

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE OPHTHALMIC LAB INC.  
AND HAKIM OPTICAL WORLDWIDE LENSES INC.**

**MOTION RECORD  
(Returnable August 28, 2025)**

August 21, 2025

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF HAKIM OPTICAL LABORATORY LIMITED,  
LAWRENCE OPHTHALMIC LAB INC. AND HAKIM OPTICAL  
WORLDWIDE LENSES INC.**

Applicants

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TAB 1

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF HAKIM OPTICAL LABORATORY LIMITED,  
LAWRENCE OPHTHALMIC LAB INC. AND HAKIM OPTICAL  
WORLDWIDE LENSES INC.**

Applicants

**NOTICE OF MOTION  
(Returnable August 28, 2025)**

Hakim Optical Laboratory Limited ("**HOLL**"), Lawrence Ophthalmic Lab Inc. ("**Lawrence Lab**") and Hakim Optical Worldwide Lenses Inc. (also known as Hakim Optical Lenses Worldwide Inc. and Hakim Optical Worldwide Lenese Inc. [sic]) (collectively, the "**Applicants**" or the "**Company**") will make a motion before the Honourable Justice J. Dietrich of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on **August 28, 2025 at 10:00 a.m. (Toronto Time)** or as soon after that time as the motion can be heard.

**PROPOSED METHOD OF HEARING:** The motion is to be heard:

- ☐ In writing under subrule 37.12.1(1).
- ☐ In writing as an opposed motion under subrule 37.12.1(4).
- ☐ In person.
- ☐ By telephone conference.
- ☒ By video conference.

At a Zoom link to be provided by the Court in advance of the motion.

**THIS MOTION IS FOR:**

1. An order (the "**SISP Approval Order**") substantially in the form of the draft order attached at Tab 3 of the Applicants' Motion Record pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), *inter alia*:

- (a) abridging the time for and validating the service of this Notice of Motion and the Motion Record and dispensing with further service thereof;
- (b) authorizing and approving the Applicants' execution of the stalking horse specified asset purchase agreement (the "**Stalking Horse Agreement**"), among the Applicants, as vendors, and Evelyn Aimis Holdings Inc. ("**Evelyn Aimis**"), and Chiaro Ottico Ltd. (the "**Stalking Horse Purchaser**"), as purchaser, dated August 21, 2025;
- (c) granting a Court-ordered charge (the "**Bid Protections Charge**") over the Applicants' Property (as defined below) in favour of the Stalking Horse Purchaser as security for payment of the Bid Protections (as defined below);
- (d) approving a sale and investment solicitation process (the "**SISP**") in which the Stalking Horse Agreement will serve as the "**Stalking Horse Bid**", and authorizing the Applicants and the Monitor (as defined below), to implement the SISP pursuant to its terms;
- (e) sealing an unredacted copy of the Stalking Horse Agreement filed as a confidential exhibit to the Affidavit of Douglas Robertson sworn August 21, 2025 (the "**Confidential Exhibit**") until further order of the Court;

- (f) granting an extension of the Stay of Proceedings (as defined below) to and including November 7, 2025 (the "**Stay Extension**"); and
- (g) approving (i) the Third Report of the Monitor, to be filed (the "**Third Report**") and the activities of the Monitor described therein, and (ii) the fees of the Monitor and its legal counsel referred to in the Third Report.

2. Such other relief as this Honourable Court deems just.

**THE GROUNDS FOR THE MOTION ARE:**

***Background***

3. The Company is a privately owned optical chain, offering a comprehensive selection of eyeglasses, contact lenses, prescription lenses and other optical services. The Applicants operate two complementary business segments: (i) a network of 70 optical retail stores across Ontario, Alberta, and Manitoba, owned and operated by HOLL; and (ii) a Toronto-based optical laboratory business that manufactures lenses for the retail business at cost, owned and operated by Lawrence Lab (together, the "**Business**"). To support its operations, the Company employs approximately 267 employees and has arrangements with 49 licensed optometrists, as independent contractors.

4. Prior to filing for creditor protection, the Applicants were experiencing a dire liquidity crisis and unable to meet their financial obligations as they became due. The Applicants undertook various measures to reduce operating costs and to identify a long-term solution for their financial challenges, including conducting an informal sales process and refinancing the Business. These processes resulted in 1001112855 Ontario Inc. ("**855 Ontario**") refinancing the senior secured debt facility previously held by Royal Bank of Canada (the "**BF Credit Facility**") and providing

additional interim financing to fund ordinary course working capital needs prior to the commencement of insolvency proceedings.

5. Despite the Applicants' restructuring efforts, enforcement actions were initiated against the Applicants and Property by certain stakeholders, ultimately leading HOLL and Lawrence Lab to file Notices of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, on April 16, 2025, and April 22, 2025, respectively (the proceedings related thereto, the "**NOI Proceedings**").

6. On May 15, 2025, the Applicants obtained relief to take up and continue the NOI Proceedings under the CCAA pursuant to an initial order (the "**Initial Order**").

7. The Initial Order, among other things:

- (a) authorized the continuation of the NOI Proceedings under the CCAA;
- (b) appointed KSV Restructuring Inc. as monitor of the Applicants in these CCAA proceedings (in such capacity, the "**Monitor**");
- (c) granted an initial stay of proceedings (the "**Stay of Proceedings**") in favour of the Applicants and the Monitor, and in respect of any claims or proceedings against, or affecting, the Business or the Property until and including June 30, 2025 (the "**Stay Period**");
- (d) approved the Applicants' ability to borrow under a debtor-in-possession credit facility (the "**DIP Facility**"), up to a principal amount of \$2.8 million, pursuant to a binding commitment letter dated May 8, 2025, as amended, among HOLL and

Lawrence Lab, as borrowers, an affiliate of the Applicants, as guarantor, and 855 Ontario, as lender (in such capacity, the "**DIP Lender**"); and

- (e) granted the Administration Charge and the DIP Lender's Charge (each as defined in the Initial Order) over the Applicants' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Property**"), with the priority set out in the Initial Order.

8. Prior to the commencement of these restructuring proceedings, the Applicants, the Monitor and the Stalking Horse Purchaser have been working towards finalizing the terms of the Stalking Horse Agreement. To advance discussions with the Stalking Horse Purchaser and complete the Stalking Horse Agreement, the Applicants have obtained the following relief:

- (a) on June 27, 2025, the Applicants sought and obtained an amended and restated Initial Order (the "**ARIO**"), which, among other things, granted an extension of the Stay of Proceedings to and including July 14, 2025;
- (b) on July 14, 2025, the Applicants sought and obtained an additional stay extension to and until August 8, 2025; and
- (c) on August 8, 2025, the Applicants sought and obtained an order (the "**Stay Extension and DIP Amendment Order**"), which among other things, extended the Stay Period to and until August 29, 2025, and increased the maximum principal amount that could be borrowed under the DIP Facility.



9. The principal purpose of these restructuring proceedings is to establish a stabilized Business environment for the Applicants to undertake a sale process to identify one or more value-maximizing going-concern transaction(s) for the Business, for the benefit of the Applicants, their creditors, and other stakeholders. In furtherance of this objective, the Applicants now seek approval of the proposed SISP Approval Order.

***The SISP***

10. The Applicants, in consultation with the Monitor developed the proposed SISP to solicit interest in a sale of their right, title, and interest in and to all or substantially all of their assets, the Business, or a sale of all of the shares of one or more of the Applicants by way of a share transaction, in each case completed through an approval and vesting order.

11. To maximize flexibility in the SISP, the Monitor, in consultation with the Applicants, will consider (i) a bid for all of the Applicants' assets, and (ii) separate bids to acquire some but not all of the Applicants' assets ("**Aggregate Bids**"), provided that the Monitor will only consider Aggregate Bids if a combination of one or more Aggregate Bids meets the requirements to be a Qualified Bid (as defined below), and taken together would exceed the value represented by the Stalking Horse Bid.

12. In accordance with the SISP, an interested party that has executed a non-disclosure agreement and demonstrated to the Monitor that it has the financial wherewithal to consummate a successful transaction will be deemed a "**Qualified Bidder**". The Monitor will make available a virtual data room and other diligence materials to Qualified Bidders.

13. A Qualified Bidder that wishes to make a bid in the SISP must deliver a written copy of its bid by no later than 5:00 p.m. (Toronto Time) on October 3, 2025 (the "**Qualified Bid Deadline**"),

with such bid conforming to the requirements prescribed under the SISP (collectively, the "**Qualified Bid Requirements**").

14. A bid from a Qualified Bidder that includes all of the Qualified Bid Requirements and is received by the Qualified Bid Deadline is a "**Qualified Bid**".

15. In consultation with the Applicants, the Monitor may, in its reasonable discretion, waive compliance with any one or more of the Qualified Bid Requirements, and deem any non-compliant bid to be a Qualified Bid in accordance with the SISP.

16. If one or more Qualified Bids (other than the Stalking Horse Bid) has been received by the Monitor on or before the Qualified Bid Deadline, the Monitor will proceed with an auction to determine the successful bid(s) (the "**Auction**"). At the end of any such Auction, the Monitor, in consultation with the Applicants, shall select the successful bid (the "**Successful Bid**", with such bidder being the "**Successful Bidder**").

17. If no Qualified Bids are submitted by the Qualified Bid Deadline other than the Stalking Horse Bid, the Stalking Horse Bid will be deemed to be the Successful Bid. In such circumstances, the SISP will not proceed to an Auction. Instead, as soon as reasonably practicable, the Applicants are to file a motion with the Court seeking approval to implement the transaction contemplated under the Stalking Horse Agreement.

18. Ultimately, any transaction contemplated by a Successful Bid shall be subject to approval by the Court on a motion to be brought by the Applicants in these CCAA proceedings with respect to the Successful Bid.

19. The proposed SISP is intended to provide a flexible, efficient, fair and equitable process for canvassing the market for potential bidders and identify one or more value maximizing transactions for the benefit of the Applicants, their creditors and other stakeholders.

20. The Monitor has advised that the timeline contemplated under the SISP is appropriate in the circumstances and will provide a sufficient opportunity to solicit interest in a sale of the Applicants' assets or in a share transaction. It is noted in this regard that the Applicants have extensively canvassed the market over a period of several years for prospective investors or potential purchasers as part of an informal sale process.

21. 855 Ontario, the senior secured creditor of the Applicants and DIP Lender, has advised that it is supportive of the proposed SISP.

### ***Stalking Horse Agreement***

22. To enhance the efficacy of the SISP and establish an appropriate, valuable and competitive baseline for bids submitted in accordance therewith, the Applicants, in consultation with the Monitor, entered into the Stalking Horse Agreement with the Stalking Horse Purchaser. The Stalking Horse Agreement is the product of significant efforts and negotiations among the Stalking Horse Purchaser and the Company in consultation with the Monitor over a period of many months, and therefore appears to represent a fair value for the Applicants' assets.

23. The inclusion of the Stalking Horse Bid in the SISP will provide the Company and its stakeholders with certainty that the SISP will result in a going-concern outcome for the Business, while also ensuring the repayment of 855 Ontario, in its capacities as both the Applicants' senior secured creditor and DIP Lender.

24. The Stalking Horse Agreement is contemplated to be structured as a credit bid transaction, pursuant to which the Stalking Horse Purchaser will acquire all right, title and interest of the Specified Purchased Assets and the Assumed liabilities (each as described therein), through the exercise of a credit bid assigned by the DIP Lender. The proposed transaction will be effected pursuant to an approval and vesting order to be granted by the Court, which will vest the Specified Purchased Assets in the Stalking Horse Purchaser free and clear of all encumbrances, other than permitted encumbrances.

25. It is anticipated that the Stalking Horse Purchaser will, through the Stalking Horse Bid, satisfy all obligations under the DIP Facility and, at a minimum, a significant portion of the obligations under the BF Credit Facility. The Stalking Horse Agreement further contemplates that, if the Purchase Price ultimately exceeds the Credit Bid Assigned Amount on the closing date (each term being further defined and detailed in the Stalking Horse Agreement), the Stalking Horse Purchaser will tender cash in an amount sufficient to satisfy the balance of the Purchase Price due at closing.

26. If the Stalking Horse Bid is not the Successful Bid in the SISP, then the Stalking Horse Purchaser will be entitled to a break fee in the amount of \$600,000 (the "**Break Fee**"), and an expense reimbursement for all actual documented out-of-pocket reasonable costs and expenses incurred in connection with negotiating, preparing and executing the Stalking Horse Agreement, up to the maximum amount of \$600,000 (together with the Break Fee, the "**Bid Protections**"). The Bid Protections are to act as consideration for the Stalking Horse Purchaser's considerable expenditure of time and money and agreement to act as the "stalking horse bidder".

27. The proposed Bid Protections Charge will rank subordinate only to the Charges (as defined in the ARIO).

***Extending the Stay of Proceedings***

28. Pursuant to the Stay Extension and DIP Amendment Order, the Court granted a Stay of Proceedings until and including August 29, 2025. Pursuant to the proposed SISP Approval Order, the Applicants are seeking an extension of the Stay of Proceedings until and including November 7, 2025.

29. If granted, the Stay Extension will, among other things:

- (a) continue to preserve the *status quo* by staying all actions and other proceedings against the Applicants;
- (b) afford the Applicants the breathing space and stability required to continue operating their Businesses (as applicable) during the pendency of the SISP;
- (c) allow the Applicants and the Monitor to conduct the SISP;
- (d) avoid the additional time and costs associated with seeking another stay extension prior to the proposed approval and vesting motion; and
- (e) provide the Applicants with the requisite time to seek approval of the transaction contemplated under the Stalking Horse Agreement or one or more other value-maximizing transactions that may materialize in the SISP.

30. Since the granting of the Stay Extension and DIP Amendment Order, the Applicants have acted, and continue to act, in good faith and with due diligence to stabilize the Business, maintain

operations, apprise stakeholders of these proceedings, and advance their restructuring efforts, including by finalizing the terms of the SISP and the Stalking Horse Agreement.

31. The proposed extension of the Stay of Proceedings will, among other things, maintain the *status quo* and afford the Applicants the breathing room and stability necessary to preserve the Business. It will also allow the Monitor, in consultation with the Applicants, to conduct the SISP, which is intended to preserve and maximize the value of the Applicants' Business for the benefit of their stakeholders.

32. The Company is forecast to have sufficient liquidity to fund its obligations and the costs of these CCAA proceedings through the end of the extended Stay Period.

33. The Applicants are not aware of any creditor that is expected to suffer material prejudice as a result of the proposed extension of the Stay of Proceedings. The Monitor and DIP Lender are supportive of the proposed extension of the Stay Period and believe that it is reasonable and appropriate in the circumstances.

### ***Sealing Relief***

34. The Applicants are seeking to have the Confidential Exhibit sealed. The Confidential Exhibit contains personal and/or commercially sensitive information relating to: (i) the identity of certain specified key employees, and (ii) the negotiated commercial and economic terms of certain real property leases for certain retail stores owned by Evelyn Aimis. Accordingly, the Applicants request that the Confidential Exhibit remain sealed subject to further order of the Court.

***The Monitor's Report, Activities and Fees***

35. The proposed SISP Approval Order approves the Third Report, and the activities of the Monitor described therein as well as the fees and disbursements of the Monitor and its counsel referred to in the Third Report.

36. Records detailing the fees and disbursements of the Monitor and its counsel will be included in the Third Report.

37. The activities of the Monitor set out in the Third Report were undertaken in good faith and consistent with the Monitor's duties under the ARIO and orders of this Court. As such, the Applicants believe that it is fair and reasonable in the circumstances to approve the Third Report as well as the fees and disbursements of the Monitor and its counsel referred to therein.

**OTHER GROUNDS:**

38. The provisions of the CCAA and the inherent and equitable jurisdiction of the Court.

39. Rules 1.04, 1.05, 2.03, 3.02, 16, 37, and 39 of the *Rules of Civil Procedure* R.R.O. 1990, Reg. 194, as amended and section 106 of the *Courts of Justice Act*, R.S.O. 190, c. C. 43, as amended.

40. Such further and other grounds as counsel may advise and this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

41. The affidavit of Douglas Robertson sworn August 21, 2025, and the exhibits attached thereto;

42. The Third Report of the Monitor and the appendices thereto, to be filed; and
43. Such further and other evidence as counsel may advise and the Court may permit.

August 21, 2025

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HAKIM OPTICAL LABORATORY LIMITED,  
LAWRENCE OPHTHALMIC LAB INC. AND HAKIM OPTICAL WORLDWIDE LENSES INC.

Court File No.: CV-25-00743383-00CL

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

Proceeding commenced at Toronto

**NOTICE OF MOTION**  
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TAB 2

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF HAKIM OPTICAL LABORATORY  
LIMITED, LAWRENCE OPHTHALMIC LAB INC. AND HAKIM  
OPTICAL WORLDWIDE LENSES INC.**

Applicants

**AFFIDAVIT OF DOUGLAS ROBERTSON  
(Sworn August 21, 2025)**

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**ONTARIO  
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WORLDWIDE LENSES INC.**

Applicants

**AFFIDAVIT OF DOUGLAS ROBERTSON  
(Sworn August 21, 2025)**

I, DOUGLAS ROBERTSON, of the Municipality of Clarington, in the Province of Ontario, **MAKE OATH AND SAY:**

1. This affidavit is made in support of a motion by Hakim Optical Laboratory Limited (“**HOLL**”), Lawrence Ophthalmic Lab Inc. (“**Lawrence Lab**”) and Hakim Optical Worldwide Lenses Inc. (also known as Hakim Optical Lenses Worldwide Inc. and Hakim Optical Worldwide Lenese Inc. [sic]) (“**HOWL**”, and collectively with HOLL and Lawrence Lab, the “**Applicants**” or the “**Company**”).

2. As the Senior Controller of the Company, I oversee the Applicants’ financial, accounting, human resource and payroll operations. I have served in this role since March 2019. As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I have relied on other sources for information, I have so stated and believe them to be true. In preparing this affidavit, I have also relied upon the books and records of the Applicants and consulted with other members of the senior management team.

3. The Applicants do not waive or intend to waive any applicable privilege by any statement herein. All references to currency in this affidavit are in Canadian dollars unless noted otherwise.

## **I. RELIEF REQUESTED**

4. I swear this affidavit in support of a motion brought by the Applicants for an order (the “**SISP Approval Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, as amended (the “**CCAA**”), among other things:

- (a) authorizing and approving the Applicants’ execution of the stalking horse specified asset purchase agreement (the “**Stalking Horse Agreement**”), among the Applicants, as vendors, and Evelyn Aimis Holdings Inc. (“**Evelyn Aimis**”), and Chiaro Ottico Ltd.<sup>1</sup> (the “**Stalking Horse Purchaser**”), as purchaser, dated August 21, 2025;
- (b) approving the Stalking Horse Agreement, including the Bid Protections (as defined below) set out therein, solely for the purpose of constituting the Stalking Horse Bid in the SISP (each as defined below);
- (c) granting a Court-ordered charge (the “**Bid Protections Charge**”) over the Applicants’ property in favour of the Stalking Horse Purchaser as security for payment of the Bid Protections;
- (d) approving a sale and investment solicitation process (the “**SISP**”) in which the Stalking Horse Agreement will serve as the “**Stalking Horse Bid**”, and authorizing the Applicants and KSV Restructuring Inc. (“**KSV**”), in its capacity as the monitor

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<sup>1</sup> The Stalking Horse Purchaser is related to 1001112855 Ontario Inc., the Company’s DIP Lender and senior secured lender.

of the Applicants (in such capacity, the “**Monitor**”), to implement the SISP pursuant to its terms;

- (e) authorizing and directing the Applicants and the Monitor to perform their respective obligations under the SISP;
- (f) sealing an unredacted copy of the Stalking Horse Agreement until further order of the Court;
- (g) granting an extension of the Stay of Proceedings (as defined below) to and including November 7, 2025 (the “**Stay Extension**”);
- (h) approving the Third Report of the Monitor, to be filed (the “**Third Report**”) and the activities of the Monitor described therein; and
- (i) approving the fees and disbursements of the Monitor and its counsel as set out in the affidavits of Mitch Vininsky and George Benchetrit, respectively, each as attached to the Third Report (together, the “**Fee Affidavits**”).

5. All capitalized terms not otherwise defined herein have the meaning ascribed to them in the affidavit that I swore on May 8, 2025, in support of the Applicants’ motion to take up and continue the NOI Proceedings (as defined below) under the CCAA (the “**First Robertson Affidavit**”), the SISP or the Stalking Horse Agreement (as applicable). A copy of the First Robertson Affidavit (without exhibits) is attached hereto as **Exhibit “A”**.

6. The relief sought pursuant to this motion is supported by the Monitor and the DIP Lender (as defined below). I believe the relief sought is fair and reasonable in the circumstances and in the best interests of the Applicants and their stakeholders.

## **II. INTRODUCTION AND BACKGROUND**

7. The Company is a privately owned optical chain, offering a comprehensive selection of eyeglasses, contact lenses, prescription lenses and other optical services. The Applicants operate two complementary business segments: (i) a network of 70 optical retail stores across Ontario, Alberta, and Manitoba, owned and operated by HOLL; and (ii) a Toronto-based optical laboratory business that manufactures lenses for the retail business at cost, owned and operated by Lawrence Lab. To support its operations, the Company employs approximately 267 employees and has arrangements with 49 licensed optometrists as independent contractors.

8. As described in greater detail in the First Robertson Affidavit, prior to filing for creditor protection, the Applicants were experiencing a dire liquidity crisis and unable to meet their financial obligations as they became due. The Applicants undertook various measures to reduce operating costs and to identify a long-term solution for their financial challenges, including conducting an informal sales process and refinancing the business. These processes resulted in 1001112855 Ontario Inc. (“**855 Ontario**”) refinancing the senior secured debt facility previously held by Royal Bank of Canada (the “**BF Credit Facility**”) and providing additional interim financing to support the business in the period leading up to the CCAA Proceedings (as defined below).

9. Following the Applicants’ decision to exit a number of underperforming store locations, several enforcement actions were initiated against the Applicants and their property, ultimately



leading HOLL and Lawrence Lab to file Notices of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, on April 16, 2025 and April 22, 2025, respectively (the proceedings related thereto, the “**NOI Proceedings**”). KSV consented to act as proposal trustee in the NOI Proceedings.

