberg Precision Cutting Systems, dated November 1, 2021.
26. Volume license Agreement, by and between Brant and FileMaker and FileMaker International.

27. Moneris USD Card Acceptance Form, by and between Brant and Moneris Solutions Corporation, dated October 5, 2021.
28. Brant InStore Vendor Volume Rebate Program, by and between Brant and Plastic & Paper, dated October 7, 2016.
29. Premium Care Software Service Contract, by and between Brant and Esko, dated November 1, 2016, renewed pursuant to that certain Maintenance Agreement Renewal, dated September 1, 2021.
30. FedEx Transportation Services Agreement, by and between Brant and FedEx, dated May 3, 2021.
31. FedEx Transportation Services Agreement, by and between Brant and FedEx, dated May 20, 2022.
32. FedEx Transportation Services Agreement, by and between Brant and FedEx, dated May 30, 2022.
33. Agreement, by and between Brant and United Parcel Service Canada Ltd., dated November 1, 2022.
34. Bell Canada Individual Business Line Service Schedule, by and between Brant and Bell Canada, dated February 12, 2010.
35. Master Enterprise Customer Agreement, by and between Brant and Rogers, dated September 28, 2016, as amended pursuant to that certain Amendment to Master Enterprise Customer Agreement, by and between Brant and Rogers, dated March 17, 2022.
36. Lease, by and between Brant Screen Craft Inc., and BSC Landco Inc., dated December 19, 2012, as amended pursuant to that certain Lease Amending and Extending Agreement, by and between Brant and BSC Landco Inc., dated December 15, 2017, further amended pursuant to that certain Notice of Lease Extension and Agreement, by an between Brant and BSC Landco Inc., dated June 28, 2021.
37. Lease, by and between Brant Screen Craft Inc., and Brantscreen Landco Inc., dated December 19, 2012, as amended pursuant to that certain Lease Amending and Extending Agreement, by and between Brant and Brantscreen Landco Inc., dated December 15, 2017, further amended pursuant to that certain Notice of Lease Extension, by and between Brant and Brantscreen Landco Inc., dated June 28, 2021.
38. Lease Agreement No.: 3089025, by and between Brant and CWB National Leasing, dated February 24, 2022.
39. Lease Agreement No.: 3086403, by and between Brant and CWB National Leasing, dated February 24, 2022.

40. Equipment Leasing Agreement, by and between Brant and De Lage Landen Financial Services Canada Inc., dated February 15, 2022.
41. I.T. Force I.T. Assurance Agreement, by and between Brant and 1568358 Ontario Limited o/a/ IT Force, dated July 1, 2020.
42. Lease, by and between Brant and Xerox Canada Ltd., dated June 12, 2020.
43. Business Lease Agreement between Brant and Hewlett-Packard Financial Services Canada Company dated January 26, 2021.
44. Traverse Software Subscription.

SCHEDULE 5.2
EMPLOYEE BENEFIT PLANS

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SCHEDULE 5.2

EMPLOYEE BENEFITS PLANS

1. The Supplement to the Participation Agreement dated September 1, 2000, between Brant Instore Corporation and Local 504 entered into on May 13, 2022.
2. Pension Plan Policy Number 54377 issued by London Life Insurance Company.