10. On May 15, 2025, the Applicants obtained relief to take up and continue the NOI Proceedings under the CCAA pursuant to an initial order (the “**Initial Order**”). The Initial Order, among other things:

- (a) authorized the continuation of the NOI Proceedings under the CCAA;
- (b) declared that the Applicants are parties to which the CCAA applies and added HOWL as an applicant within the CCAA proceedings (the “**CCAA Proceedings**”);
- (c) appointed KSV as the Monitor in the CCAA Proceedings;
- (d) extended the stay of proceedings (the “**Stay of Proceedings**”) in favour of the Applicants and their property until and including June 30, 2025;
- (e) approved the Applicants’ ability to borrow under a debtor-in-possession credit facility (the “**DIP Facility**”), up to a principal amount of \$2,800,000, pursuant to a binding commitment letter dated May 8, 2025 (the “**DIP Agreement**”), among HOLL and Lawrence Lab, as borrowers, an affiliate of the Applicants, as guarantor, and 855 Ontario, as lender (in such capacity, the “**DIP Lender**”), to finance the Company’s working capital requirements and other general corporate purposes, post-filing expenses and costs incurred during the CCAA Proceedings; and

- (f) granted the Administration Charge and the DIP Lender's Charge (collectively, the **"Initial Charges"**).

11. Additional details regarding the Applicants' financial circumstances, liquidity crisis and basis for relief under the CCAA are set out in the First Robertson Affidavit and are not repeated herein. Additional materials filed in the CCAA Proceedings are available on the Monitor's website at: <https://www.ksvadvisory.com/experience/case/hakim>.

12. Since prior to the commencement of the CCAA Proceedings, the Applicants, the Monitor and the Stalking Horse Purchaser have been working towards finalizing the terms of the Stalking Horse Agreement. To advance discussions with the Stalking Horse Purchaser and complete the Stalking Horse Agreement, the Applicants have obtained the following stay extensions:

- (a) on June 27, 2025, the Applicants sought and obtained an amended and restated Initial Order (the **"ARIO"**), which, among other things, granted an extension of the Stay of Proceedings to and including July 14, 2025;
- (b) on July 14, 2025, the Applicants sought and obtained an additional stay extension to and until August 8, 2025; and
- (c) on August 8, 2025, the Applicants sought and obtained an order (the **"Stay Extension and DIP Amendment Order"**), which among other things, extended the Stay of Proceedings to and until August 29, 2025, and increased the maximum principal amount which may be drawn under the DIP Facility from \$2,800,000 to \$4,200,000.

13. Copies of the ARIO and the Stay Extension and DIP Amendment Order are attached hereto as **Exhibit “B”** and **Exhibit “C”**, respectively.

14. As a result of the additional time provided by these orders, including the Stay Extension and DIP Amendment Order, the Applicants and the Stalking Horse Purchaser have now completed their negotiation of the Stalking Horse Agreement, subject to the Court’s approval of the Stalking Horse Agreement as the Stalking Horse Bid for purposes of the SISP. Pursuant to the proposed SISP Approval Order, the Applicants now seek additional relief to permit and facilitate the SISP’s implementation with a view to canvassing the market for superior offers to the Stalking Horse Bid.

### **III. THE SISP APPROVAL ORDER**

#### **A. The SISP and Stalking Horse Agreement**

15. The Applicants seek the proposed SISP Approval Order to identify a value-maximizing going-concern transaction for the benefit of their stakeholders. The proposed SISP Approval Order, among other things, approves: (a) the Stalking Horse Agreement as the Stalking Horse Bid; and (b) the SISP.

16. As set out in the First Robertson Affidavit, the primary purpose of the initial phase of these CCAA Proceedings has been to provide the Applicants with the breathing room necessary to maintain the *status quo* while a stalking horse bid was negotiated. Although this process has been delayed from the original timeline, the presentation of the Stalking Horse Agreement represents a significant milestone in these proceedings, and, if approved, will permit the Applicants, with the assistance of the Monitor, to move to the next phase of the CCAA Proceedings, being the sale process.

## 1. Stalking Horse Agreement

17. The Stalking Horse Agreement is structured as an asset purchase agreement and is the product of extensive negotiations among the Stalking Horse Purchaser, the Applicants and the Monitor over the past six months. The proposed Stalking Horse Bid offers a going-concern solution for the Company that will protect valuable customer, landlord and supplier relationships, preserve the employment of nearly all current employees, and maintain the existing arrangements with the vast majority of the Company's contractors. A redacted copy of the Stalking Horse Agreement is attached hereto as **Exhibit "D"**. As discussed below, redactions are limited to commercially sensitive information, the disclosure of which would prejudice the Applicants, their employees and/or Evelyn Aimis.

18. The Stalking Horse Agreement contemplates that the Stalking Horse Purchaser, an affiliate of 855 Ontario, will acquire the real property leases for all, or substantially all, of the seventy (70) active store locations (the **"Purchased Locations"**) and certain other related assets (including the Company's inventory, accounts receivable and intellectual property) on an "as is, where is" basis for a purchase price of \$22,000,000, subject to certain adjustments (the **"Purchase Price"**).

19. The acquisition of the specified assets is to be structured through a credit bid of the outstanding obligations owing to 855 Ontario under the DIP Facility and such portion of the obligations owing to 855 under the BF Credit Facility as is required to satisfy the Purchase Price (the **"BF Credit Bid Allocation Amount"**). If the Stalking Horse Agreement is selected as the Successful Bid (as defined below), the Applicants understand that 855 Ontario intends to assign all of its rights and obligations under the DIP Facility and its entitlement to the BF Credit Bid Allocation Amount (collectively, the **"Credit Bid Assigned Amount"**) to the Stalking Horse

Purchaser to facilitate the application of the credit bid as satisfaction of the Purchase Price on closing.

20. It is anticipated that the Stalking Horse Purchaser will, through the Stalking Horse Bid, satisfy all obligations under the DIP Facility and, at a minimum, a significant portion of the obligations under the BF Credit Facility. If the Purchase Price ultimately exceeds the Credit Bid Assigned Amount on the closing date, the Stalking Horse Purchaser will tender cash in an amount sufficient to satisfy the balance of the Purchase Price due at closing.

21. The salient terms of the Stalking Horse Agreement include, among other things:

Term	Details <sup>2</sup>
1.1 Purchaser	Chiaro Ottico Ltd.
1.1 Vendors	The Applicants
1.1 Specified Purchased Assets	<p>All right, title and interest of the Vendors in and to:</p> <ul style="list-style-type: none"> <li>(a) the Intellectual Property related to the business;</li> <li>(b) the machinery, equipment, furniture, motor vehicles and other personal property related to the business at all Purchased Locations;</li> <li>(c) the Purchased Contracts (as defined below);</li> <li>(d) all past and current customer records relating to the Purchased Locations;</li> <li>(e) any accounts receivable or other receivables of the Vendors relating to Purchased Locations at the Closing Date;</li> <li>(f) all Lab Assets necessary or incidental to the businesses of Lawrence Lab;</li> <li>(g) any inventory held by the Vendors relating to Purchased Locations at the Closing Date;</li> <li>(h) certain specified bank accounts; and</li> </ul>

<sup>2</sup> All capitalized terms in this table not otherwise defined have the meaning ascribed to them in the Stalking Horse Agreement.

	<p>(i) the goodwill of the business relating to, among other things, the other Specified Purchased Assets.</p> <p><b>“Purchased Contracts”</b> means all right, title and interest of the Applicants: (i) in and to the Contracts specifically listed in Schedule “C” of the Stalking Horse Agreement; and (ii) any realty leases associated with the Purchased Locations.</p>
1.1 Assumed Liabilities	<p>The Stalking Horse Purchaser shall assume: (i) all accrued but unpaid vacation pay as of the Closing Date for each Transferred Employee (which may be determined pursuant to a claims process, if required); and (ii) amounts owing to Transferred Employees on the Effective Date in accordance with the terms of the Stalking Horse Agreement.</p>
1.1 Outside Date	<p>The outside date to consummate the transaction is October 31, 2025, or such other date as the Vendors (with the consent of the Monitor) and the Stalking Horse Purchaser may agree to in writing.</p>
2.2 Purchase Price	<p>The purchase price for the Specified Purchased Assets is \$22,000,000, subject to certain adjustments, comprised of the sum of: (i) the Credit Bid Assigned Amount, plus (ii) the Allocated Priority Payables Amount (as defined below).</p> <p>The Purchase Price shall be paid in accordance with Section 2.3 of the Stalking Horse Agreement:</p> <ul style="list-style-type: none"> <li>(a) by the discharge and release of the Vendors (as applicable) by the Stalking Horse Purchaser in respect of the Credit Bid Assigned Amount; and</li> <li>(b) by a cash payment towards the Priority Payables Amount not to exceed \$100,000 (the <b>“Allocated Priority Payables Amount”</b>).</li> </ul> <p>The <b>“Priority Payables Amount”</b> means the aggregate amount of all Priority Payables<sup>3</sup> outstanding as at the Closing Date.</p> <p>If the Purchase Price, as may be adjusted in accordance with the terms of the Stalking Horse Agreement, exceeds the Credit Bid Assigned Amount as at the Closing Date, the Stalking Horse Purchaser shall pay the balance in cash.</p>

<sup>3</sup> Priority Payables means (a) any outstanding amounts secured by the Administration Charge at the Closing Date, (b) all liabilities of the Applicants in respect of any payments or amounts subject to a statutory deemed trust in favour of His Majesty in Right of Canada or a province, to the extent that such statutory deemed trust remains valid and enforceable by the Canada Revenue Agency in the CCAA Proceedings, (c) all amounts required to be paid in accordance with section 36(7) of the CCAA; and (d) all amounts unpaid or outstanding but payable relating to post-filing supply of services.

<p>2.3 Purchase Price Adjustment</p>	<p>In the event that the Vendors are unable to deliver possession of some or all of the lab assets previously located at 1745 Elice Avenue, Winnipeg (the “<b>Winnipeg Seized Lab Assets</b>”) to the Purchaser on Closing, the Purchase Price shall be reduced in an amount to be agreed upon between the Purchaser and Vendors, to reflect the value of any Winnipeg Seized Labs Assets deliverable on Closing provided that the Purchase Price shall not be adjusted to an amount less than \$21,500,000.</p> <p>Any Winnipeg Seized Lab Assets not delivered on Closing shall be excluded from the Specified Purchased Assets.</p>
<p>2.5 Wind-Down Cost Amount and Priority Payables</p>	<p>Evelyn Aimis shall pay:</p> <ul style="list-style-type: none"> <li>(a) an amount to be determined and agreed by the Vendors and Evelyn Aimis, in consultation with the Monitor, in respect of the professional costs of the parties entitled to the benefit of the Administration Charge relating to the period following the Closing Date, which amount shall include the costs to administer and terminate the CCAA Proceedings and wind-down the estate of the Applicants (including the administration of any bankruptcy) (the “<b>Wind-Down Cost Amount</b>”); and</li> <li>(b) the balance of the Priority Payables Amount outstanding at Closing once the Allocated Priority Payables Amount is satisfied.</li> </ul> <p>Evelyn Aimis shall pay the Wind-Down Cost Amount and the balance of the Allocated Priority Payables Amount by way of cash, to the Monitor, in trust, on the Closing Date.</p>
<p>7.1 The Purchaser’s Conditions</p>	<p>The Stalking Horse Purchaser’s closing conditions include, among others:</p> <ul style="list-style-type: none"> <li>(a) <u>Court Approval</u>. The SISP Approval Order and the Approval and Vesting Order, substantially in the form appended as Schedule “G” to the Stalking Horse Agreement, shall have been issued by the Court, and shall not have been vacated, set aside or stayed. The applicable appeal periods shall have expired, subject to certain exceptions. If applicable, the Assignment Order shall have been issued by the Court.</li> <li>(b) <u>Non-Owned Purchased Locations</u>. Purchased Contracts for each Non-Owned Purchased Location shall be assigned to the Stalking Horse Purchaser on existing terms and</li> </ul>

	<p>conditions of each applicable Purchased Contract for that location.</p> <p>(c) <u>EA Purchased Locations.</u> To the extent not already in place, Purchased Contracts for each EA Purchased Location shall be entered on the terms set out in Schedule “B2” of the Stalking Horse Agreement, completed and assigned to the Stalking Horse Purchaser on or prior to Closing.</p> <p>(d) <u>The Terminated Employees.</u> The Applicants shall have terminated the employment or engagement of the Terminated Employees, as requested by the Stalking Horse Purchaser in its sole discretion, and all Liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, benefits, bonuses or other compensation or entitlements, shall be vested out of the Specified Purchased Assets by the Approval and Vesting Order.</p> <p>It is the intention of the Stalking Horse Purchaser to offer employment to the majority, if not all, of the current Employees of the Applicants, including those engaged as employees, independent contractors, or dependent contractors. The compensation and group benefits offered by the Stalking Horse Purchaser, to the extent offered, shall be comparable to those provided by the applicable Applicant immediately prior to the Closing Date.</p> <p>(e) <u>Key Employees.</u> Each Key Employee shall have entered into an employment agreement with the Stalking Horse Purchaser on terms satisfactory to the Stalking Horse Purchaser, acting reasonably. The terms shall be no less favourable than the employment terms of such Key Employees immediately prior to the Closing Date.</p> <p>(f) <u>Transition Services Agreement.</u> If deemed necessary by the Stalking Horse Purchaser, a transition services agreement shall have been entered into by the parties, in the form and substance satisfactory to the Vendors and the Monitor, each acting reasonably.</p> <p>(g) <u>Lawrence Lab.</u> In the event that the Lab Assets are not acquired by the Stalking Horse Purchaser on Closing for any reason, the Stalking Horse Purchaser and Lawrence Lab shall have entered into an arm’s length supply agreement.</p>
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<p>7.2 The Applicants' Conditions</p>	<p>The Applicants' closing conditions include, among others:</p> <ul style="list-style-type: none"><li>(a) <u>Court Approval</u>. The SISP Approval Order and the Approval and Vesting Order shall have been issued by the Court, and shall not have been vacated, set aside or stayed. The applicable appeal periods shall have expired, subject to certain exceptions. If applicable, the Assignment shall have been issued by the Court.</li></ul>
<p>8.1 Grounds for Termination</p>	<p>The Stalking Horse Agreement may be terminated on or prior to the Closing Date, <i>inter alia</i>:</p> <ul style="list-style-type: none"><li>(a) by the mutual agreement of the Vendors (with the consent of the Monitor) and the Stalking Horse Purchaser;</li><li>(b) automatically if an Alternative Transaction is selected as the Successful Bid in the SISP;</li><li>(c) by the Stalking Horse Purchaser, on the one hand, or the Vendors (with the consent of the Monitor), on the other hand, at any time following the Outside Date, if Closing has not occurred on or prior to 11:59 p.m. (Eastern Time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission by the party terminating the Stalking Horse Agreement;</li><li>(d) by the Stalking Horse Purchaser, on the one hand, or the Vendors (with the consent of the Monitor), on the other hand, upon notice to the other parties if (i) either the Approval and Vesting Order or, if applicable, the Assignment Order, has not been obtained by seven (7) days prior to the Outside Date, (ii) the Applicants withdraw or seek authority to withdraw or fail to timely file the Approval and Vesting Motion, or (iii) the Court declines at any time to grant the Approval and Vesting Order or if applicable the Assignment Order;</li><li>(e) by the Vendors (with the consent of the Monitor), if there has been a material violation or breach by the Stalking Horse Purchaser of any agreement, covenant, representation or warranty of the Stalking Horse Purchaser, which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.2 of the Stalking Horse Agreement, by the Outside Date;</li><li>(f) if the CCAA Proceedings are terminated prior to the Outside Date; and</li><li>(g) by the Stalking Horse Purchaser, if there has been a material violation or breach by the Applicants of any</li></ul>

	agreement, covenant, representation or warranty which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.1 of the Stalking Horse Agreement, by the Outside Date.
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22. If the Stalking Horse Bid is not selected as the Successful Bid in the SISP, the Stalking Horse Agreement provides that the Stalking Horse Purchaser will be entitled to the payment of certain bid protections. The Bid Protections are comprised of (i) a break fee in the amount of \$600,000 (the “**Break Fee**”), and (ii) an expense reimbursement for all actual documented out-of-pocket reasonable costs and expenses incurred in connection with negotiating, preparing and executing the Stalking Horse Agreement, up to the maximum amount of \$600,000 (the “**Expense Reimbursement**”, and together with the Break Fee, the “**Bid Protections**”).

23. The Bid Protections are proposed to be secured by the Bid Protections Charge over the Property (as defined in the ARIO) in favour of the Stalking Horse Purchaser. The proposed SISP Approval Order contemplates that the Bid Protections Charge will rank subordinate only to the Initial Charges. The Bid Protections are an integral term of the Stalking Horse Agreement, without which the Stalking Horse Purchaser would not have agreed to act as the stalking horse bidder in the SISP.<sup>4</sup>

24. At this time, approval of the Stalking Horse Agreement is being sought solely for the purpose of approving it as the Stalking Horse Bid in the SISP. If the proposed SISP Approval Order is granted, and to the extent that the Stalking Horse Bid is the Successful Bid in the SISP,

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<sup>4</sup> See paragraph 3.3 of the Stalking Horse Agreement.

the Applicants will seek approval of the transaction contemplated by the Stalking Horse Agreement at a future motion.

25. The Applicants believe that the consideration provided under the Stalking Horse Agreement, including the Purchase Price, is fair and reasonable. As previously discussed in the First Robertson Affidavit, prior to these restructuring proceedings, Sir Karim Hakimi (the Company's president and founder) canvassed the market extensively over a period of several years for prospective investors or potential purchasers of the business, as part of an informal sales process. Through this process, the Applicants entered into confidentiality agreements with several parties and negotiated multiple term sheets in contemplation of various transactions. However, none of these transactions were executable, and discussions with all parties other than 855 Ontario and the Stalking Horse Purchaser ended. The Stalking Horse Agreement is the only viable transaction to emerge from this process, and accordingly, appears to represent a fair value for the Applicants' assets.

26. Further, the Applicants believe the Stalking Horse Agreement will serve as an appropriate backstop and valuable floor for bids in the proposed SISP. The baseline Purchase Price and the transaction structure proposed under the Stalking Horse Agreement are expected to promote the submission of competitive bids in the SISP and thereby maximize value for the Applicants and their stakeholders.

27. I do not believe that designating the Stalking Horse Agreement as the Stalking Horse Bid will prejudice any of the Applicants' creditors or stakeholders. I understand that the Monitor supports the Stalking Horse Agreement acting as the Stalking Horse Bid in the SISP.

## 2. The SISP<sup>5</sup>

28. The proposed SISP provides for the Applicants and the Monitor to solicit interest in, and opportunities for, the sale of all or part of the Company's assets. The SISP was designed to be a flexible process to obtain the best offer for the business. A copy of the SISP is appended at Schedule "A" to the proposed SISP Approval Order.

29. The SISP contemplates a sale of the Applicants' right, title and interest in and to all of their assets, or all of the shares of the Applicants by way of a share sale, through an approval and vesting order (each an "**Opportunity**"). When evaluating the submitted bids, the Monitor, in consultation with the Applicants, will consider (i) a bid for all of the Applicants' assets, and (ii) separate bids to acquire some but not all of the Applicants' assets ("**Aggregate Bids**"), provided that the Monitor will only consider Aggregate Bids if a combination of one or more Aggregate Bids meets the requirements to be a Qualified Bid (as defined below) and taken together would exceed the value represented by the Stalking Horse Bid. The flexibility of the SISP will allow the Applicants to pursue the best transaction available in the circumstances with the intent to maximize value for their stakeholders.

30. The SISP contemplates that the sale of the Applicants' assets, or any portion thereof, will be conducted on an "as-is, where-is" basis. In the event that a Successful Bid is selected in accordance with the SISP, the acquisition of any assets will be free and clear of the Applicants' rights, title, and interests in such assets, as well as any third-party claims or interests, pursuant to one or more approval and vesting orders.

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<sup>5</sup> All capitalized terms in this section not otherwise defined have the meaning ascribed to them in the SISP.

31. The SISP sets out, among other things, the manner in which bids shall be solicited from interested parties and how the Successful Bid will be selected. The SISP contains the following milestones:

Milestone	Date/Deadline
Deadline to submit a Qualified Bid	5:00 p.m. (Eastern Time) on October 3, 2025 (the “ <b>Qualified Bid Deadline</b> ”)
Auction (if necessary), to be held virtually	Commences at 10:00 a.m. (Eastern Time) on October 8, 2025
Hearing – Court application for Approval Order(s) (subject to the Court’s availability)	If the Stalking Horse Purchaser is the Successful Bidder, then by no later than October 15, 2025  Otherwise, no later than October 22, 2025, subject to Court availability
Closing of the Successful Bid(s)	If the Stalking Horse Purchaser is the Successful Bidder, then by no later than October 31, 2025  Otherwise, no later than November 7, 2025, subject to Court availability

32. I understand that the SISP (including the milestones contained therein) is supported by the Monitor and the DIP Lender. Specifically, the Monitor has advised and agrees that interested parties will have sufficient time to formulate and submit their bids.

33. A summary of the key procedural steps under the SISP is set out below.

**(a) Notification Process**

34. Subject to the Court granting the SISP Approval Order, the Monitor, with the assistance of the Applicants, will prepare and disseminate a notice of the SISP, a process letter and other marketing materials describing the Opportunity and the SISP.

35. The Monitor will make available a virtual data room and other due diligence materials to interested parties who sign non-disclosure agreements (each an “**NDA**”), in form and substance satisfactory to the Applicants and the Monitor. Any party that executes an NDA will be prohibited from communicating with any other party who executed an NDA during the pendency of the SISP, without the consent of the Monitor (in consultation with the Applicants).

**(b) Bidding Process**

36. In order to participate in the SISP, each interested party must have signed an NDA and demonstrated to the Monitor that it has the financial wherewithal to consummate a successful transaction (such a bidder, a “**Qualified Bidder**”).

37. A Qualified Bidder who wishes to participate in the SISP must submit a bid that complies with certain criteria (such a bid, the “**Qualified Bid**”), including, among others, that it:

- (a) has been received by the Qualified Bid Deadline;
- (b) provides for the payment in full in cash on closing of at least:
  - (i) the Purchase Price;
  - (ii) the Expense Reimbursement and Break Fee; plus
  - (iii) a minimum bid increment of \$100,000;

- (c) provides details of any assumption of the Applicants' liabilities;
- (d) is reasonably capable of being consummated within ten (10) business days after receiving Court-approval or by no later than November 7, 2025, if selected as the Successful Bid;
- (e) contains a duly executed purchase and sale agreement substantially in the form of the template agreement of purchase and sale (as will be provided to Qualified Bidders through the virtual data room);
- (f) provides written evidence of the bidder's ability to fully fund and consummate the transaction and satisfy its obligations under the transaction documents;
- (g) includes a letter stating that the Qualified Bid is submitted in good faith, is binding and is irrevocable until there is a Successful Bid, *provided* that if such Qualified Bidder is selected as the Successful Bidder (as defined below), its Qualified Bid shall remain an irrevocable offer until the earlier of (i) the completion of the sale to the Successful Bidder, and (ii) November 7, 2025;
- (h) does not include any request for or entitlement to any break fee, expense reimbursement, brokerage fees, finder's fees or commissions, or any similar type of payment;
- (i) is not conditional upon the outcome of unperformed due diligence or obtaining financing;

- (j) is accompanied by a cash deposit equal to 15% of the cash consideration payable pursuant to the submitted bid, which such deposit shall be retained by the Monitor in a non-interest-bearing trust account; and
- (k) includes an acknowledgement and representation from the Qualified Bidder that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed.

38. The Monitor may, in its reasonable discretion, waive compliance with any one or more of the Qualified Bid requirements, and deem any non-compliant bid to be a Qualified Bid in accordance with the SISP. If the Monitor does not receive any Qualified Bids (other than the Stalking Horse Bid) by the Qualified Bid Deadline, the Monitor will terminate the SISP and the Stalking Horse Agreement will be deemed to be the Successful Bid.

39. If a Qualified Bid for a specific asset(s) is received prior to the Qualified Bid Deadline (the “**Alternative Bid**”), the Stalking Horse Purchaser, with the consent of the Monitor, will be permitted to modify the Stalking Horse Bid to exclude such assets from the Stalking Horse Bid (the “**Modified Stalking Horse Bid**” and together with the “**Alternative Bid**”, the “**Modified Bid**”), subject to satisfying certain criteria. This criteria includes: (a) the Applicants and the Stalking Horse Purchaser (with the consent of the Monitor) agree on any adjustment to the Purchase Price, (b) the Monitor determines that the aggregate consideration to be offered by the Modified Bid is greater than the original Stalking Horse Bid, (c) the Modified Bid meets the criteria of a Qualified Bid, and (d) the Stalking Horse Purchaser agrees that the original Stalking Horse Bid shall remain open for acceptance notwithstanding the Modified Bid.



(c) **Auction**

40. If one or more Qualified Bids (other than the Stalking Horse Bid) are received by the Monitor on or before the Qualified Bid Deadline, the Monitor shall proceed with an online auction to determine the successful bid(s) (the “**Auction**”). The Auction shall be administered in accordance with Exhibit “A” to the SISP, subject to any such additional procedural rules as may be determined by the Monitor to be necessary or desirable.

41. The material terms of the Auction procedures are set out immediately below:

- (a) Attendance. Subject to the consent of the Monitor, only the Applicants, the Monitor, representatives of the Stalking Horse Purchaser and the Qualified Bidders that submitted Qualified Bids (together, the “**Qualified Parties**”) and each of their respective advisors, will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction;
- (b) No Collusion. Each Qualified Party participating at the Auction shall be required to confirm at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the bid process (excluding, for greater certainty, any discussions among parties who are bidders in an Aggregate Bid); and (ii) its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bid;
- (c) Minimum Overbid. The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the Monitor (the

“**Initial Bid**”), and any bid made at the Auction by a Qualified Party subsequent to the Monitor’s announcement of the Initial Bid (each, an “**Overbid**”), must proceed in minimum additional cash increments as determined by the Monitor prior to each round of bidding (the “**Required Bid Increment**”). At the end of each round, the Monitor will identify the highest or otherwise best Overbid as the leading bid for the subsequent round (the “**Lead Bid**”); and

- (d) Bidding Conclusion. The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party (including parties to an Aggregate Bid) has had the opportunity to submit an additional bid or refused to submit an additional bid. If at the commencement of the Auction, no party submits a bid that exceeds the Initial Bid by the Required Bid Increment, then the Initial Bid will be the Successful Bid.

If in any round a Qualified Party (other than the party who submitted the Lead Bid in such round) does not submit an Overbid satisfying the Required Bid Increment, then such Qualified Party will no longer be permitted to participate in any subsequent round of the Auction.

42. The successful bid(s) selected within the Auction (or if no Qualified Bids are received by the Qualified Deadline, the Stalking Horse Bid) shall constitute the successful bid (“**Successful Bid**”, with such bidder being the “**Successful Bidder**”). Following the selection of a Successful Bid, the parties shall negotiate and finalize any definitive documents in accordance with the key milestones set out in the SISP.

43. If an Auction is conducted, the next highest or otherwise best Qualified Bid at the Auction or submitted in the SISP may be designated as the “**Backup Bid**”, provided that, in accordance with its terms, the Stalking Horse Agreement may not be designated as a Backup Bid. A Backup Bid shall be required to remain open until the earlier of: (i) two business days following the completion of the Successful Bid; and (ii) November 7, 2025. If a selected Successful Bid is not completed within ten business days following issuance of an approval order, the approval order is not granted, or the Monitor otherwise determines a selected Successful Bid will not be completed, the Monitor shall be permitted to designate one or more Backup Bids received prior to or during the Auction as the Successful Bid.

44. The Monitor has advised that the SISP timeline is appropriate in the circumstances, having regard to, among other things, the liquidity available to the Applicants through the DIP Facility, and will provide sufficient opportunity to solicit interest for the sale of the Applicants’ assets or the reorganization of the business.

45. The SISP will enable the Company to solicit higher offers and maximize recoveries for the Applicants’ stakeholders, all within the timeframe permitted under the DIP Agreement, as amended. The Applicants believe that the SISP will provide an efficient, fair and equitable process for canvassing the market for potential buyers of the Applicants’ assets and is appropriate in the circumstances.

**B. Ancillary Relief**

**1. Stay Extension**

46. Pursuant to the Stay Extension and DIP Amendment Order, the Court granted a Stay of Proceedings until and including August 29, 2025. Pursuant to the proposed SISP Approval Order, the Applicants are seeking an extension of the Stay of Proceedings until and including November 7, 2025.

47. If granted, the Stay Extension will, among other things:

- (a) continue to preserve the *status quo* by staying all actions and other proceedings against the Applicants;
- (b) afford the Applicants the breathing space and stability required to continue operating their businesses (as applicable) during the pendency of the SISP;
- (c) allow the Applicants and the Monitor to conduct the SISP;
- (d) avoid the additional time and costs associated with seeking another stay extension prior to the proposed approval and vesting motion; and
- (e) provide the Applicants with the requisite time to seek approval of the transaction contemplated under the Stalking Horse Agreement or one or more other value-maximizing transactions that may materialize in the SISP.

48. In connection with the proposed Stay Extension, the Applicants, with the assistance of the Monitor, prepared a revised cash flow forecast (the “**Revised Cash Flow Forecast**”) to determine their funding requirements during the Stay Extension period. I understand that a copy of the

Revised Cash Flow Forecast will be attached to the Third Report. The Revised Cash Flow Forecast demonstrates that, with the benefit of the DIP Facility, the Applicants will have sufficient cash to fund the SISP and support their ordinary course business operations and the costs of these CCAA Proceedings through the end of the Stay Extension period.

49. The Monitor has reviewed the updated cash flow forecast. It has advised that it supports the proposed Stay Extension and believes that such an extension is reasonable and appropriate in the circumstances. The Stay Extension is also supported by the DIP Lender.

50. Since the granting of the Stay Extension and DIP Amendment Order, the Applicants, with the assistance of the Monitor, have acted in good faith and with due diligence to:

- (a) continue to operate their business in the ordinary course for the benefit of their stakeholders;
- (b) negotiate the terms of the Stalking Horse Agreement, the SISP and certain related milestones;
- (c) apprise 855 Ontario of operating and process developments;
- (d) in consultation with the Monitor, coordinate advances under the DIP Facility to fund the Company's capital expenditures, professional costs, and other operating expenses;
- (e) maintain ongoing communication with key stakeholders to apprise them of updates in the CCAA Proceedings; and
- (f) prepare materials in support of the within motion.

51. I believe that the proposed extension of the Stay of Proceedings is both necessary and in the best interests of the Applicants and their stakeholders. Further, I do not believe that any creditor will be materially prejudiced by the proposed Stay Extension.

## **2. Sealing Relief**

52. As noted above, the Applicants are seeking to seal certain limited confidential information contained in the Stalking Horse Agreement pending further Order of this Court. The redacted information is personal and/or commercially sensitive information relating to: (i) the identity of certain specified key employees; and (ii) the negotiated commercial and economic terms of certain real property leases related to the Purchased Locations owned by Evelyn Aimis.

53. I believe that the disclosure of the key employee names at this time would cause potential discord among the Applicants' employees. Further, the proposed terms of the leases with Evelyn Aimis reflect the commercial agreement between Evelyn Aimis and the Stalking Horse Purchaser in the context of the Stalking Horse Agreement, the DIP Facility and the BF Credit Facility. I am advised by Sir Hakimi that these terms do not reflect those that may be offered to other bidders for these specific locations, and as such, are commercially sensitive to the business interests of both Evelyn Aimis and the Stalking Horse Purchaser.

54. On balance, I believe the benefits of the proposed sealing relief, which are to protect the general commercial interest of maintaining the confidentiality of sensitive information, far outweigh the potential harm in the circumstances. The Monitor supports the sealing request and agrees that it is proportionate and reasonable in the circumstances. An unredacted copy of the Stalking Horse Agreement will be provided to the Court and is attached hereto as **Confidential Exhibit "1"**.

55. The Applicants are also not aware of any prejudice to any stakeholder or other negative effects that would flow from the proposed sealing relief. Accordingly, the Applicants submit that the sealing order is both appropriate and reasonable in the circumstances.

### **3. Approval of the Monitor's Fees, Activities and Third Report**

56. The SISP Approval Order seeks approval of the Third Report and the fees and activities of the Monitor described therein.

57. The activities of the Monitor and its counsel set out in the Third Report were undertaken in good faith and consistent with the Monitor's duties under the ARIO and the CCAA. The Monitor and its counsel have provided valuable assistance to the Applicants and their stakeholders, both prior to and throughout these CCAA Proceedings, including in connection with the negotiations surrounding the SISP and the Stalking Horse Agreement. As such, the Applicants believe that it is fair and reasonable in the circumstances to approve the Third Report and the fees and activities of the Monitor and its counsel as described therein.

58. I understand that the Monitor and its counsel will prepare the Fee Affidavits, which will be attached to the Third Report.


## **IV. CONCLUSION**

59. Since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence to, among other things, stabilize their business and finalize the terms of the SISP and the Stalking Horse Agreement, all with the assistance and oversight of the Monitor.

60. I understand that the Monitor and the DIP Lender are supportive of the relief described herein and the Monitor does not believe that any stakeholder will be materially prejudiced by the granting of the SISP Approval Order. Accordingly, I believe that the relief sought and described herein is in the best interests of the Applicants and their stakeholders, and appropriate in the circumstances.

61. I swear this affidavit in support of the Applicants' motion for the SISP Approval Order and for no other or improper purpose.

**SWORN REMOTELY** by Douglas )  
Robertson stated as being located in the )  
City of Toronto, in the Province of Ontario, )  
before me at the City of Toronto, in the )  
Province of Ontario, on August 21, 2025 in )  
accordance with O. Reg. 431/20, )  
Administering Oath or Declaration )  
Remotely. )

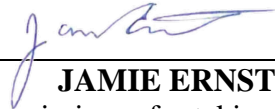
  
\_\_\_\_\_  
**JAMIE ERNST**  
A Commissioner for Taking Affidavits in  
and for the Province of Ontario

*Doug Robertson*

\_\_\_\_\_  
**DOUGLAS ROBERTSON**



THIS IS **EXHIBIT "A"** REFERRED TO IN THE AFFIDAVIT  
OF DOUGLAS ROBERTSON, SWORN BEFORE ME  
THIS 21ST DAY OF AUGUST, 2025.



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**JAMIE ERNST**

A Commissioner for taking Affidavits  
(or as may be)

Court File Nos.: BK-25-03212487-0031  
BK-25-03214507-0031  
Estate/Court File Nos.: BK-31-3212487  
BK-31-3214507

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
IN BANKRUPTCY AND INSOLVENCY**

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

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
HAKIM OPTICAL LABORATORY LIMITED, IN THE CITY OF TORONTO, IN THE  
PROVINCE OF ONTARIO**

**AND**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
LAWRENCE OPHTHALMIC LAB INC., IN THE CITY OF TORONTO, IN THE  
PROVINCE OF ONTARIO**

Applicants

**AFFIDAVIT OF DOUGLAS ROBERTSON  
(Sworn May 8, 2025)**

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Court File Nos.: BK-25-03212487-0031  
BK-25-03214507-0031  
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BK-31-3214507

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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IN BANKRUPTCY AND INSOLVENCY**

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**AND**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
LAWRENCE OPHTHALMIC LAB INC., IN THE CITY OF TORONTO, IN THE  
PROVINCE OF ONTARIO**

Applicants

**AFFIDAVIT OF DOUGLAS ROBERTSON  
(Sworn May 8, 2025)**

I, Douglas Robertson, of the Municipality of Clarington, in the Province of Ontario,  
**MAKE OATH AND SAY:**

1. This affidavit is made in support of a motion by Hakim Optical Laboratory Limited (“**HOLL**”), Lawrence Ophthalmic Lab Inc. (“**Lawrence Lab**”) and Hakim Optical Worldwide Lenses Inc. (also known as Hakim Optical Lenses Worldwide Inc. and Hakim Optical Worldwide Lenese Inc. [sic]) (“**HOWL**”, and together with HOLL and Lawrence Lab, the “**Applicants**” or the “**Company**”) for an initial order (the “**Initial Order**”) and related relief pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”).

2. As the Senior Controller of the Company, I oversee the Applicants' financial, accounting, human resource and payroll operations. I have been employed by the Company in this role since March 2019. As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I have relied on other sources for information, I have so stated and believe them to be true. In preparing this affidavit, I have also relied upon the books and records of the Applicants and consulted with other members of the senior management team. The Applicants do not waive or intend to waive any applicable privilege by any statement herein.

3. All references to currency in this affidavit are in Canadian dollars unless noted otherwise.

#### **I. RELIEF REQUESTED**

4. I swear this affidavit in support of an urgent motion brought by the Applicants for an Initial Order, among other things:

- (a) declaring that the Applicants are parties to which the CCAA applies;
- (b) authorizing the continuation under the CCAA of the proposal proceedings commenced by HOLL on April 16, 2025 and Lawrence Lab on April 22, 2025 under the BIA, pursuant to Notices of Intention to Make a Proposal (each a "**NOI**") filed by HOLL and Lawrence Lab, respectively;
- (c) appointing KSV Restructuring Inc. ("**KSV**") as an officer of the Court to monitor the assets, business and affairs of the Applicants (the entity appointed in such capacity, the "**Monitor**");

- (d) staying up to and including June 30, 2025, all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor, or affecting the Applicants' business or the Property (as defined below), except with the written consent of the Applicants and the Monitor, or with leave of the Court (the “**Stay of Proceedings**”);
- (e) approving HOLL's and Lawrence Lab's ability to borrow up to a principal amount of \$2,800,000 under a debtor-in-possession credit facility (the “**DIP Facility**”) to finance the Company's working capital requirements and other general corporate purposes, post-filing expenses and costs during these proposed CCAA Proceedings (as defined below);
- (f) authorizing the Applicants to continue to utilize their cash management system and maintain the banking arrangements already in place for the Applicants; and
- (g) granting the Administration Charge and the DIP Lender's Charge (each as defined below and, collectively, the “**Charges**”) with respect to the Applicants' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (collectively, the “**Property**”) in the following priorities:
  - (i) First – the Administration Charge up to a maximum amount of \$250,000; and
  - (ii) Second – the DIP Lender's Charge up to a maximum amount of \$2,800,000, plus accrued and unpaid interest, fees and expenses.

5. If the proposed Initial Order is granted, the Applicants also seek approval of the Orders (the “**Discharge and Termination Orders**”), among other things:

- (a) approving the fees and disbursements of KSV, in its capacity as Proposal Trustee (in such capacity, the “**Proposal Trustee**”), in connection with the NOI Proceedings (as defined below), as described in the First Report of the Proposal Trustee and Pre-Filing Report of KSV as Proposed Monitor, to be filed (the “**First Report**”); and
- (b) discharging the Proposal Trustee and terminating the NOI Proceedings.

6. If the Initial Order is not granted, the Applicants seek, strictly in the alternative, an Order (the “**NOI Proceedings Order**”):

- (a) extending the stay of proceedings and the period within which HOLL and Lawrence Lab must file proposals to and including June 30, 2025;
- (b) authorizing the procedural consolidation of the NOI Proceedings;
- (c) approving the DIP Facility to finance the working capital requirements of HOLL and Lawrence Lab and other general corporate purposes, post-filing expenses and costs during the consolidated NOI Proceedings; and
- (d) granting the Charges over the Property in the priority set out above.

## II. OVERVIEW

7. The Company is the largest privately owned optical chain in Canada. With approximately 70 active retail store locations, the Company offers a comprehensive selection of eyeglasses, contact lenses, prescription lenses and other optical services.

8. As a new immigrant to Canada, Sir Karim Hakimi (“**Sir Hakimi**”) opened the first Hakim Optical laboratory in 1967 in downtown Toronto. Without a retail storeroom, he went door-to-door selling Hakim Optical crafted lenses to local optometrists, building the brand as an affordable, high-quality wholesale eyewear company. Later that same year, the Company opened its first retail storefront in Mississauga, Ontario to begin selling directly to customers. At its peak, the Company operated over 160 retail showrooms, 120 one-hour factory outlets and six lens factories across seven Canadian provinces. The Company employed over 650 employees, many of whom were immigrants and newcomers to Canada, and has sold over 40 million pairs of glasses in its 58-year history.

9. The iconic Hakim Optical logo and jingle were synonymous with the Company’s status as a leading optical business (“Your eyes can have it all at Hakim Optical”). Despite its historical success, the Company always has been and continues to be a privately-owned Canadian company that has experienced many chapters in its nearly six decades of operation.

10. Prior to the COVID-19 global pandemic, the Company was experiencing stable revenue with consistent profitability. However, the Company’s profitability and financial performance began deteriorating in 2020 due to lower than anticipated sale volumes resulting from the lockdown and social distancing measures implemented during the COVID-19 pandemic and increasing operating costs, which prevented the Company from continuing necessary marketing.



Over the past five years, the Company has experienced the lasting effects of the COVID-19 pandemic, where it saw significant declines in sale revenues and production capacity. Coupled with the rise of increased foreign competition in a crowded competitive Canadian optical retail market and the general shift by Canadian consumers away from brick-and-mortar retail stores towards online options, the Company has been unable to return to its pre-COVID sales performance.

11. Further, in 2022, the Company experienced an enterprise-wide cyber-attack that compromised all store and office computer systems. During the five-week period it took to regain control of its systems, the Applicants' operations and ability to fulfil customer orders were heavily disrupted, causing an immediate and sustained decrease in revenues. Following the cyber-attack, the Company was required to make significant capital investments into its digital infrastructure and security, utilizing cash resources that would have otherwise been used for marketing and store upgrades. Decreased revenues, coupled with higher than forecasted operating costs and the significant fixed costs associated with an expansive brick and mortar retail network, started a liquidity spiral that became worse as time progressed.

12. The Company's liquidity crisis led to repeated defaults under its senior credit facility with Royal Bank of Canada ("**RBC**"), HOLL's former lender. After providing several concessions, allowances and extensions, RBC issued demand letters on HOLL on September 12, 2024 (the "**Demand Letters**"). The Demand Letters also advised that RBC intended to take steps to appoint a receiver over one of the Applicants' affiliates, Evelyn Aimis Holdings Inc. ("**Evelyn Aimis**"), as guarantor pursuant to a loan agreement for which both Lawrence Lab and HOLL act as

borrowers. On December 11, 2024, RBC brought an application to appoint a receiver over all assets, undertakings and properties of Evelyn Aimis.<sup>1</sup>

13. As described in greater detail below, the Company has made several attempts to address its financial challenges by implementing, or attempting to implement, various cash conservation measures and restructuring transactions. In 2023, the Company sold five of its Atlantic Canada retail stores to a competitor to consolidate the business, raise capital and reduce operating costs (the “**Atlantic Canada Transaction**”). The applicable stores were located in Nova Scotia, New Brunswick and Newfoundland and Labrador, and constituted the Company’s entire Atlantic Canada business. The proceeds of the Atlantic Canada Transaction were used to fund the Company’s working capital needs.

14. Following the Atlantic Canada Transaction, the Company continued to pursue opportunities to downsize and/or restructure its business. As part of these efforts, Sir Hakimi conducted an informal sales process over a period of approximately two years, canvassing the global retail optical market for parties interested in acquiring part or all of the business. Despite multiple parties demonstrating serious interest in the Company, the Applicants have, to date, been unable to secure a sale transaction outside of a court-approved sales process that would satisfy their obligations under the Credit Facility (as defined below) and/or ensure the Company continues operating as a going concern.

15. To conserve much needed liquidity, over the past 18 months the Company made the difficult decision to close approximately 40 unprofitable stores and laboratory locations (collectively, the “**Closed Stores**”) prior to lease expiry and, in doing so, stopped making monthly

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<sup>1</sup> The application was subsequently withdrawn on February 3, 2025, following the Debt Assignment (as defined below).

rent payments associated with these locations. As a result, the Company has received several default notices from landlords of the Closed Stores, and many have started enforcement proceedings against the Applicants (collectively, the “**Landlord Enforcement Actions**”).

16. Due to the ongoing enforcement pressure from RBC and the impending receivership proceedings, in January 2025, the Applicants implemented a refinancing transaction, whereby 1001112855 Ontario Inc. (“**855 Ontario**”), a party identified as part of the informal sales process, agreed to assume RBC’s obligations under the Credit Facility (the “**Debt Assignment**”). In conjunction with the Debt Assignment, 855 Ontario agreed to advance additional funds to the Company from time to time pursuant to a Bridge Loan (as defined below) to fund, among other things, the Company’s operations while it prepared for these CCAA proceedings (the “**CCAA Proceedings**”).

17. As described below, 855 Ontario has agreed to provide debtor-in-possession financing to the Company, subject to Court approval, in order to fund the Company’s ongoing operations during the CCAA Proceedings. I understand that it is ultimately 855 Ontario’s intention, through an affiliate, to credit bid the amounts owing under the Credit Facility and the DIP Agreement (as defined below) to purchase substantially all of the retail business and maintain it as a going concern.

18. In order to protect its assets and stay the Landlord Enforcement Actions, on April 16, 2025 (the “**Filing Date**”), HOLL, which is the primary operating entity for the Applicants’ retail business, commenced NOI proceedings (the “**HOLL Proceedings**”) by filing an NOI. KSV consented to act as Proposal Trustee in the HOLL Proceedings and has overseen the operations of the Company since the Filing Date. The primary purpose of the HOLL Proceedings was to provide

HOLL with the time and breathing room to focus on finalizing the terms of the DIP Agreement and a stalking horse agreement.

19. Given the highly integrated nature of the Applicants' operations, and to prevent potential disruptions to the Company's business, Lawrence Lab filed an NOI on April 22, 2025 (the "**Lawrence Proceedings**"), and together with the HOLL Proceedings, the "**NOI Proceedings**"). No proposal has been filed as part of the NOI Proceedings to date.

20. As highlighted above, the Applicants are experiencing a dire liquidity crisis and, without additional financing under the DIP Agreement, are unable to meet their financial obligations as they become due. If the current stay of proceedings is not extended, the Landlord Enforcement Actions, including actions commenced and continuing against HOWL, will cause significant disruption to the Company's operations and affect the overall marketability of the business. The Applicants believe these actions could significantly jeopardize the Company's ability to effectuate a going concern transaction, which I believe is the best restructuring alternative available to the Company and its stakeholders at this time. Accordingly, there is significant urgency to this motion, and the relief sought pursuant to the Initial Order.

21. 855 Ontario Inc. (in such capacity, the "**DIP Lender**") has agreed to provide additional financing to the Applicants during the CCAA Proceedings pursuant to the DIP Agreement. The DIP Facility will, among other things, provide the Applicants with immediate access to the funding needed to continue their operations while they prepare a court-supervised sale and solicitation process and finalize the terms of the proposed stalking horse transaction.

22. In light of the foregoing, the Applicants are seeking protection under the CCAA to, among other things, obtain interim financing under the DIP Agreement, add HOWL as a party to these

restructuring proceedings and temporarily stay the Landlord Enforcement Actions and other threatened and disruptive enforcement proceedings against the Company. Should the Initial Order be granted, the Applicants intend to return to the Court to seek approval of a sale and solicitation process to facilitate a fair and transparent marketing and sale of the Applicants' assets with a view to maximizing value for their stakeholders. As indicated, the Applicants are diligently working with 855 Ontario to finalize a stalking horse transaction as part of the sale and solicitation process.

### **III. COMPANY BACKGROUND**

#### **A. Corporate Structure of the Applicants**

23. A copy of the Company's current operating corporate structure is attached hereto as **Exhibit "A"**.

24. The Company operates on a consolidated basis. The Applicants and their affiliates share all the same back office personnel and, from time to time, make payments, remit invoices and enter into agreements on each other's behalf. Additionally, although HOLL and Lawrence Lab are the only operating entities involved in the Hakim Optical business, the names of inactive and/or predecessor entities appear on certain of the Applicants' leases, for example HOWL, as discussed below.

#### **1. Hakim Optical Laboratory Limited**

25. HOLL is a privately-owned optical retailer incorporated under the *Canada Business Corporations Act*, RSC 1985, c C-44, as amended (the "**CBCA**") by articles of incorporation dated

March 6, 2015.<sup>2</sup> Its registered head office is located at 3430 Lawrence Avenue East, Scarborough, Ontario. A copy of HOLL's corporate profile report is attached hereto as **Exhibit "B"**.

26. HOLL operates the Company's optical retail and service businesses and is the tenant under the majority of the Company's retail leases. Regardless of the party named in each lease, HOLL has made all lease payments for all Retail Stores (as defined below) since its incorporation. In addition to its lease interests, HOLL's most material assets consist of the Company's optical inventory, owned equipment and intellectual property.

## **2. Lawrence Ophthalmic Lab Inc.**

27. Lawrence Lab provides lens manufacturing services solely to HOLL and is governed by the CBCA pursuant to articles of continuation dated March 17, 2015.<sup>3</sup> Lawrence Lab's registered head office is also located at 3430 Lawrence Avenue East, Scarborough, Ontario. A copy of Lawrence Lab's corporate profile report is attached hereto as **Exhibit "C"**.

28. Lawrence Lab operates two laboratories in the Greater Toronto Area, the Queensway Lab and the Sherway Gardens Lab (each as defined below). Its principal assets consist of lab equipment and machinery. Lawrence Lab manufactures all Hakim Optical branded prescription lenses, which are then sold to HOLL at cost. Accordingly, Lawrence Lab is not a profit-generating entity on a standalone basis, nor is it intended to operate as one.

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<sup>2</sup> The Company has operated its business through multiple corporate entities over the past 58 years that have since been dissolved or discontinued. All retail operations were assumed by HOLL upon its incorporation.

<sup>3</sup> Lawrence Lab filed articles of amalgamation on December 1, 1992 under the *Business Corporations Act*, R.S.O. 1990, c. B.16.

**3. Hakim Optical Worldwide Lenses Inc.**

29. HOWL was incorporated on March 6, 1992 pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended. The entity shares the same registered office as the other Applicants and its sole director and officer is Sir Hakimi. A copy of HOWL's corporate profile report is attached hereto as **Exhibit "D"**, which indicates that HOWL has not filed annual returns since 2008.

30. As a result of the Company's historical business practices, HOWL is the named party on a number of the Applicants' retail leases. To my knowledge, HOWL has no active business operations or physical assets. I have been advised by Sir Hakimi that all of HOWL's outstanding shares are directly or indirectly held by him, however, the Company is not in possession of any books and records relating to HOWL, and has not maintained separate accounting for HOWL during my time with the Company. The Company's counsel is attempting to locate HOWL's books and records from prior professional services providers in order to determine exactly where HOWL sits in the Company's organizational structure. As previously stated, all retail operations are carried out by HOLL. To the extent that HOWL is a party to any contracts on behalf of the Applicants, HOLL has effected payment under such arrangements since the time of its incorporation from bank accounts maintained by HOLL.

31. A British Columbia Personal Property Registry search against HOWL discloses a registration in favour of Shape Loughheed Limited Partnership and LTC Properties LP (the "**HOWL PPR Registration**", attached as Exhibit "W"). I am not aware of HOWL having any commercial arrangements with these companies and note that the Company no longer operates in British Columbia.

32. The Applicants believe that converting these NOI Proceedings into CCAA Proceedings is necessary, as it will allow the Applicants to, among other things, extend the Stay of Proceedings to HOWL and its property, and possibly other as-yet to be unidentified affiliate entities if any such entities are identified and it is determined that such relief is necessary. Given the intertwined nature of the Applicants' business, making HOWL an Applicant in these proposed CCAA Proceedings will prevent creditors from indirectly enforcing against the Company and/or terminating critical agreements that are in the name of HOWL but are required by the Company to operate in the ordinary course. The Applicants believe that any actions against HOWL would have a detrimental effect on, and distract from, the Company's restructuring efforts.

## **B. Business of the Company**

### **1. Lens and Eyewear Products**

33. The Company offers affordable lenses and eyeglasses frames in approximately 500 different styles. At its Retail Stores, the Company sells Hakim Optical branded frames, as well as several third-party and designer brands. All Hakim Optical branded lenses are manufactured at one of Lawrence Lab's laboratories (collectively, the "**Laboratories**"). The Company's licensed opticians are specially trained to assist customers in selecting the appropriate lenses for their specific prescriptions and lifestyle requirements.

34. The Company also carries several contact lenses from third-party distributors, including brands such as Johnson & Johnson, CooperVision, Bausch & Lomb and Alcon.

35. In addition to traditional eyewear, the Company also sells prescription and non-prescription safety glasses to both individual employees and employers, including certain municipalities and



government organizations. All safety glasses and protective eyewear are processed and manufactured in one of the Laboratories.

## **2. Optical Services**

36. Through its independent contractor optometrists, the Company offers adult and children eye exams at its exam centres (the “**Eye Exam Centres**”) in substantially all of its store locations. The Company also has arrangements with 49 optometrists who administer various optical tests and are responsible for maintaining patient files in accordance with applicable regulations. The independent optometrists are neither employees nor contractors of the Company, rather they operate the optometrist’s offices located in the Retail Stores rent-free pursuant to verbal arrangements with HOLL.

37. Customers can book optometry appointments through the Eye Exam Centre website at: <https://www.eyexamcentre.ca>. Most if not all of the independent optometrists employ administrative support staff as part of their practices, although these individuals are not employed by or contracted to HOLL.

38. At most retail locations, the Company offers same-day services for certain standard, prescription eyewear. Directly in-store, opticians can adjust pre-crafted lenses to deliver glasses to customers in less than 24-hours from the time of purchase. Notably, these in-store labs are part of HOLL’s retail business and are distinct from Lawrence Lab’s operations.

39. Each Retail Store employs licensed opticians who assist customers with eyeglass fittings, styling recommendations and contact lens consultations. Certain retail locations also offer free professional glasses cleanings and adjustments.

### 3. Lens Manufacturing

40. Lawrence Lab's lens processing and manufacturing operations are conducted at the Company's two laboratories: (i) the "**Sherway Gardens Lab**" located at 1880 The Queensway, Etobicoke, Ontario, and (ii) the "**Queensway Lab**" located at 1325 The Queensway, Toronto, Ontario.

41. Acquired in 2022, the Sherway Gardens Lab is the Company's newest and highest-performing optical laboratory. After undergoing extensive renovations and remodeling, the Sherway Gardens Lab officially opened and began operations in 2023. The Sherway Gardens Lab is outfitted with various modern, high-tech optical lens manufacturing equipment, including coating, cutting, grinding and edging machines, which are used to process and manufacture prescription lenses for the Company's retail business.

42. The Company's lens manufacturing process is highly specialized. Using various optical equipment, the Company's technicians transform optical grade glass blanks into fully customized prescription lenses through a combination of reshaping, grinding and cutting techniques. As part of the finishing process, the technicians may also apply various coatings to the lenses, including anti-reflective, scratch-resistant, and UV protection coatings, to enhance lens performance and durability. This process ensures that each lens is tailored to the client's prescription and specifications.

43. As discussed above, all lenses manufactured and crafted at the Laboratories are then sold at cost to HOLL, which is Lawrence Lab's only customer.

**C. Warranties**

44. All Hakim Optical designed frames and sunglasses are subject to a one-year unconditional warranty (the “**Hakim Warranty**”). The Hakim Warranty is comprehensive and covers defects, accidental breakage and general wear and tear. The Company also offers a one-year conditional/limited warranty on certain brand name designer prescription-frames, certain sunglasses and all brand name or in-house Hakim Optical lenses. The conditional warranty covers defective manufacturer materials and dispensing errors (as applicable).

45. The Company intends to honour all Hakim Warranty obligations during the CCAA Proceedings.

**D. Online Billing and Customer’s Benefits**

46. In addition to standard in-store purchases, the Company offers direct online billing to approximately 18 eligible insurance companies, on behalf of its customers, for corrective eyewear (subject to the terms of each customer’s benefit plan). Pursuant to its direct billing practices, insurance companies are billed for the products acquired by the customer and will remit payment directly to the Company. Generally, a customer’s eye and vision insurance benefits can be used for in-store prescription glasses, prescription sunglasses and contact lenses. In contrast, benefits coverage for eye exams is administered by each optometrist individually.

47. While the Company does accept Ministry of Community and Social Services and First Nations benefits, these providers are not currently eligible for online billing.

**E. Merchandise and Supplier Agreements**

48. In addition to the Hakim Optical branded products, the Company sells various third-party designer frames in its Retail Stores – including brands such as Michael Kors, Ralph Lauren, Prada, Tiffany, Versace, Burberry, Coach, DKNY and Dolce & Gabbana. I am not aware of any formal supply agreements and/or contracts with these third parties.

49. The Company has rebate arrangements with certain of its designer-brand suppliers, pursuant to which the Company is paid pre-determined amounts for reaching various sale targets. The Company has not met a target or received a rebate under these arrangements in the past several years.

50. The Company also relies on several vendors and third-party service providers to operate its business. In particular, various providers of raw materials, including glass blanks, lenses, packaging supplies, utilities, information technology and maintenance and repair services for the Retail Stores are essential to the Company's daily operations. Any interruption of service from these third parties may prevent the Applicants from operating in the ordinary course and continuing to provide uninterrupted services to its customers. Many of the Company's supply agreements are also governed by informal or verbal arrangements.

**F. Retail Locations**

**1. Retail Locations & Landlords**

51. The Company currently operates its retail business from approximately 70 leased stores across Canada (the "**Retail Stores**") following the closure of the Closed Stores. The majority of the Company's stores are located in suburban strip malls, shopping centers or plazas. Generally,

each Retail Store contains a showroom, an optometrist's office, a contact lens room and a lens finishing lab.

52. The Company's operations are primarily located in Ontario – with approximately 65 stores located in Ontario, one store in Alberta and four stores in Manitoba. The Retail Stores and the Laboratories are predominantly leased from third-party landlords (the “**Landlords**”), constituting of both large commercial property managers and smaller, independent real estate owners.

53. The Company also leases seven of its Retail Store locations and two storage facilities from its parent company, Evelyn Aimis. Evelyn Aimis is a real estate holding company and owns stores in both Ontario and Manitoba. Despite Evelyn Aimis owning the real property, HOLL operates each of these nine locations pursuant to inter-company lease arrangements.

54. A chart setting out all of the Company's remaining Retail Store and Laboratory locations is set out in **Exhibit “E”**.

## **2. Lease Payments & Landlord Enforcement Actions**

55. The Company is current on all rent payments with respect to its remaining active Retail Stores and the Laboratories, which in the aggregate totals approximately \$712,352 per month.

56. As discussed above, approximately 18 months ago, as part of its cash conservation initiatives and in connection with its informal sale process efforts, the Applicants identified approximately 40 retail locations that were no longer profitable, and has since ceased operations at all of the Closed Stores, including discontinuing all monthly lease payments at such locations.

57. A number of Landlord Enforcement Actions have been commenced against the Company with respect to defaults under their Closed Store retail leases. Over the past year, the Company has been served with approximately 12 statements of claim from landlords of Closed Stores, seeking, among other things, damages for unpaid rent and other alleged lease obligations. The Company has also received notices of termination, notices of re-entry and/or letters of default with respect to approximately 28 of its Closed Stores, which figures do not include the Company's ongoing litigation with certain former landlords prior to the exit from the Closed Stores.

58. Many of the leases contain standard indemnity clauses in favour of the applicable Landlord and granted by HOLL, as tenant. Two of the retail leases contain indemnities and one contains a guarantee from Sir Hakimi as security for repayment.

59. Pursuant to the terms of the proposed Initial Order, the Applicants will only make rent payments for Retail Stores or Laboratories that were occupied by an Applicant as of April 16, 2025, the date HOLL commenced its NOI Proceeding. Should the Initial Order be granted, the Applicants, together with the Monitor, will consider whether disclaimer notices should be issued in respect of Closed Stores currently in default under the terms of applicable leases, but which have not already been terminated by the applicable landlord, if doing so is necessary to preserve value for stakeholders.

#### **G. Equipment & Vehicles**

60. The Company owns and leases a variety of optical equipment located in both the Laboratories and the in-store finishing labs, including various coating, cutting, grinding and edging machines. The Company also owns certain optical testing equipment, which are provided for and used by the independent optometrists.

61. HOLL leases 11 vehicles (collectively, the “**Vehicles**”) from Enterprise Fleet Management Canada, Inc. (“**Enterprise**”). The Vehicles are actively used by store managers and back-office personnel to travel in-between stores within Ontario.

## **H. Intellectual Property**

62. The Company holds registered trademarks related to the Hakim Optical brand, including rights to the Hakim Optical logo and brand name. Most famously, the Company has promoted its retail business with its award winning, trademarked jingle “Your Eyes Can Have It All at Hakim Optical” since 2003, although marketing efforts have been limited in recent years due to the Company’s liquidity constraints.

63. The Company also owns 15 domain names for its retail business (including its safety eyewear business segment) and the Eye Exam Centres. The Company’s primary website is accessible at: <https://hakimoptical.ca> (the “**Company’s Website**”). If the proposed Initial Order is granted, the Company’s Website will include a link to the Monitor’s website for the CCAA Proceedings and will include certain resources for stakeholders, including answers to frequently asked questions.

## **I. Employees**

64. The Company employs approximately 266 full-time employees and one part-time employee. None of the Company’s employees are represented by a union or are parties to a collective bargaining agreement.

65. The aggregate payroll for the Company is approximately \$640,000 per bi-weekly payment cycle (excluding the cost of benefits), although this amount fluctuates somewhat due to commissions payable to sales associates.

66. Employees are generally eligible for various benefits through the Company's group policy issued by Industrial Alliance Insurance and Financial Services Inc. The group policy has three tiers of benefits for full-time employees, each of which include basic life insurance, health and dental expense benefits and certain prescription plans. All employees are entitled to vacation time and pay in accordance with the employment standards and regulations of each applicable province. It is anticipated that active full-time employees will continue to have access to their benefits during the proposed CCAA Proceedings and that such benefits coverage will continue thereafter to the extent required by statute.

67. The Company sponsors a defined contribution registered retirement savings plan issued by iA Financial Group, which took effect on January 1, 2001 (the "**Pension Plan**"). The Pension Plan is fully funded. Although generally available to all full-time employees, individuals with two years or more of service with the Company are automatically enrolled in the Pension Plan. The assets of the Pension Plan are held and invested pursuant to a trust agreement with iA Financial Group.

## **J. Gift Cards**

68. Historically, the Company has sold gift cards that were redeemable for purchase at its retail locations. The Company intends to honour gift cards throughout the CCAA Proceedings, should the Initial Order be granted. As of April 30, 2025, the Company had an outstanding gift card balance of approximately \$90,800.



**K. Banking and Cash Management System**

69. The Company has a centralized cash management system for the collection, transfer and disbursement of funds (the “**Cash Management System**”), which is maintained and administered in the Company’s head office in Toronto, Ontario.

70. The Applicants maintain and administer 80 business bank accounts with Canadian Imperial Bank of Commerce (“**CIBC**”), 70 of which are retail deposit accounts for specific store locations, four of which are operating business accounts, and six of which relate to accounts for Closed Stores and which accounts are in the process of being closed. Deposits in the Retail Stores accounts are swept into a central business account on a daily basis. Prior to receipt of the Closure Notice (described and defined below), the Company maintained a banking relationship with RBC.

71. The Cash Management System also includes arrangements with Moneris, who provides point-of-sale technology and support for the Company’s retail operations.

72. The Cash Management System has several functions, including: (a) collection of funds generated by the Retail Stores; (b) collection of accounts receivable from third parties; (c) administration of disbursements to fund payroll and benefits, inventory purchases, capital expenditures and lease and rental payments; and (d) receipt of draws under the Credit Facility and if approved, the DIP Agreement.

73. In connection with the CCAA Proceedings, the Applicants are seeking the authority to continue the Cash Management System described above in order to maintain the funding and banking arrangements already in place for the Applicants. Any disruption to the Cash Management System would be extremely detrimental to the Applicants’ operations.

**L. Outstanding Litigation and Enforcement Actions**

74. Prior to the NOI Proceedings, the Applicants were subject to multiple enforcement actions by their respective creditors as a result of their failure to meet financial obligations as they became due. A non-exhaustive summary of these actions is as follows:

- (a) following the Debt Assignment transaction, on February 11, 2025, RBC informed the Applicants of its intention to close all banking and VISA facilities provided to the Company by RBC (the “**Closure Notice**”). At the time of receiving such notice, the Company’s primary bank accounts were held with RBC. Since receiving the Closure Notice, the Company has moved all of its banking operations to CIBC as described above;
- (b) as mentioned above, approximately 28 landlords of the Closed Stores have commenced Landlord Enforcement Actions against the Company, including default notices, notices of re-entry, termination notices, execution of writs of enforcement, warrants and statements of claims in respect of amounts owing under certain Closed Stores retail leases in default;
- (c) on April 10, 2025, CIBC sent the Company a notice of garnishment that it received in connection with one of the Landlord Enforcement Actions seeking to garnish \$415,606.57 from the Applicants’ bank accounts;
- (d) on April 11, 2025, seizure of property was effected under a writ of enforcement in respect of a Closed Store located in Alberta for which HOWL was noted as the business debtor;

- (e) on April 24, 2025, upon receiving notice of the NOI Proceedings, two of the Applicants' critical suppliers threatened to stop providing services to the Company indefinitely; and
- (f) the Company is party to various ongoing litigation matters, in capacity as both plaintiff and respondent, with respect to a number of civil, employment and real property disputes.

75. Upon filing the NOIs, all enforcement actions have been stayed against HOLL and Lawrence Lab. As indicated, HOWL is a named defendant in several Landlord Enforcement Actions, and parties continue to take active steps to advance those claims. For example, notwithstanding advice from the Applicants' legal counsel that the Company had commenced NOI Proceedings, on April 23, 2025, a Notice of Application was commenced against HOWL in the British Columbia Supreme Court. Copies of correspondence relating to this hearing are attached hereto as **Exhibit "F"**.

76. Pursuant to the proposed Initial Order, the Applicants seek to effectively extend the Stay of Proceedings to HOWL in order to avoid the significant business disruptions flowing from these enforcement actions and allow the Applicants, together with the Monitor and 855 Ontario to focus on the Applicants' restructuring efforts.

#### **IV. FINANCIAL POSITION OF THE APPLICANTS**

77. A summary of the unaudited internal financial statements of HOLL and Lawrence Lab, each as at March 31, 2025, is set out below. As indicated, the Applicants do not maintain separate accounting records for HOWL, as its only obligations are incurred by HOLL. Copies of HOLL's

and Lawrence Lab's financial statements as of March 31, 2025 are attached hereto as **Exhibits "G" and "H"**, respectively.

78. Without the funds available under the DIP Facility, the Applicants do not have sufficient financial resources to satisfy their obligations and are therefore insolvent. As at March 31, 2025, the Company had total consolidated assets with a book value of approximately \$66,859,000 which consisted primarily of the following:

<b>(\$000s; unaudited)</b>	<b>HOLL</b>	<b>Lawrence Lab</b>
Cash	1,850	138
Accounts receivable	900	1,828
Inventory	5,009	1,279
Loans receivable – related party	47,674	(880)
Prepaid expenses and deposits	996	2
Other assets	1,328	4
Property, plant and equipment	2,439	4,294
<b>Total Assets</b>	<b>60,195</b>	<b>6,664</b>
Accounts payable and accrued liabilities	11,775	1,129
Operating loan	15,817	-
Loans payable – intercompany	37,743	(2,234)
Advances from shareholder	1,738	-
<b>Total Liabilities</b>	<b>67,074</b>	<b>(1,106)</b>
<b>Equity</b>	<b>(6,879)</b>	<b>7,770</b>
<b>Total Liabilities &amp; Equity</b>	<b>60,195</b>	<b>6,664</b>

79. The net realizable value of the Company's assets is expected to be significantly less than the book value and less than its outstanding liabilities. Accordingly, the Company is insolvent on a balance sheet basis, having regard to the fair value of its assets and liabilities. I understand from KSV that the First Report will provide a more detailed summary of the Applicants' financial position.

## A. Secured Debt

80. The Company's senior secured lender is 855 Ontario.<sup>4</sup> As of May 2, 2025, there was approximately \$16,300,000, exclusive of accrued interest and fees, outstanding under the Credit Facility (as defined below) with interest and fees continuing to accrue (the "**Indebtedness**").

### 1. The Credit Facility

81. Pursuant to a letter agreement between HOLL and RBC dated April 22, 2021 (as amended by written agreement on August 11, 2022 (the "**Amendment**" and collectively, the "**Loan Agreement**")), RBC had extended three credit facilities to HOLL with an aggregate availability of \$14,560,085 (collectively, the "**Credit Facility**"). On January 21, 2025, 855 Ontario, RBC and HOLL entered into an Assignment of Indebtedness and Security Agreement (the "**Assignment Agreement**"), whereby RBC agreed to assign and 855 Ontario agreed to assume the indebtedness owing under the Credit Facility. As of the date of the Debt Assignment, the total amount outstanding under the Credit Facility was \$12,912,686 (the "**Loan**").

82. Copies of the Assignment Agreement, Loan Agreement and the Amendment are attached hereto as **Exhibits "I" - "K"**, respectively.

83. The Indebtedness is guaranteed by each of Evelyn Aimis, Lawrence Lab and 605529 Ontario Inc. (collectively, the "**Guarantors**"), up to a maximum amount of \$13,900,000, plus interest, pursuant to Guarantee and Postponement of Claim Agreements dated April 29, 2021 (the "**Guarantees**"). Pursuant to an Obligor's Acknowledgement Re: Assignment of Debt and Security

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<sup>4</sup> As indicated, the Company has no records of an arrangement relating to the HOWL PPR Registration.

dated January 21, 2025 (the “**Acknowledgement**”), HOLL and the Guarantors acknowledged and confirmed their continuing obligations for the Indebtedness to 855 Ontario.

84. Copies of the Guarantees are attached hereto as **Exhibits “L” - “N”**, respectively, and a copy of the Acknowledgement is attached hereto as **Exhibit “O”**.

85. As general and continuing security for the payment and performance of the Loan, RBC was granted various security by the Applicants (which such security has now been granted to 855 Ontario), including, among other things:

- (a) a General Security Agreement dated April 29, 2021 granted by HOLL; and
- (b) a General Security Agreement dated April 29, 2021 granted by Lawrence Lab (collectively, the “**Security Documents**”).

86. Copies of the Security Documents are attached hereto as **Exhibits “P” and “Q”**, respectively.

87. In addition to the Loan, both HOLL and Lawrence Lab act as guarantors for the obligations of Evelyn Aimis owing to 855 Ontario, pursuant to Guarantee and Postponement of Claim Agreements dated April 29, 2021 (the “**EA Guarantees**”), each of which are up to the maximum amount of \$7,000,000. Copies of the EA Guarantees are attached hereto as **Exhibits “R” – “S”**, respectively.

## **2. Bridge Financing**

88. On January 21, 2025, 855 Ontario, as lender, HOLL, as borrower and guarantor, and Lawrence Lab, as guarantor, entered into an Amending Agreement to the HOLL Credit Agreement

(the “**Bridge Financing Agreement**”), whereby 855 Ontario agreed to extend a non-revolving demand credit to HOLL in the maximum aggregate amount of \$5,000,000 under the existing, but amended, Credit Facility (the “**Bridge Loan**”). The Bridge Loan was provided for the limited purpose of funding HOLL’s current working capital needs, the payment of certain fees and expenses, including the professional fees and expenses incurred in respect of commencing the NOI Proceedings and the CCAA Proceedings, and the payment of certain pre-filing obligations and other costs.

89. Interest on the Credit Facility accrues at the rate of 10.95% per annum, calculated and compounded bi-weekly, accruing on a bi-weekly basis. A copy of the Bridge Financing Agreement is attached hereto as **Exhibit “T”**.

90. The balance of the obligations under the Bridge Loan are due in cash upon the earliest of: (i) written termination or demand by 855 Ontario, (ii) upon the occurrence of any Subsequent Event of Default (as defined in the Bridge Financing Agreement) or if 855 Ontario, acting reasonably, is unsatisfied with the efforts made to remedy a Default (as defined in the Bridge Financing Agreement) or Subsequent Event of Default, and (iii) upon Court-approval of the DIP Facility.

91. The Bridge Financing Agreement contemplates the following additional fees, each of which are owed and/or owing to 855 Ontario:

- (a) The Commitment Fee – a commitment fee equal to \$175,000;

- (b) The Monthly Fee – a recurring monthly administrative fee is due in the amount of \$2,500 per month (reduced on a per-diem basis for periods of less than 30 days as may be applicable); and
- (c) The Lender's Fees and Expenses – the Company is required to pay all fees and expenses incurred by 855 Ontario in connection with the preparation, registration and ongoing administration of the Bridge Financing Agreement, which for greater certainty includes all reasonable fees and expenses incurred by 855 Ontario in connection with these proposed CCAA Proceedings.

92. On May 2, 2025, 855 Ontario made an advance under the Bridge Loan in the amount of \$500,000 to support the Company's normal course payroll obligations due the following week.

93. The Applicants understand that if an affiliate of 855 Ontario (such affiliated entity, the **"Proposed Stalking Horse Purchaser"**) is selected as the successful bidder in a future sales process, 855 Ontario will assign all of its right, title and interest in and to the indebtedness owed under the Credit Facility and the DIP Agreement to the Proposed Stalking Horse Purchaser to facilitate a credit bid.

### **3. Equipment Financiers and Other Secured Parties**

94. The Company has entered into agreements with two secured machinery and vehicle financiers, Enterprise (described above) and Meridian OneCap Credit Corp., who has provided financing in respect of multiple photocopier machines, each of whom have security interests registered against their respective machines and/or vehicles pursuant to the applicable provinces' personal property legislation (the **"PPSAs"**). The registrations of the financiers are reflected in the



search results conducted against the Applicants under each province's PPSA, which are attached hereto as **Exhibits "U" – "W"**.

95. The Applicants recently discovered a British Columbia PPSA registration against HOWL in favour of Shape Lougheed Limited Partnership and LTC Properties LP. The Applicants' other management members and I are not aware of any arrangements or security agreements with these entities and are in the process of securing additional information regarding the same.

## **B. Unsecured Liabilities**

### **1. Taxes**

96. As of April 30, 2025, the Company is current on all of its income and sales tax obligations owing to the Canada Revenue Agency. The vast majority of the Company's retail sales are not subject to sales tax. Pursuant to the *Excise Tax Act* (Canada), prescription glasses and contact lenses are zero-rated supplies – meaning there is typically no GST/HST charged on the Company's products when sold. Moreover, as a GST/HST registrant, the Company is generally eligible to claim input tax credits for any GST/HST paid on the materials and/or supplies used to manufacture the Company's glasses or lenses.

### **2. Employee Liabilities**

97. The Company is current with respect to its payment of payroll and the remittance of employee source deductions. However, as of April 30, 2025, the Company owes several employees accrued and unpaid vacation pay in the aggregate amount of an estimated \$540,364, subject to further confirmation.

### **3. Other Unsecured Creditors**

98. As of April 22, 2025, HOLL owes approximately \$9,731,346 in accounts payable to unsecured trade creditors and the landlords of the Closed Stores and Lawrence Lab owes approximately \$1,095,077 in accounts payable to unsecured trade creditors.

## **V. RESTRUCTURING EFFORTS PRIOR TO THE NOI PROCEEDINGS & THE NOI PROCEEDINGS**

99. Despite historically strong sale volumes and profit margins prior to the COVID-19 pandemic, the Applicants have struggled to generate sufficient cash to support their ongoing secured and unsecured obligations. As a result, prior to the NOI Proceedings, the Company implemented multiple restructuring steps in an attempt to reduce the Applicants' monthly capital expenditures and increase cash liquidity.

100. As discussed above, the Company made extensive efforts to refinance its debt and consolidate and/or sell parts of its business. An overview of some of the Company's restructuring efforts prior to the NOI Proceedings, include the following:

- (a) Engaged KSV as Financial Advisor – The Company retained KSV to act as its financial advisor. The primary purpose of KSV's engagement was to review and assess the Company's go-forward prospects, assess its cashflow position, assist in the Company's dealings with RBC and assist interested parties to perform diligence.
- (b) Informal Sales Process – In an attempt to find a long-term solution for the business, led by Sir Hakimi, the Company engaged in discussions with approximately six

different optical chains and/or investors who had expressed interest in acquiring and/or investing in the business. During a span of approximately two years, four term sheets and approximately six non-disclosure agreements were entered into with various interested parties; however, none of these negotiations resulted in the execution of definitive documents and no transaction was completed (other than the Atlantic Canada Transaction).

- (c) Exit from Closed Stores – Following feedback from interested parties in the informal sale process, and based on the underperformance of the Closed Stores and associated negative impact to the Company's cash flows from their continued operations, the Company made the difficult decision to cease operations and stop paying rent at the Closed Stores. As sales revenues declined and demand for lenses decreased, the Company proceeded to close a former lens manufacturing laboratory in Winnipeg, Manitoba to reduce operating costs.
- (d) Credit Facility Negotiations – Prior to the Debt Assignment, the Applicants negotiated various allowances, extensions and concessions with RBC under the Loan documents to avoid enforcement proceedings and provide HOLL with additional time to identify a potential purchaser and/or investor for the Company, although no formal forbearance agreement was entered into with RBC. Upon receipt of the Demand Letter from RBC, the Company increased its solicitation and marketing efforts. On January 21, 2025, Lawrence Lab, HOLL and 855 Ontario entered into the Debt Assignment. In addition to resolving RBC's active enforcement actions, the Debt Assignment provided the Company with additional

funding to maintain its scaled-down operations following the closure of the Closed Stores, as well as prepare for the NOI Proceedings and these proposed CCAA Proceedings.

101. As part of the informal sales process, the Applicants identified the investors behind 855 Ontario, the Proposed Stalking Horse Purchaser, as a prospective purchaser of the business. The Applicants and the Proposed Stalking Horse Purchaser, with the assistance of KSV, are in discussions towards completing a definitive purchase agreement, and intend to return to Court to seek approval of the Stalking Horse Transaction and sale and solicitation process as soon as definitive documents have been finalized. After careful consideration, the Company has decided that proceeding under the CCAA will provide the Applicants and their stakeholders with the best opportunity to implement a value-maximizing going-concern restructuring transaction.

102. Since the commencement of the NOI Proceedings, the Applicants have worked diligently with the Proposal Trustee to stabilize the business. These efforts have included:

- (a) through counsel and with the Proposal Trustee, interacting with representatives on behalf of a number of creditors and other stakeholders to provide information about the NOI Proceedings;
  - (b) entering into supply arrangements with certain suppliers to ensure the uninterrupted flow of goods and services to the Company throughout its restructuring process;
  - (c) providing information to the Applicants' employees about the NOI Proceedings;
- and

- (d) through counsel, liaising with counsel to certain landlords, including those who are or have threatened to continue Landlord Enforcement Actions against HOWL, who has not filed an NOI.

103. In parallel, the Applicants, through counsel, and in consultation with the Proposal Trustee, have completed negotiations of the DIP Agreement, and advanced discussions relating to the proposed stalking horse purchase agreement.

## **VI. URGENT NEED FOR RELIEF**

104. In light of the Applicants' current liquidity crisis, their numerous defaults under various contractual agreements, the Landlord Enforcement Actions, and the NOI Proceedings, the Applicants can no longer pursue a restructuring solution absent comprehensive creditor protection and funding in the form of the DIP Facility.

105. As set out in the cash flow projection (the "**Cash Flow Forecast**") prepared by the Company and reviewed by the proposed Monitor, the Company critically requires immediate financing to continue operating in the ordinary course and fund the proposed CCAA Proceedings.

106. The proposed CCAA Proceedings will continue to allow the Company to stabilize and preserve the value of the Applicants' business, while also providing the Applicants with the flexibility and breathing room to finalize the terms of the Stalking Horse Transaction with a view to implementing a successful going-concern transaction.

## VII. PROPOSED INTERIM FINANCING

107. On May 8, 2025, the following parties finalized a binding commitment letter (the “**DIP Agreement**”) in respect of a debtor-in-possession credit facility:

- (a) HOLL and Lawrence Lab as the borrowers;
- (b) certain other affiliates of the Applicants as guarantors; and
- (c) 855 Ontario Inc. as the DIP Lender.

108. The DIP Agreement provides for a super-priority, non-revolving credit facility of up to \$2,800,000 (the “**DIP Facility Amount**”). A copy of the DIP Agreement is attached hereto as **Exhibit “X”**. The DIP Facility shall be made available to the borrowers by way of:

- (a) an initial advance (the “**Initial Advance**”) in a principal amount of \$200,000; and
- (b) one or more subsequent advances (each a “**Subsequent Advance**”), each in a principal amount of no less than \$100,000, provided that the sum of the Initial Advance and the Subsequent Advances shall not exceed the DIP Facility Amount.

109. The amounts drawn and outstanding under the DIP Facility will bear interest at 10.9%, per annum, calculated and compounded monthly, accruing on a monthly (or such portion thereof on a per diem basis, as may be applicable).

110. The DIP Facility includes (i) a commitment fee of 3.5%, which shall be deducted and satisfied from the Initial Advance, and (ii) recurring monthly administrative fees, which shall be due to the DIP Lender in the recurring amount of \$2,500 per month.

111. In accordance with the DIP Agreement, the DIP Facility is to be used during these proposed CCAA Proceedings (or alternatively, the NOI Proceedings, as applicable) to fund:

- (a) the Company's general corporate and working capital expenses, including funding the CCAA Proceedings, in accordance with the Cash Flow Forecast;
- (b) certain fees and expenses (including, without limitation, the legal fees and expenses of the Applicants and the Monitor and the fees owing to the DIP Lender under the DIP Agreement); and
- (c) such other costs and expenses as agreed to by the DIP Lender, in writing.

112. I am advised by Jesse Mighton of Bennett Jones LLP that the DIP Facility is subject to customary covenants, conditions precedent, and representations and warranties generally made in CCAA Proceedings.

113. The DIP Facility is repayable in full on the earlier of:

- (a) the occurrence of any event of default under the DIP Agreement which is continuing and not cured;
- (b) the consummation of an accepted bid under a future sale and investment solicitation process;
- (c) the effective date of any plan of compromise or arrangement under these proposed CCAA Proceedings;

- (d) an accepted transaction is terminated under a future sale and investment solicitation process, or failed to close, and there is no binding back-up bid within three days thereof;
- (e) August 15, 2025;
- (f) any refinancing of the DIP Agreement;
- (g) the termination, expiration or conversion of the CCAA Proceedings; and
- (h) such other date as may be agreed to by the DIP Lender and the Borrowers.

114. The DIP Facility is conditional, among other things, upon the granting of a priority charge over the Property in favour of the DIP Lender to secure the amounts borrowed under the DIP Facility (the “**DIP Lender’s Charge**”).

## **VIII. RELIEF BEING SOUGHT AT THE INITIAL HEARING**

### **A. Initial Order**

#### **1. Continuation under the CCAA**

115. HOLL and Lawrence Lab seek to continue their restructuring efforts under the CCAA. Since commencing the NOI Proceedings,<sup>5</sup> the Applicants, with the assistance of the Proposal Trustee, have begun stabilizing their operations, while focusing on implementing a going-concern

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<sup>5</sup> Copies of the Certificates of Filing of a Notice of Intention to Make a Proposal for HOLL and Lawrence Lab dated April 16, 2025 and April 22, 2025, respectively, are attached hereto as **Exhibits “Y”** and **“Z”**, respectively.



result for the business. The Company has already made significant progress in advancing the restructuring of the business, including through the execution of the DIP Agreement.

116. I am advised by Mr. Mighton that the Company must file a proposal by May 16, 2025 (the “**Filing Deadline**”) or it will be deemed bankrupt. The Filing Deadline does not provide the Applicants with sufficient time to file a proposal.

117. I believe that it is in the best interest of the Company and its stakeholders to convert these NOI Proceedings into CCAA Proceedings. The Company is in advanced discussions with 855 Ontario, its secured lender and proposed DIP Lender, who has already identified a potential stalking horse purchaser that would pay out 855 Ontario in full and allow the business to continue operating outside of these insolvency proceedings. The additional flexibility under the CCAA will allow the Applicants to run a sale and investment solicitation process, if approved, and consider a variety of restructuring alternatives that may not be available under the BIA.

118. The proposed Initial Order, if granted, will also provide HOWL with creditor protections. As a contractual party to certain of the Company’s leases, the extension of the Stay of Proceedings to HOWL will preserve the status quo and prevent landlords from advancing Landlord Enforcement Actions on the basis that HOWL is not protected from enforcement under the NOI Proceedings. These collateral attacks, if not stayed, will cause significant disruption to the Company’s daily operations and would have a detrimental effect on the Applicants’ restructuring efforts. The proposed CCAA Proceedings will also provide the Applicants with greater flexibility to address potential unforeseen governance and structural matters as they relate to HOWL and/or any other potential affiliates identified throughout these proposed CCAA Proceedings.

## **2. Stay of Proceedings**

119. The Applicants urgently require the continuation of the existing stay of proceedings for HOLL and Lawrence Lab, and an extension of the stay of proceedings to HOWL to provide stability to the business, and prevent the ongoing enforcement activities of landlords and other suppliers.

120. Considering the Landlord Enforcement Actions and other ongoing enforcement proceedings, it would be extremely harmful to the Applicants' business if proceedings were continued, or further rights and remedies were executed, against the Applicants and/or their property. Absent the proposed continuation of the current stay of proceedings, the Applicants will be unable to continue operating their business and will be forced to initiate an abrupt and disorderly shutdown.

121. Moreover, the Applicants understand that 855 Ontario is not prepared to advance additional financing under the Bridge Loan outside of a court proceeding, and the DIP Agreement requires the Applicants to undertake a court-supervised sale process under the CCAA. Access to the DIP Agreement will ensure that the Company has the liquidity necessary to satisfy its post-filing obligations in the normal course.

122. In light of the foregoing, the Stay of Proceedings is in the best interests of the Applicants and their stakeholders. I understand that the proposed Monitor believes that the Stay of Proceedings is appropriate in the circumstances.

### **3. Proposed Monitor**

123. The proposed Initial Order contemplates that KSV will act as Monitor in the Applicants' CCAA Proceedings. KSV currently acts as HOLL's and Lawrence Lab's Proposal Trustee and has an in-depth understanding of the Company's finances and daily operations. I understand that KSV has consented to act as Monitor in the CCAA Proceedings if the proposed Initial Order is granted. A copy of KSV's consent to act as Monitor is attached hereto as **Exhibit "AA"**.

### **4. Administration Charge**

124. The proposed Initial Order provides for a Court-ordered charge in favour of the proposed Monitor, as well as counsel to the proposed Monitor and the Applicants, over the Property, to secure payment of their respective fees and disbursements incurred in connection with services rendered in these proposed CCAA Proceedings (or alternatively, the NOI Proceedings) up to a maximum amount of \$250,000 (the "**Administration Charge**"). The Administration Charge is proposed to rank ahead of and have priority over the DIP Lender's Charge.

125. The Applicants require the expertise, knowledge, and continued participation of the proposed beneficiaries of the Administration Charge during the CCAA Proceedings (or alternatively, the NOI Proceedings) in order to complete a successful restructuring. Each of the beneficiaries of the Administration Charge will have distinct roles in the Applicants' restructuring.

126. The Applicants and the proposed Monitor worked collaboratively to estimate the quantum of the Administration Charge required, which takes into account the limited retainers the professionals currently have and their material outstanding fees. I believe that the Administration Charge is fair and reasonable in the circumstances. I understand that the proposed Monitor is also

of the view that the Administration Charge is fair and reasonable in the circumstances, and that the proposed DIP Lender supports the Administration Charge.

127. The DIP Lender has advised that it supports the proposed quantum of the Administration Charge.

## **5. DIP Lender's Charge**

128. The DIP Agreement provides, among other things, that the DIP Facility is contingent on the granting of the DIP Lender's Charge subordinate to the Administration Charge, but in priority to all other claims. Pursuant to the proposed Initial Order (or alternatively, the NOI Proceedings Order), the DIP Lender's Charge will secure all funds advanced under the DIP Facility and will not secure obligations incurred prior to the CCAA Proceedings.

## **6. Cash Flow Forecast**

129. With the assistance of the proposed Monitor, the Applicants have prepared a cash flow analysis to determine the quantum of funding required to finance their operations, assuming the Initial Order is granted. I understand that the Cash Flow Forecast will be attached to the First Report.

130. The Cash Flow Forecast indicates that the Applicants urgently require DIP financing to ensure that they have the liquidity required to meet their obligations and continue their business operations during the Stay of Proceedings.

## **B. Discharge and Termination Orders**

131. Pursuant to the proposed Discharge and Termination Orders, if the Initial Order is granted, the NOI Proceedings will be terminated and KSV will be discharged as Proposal Trustee.

132. As set out in greater detail in the First Report and the fee affidavit of a representative of KSV, the Proposal Trustee is seeking, among other things, approval of its fees and its activities as set out in the First Report. Throughout the NOI Proceedings, the Proposal Trustee provided valuable assistance to the Applicants and its stakeholders.

133. The Applicants believe that the fees and expenses of the Proposal Trustee (collectively, the “**Fees and Disbursements**”) are reasonable and appropriate in the circumstances. Further, the Applicants are not aware of any opposition to the Fees and Disbursements.

## **C. Alternative Relief**

134. If ultimately the Court does not grant the Initial Order, the Applicants seek in the alternative an extension of the stay of proceedings (the “**Alternative Extension**”) to and until June 30, 2025 (the “**Alternative Stay Period**”).

135. HOLL and Lawrence Lab have continued to act in good faith and with due diligence during their respective NOI Proceedings. If the Alternative Extension is granted, the Applicants will continue their efforts to stabilize business operations and secure a restructuring transaction or transactions that could be implemented as part of a proposal under the BIA. HOLL and Lawrence Lab do not have sufficient time to complete a proposal prior to the expiry of the stay of proceedings, and accordingly, believe that the Alternative Extension is both necessary and appropriate in the circumstances.

136. The updated Cash Flow Forecast demonstrates that the Company has sufficient liquidity to fund its operations during the Alternative Stay Period, subject to the approval of the DIP Facility. It is not anticipated that any of the Applicants' creditors will be materially prejudiced by the granting of the Alternative Extension.

137. In addition, if the CCAA Initial Order is not granted, the Applicants would seek to procedurally consolidate the NOI Proceedings, together with the NOI proceedings that will be commenced by, allowing the Proposal Trustee to administer the NOI Proceedings as if they were a single proceeding for the purpose of carrying out its duties and obligations under the BIA.

138. Procedural consolidation would promote cost efficiency and avoid delays associated with having to separately administer these NOI Proceedings. I understand from the Proposal Trustee that no party is anticipated to be adversely affected by the consolidation of the NOI Proceedings.

139. The Applicants would seek approval of the DIP Agreement and the Charges for reasons set out herein even if the Initial Order is not granted in order to, among other things, secure access to necessary funds under the DIP Agreement, should the DIP Lender be willing to extend credit in such circumstances.

## **IX. CONCLUSION**

140. In consultation with the Company's professional advisors, I believe that the proposed Initial Order is in the best interests of the Applicants and their stakeholders. The Stay of Proceedings and the DIP Facility will allow the Applicants to continue ordinary course operations, while continuing to negotiate a stalking horse purchase offer and preparing for a sales and investment solicitation process. Without the Stay of Proceedings and approval of the DIP Facility,

the Company will be unable to meet its obligations as they become due and would be forced to discontinue operations. This would be detrimental to the value of the Company's business, and in turn, the interests of the Applicants' stakeholders.

141. In the circumstances, I believe that the CCAA Proceedings will provide the Applicants with greater flexibility to restructure their business and maximize value for stakeholders than under the BIA, and will not prejudice the interests of the Applicants' creditors relative to the NOI Proceedings. Accordingly, the Applicants submit that the relief being sought pursuant to the Initial Order and the Discharge and Termination Orders is appropriate and reasonable in the circumstances.

**SWORN REMOTELY** by Douglas )  
Robertson stated as being located in the )  
City of Toronto, in the Province of Ontario, )  
before me at the City of Toronto, in the )  
Province of Ontario, on May 8, 2025, )  
remotely via videoconference in )  
accordance with O. Reg. 431/20, )  
Administering Oath or Declaration )  
Remotely. )



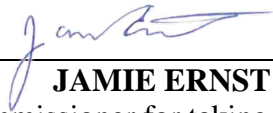
**JAMIE ERNST**

A Commissioner for Taking Affidavits in  
and for the Province of Ontario



**DOUGLAS ROBERTSON**

THIS IS **EXHIBIT "B"** REFERRED TO IN THE AFFIDAVIT  
OF DOUGLAS ROBERTSON, SWORN BEFORE ME  
THIS 21ST DAY OF AUGUST, 2025.

A handwritten signature in blue ink, appearing to read "Jamie Ernst", is positioned above a horizontal line.

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**JAMIE ERNST**  
A Commissioner for taking Affidavits  
(or as may be)





Court File No. CV-25-00743383-00CL

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

THE HONOURABLE ) FRIDAY, THE 27<sup>TH</sup> DAY  
JUSTICE W.D. BLACK ) OF JUNE, 2025

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE OPHTHALMIC LAB INC.  
AND HAKIM OPTICAL WORLDWIDE LENSES INC.

Applicants

**AMENDED AND RESTATED INITIAL ORDER**  
(Amending Initial Order dated May 15, 2025)

**THIS MOTION**, made by Hakim Optical Laboratory Limited ("**HOLL**"), Lawrence Ophthalmic Lab Inc. (together with HOLL, the "**Transitioned Applicants**") and Hakim Optical Worldwide Lenses Inc. (collectively the "**Applicants**", and each an "**Applicant**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an Amended and Restated Initial Order, was heard this day by judicial videoconference via Zoom.

**ON READING** the affidavits of Douglas Robertson sworn May 8, 2025, and the Exhibits thereto (the "**Robertson Affidavit**"), and June 23, 2025, and the Exhibits thereto, the Pre-Filing Report of KSV Restructuring Inc. ("**KSV**") as the proposed monitor dated May 9, 2025 (the "**Pre-Filing Report**"), and the First Report of KSV as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**"), June 24, 2025 (the "**First Report**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel to the Applicants, counsel to KSV, and such other counsel that were present and who are identified on the counsel slip, no else appearing although duly served as appears from the affidavits of service of filed, and on reading the consent of KSV to act as the Monitor,

## SERVICE AND INTERPRETATION

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

2. **THIS COURT ORDERS** that, for the avoidance of doubt, references in this Order to the "date of this Order", the "date hereof", or similar phrases refer to the date the Initial Order of this Court was granted in these proceedings, being May 15, 2025 (the "**Initial Order**").

## CONTINUANCE UNDER THE CCAA

3. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies.

4. **THIS COURT ORDERS AND DECLARES** that, effective as of the date of the Initial Order, the proceedings commenced by the Transitioned Applicants by the filing of the Notices of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), bearing court/estate file nos. 31-3212487 and 31-3214507 (the "**NOI Proceedings**"), are hereby taken up and continued under the CCAA, and that, as of such date, the provisions of Part III of the BIA shall have no further application to the Transitioned Applicants, provided, however, that (a) any and all steps, agreements, and procedures validly taken, done, or entered into by the Transitioned Applicants or by KSV, in its capacity as proposal trustee in each of the NOI Proceedings (in such capacity, the "**Proposal Trustee**") shall remain valid and binding, and (b) nothing in this Order, shall affect, vary, derogate from, limit, or amend, and, KSV shall continue to have the benefit of, any and all of the rights, approvals and protections in favour of the Proposal Trustee, whether at law, or under the BIA, or otherwise.

5. **THIS COURT ORDERS** that, notwithstanding Section 50.4(8) of the BIA, the Transitioned Applicants (or either of them), shall not be deemed to have made an assignment in bankruptcy by reason only of their failure to file proposals with the Official Receiver.

## PLAN OF ARRANGEMENT

6. **THIS COURT ORDERS** that each of the Applicants shall have the authority to file and may, subject to further Order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

## POSSESSION OF PROPERTY AND OPERATIONS

7. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, licences, authorizations, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and the Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

8. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Robertson Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**"), and that any present or future bank providing the Cash Management System shall: (i) not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System; (ii) shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System; and (iii) be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan (if any) with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

9. **THIS COURT ORDERS** that, subject to the terms of the DIP Agreement (as defined below), the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order to the extent that such expenses are incurred and payable by the Applicants:

- (a) all outstanding and future wages, salaries, employee and pension benefits (including, without limitation, employee medical, dental, registered retirement savings plan contributions and similar benefit plans or arrangements), vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, and all other payroll and benefits processing and servicing expenses;
- (b) all outstanding and future amounts invoiced to any of the Applicants from any independent contractors retained by any of the Applicants, payable prior to, on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing payment arrangements;
- (c) all outstanding or future amounts related to honouring customer obligations, including customer pre-payments, deposits, gift cards, programs and other customer loyalty programs, offers and benefits, in each case incurred in the ordinary course of business and consistent with existing policies and procedures; and
- (d) the fees and disbursements of any Assistants retained or employed by any of the Applicants in respect of these proceedings, at their standard rates and charges.

10. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein and subject to the terms of the DIP Agreement, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers' insurance), maintenance and security services; and

- (b) payment for goods or services actually supplied or to be supplied to any of the Applicants on or following the date of this Order.

11. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes and all other amounts related to such deductions or employee wages payable for periods following April 16, 2025 pursuant to the *Income Tax Act*, the *Canada Pension Plan*, the *Employment Insurance Act* or similar provincial statutes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by any of the Applicants in connection with the sale of goods and services by any of the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by any of the Applicants.

12. **THIS COURT ORDERS** that, unless otherwise agreed with any Landlord, until a real property lease (including any sublease and related documentation, each a "**Lease**") to which any of the Applicants is a party is disclaimed in accordance with the CCAA or otherwise consensually terminated, such Applicant shall pay, without duplication, all amounts constituting rent or payable as rent under such Lease (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the applicable

landlord (each, a "**Landlord**") under such Lease, but for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the Applicants, the NOI Proceedings, or the making of this Order) or as otherwise may be negotiated between such Applicant and the Landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears) in the amounts set out in the applicable lease or, with the consent of the Monitor, at such other time intervals and dates as may be agreed to between the applicable Applicant and Landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

13. **THIS COURT ORDERS** that, except as specifically permitted herein, or any other Order of the Court, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by any of the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

14. **THIS COURT ORDERS** that each of the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as defined below), have the right to:

- (a) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate;
- (b) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$500,000 in the aggregate, provided that, with respect to any real property leased premises, the Applicants may permanently, but not temporarily, shut down, but not downsize, any of its business or operations in a real property leased premises;
- (c) sell inventory in the ordinary course of business consistent with past practice, or otherwise with the consent of the Monitor and the DIP Lender;

- (d) disclaim in whole or in part, with the prior consent of the Monitor, or further Order of the Court, any of its arrangements or agreements of any nature whatsoever and with whomsoever, whether oral or written, as the applicable Applicant deems appropriate, in accordance with Section 32 of the CCAA, provided that, with respect to any real property leased premises, the debtors may vacate, abandon or quit the whole, but not part of any leased premises; and
- (e) pursue all avenues of refinancing of restructuring, selling or reorganizing its Business or Property, in whole or in part, subject to prior approval of this Court being obtained before any material refinancing, restructuring, sale or reorganization,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

15. **THIS COURT ORDERS** that the applicable Applicant shall provide each relevant Landlord with notice of such Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant Landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the Landlord disputes such Applicant's entitlement to remove any such fixture under the provisions of the applicable Lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such Landlord and the applicable Applicant, or by further Order of this Court upon application by the applicable Applicant on at least two (2) days notice to such Landlord and any such secured creditors. If any Applicant disclaims a Lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such Lease pending the resolution of any such dispute (other than Rent payable for the notice period provided for in Subsection 32(5) of the CCAA), and the disclaimer of the Lease shall be without prejudice to such Applicant's claim to the fixtures in dispute.

16. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the Landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the applicable Applicant and the Monitor, 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant Landlord shall be entitled to

take possession of any such leased premises without waiver of or prejudice to any claims or rights such Landlord may have against the applicable Applicant in respect of such Lease or leased premises, provided that nothing herein shall relieve such Landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY**

17. **THIS COURT ORDERS** that until and including July 14, 2025, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**", and collectively, "**Proceedings**") shall be commenced or continued against or in respect of any of the Applicants or the Monitor, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, except with the prior written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants, or their respective employees, advisors, counsel and other representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended pending further Order of this Court or the prior written consent of the Applicants and the Monitor.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

18. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any of the Applicants or the Monitor, or their respective employees, directors, officers, advisors and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the prior written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower any Applicant to carry on any business which such Applicant is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.



## **NO INTERFERENCE WITH RIGHTS**

19. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, Lease, sublease, licence, authorization or permit in favour of or held by any of the Applicants, except with the prior written consent of the Applicants and the Monitor, or leave of this Court. Without limiting the foregoing, no right, option, remedy, and/or exemption in favour of the relevant Applicants shall be or shall be deemed to be negated, suspended, waived and/or terminated as a result of the insolvency of the Applicants or the commencement of the within proceedings.

20. **THIS COURT ORDERS** that any Person who has, or is believed or suspected to have, in their possession or power any of the Property of any of the Applicant, or any book, document or paper of any kind relating in whole or in part to an Applicant, shall promptly, upon the request of the Applicants or the Monitor, be required to produce the book, document or paper for the information of the Applicants, or to deliver to the Applicants, any property of the Applicants in their possession.

21. **THIS COURT ORDERS** that, no Person shall be entitled to set off any amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Applicants in respect of obligations arising on or after the date of this Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of this Order, in each case without the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall prejudice any arguments any Person may want to make in seeking leave of the Court or following the granting of such leave.

## **CONTINUATION OF SERVICES**

22. **THIS COURT ORDERS** that during the Stay Period,

- (a) all Persons having oral or written agreements or arrangements with any of the Applicants or statutory or regulatory mandates for the supply or license of goods, intellectual property and/or services, including without limitation all computer

- software, trademarks, communication and other data services, centralized banking services, cash management services, payment processing services, payroll and benefit services, insurance, freight services, transportation services, customs clearing, storage, warehouse and logistics services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply or license of such goods or services as may be required by any of the Applicants or; exercising any other remedy provided under the agreements or arrangements;
- (b) that all Persons who receive or collect proceeds from the sale of the Applicants' inventory for or on behalf of the Applicants, shall promptly remit such proceeds to the Applicants monthly, in accordance with existing arrangements without any additional set-off or deduction whatsoever; and
- (c) that the Applicants shall be entitled to the continued use of their currently occupied premises, telephone numbers, facsimile numbers, email addresses, internet addresses and domain names, provided in each case, that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and the applicable Applicants and the Monitor, or as may be ordered by this Court.

### **NON-DEROGATION OF RIGHTS**

23. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

24. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any

of the former, current, or future directors or officers of the Applicants, with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants, whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

#### **APPOINTMENT OF MONITOR**

25. **THIS COURT ORDERS** that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, partners, members, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

26. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) assist the Applicants with the Restructuring;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) monitor the Applicants' receipts and disbursements and the Applicants' compliance with the DIP Budget (as defined in the DIP Agreement), including the management and deployment/use of any funds advanced by the DIP Lender (as defined below);
- (d) assist the Applicants, to the extent required by them, in their dissemination, to the DIP Lender and its counsel on a weekly basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;

- (e) advise the Applicants in their preparation of the Applicants' cash flow statements and the dissemination of other financial information;
- (f) advise the Applicants in their development of the Plan (if any) and any amendments to the Plan;
- (g) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (h) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' Business and financial affairs or to perform its duties arising under this Order;
- (i) assist the Applicants in communications with their stakeholders;
- (j) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (k) perform such other duties as are required by this Order or by this Court from time to time.

27. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof.

28. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the

*Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, the *Ontario Occupational Health and Safety Act*, the *British Columbia Environmental Management Act*, the *British Columbia Riparian Areas Protection Act*, the *British Columbia Workers Compensation Act*, the *Alberta Environmental Protection and Enhancement Act*, the *Alberta Water Act*, the *Alberta Occupational Health and Safety Act*, the *Manitoba Environment Act*, the *Manitoba Contaminated Sites Remediation Act*, or the *Manitoba Workplace Safety and Health Act*, and regulations thereunder (collectively, the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

29. **THIS COURT ORDERS** that the Monitor shall provide the DIP Lender and any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

30. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any applicable legislation.

31. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, counsel to the Applicants and counsel to the DIP Lender, shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor,

counsel to the Applicants and counsel to the DIP Lender, on such terms as such parties may agree and are hereby authorized to pay to the Monitor, counsel to the Monitor and counsel to the Applicants, retainers, *nunc pro tunc*, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

### **ADMINISTRATION CHARGE**

33. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$250,000, unless permitted by further Order of this Court and with the prior written consent of the DIP Lender, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 40 and 42 hereof.

### **DIP FINANCING**

34. **THIS COURT ORDERS** that the Transitioned Applicants are hereby authorized and empowered to execute, obtain financing and borrow under a credit facility from 1001112855 Ontario Inc. (the "**DIP Lender**") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that the borrowings under such credit facility shall not exceed \$2,800,000 unless permitted by further Order of this Court.

35. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the Debtor-In-Possession Facility Term Sheet between, among others, the Transitioned Applicants and the DIP Lender, dated as of May 8, 2025 (the "**DIP Agreement**"), filed.

36. **THIS COURT ORDERS** that the Transitioned Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, with the DIP Agreement, the "**Definitive Documents**"), as are contemplated by the DIP Agreement, or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Transitioned Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Definitive Documents (collectively, the "**DIP Obligations**"), as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

37. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property as security for the DIP Obligations, which DIP Lender's Charge shall be in the aggregate amount of the DIP Obligations outstanding at any given time under the Definitive Documents. The DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 40 and 42 hereof.

38. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon four (4) business days' prior written notice to the Applicants, the Guarantor (as defined in the DIP Agreement) and the Monitor, and otherwise subject to any Orders entered by this Court, may exercise any and all of its rights and remedies against the Applicants, the Guarantor or the Property under or pursuant to the DIP Agreement and the DIP Lender's Charge, including, without limitation, to cease making advances to the Applicants, and subject to further Order of this Court, set off and/or consolidate any amounts owing by the DIP Lender to any of the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Agreement or the DIP Lender's Charge or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a

bankruptcy order against any of the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

39. **THIS COURT ORDERS** that unless otherwise agreed to in writing by the DIP Lender, the DIP Lender shall be treated as unaffected in the Plan (if any) filed by any of the Applicants under the CCAA, or any proposal filed by any of the Applicants under the BIA, with respect to any advances made under the Definitive Documents.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

40. **THIS COURT ORDERS** that the priorities of the security interests granted by the Administration Charge and the DIP Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

- (a) First – Administration Charge (to the maximum amount of \$250,000); and
- (b) Second – DIP Lender's Charge (to the maximum amount of \$2,800,000, plus accrued and unpaid interest, fees and expenses in accordance with the DIP Agreement).

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

42. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall be effective as against the Property and shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts (including deemed or constructive trusts), liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.



43. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the other beneficiaries of the Charges (collectively, the "**Chargees**"), or further Order of this Court.

44. **THIS COURT ORDERS** that the Charges and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the BIA or otherwise, or any bankruptcy order or receivership order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create or be deemed to constitute a breach by any of the Applicants of any Agreement to which the applicable Applicant(s) is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges or the execution or delivery of any amendment or document pursuant to the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, including with respect to the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

45. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

#### **SERVICE AND NOTICE**

46. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the *Globe and Mail (National Edition)*, a notice containing the information prescribed under the CCAA, and (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Subsection 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not be required to make the claims, names and addresses of individuals who are creditors publicly available, unless otherwise ordered by this Court.

47. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in these proceedings, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* R.R.O. 1990, Reg. 194, as amended (the "**Rules of Civil Procedure**"), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure, and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.ksvadvisory.com/experience/case/hakim>.

48. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol or the CCAA and the regulations thereunder is not practicable, the Applicants and the Monitor, and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding copies thereof by prepaid ordinary mail, courier, personal delivery or electronic message to the Applicants' creditors or other interested parties at their respective addresses

(including e-mail addresses) as last shown in the books and records of the Applicants and that any such service or distribution shall be deemed to be received on the earlier of (a) the date of forwarding thereof, if sent by electronic message on or prior to 5:00 p.m. (Toronto Time) (or on the next business day following the date of forwarding thereof, if sent on a non-business day); (b) the next business day following the date of forwarding thereof, if sent by courier, personal delivery or electronic message sent after 5:00 p.m. (Toronto Time); or (c) on the third (3rd) business day following the date of forwarding thereof, if sent by ordinary mail.

49. **THIS COURT ORDERS** that the Applicants and the Monitor and each of their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message (including by e-mail) to the Applicants' creditors or other interested parties and their advisors, as applicable. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

#### **APPROVAL OF THE MONITOR'S REPORTS AND ACTIVITIES**

50. **THIS COURT ORDERS** that the Pre-Filing Report, the First Report, and the activities of the Monitor referred to therein be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and solely with respect to its own personal liability, shall be entitled to rely upon or make any use of such approval.

#### **GENERAL**

51. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder or in the interpretation of this Order.

52. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business or the Property.

53. **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 Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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

55. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order, provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 40 and 42 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

56. **THIS COURT ORDERS** that the Initial Order of this Court dated May 15, 2025, is hereby amended and restated pursuant to this Order, and this Order and all of its provisions are effective as of 12:01 a.m. (Toronto Time) on the date of this Order, without the need for entry or filing.



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

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE  
OPHTHALMIC LAB INC. AND HAKIM OPTICAL WORLDWIDE LENSES INC.**

Court File No. CV-25-00743383-00CL

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

Proceeding commenced in Toronto

**AMENDED AND RESTATED INITIAL ORDER**

**BENNETT JONES LLP**

One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario M5X 1A4

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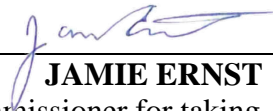
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*Lawyers for the Applicants*

THIS IS **EXHIBIT "C"** REFERRED TO IN THE AFFIDAVIT  
OF DOUGLAS ROBERTSON, SWORN BEFORE ME  
THIS 21ST DAY OF AUGUST, 2025.



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**JAMIE ERNST**  
A Commissioner for taking Affidavits  
(or as may be)



Court File No.: CV-25-00743383-00CL

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

THE HONOURABLE ) FRIDAY, THE 8<sup>TH</sup>  
 )  
JUSTICE J. DIETRICH ) DAY OF AUGUST, 2025  
 )

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE OPHTHALMIC LAB INC.  
AND HAKIM OPTICAL WORLDWIDE LENSES INC. (collectively, the "**Applicants**")

**ORDER**  
**(Stay Extension and DIP Amendment)**

**THIS MOTION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an Order, among other things, extending the Stay Period, approving the DIP Amendment and approving the Monitor's Reports and the activities of the Monitor described therein, was heard this day by way of judicial videoconference via Zoom.

**ON READING** the affidavit of Douglas Robertson sworn August 5, 2025, and the Exhibits thereto (the "**Fourth Robertson Affidavit**"), and the Second Report of KSV Restructuring Inc., in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**"), dated August 6, 2025 (the "**Second Report**"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, and such other counsel that were present, no one else appearing although duly served as appears from the affidavit of service of Jamie Ernst filed,

**SERVICE AND DEFINITIONS**

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

2. **THIS COURT ORDERS** that capitalized terms used but not otherwise defined herein shall have the meanings ascribed in the Fourth Robertson Affidavit or the Amended and Restated Initial Order granted by this Court on June 27, 2025 (the "**ARIO**"), as applicable.

#### **EXTENSION OF THE STAY PERIOD**

3. **THIS COURT ORDERS** that the Stay Period (as defined in the ARIO) be and is hereby extended until and including August 29, 2025.

#### **DIP AMENDMENT**

4. **THIS COURT ORDERS** that the Applicants' execution of the First Amending Agreement dated August 5, 2025, a copy of which is appended to the Second Report as Appendix "E" (the "**DIP Amendment**"), is hereby authorized and approved, *nunc pro tunc*, and that the Applicants are hereby authorized and empowered to borrow up to an additional \$1,400,000 (\$4,200,000 in the aggregate), plus accrued and unpaid interest, fees and expenses in accordance with the DIP Agreement, as amended by the DIP Amendment.

5. **THIS COURT ORDERS** that:

- (a) paragraphs 34 to 39 of the ARIO shall apply to the DIP Agreement, as amended by the DIP Amendment, and all references to the DIP Agreement contained in the ARIO shall be deemed to be references to the DIP Agreement as amended by the DIP Amendment;
- (b) the DIP Lender's Charge shall secure all amounts owing by the Applicants to the DIP Lender under the DIP Agreement, as amended by the DIP Amendment; and
- (c) for greater certainty, paragraphs 34 and 40(b) of the ARIO are hereby amended to replace the reference to "\$2,800,000" with "\$4,200,000".



## **APPROVAL OF THE MONITOR'S REPORTS AND ACTIVITIES**

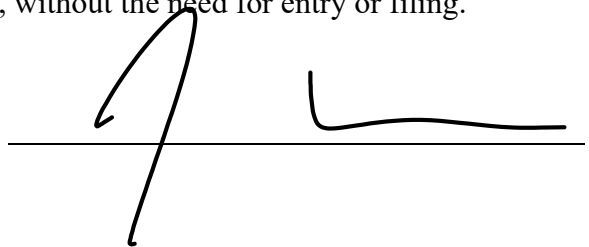
6. **THIS COURT ORDERS** that the Supplemental Report, the Second Report and the activities of the Monitor referred to therein be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and solely with respect to its own personal liability, shall be entitled to rely upon or make any use of such approval.

## **GENERAL**

7. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

8. **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 Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

9. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto Time) on the date of this Order, without the need for entry or filing.

A handwritten signature in black ink, consisting of a large, stylized 'J' or 'G' shape followed by a horizontal line, is written over a horizontal line.

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE OPHTHALMIC LAB INC. AND HAKIM OPTICAL WORLDWIDE LENSES INC.**

Court File No.: CV-25-00743383-00CL

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

Proceeding commenced in Toronto

**ORDER  
(Stay Extension and DIP Amendment)**

**BENNETT JONES LLP**

One First Canadian Place  
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Toronto, Ontario M5X 1A4

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Lawyers for the Applicants

THIS IS **EXHIBIT "D"** REFERRED TO IN THE AFFIDAVIT  
OF DOUGLAS ROBERTSON, SWORN BEFORE ME  
THIS 21ST DAY OF AUGUST, 2025.

A handwritten signature in blue ink, appearing to read "Jamie Ernst", is positioned above a horizontal line.

---

**JAMIE ERNST**  
A Commissioner for taking Affidavits  
(or as may be)

**HAKIM OPTICAL LABORATORY LIMITED**  
**LAWRENCE OPHTHALMIC LAB INC.**  
**HAKIM OPTICAL WORLDWIDE LENSES INC.**  
**EVELYN AIMIS HOLDINGS INC.**  
**- AND -**  
**CHIARO OTTICO LTD.**

---

**STALKING HORSE SPECIFIED ASSET PURCHASE AGREEMENT**

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**DATED AUGUST 21, 2025**

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## STALKING HORSE SPECIFIED ASSET PURCHASE AGREEMENT

**THIS STALKING HORSE SPECIFIED ASSET PURCHASE AGREEMENT** dated August 21, 2025 is made by and between **HAKIM OPTICAL LABORATORY LIMITED**, a corporation incorporated under the laws of Canada ("**HOLL**"), **LAWRENCE OPHTHALMIC LAB INC.**, a corporation incorporated under the laws of Canada ("**LOLI**"), **HAKIM OPTICAL WORLDWIDE LENSES INC.** ("**HOWL**", and collectively with HOLL and LOLI, the "**Vendors**") and **EVELYN AIMIS HOLDINGS INC.**, a corporation incorporated under the laws of Canada ("**Evelyn Aimis**") and **CHIARO OTTICO LTD.**, a corporation incorporated under the laws of Ontario (the "**Purchaser**").

### RECITALS:

**WHEREAS** HOLL operates a chain of retail optometry service, consumer eyewear and corrective lens sales locations across Canada, and LOLI is an ophthalmic laboratory supplier located in Ontario that supplies HOLL with many of its products for sale in their retail enterprise, and HOWL is a party to certain leases for locations operated by HOLL;

**AND WHEREAS** 1001112855 Ontario Inc. (the "**Lender**") is an affiliate of the Purchaser that has and continues to provide bridge financing for the Vendors pursuant to an amending agreement to the HOLL credit agreement dated January 21, 2025 (the "**Bridge Financing Credit Agreement**"), which bridge financing advances are secured by security documents constituting perfected first ranking security interests in the assets and undertaking of the obligors (as defined herein) to and in favour of the Lender;

**AND WHEREAS** on April 16, 2025 (the "**HOLL Filing Date**"), HOLL filed a Notice of Intention to Make a Proposal (the "**HOLL NOI**"), pursuant to Section 50.4(1) of the BIA (the "**HOLL NOI Proceedings**");

**AND WHEREAS** on April 22, 2025 (the "**LOLI Filing Date**"), LOLI filed a Notice of Intention to Make a Proposal (the "**LOLI NOI**"), pursuant to Section 50.4(1) of the BIA (the "**LOLI NOI Proceedings**" and, together with the HOLL NOI Proceedings, the "**NOI Companion Proceedings**");

**AND WHEREAS** KSV Restructuring Inc. consented to act as proposal trustee in the NOI Companion Proceedings;

**AND WHEREAS** on May 15, 2025 the Court granted a continuance of the NOI Companion Proceedings under the CCAA in an initial order on that date (as amended and restated from time to time, the "**Initial Order**") which, among other things, appointed KSV Restructuring Inc. (the "**Monitor**") as the monitor in the CCAA Proceedings (as defined herein), and approved the DIP Loan Facility (as defined herein) under a term sheet dated May 8, 2025 (as amended by written agreement dated August 5, 2025), appointing the Lender as the lender under the DIP Loan Facility, and approving the DIP Lender's Charge (as defined in the Initial Order) in favour of the Lender as security for amounts advanced under the DIP Loan Facility from time to time;

**AND WHEREAS** the Vendors intend to bring a subsequent motion before the Court on or before August 28, 2025 for the Stalking Horse and SISP Approval Order, among other things, approving a sale and investment solicitation process (the "**SISP**");

**AND WHEREAS** the Purchaser has agreed to act as the stalking horse bidder in connection with the SISP, on the terms of this stalking horse specified asset purchase agreement (the "**Agreement**"), meaning that, in the absence of one or more of the CCAA Applicants accepting one or more bids for the Specified Purchased Assets made in accordance with the SISP where such bid or bids provide for consideration that is superior to the consideration contemplated by this Agreement (as determined by the Vendors, in consultation with the Monitor, in accordance with the SISP), the Vendors have agreed to sell, and the Purchaser has agreed to purchase, the Specified Purchased Assets on the terms and subject to the conditions set forth in this Agreement, in accordance with the SISP and the Stalking Horse and SISP Approval Order and subject to obtaining the Approval and Vesting Order;

**AND WHEREAS** if this Agreement is selected as the successful bid in the SISP, the Lender has agreed to assign to the Purchaser the aggregate of (i) all DIP Obligations, and (ii) the BF Credit Bid Allocation Amount (defined below in Section 2.2(a)(ii)) (collectively, the "**Credit Bid Assigned Amount**");

**NOW THEREFORE** in consideration of the covenants and mutual promises set forth in this Agreement (including the recitals hereof) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions.**

In this Agreement, in addition to the terms defined in the preamble and the recitals, above, the following terms shall have the following meanings:

"**Action**" means any claim, action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity and by or before a Governmental Authority.

"**Administration Charge**" has the meaning ascribed to it in the Initial Order.

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to "control" another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term "controlled" shall have a similar meaning.

"**Allocated Priority Payables Amount**" has the meaning ascribed to it in Section 2.2(b).



**"Alternative Transaction"** means any transaction providing for the sale, transfer or other disposition of the Specified Purchased Assets on an en-bloc or piecemeal basis to any Third Party or Third Parties that has been selected as the Successful Bid in accordance with the Stalking Horse and SISP Approval Order.

**"Applicable Law"** means, with respect to any Person, property, transaction, event or other matter, any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order (including any securities laws or requirements of stock exchanges and any consent decree or administrative Order) or other requirement having the force of law ("**Law**"), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

**"Approval and Vesting Order"** means an order of the Court in form and substance satisfactory to the Parties and the Monitor, each acting reasonably that upon Closing, vests in and to the Purchaser the Specified Purchased Assets, substantially in the form appended hereto as Schedule "G".

**"Assignment Order"** means an order or orders of the Court pursuant to section 11.3 of the CCAA and other applicable provisions of the CCAA, in form and substance satisfactory to the Purchaser and the Vendors, each acting reasonably, authorizing and approving (i) the assignment of any Purchased Contract for which a consent, approval or waiver necessary for the assignment of such Purchased Contract has not been obtained, (ii) the prevention of any counterparty to such Purchased Contracts from exercising any right or remedy under such Purchased Contracts by reason of any defaults arising from the CCAA Proceedings or the insolvency of the Vendors, and (iii) the vesting in the Purchaser (or as directed by the Purchaser) of all right, title and interest of the Vendors in such Purchased Contracts.

**"Assumed Liabilities"** means those liabilities of the Vendors set out in Schedule "D" hereto.

**"Authorization"** means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval, mining permit, development permit or building permit) or from any Person in connection with any easements, contractual rights or other matters.

**"Bank Accounts"** means the Bank Accounts set out in Schedule "C" hereto.

**"BF Credit Bid Allocation Amount"** has the meaning ascribed to it in Section 2.2(a)(ii).

**"BF Unpaid Obligations"** means all debts, liabilities and other obligations owing by the Vendors to the Lender under the Bridge Financing Credit Agreement.

**"BIA"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3.

**"Books and Records"** means all books, records, files, papers, books of account and other financial data including Tax Returns related to the Specified Purchased Assets in the possession, custody or control of the Vendors, including sales and advertising materials, sales and purchase data, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, and all records, data and information related to the Specified Purchased Assets in the possession, custody or control of the Vendors that is stored electronically, digitally or on computer-related media.

**"Break-Up Fee"** has the meaning ascribed to it in Section 3.3(b).

**"Bridge Financing Credit Agreement"** has the meaning ascribed to it in the Recitals hereto.

**"Business Day"** means any day except Saturday, Sunday or any day on which banks are generally not open for business in the Province of Ontario.

**"Businesses"** means the businesses and operations carried on by the Vendors as at the date of this Agreement and as at the date of Closing, being lens processing and manufacturing services (in the case of LOLI), and laboratory production, retail optometry services and retail consumer sale of eyewear and corrective lenses (in the case of HOLL).

**"CCAA"** means the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*.

**"CCAA Applicants"** means, collectively, HOLL, LOLI and Hakim Optical Worldwide Lenses Inc.

**"CCAA Proceedings"** means the proceedings commenced or continued by the CCAA Applicants under the CCAA.

**"Closing"** means the completion of the Transaction in accordance with the provisions of this Agreement.

**"Closing Date"** has the meaning set out in Section 6.1.

**"Closing Date Inventory"** means all of the Vendors' right, title and interest in and to all inventory held by the Vendors relating to Purchased Locations at the start of the Closing Date.

**"Closing Date Receivables"** means all of the Vendors' right, title and interest in and to any accounts receivable or other receivables of the Vendors relating to Purchased Locations at the start of the Closing Date.

**"Closing Time"** means the time on the Closing Date at which Closing occurs, as evidenced by the Monitor's Certificate.

**"Contracts"** means all contracts whether written, oral or otherwise, and other agreements, leases, understandings and arrangements that are Related to the Businesses and to which the Vendors are a party or by which the Vendors are bound or in which the Vendors have, or will at Closing have, any rights, duties or obligations accruing to or binding upon the Vendors.

**"Court"** means the Ontario Superior Court of Justice (Commercial List).

**"Credit Bid Assigned Amount"** means the aggregate of: (i) the DIP Obligations and (ii) a portion of the BF Unpaid Obligations as is necessary such that the total of clauses (i) and (ii) does not exceed the Purchase Price minus an amount up to the Allocated Priority Payables Amount (which is not to exceed \$100,000.00).

**"Cure Costs"** shall mean all monetary Liabilities, including monetary Liabilities that were listed and disclosed in the Monitor's transaction data room prior to the Effective Date or otherwise disclosed to and accepted in writing by the Purchaser prior to the date of Closing, that must be paid or otherwise satisfied to cure all monetary and other defaults under the Purchased Contracts, as applicable, pursuant to section 11.3 of the CCAA.

**"Customer Records"** means past and current customer records relating to Purchased Locations as are directly or indirectly controlled at any time by the Vendors, its agents, or any of its Employees.

**"Cyber-Attacks"** means the ransomware cyber-attack in 2022 against the Vendors, together with any other unauthorized malicious systems violations experienced by the Vendors on or before the Closing Date.

**"DIP Lender's Charge"** has the meaning ascribed to it in the Initial Order.

**"DIP Loan Facility"** means the debtor-in-possession facility term sheet between HOLL and LOLI, as borrowers, and the Lender, as lender, dated as of May 8, 2025 as amended from time to time and as may be approved in the Initial Order, as may be amended in accordance with its terms from time to time.

**"DIP Obligations"** means all obligations outstanding under the DIP Loan Facility from time to time.

**"DIP Obligations Amount"** means the quantum of the DIP Obligations from time to time.

**"Discharged"** means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, including all proceeds thereof, the full, final, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

**"EA Purchased Locations"** means those Purchased Locations that are owned by Evelyn Aimis designated as such by the Purchaser in Schedule "B2" attached hereto.

**"Effective Date"** shall mean the date of this Agreement.

**"Employees"** means all Persons who, as of the Effective Date, are employed, or engaged as an independent or dependent contractor, by or on behalf of any of the Vendors, whether on a full-time or part-time or fixed-term basis, whether unionized or non-unionized, including all Persons who are on an approved and unexpired leave of absence and all Persons who have been placed on temporary lay-off which has not expired, and **"Employee"** means any one of them.

**"Encumbrances"** means all claims, Liabilities (direct, indirect, absolute or contingent), obligations, prior claims, rights of retention, liens, security interests, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights) and encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

**"Encumbrances to be Discharged"** means all Encumbrances on the Specified Purchased Assets, including without limitation the Encumbrances listed in Schedule "E", and excluding only the Permitted Encumbrances, which Schedule may be amended by the Purchaser by submitting an amended Schedule "E" no later than ten (10) days before the granting of the Approval and Vesting Order.

**"Estoppel Certificates"** means statements issued by the counterparties to the Purchased Contracts, for certainty including landlords to Purchased Locations, disclosing all existing Cure Costs and other potential liabilities under such agreements.

**"Evelyn Aimis"** has the meaning ascribed to it in the Recitals hereto.

**"Excluded Assets"** means those assets of the Vendors that are not Specified Purchased Assets.

**"Expense Reimbursement"** has the meaning ascribed to it in Section 3.3(a).

**"Goodwill"** means the goodwill of the Businesses and relating to the Specified Purchased Assets, and information and documents relevant thereto including lists of customers and suppliers, credit information, telephone and facsimile numbers, email addresses, internet addresses and domain names used in connection with the Businesses, research materials, research and development files and the exclusive right of the Vendors to represent itself as carrying on the Businesses and to all rights in respect of the names "Hakim Optical Laboratory Limited" and any variations of such name as specified in Schedule "C".

**"Governmental Authority"** means the government of Canada, or any other nation, or of any political subdivision thereof, whether state, provincial, territorial, municipal or local, and any agency, authority, instrumentality, regulatory body, court, arbitrator or arbitrators, tribunal, central bank or other entity exercising executive, legislative, judicial or arbitral, taxing, regulatory or administrative powers or functions (including any applicable stock exchange).

**"HOLL"** has the meaning ascribed to it in the Recitals hereto.

**"HOLL Filing Date"** has the meaning ascribed to it in the Recitals hereto.

**"HOLL NOI"** has the meaning ascribed to it in the Recitals hereto.

**"HOLL NOI Proceedings"** has the meaning ascribed to it in the Recitals hereto.

**"HOWL"** has the meaning ascribed to it in the Recitals hereto.

"**HST**" means the goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada).

"**Initial Order**" has the meaning ascribed to it in the Recitals hereto.

"**Intellectual Property**" means all intellectual property or intangible proprietary rights owned by the Vendors, which is used by the Vendors in connection with the Businesses, throughout the world, whether or not registrable, patentable or otherwise formally protectable, and whether or not registered, patented, otherwise formally protected or the subject of a pending application for registration, patent or any other formal protection, including all rights, titles, interests, and benefits in and to (a) trade-marks, service marks, trade dress, corporate, partnership and Businesses names, fictitious names and other trade names, (b) inventions, patent rights, arts, processes, machines, manufactures, compositions of matter, (c) works of authorship, copyrights, neighbouring rights, moral rights, software and databases, (d) designs and industrial designs, (e) know-how, trade secrets, proprietary information, formulae, recipes, systems, methods and techniques and related documentation, customer and supplier information, and market and survey information, (f) telephone numbers, domain names, URLs, and social media accounts and identities, and with respect to clauses (a) through (f) all derivatives, modifications and improvements of the foregoing, including such rights of the Vendors in respect of the Businesses in any licences, sub-licences, waivers and other contractual rights in any of the foregoing; including all rights of the Vendors to enforce the rights and obtain remedies for a violation of any of the rights set out in clauses (a) through (f) above in respect of the Businesses.

"**Interim Period**" means the period from the date that this Agreement is selected as the Successful Bid in accordance with the Stalking Horse and SISP Approval Order to the Closing Time.

"**IT Systems**" means the information technology systems materially required to operate the Businesses.

"**Key Employees**" means [REDACTED]

"**Lab Assets**" means the machinery, laboratory equipment, manufacturing equipment, computer hardware, tools, instruments, furniture, optometry supplies, fixtures, lease, leasehold improvements and related tangible assets owned or leased by, and necessary or incidental to the Businesses of LOLI with all Intellectual Property relating thereto, including those specified in Schedule "C".

"**Legal Proceeding**" means any litigation, Action, application, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review.

"**Lender**" has the meaning ascribed to it in the Recitals hereto.

"**Liabilities**" means, with respect to any Person, all costs, expenses, charges, debts, liabilities, commitments or obligations of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or

unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"**LOLI**" has the meaning ascribed to it in the Recitals hereto.

"**Monitor**" means KSV Restructuring Inc.

"**Monitor's Certificate**" means the certificate, substantially in the form to be attached as Schedule B to the Approval and Vesting Order, to be delivered by the Monitor to the Vendors and the Purchaser in accordance with Section 7.3, and thereafter filed by the Monitor with the Court.

"**Non-Owned Purchased Locations**" means those Purchased Locations designated by the Purchaser as such in Schedule "B1" attached hereto.

"**Order**" means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

"**Outside Date**" means October 31, 2025, or such other date as the Vendors (with the consent of the Monitor) and the Purchaser may agree to in writing.

"**Party**" means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and "**Parties**" means more than one of them.

"**Permits and Licenses**" means the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Businesses, including the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Businesses and issued to, granted to, conferred upon, or otherwise created for, the Vendors.

"**Permitted Encumbrances**" means the Encumbrances related to the Specified Purchased Assets listed in Schedule "F", an amended version of which Schedule "F" may be agreed to by the Purchaser, the Vendors and the Monitor prior to the granting of the Approval and Vesting Order.

"**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

"**Personal Property**" means all machinery, equipment, furniture, motor vehicles and other personal property that is Related to the Businesses, wherever located (including those in possession of suppliers, customers and other third parties).

"**Personal Property Lease**" means a lease, equipment lease, financing lease, conditional sales contract and other similar agreement relating to Personal Property to which the Vendors are a party or under which it has rights to use Personal Property.

"**Pre-Filing**" means, for HOLL any date prior to the HOLL Filing Date, and for LOLI any date prior to the LOLI Filing Date.

**"Priority Payables"** means:

- (a) all liabilities of the CCAA Applicants in respect of any payments or amounts subject to a statutory deemed trust in favour of His Majesty in Right of Canada or a province, to the extent that such statutory deemed trust remains valid and enforceable by the Canada Revenue Agency in the CCAA Proceedings pursuant to the following legislative provisions:
  - (i) subsection 23(3) or (4) of the *Canada Pension Plan* (Canada); and
  - (ii) subsection 86(2) or (2.1) of the *Employment Insurance Act* (Canada);
- (b) reasonable unpaid amounts due and owing pursuant to duly issued invoices rendered by the parties entitled to the benefit of the Administration Charge up to the Closing Date, not exceeding \$100,000, in aggregate at any time;
- (c) all amounts required to be paid in accordance with section 36(7) of the CCAA; and
- (d) amounts unpaid or outstanding but payable relating to post-filing supply of services provided for in a transition service agreement to be executed between the Parties with the consent and approval of the Monitor.

**"Priority Payables Amount"** means the aggregate amount, if any, of all Priority Payables outstanding as of the Closing Date.

**"Purchase Price"** has the meaning set out in Section 2.2.

**"Purchased Contracts"** means all right, title and interest of the Vendors' (i) in and to Contracts as are specifically listed in Schedule "C" hereto, as the same may be amended in accordance with Section 2.7 herein, and (ii) in respect of any written and current realty leases associated with the Purchased Locations, complete and executed copies of which have been delivered to the Purchaser on or prior to the date of this Agreement.

**"Purchased Locations"** means the premises located at the retail operations of the Businesses identified in Schedule "B1" and Schedule "B2" attached hereto.

**"Purchaser"** has the meaning ascribed to it in the Recitals hereto.

**"Qualified Bid"** has the meaning ascribed to it in the SISP.

**"Related to the Businesses"** means primarily (a) used in, (b) arising from or (c) otherwise related to the Businesses or any part thereof.

**"Representative"** when used with respect to a Person means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

"**SISP**" means the Sale Procedure appended as Schedule "A" to the Stalking Horse and SISP Approval Order.

"**Specified Purchased Assets**" means all right, title and interest of the Vendors in and to all (i) Intellectual Property Related to the Businesses; (ii) Personal Property Related to the Businesses at all Purchased Locations; (iii) Purchased Contracts; (iv) Customer Records (v) Closing Date Receivables, (vi) all Lab Assets; (vii) Closing Date Inventory, (viii) Bank Accounts, and (xiv) all Goodwill associated with the Businesses, all as further specified in Schedule "D".

"**Stalking Horse and SISP Approval Order**" means an order of the Court in form and substance attached hereto as Schedule "A", with such amendments as are acceptable to the Vendors, the Purchaser and the Monitor, among other things, approving (a) the SISP, (b) this Agreement solely for the purposes of acting as the "stalking horse bid" in the SISP, and (c) payment of the Break-up Fee and Expense Reimbursement as provided for hereunder with a super-priority security charge for the Break-up Fee (ranking behind only the Administration Charge and the DIP Lender's Charge).

"**Successful Bid**" has the meaning ascribed to it in the SISP.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Tax Returns**" means all returns, reports, declarations, designations, forms, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

"**Taxes**" or "**Tax**" means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

"**Terminated Employees**" means those Employees whose employment or independent/dependent contract engagement, as applicable, has been or will be terminated by the Vendors at or before the Closing Date in accordance with Section 7.1(h), as listed in the terminated employee and independent/dependent contractor list to be sent by the Purchaser to the Vendors no later than ten (10) Business Days before the Closing Date. For certainty, the Employees to whom the Purchaser intends to make an offer of employment or engagement, as applicable, pursuant to Section 5.8(a)



shall not be included by the Purchaser in the terminated employee and independent/ dependent contractor list to be sent by the Purchaser to the Vendors no later than ten (10) Business Days before the Closing Date.

**"Third Party"** means any Person that is neither a Party nor an Affiliate of a Party.

**"Transaction"** means the purchase and sale transactions contemplated by this Agreement.

**"Transfer Taxes"** means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, conveyance fees, security interest filing or recording fees and any other similar or like taxes or charges imposed by a Governmental Authority, including any related penalties and interest, in connection with the sale, transfer or registration of the transfer of the Specified Purchased Assets, including HST.

**"Transferred Employees"** has the meaning ascribed to it in Section 5.8(a).

**"Wind-Down Cost Amount"** means an amount to be determined and agreed by the Vendors and Evelyn Aimis, in consultation with the Monitor, which amount shall be held by the Monitor in trust to pay the reasonably anticipated professional costs of the parties entitled to the benefit of the Administration Charge relating to the period following the Closing Date, which amount shall include the costs to administer and terminate the CCAA Proceedings and wind-down the estate of the Applicants (including the administration of any bankruptcy).

**"Winnipeg Seized Lab Assets"** means the Lab Assets held in possession by the landlord of the former laboratory located at 1745 Elice Avenue, Winnipeg, Manitoba.

## **1.2 Actions on Non-Business Days**

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

## **1.3 Currency and Payment Obligations**

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in the lawful currency of Canada.

## **1.4 Calculation of Time**

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. Eastern Time on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. Eastern Time on the next succeeding Business Day.

## 1.5 Additional Rules of Interpretation

- (a) *Consents, Agreements, Approval, Confirmations and Notice to be Written.* Any consent, agreement, approval or confirmations from, or notice to, any party permitted or required by this Agreement shall be written consent, agreement, approval, confirmation, or notice, and email shall be sufficient.
- (b) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (c) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (d) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.
- (e) *Words of Inclusion.* Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" and the words following "include", "includes" or "including" shall not be considered to set forth an exhaustive list.
- (f) *References to this Agreement.* The words "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (g) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.
- (h) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all Schedules attached thereto.
- (i) *No Strict Construction.* The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party, including, without limitation, the doctrine of *contra proferentum*.

## **1.6 Exhibits and Schedules**

- (a) The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

### **SCHEDULES**

Schedule "A"	- Form of Stalking Horse and SISP Approval Order
Schedule "B1"	- Non-Owned Purchased Locations
Schedule "B2"	- EA Purchased Locations
Schedule "C"	- Specified Purchased Assets
Schedule "D"	- Assumed Liabilities
Schedule "E"	- Encumbrances to be Discharged
Schedule "F"	- Permitted Encumbrances
Schedule "G"	- Form of Approval and Vesting Order

- (b) Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

## **ARTICLE 2 PURCHASE & ALLOCATION OF PURCHASE PRICE**

### **2.1 Purchase and Sale of the Specified Purchased Assets**

Subject to the terms and conditions of this Agreement, on the Closing Date, the Vendors shall sell, transfer, convey and assign the Specified Purchased Assets to the Purchaser, and the Purchaser shall purchase the Specified Purchased Assets from the Vendors, free and clear of all Encumbrances (other than the Permitted Encumbrances), pursuant to the Approval and Vesting Order, and in consideration thereof, the Purchaser shall satisfy the Purchase Price as set out in Section 2.2.

### **2.2 Purchase Price**

The purchase price for the Specified Purchased Assets shall be the amount of Twenty-Two Million Dollars (\$22,000,000.00), subject to adjustment in accordance with Section 2.3 herein (the "**Purchase Price**"), an amount comprised of the sum total of: (i) the Credit Bid Assigned Amount, plus (ii) the Allocated Priority Payables Amount, which amount is to be paid in the following manner in accordance with Section 2.4:

- (a) by the discharge and release of the Vendors (as applicable) by the Purchaser in respect of the following amounts comprising the Credit Bid Assigned Amount following assignment thereof to the Purchaser by Lender in accordance with Section 5.9 below:
  - (i) firstly, the DIP Obligations Amount in full; and
  - (ii) secondly, such amounts of the BF Unpaid Obligations as may be required after application of the amounts due in subsections 2.2(a)(i) and 2.2(b) for use in the Credit Bid Assigned Amount to be applied satisfaction of the Purchase Price on Closing (called the "**BF Credit Bid Allocation Amount**"); and
- (b) by a cash payment allocated towards the Priority Payables Amount not exceeding \$100,000.00 (the "**Allocated Priority Payables Amount**").

Cost base for the Purchase Price shall be allocated amongst the Specified Purchased Assets as the Purchaser shall determine, acting reasonably, in writing within 10 Business Days following the Closing Date, provided that the Purchaser shall use commercially reasonable efforts to consult with the Vendors with respect to the determination of the allocation. The Purchaser and Vendors agree that they will make all relevant tax and other filings in accordance with such Purchase Price allocation.

## **2.3 Purchase Price Adjustment**

In the event that the Vendors are unable to deliver possession of some or all of the Winnipeg Seized Lab Assets to the Purchaser on Closing, the Purchase Price shall be reduced in an amount to be agreed between the Purchaser and Vendors to reflect the value of any Winnipeg Seized Labs Assets that are able to be delivered on Closing, provided that the Purchase Price shall not be adjusted to an amount less than Twenty-One Million Five Hundred Thousand Dollars (\$21,500,000.00).

Any Winnipeg Seized Lab Assets that are not delivered on Closing as contemplated by this Section 2.3, shall not be deemed to constitute a Lab Asset, and shall be excluded from the Specified Purchased Assets.

## **2.4 Satisfaction of Purchase Price**

Payment of the Purchase Price shall be satisfied by the Purchaser as follows, and the Vendors hereby direct the Purchaser to make payment of the Purchase Price in accordance with this Section 2.4 and this shall be the Purchaser's good and sufficient authority for so doing:

- (a) as to the amount referred to in Section 2.2(a)(i) by way of set-off against the outstanding balance of the DIP Obligations owing by the Vendors to the Purchaser on the Closing Date, which set-off shall be effected by the Purchaser delivering to the Vendors evidence that the DIP Obligations Amount has been fully, finally and irrevocably satisfied and paid;

- (b) as to the BF Credit Bid Allocation Amount, by way of set-off in the amount of the BF Credit Bid Allocation Amount against the outstanding balance of the BF Unpaid Obligations on the Closing Date, which set-off shall be effected by the Purchaser delivering to the Vendors evidence that the BF Unpaid Obligations have been fully, finally and irrevocably paid in irrevocable reduction of the amount of the BF Credit Bid Allocation Amount on and after the Closing Date. For clarity, remainder amounts of BF Unpaid Obligations following application of the BF Credit Bid Allocation Amount to the Credit Bid Assigned Amount shall remain continuously due and payable under the Bridge Financing Credit Agreement on and after the Closing Date, and nothing in this agreement shall be construed as constituting any actual or implied release or defeasance thereof under Applicable Law at any time;
- (c) as to the amount referred to in Section 2.2(b) by way of cash from the Purchaser paying, or causing to be paid, to the Monitor, in trust, on the Closing Date, by wire transfer of immediately available funds; and
- (d) if the aggregate total of DIP Obligations Amount and BF Credit Allocation Amount is less than the Purchase Price, the Purchaser will advance the balance of the Purchase Price by way of cash, to the Monitor, in trust, on the Closing Date, by wire transfer of immediately available funds.

## **2.5 Payment of Wind-Down Cost Amount and Priority Payables**

- (a) Evelyn Aimis shall pay the Wind-Down Cost Amount by way of cash, to the Monitor, in trust, on the Closing Date, by wire transfer of immediately available funds.
- (b) Evelyn Aimis shall pay any Priority Payables Amount in excess of the Allocated Priority Payables Amount outstanding at Closing, to the Monitor, if any, in trust, on the Closing Date, by wire transfer of immediately available funds.
- (c) Evelyn Aimis shall not have any other obligations under this Agreement other than those provided for in this Section 2.5.

## **2.6 Transfer Taxes**

- (a) The Parties agree that:
  - (i) the Purchase Price is exclusive of all Transfer Taxes, and the Purchaser shall be liable for and shall pay, either to the Monitor on behalf of the Vendors or directly to the appropriate Governmental Authority, any and all applicable Transfer Taxes pertaining to the Purchaser's acquisition of the Specified Purchased Assets as required by Applicable Law;
  - (ii) the Vendors shall, promptly upon request of the Purchaser, jointly elect with the Purchaser under section 167 of the Excise Tax Act that no HST will be payable with respect to the purchase and sale of the Specified Purchased Assets under this Agreement, and the Purchaser shall file such election no later than the due date for the Purchaser's HST return for the first reporting period in which HST would, in

the absence of filing such election, become payable in connection with the purchase and sale of the Specified Purchased Assets by the Purchaser under this Agreement. Notwithstanding any such election, in the event it is determined by a Governmental Authority that there is a liability of the Purchaser to pay, or of the Vendors to collect and remit, HST in respect of the purchase and sale of the Specified Purchased Assets hereunder, the Purchaser shall forthwith pay such HST to the applicable Governmental Authority, or to the applicable Vendors for remittance to the appropriate Governmental Authority, as the case may be, and shall indemnify and save harmless such Vendors from any penalties and interest which may be payable by or assessed against such Vendors (or its representatives, agents, employees, directors or officers) under the Excise Tax Act in respect thereof.

- (b) The Vendors shall, promptly upon request of the Purchaser, make a joint election with such Purchaser to have the rules in subsection 20(24) of the Income Tax Act, and any equivalent or corresponding provision under applicable provincial or territorial tax legislation, apply to the obligations of the Vendors in respect of undertakings which arise from the operation of the Businesses to which the Specified Purchased Assets related and to which paragraph 12(1)(a) of the Income Tax Act applies.

## **2.7 Selection of Specified Purchased Assets and Assumed Liabilities**

For the avoidance of doubt, the Purchaser shall be entitled, without the consent of the Vendors or the Monitor, to revise the lists of Purchased Locations, Specified Purchased Assets and Assumed Liabilities set out in Schedules "B1", Schedule "B2", Schedule "C", and Schedule "D" respectively, by adding or deleting Purchased Locations, Specified Purchased Assets or Assumed Liabilities, at any time that is not later than five (5) Business Days before the Closing Date, subject to the Permitted Encumbrances and Encumbrances to be Discharged and provided that:

- (a) any addition or exclusion of any Purchased Locations, Specified Purchased Assets or Assumed Liability shall not, other than as provided herein, affect the Purchase Price;
- (b) the Purchaser shall not be permitted to revise the list of Specified Purchased Assets so as to exclude the Closing Date Inventory other than obsolete items, obsolete equipment, or the Closing Date Receivables that are aged over 90 days; and
- (c) if applicable, the Purchaser shall deliver a list of Contracts that are Excluded Assets to disclaim to the Vendors no later than twenty (20) days before the Closing Date.

## **ARTICLE 3 PROCEDURE**

### **3.1 Motion for Stalking Horse and SISP Approval Order**

The Vendors shall file with the Court a motion seeking the Court's issuance of the Stalking Horse and SISP Approval Order. At all times, Schedule "B2" and the identity of the Key Employees shall be sealed by Order of the Court or otherwise redacted in all materials filed with the Court as may be available for public review in the CCAA Proceeding. The Purchaser shall cooperate with the

CCAA Applicants in their efforts to obtain the issuance and entry of the Stalking Horse and SISP Approval Order. The Purchaser shall provide to the CCAA Applicants all such information within its possession or under its control as the CCAA Applicants or the Monitor may reasonably request to assist in obtaining the Stalking Horse and SISP Approval Order, which information shall be treated as confidential by the Vendors to the extent that the Purchaser seeks sealing or redaction relief in the CCAA Proceedings in accordance with the provisions of this Agreement. Subject to receiving necessary cooperation from the Purchaser, the Vendors shall serve the motion record seeking the Stalking Horse and SISP Approval Order on not less than seven (7) days' notice and shall serve any party or parties as the Purchaser may reasonably request, and agrees that the Purchaser will be given draft copies of such motion materials in no less than 24 hours prior to their filing with the court and distribution to the Service List.

### **3.2 Motion for Approval and Vesting Order**

If this Agreement is determined to be the Successful Bid in accordance with the SISP, the Vendors shall file with the Court in accordance with the SISP a motion seeking the Court's issuance of the Approval and Vesting Order. The Purchaser will promptly provide to the Vendors any material information within its possession or under its control as the Vendors or the Monitor may reasonably request to assist in obtaining the Approval and Vesting Order. the Vendors shall serve its motion record seeking the Approval and Vesting Order on not less than seven (7) days' notice and shall serve any party or parties as the Purchaser may reasonably request.

If this Agreement is not determined to be the Successful Bid in accordance with the SISP, it shall terminate under Section 8.1(b), and for clarity this Agreement will not become a 'back-up bid' at any time unless agreed to in writing by the Purchaser.

### **3.3 Expense Reimbursement and Break-Up Fee**

In the event that this Agreement terminates in accordance with Section 8.1(b), the Purchaser shall be entitled to:

- (a) an expense reimbursement for 100% of its actual documented out-of-pocket reasonable costs and expenses incurred in connection with negotiating, preparing and executing this Agreement up to the maximum amount of \$600,000 (the "**Expense Reimbursement**"); and
- (b) a break-up fee in the amount of \$600,000 (the "**Break-Up Fee**"),

The Expense Reimbursement and Break-Up Fee shall be paid to the Purchaser in cash within three (3) Business Days of the completion of the Alternative Transaction that has been selected as the Successful Bidder in the SISP.

The Vendors' obligation to pay the Expense Reimbursement and Break-Up Fee shall be secured by a Court ordered charge in the Stalking Horse and SISP Approval Order, to rank subordinate only to the Administration Charge and the DIP Lender's Charge.

The provision for payment of the Expense Reimbursement and Break-Up Fee is an integral part of this Agreement without which the Purchaser would not have entered into this Agreement. The

Vendors' obligation to pay the Expense Reimbursement and Break-Up Fee in accordance with this Section 3.3 shall survive the termination of this Agreement in the event that such termination is made in accordance with Section 8.1(b) herein.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES**

### **4.1 Vendors' Representations and Warranties**

The Vendors represents and warrants to the Purchaser as of the date hereof and as of the Closing Time as follows, and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its respective obligations hereunder:

- (a) the Vendors are a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation;
- (b) subject to obtaining the Approval and Vesting Order and, if applicable, the Assignment Order, the Vendors have the requisite power and authority to enter into this Agreement and to complete the Transaction contemplated hereunder;
- (c) the Vendors are not a non-resident of Canada for purposes of the Income Tax Act or the Excise Tax Act, as applicable; and
- (d) HOLL and LOLI are each a registrant for purposes of HST; HOLL's registration number is 812102796 RT0001 and LOLI's registration number is 103003588 RT0001.

### **4.2 Purchaser's Representations and Warranties**

The Purchaser represents and warrants to the Vendors as of the date hereof and as of the Closing Time as follows, and acknowledge that the Vendors are relying on such representations and warranties in connection with entering into this Agreement and performing their respective obligations hereunder:

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation;
- (b) the Purchaser has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (c) the Purchaser is not aware of any reason why it and the Lender would not be able to complete the transaction resulting in the assignment of the Credit Bid Assigned Amount in accordance with Section 5.9 prior to the Vendors' service of the motion record seeking the Approval and Vesting Order in the event this Agreement is selected as the Successful Bid in the SISP;



- (d) the execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (e) this Agreement is a valid and binding obligation of the Purchaser enforceable in accordance with its terms;
- (f) neither the execution of this Agreement nor the performance by the Purchaser of its obligations under this Agreement will violate the Purchaser's constating documents, any agreement to which any of the Purchaser is bound, any judgment or order of a court of competent jurisdiction or any Governmental Authority, or any Applicable Law;
- (g) there are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibits or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement;
- (h) the Purchaser is a registrant for purposes of HST and its HST registration number is 75720 5364RT0001.

### **4.3 As is, Where is**

The Specified Purchased Assets shall be sold and delivered to the Purchaser on an "as is, where is" basis, subject to the representations and warranties contained in Section 4.1. Other than those representations and warranties contained herein, the Purchaser acknowledges and agrees that (a) no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, including with respect to the Specified Purchased Assets, and (b) the Monitor has not provided any representations and warranties in respect of any matter or thing whatsoever in connection with the Transaction contemplated hereby, including with respect to the Specified Purchased Assets. The disclaimer in this Section 4.3 is made notwithstanding the delivery or disclosure to the Purchaser or its directors, officers, employees, agents or representatives of any documentation or other information (including financial projections or supplemental data not included in this Agreement). Without limiting the generality of the foregoing and unless and solely to the extent expressly set forth in this Agreement or in any documents required to be delivered pursuant to this Agreement, any and all conditions, warranties or representations, expressed or implied, pursuant to Applicable Law do not apply hereto and are hereby expressly waived by the Purchaser.

Without limiting the generality of the foregoing, except as may be expressly set out in this Agreement, no representations or warranties have been given by any Party with respect to the Liability any Party has with respect to the issuance of the Approval and Vesting Order, the consummation of the Transactions, or for any other reason. Each Party is to rely on its own investigations in respect of any Liability for Taxes payable, collectible or required to be remitted

on or after Closing and the quantum of such Liability, if any, and the Purchaser acknowledges and agrees that it has been provided adequate access to the personnel, properties, assets, premises, Books and Records, and other documents and data of the Vendors in order to make an independent analysis of same. For certainty, the Vendors shall have no Liability for any Taxes payable, collectible or required to be remitted on or after Closing in connection with (a) the Vendors entering into this Agreement, (b) the issuance of the Approval and Vesting Order or (c) the consummation of the Transactions.

## **ARTICLE 5 COVENANTS**

### **5.1 Closing Date**

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on the Closing Date.

### **5.2 Interim Period**

During the Interim Period and except as contemplated or permitted by this Agreement, the Approval and Vesting Order, the Assignment Order or the SISF, as necessary in connection with the CCAA Proceedings, as otherwise required by Applicable Law or provided in the Initial Order and any other orders of the Court prior to the Closing Time, or as consented to by the Purchaser, such consent not to be unreasonably withheld, conditioned or delayed, the Vendors shall:

- (a) continue to maintain its Businesses and operations in substantially the same manner as conducted in the ordinary course of business;
- (b) indoor environmental conditions in some of the Purchased Locations must be maintained to acceptable levels for the comfort of all staff and customers, at all times, including diligent attention to all HVAC, washrooms and plumbing, roof leaks, problems, attended to and resolved within no less than 5 Business Days of the occurrence of such problems;
- (c) inventory on hand (excluding obsolete inventory) in Purchased Locations shall be maintained on the basis of no less than thirty (30) days, at all times;
- (d) other than the Excluded Assets and the Vendors' inventory to be sold in the ordinary course pursuant to purchase orders from third-parties, not transport, remove or dispose of any of material amount its assets at Purchased Locations out of their current locations;
- (e) restart ordinary course advertising programs in an amount and budget to be disclosed to and approved by the Purchaser and Monitor, which budget will not fall below \$50,000 per calendar month in the Interim Period;
- (f) conduct the annual 'Back to School' sale on an expedited basis, with an inventory purchase in the amount of \$140,000 from Centennial Optical Limited, and

advertising costs not to exceed \$100,000, with collective costs not exceeding \$240,000;

- (g) other than noted above, not incur any incremental costs and expenses, or make disbursements, out of the ordinary course of business, unless approved by the Monitor and expressly agreed to by the Vendors, the Purchaser;
- (h) confirmation that the Monitor has created a backup of all IP/IT of the Vendors including software for operation of their lab and retail business systems and operations for access and review by the Purchaser and their advisors, Logicent Consulting Inc.. The Purchaser have agreed to fund this work done by Logicent and information and reports produced from this will shall be held confidentially by the Monitor and shall not be included in the Monitor data room in the SISP, protected for use solely by the Purchaser;
- (i) deliver all information noted under Section 5.10;
- (j) cooperate at all times with all requests for information made by advisors to the Purchaser (including i. Springbank Capital Corp, and ii. Logicent Consulting Inc.), on the basis that all fees and costs of such professional advisors engaged by the Purchaser are paid by the Purchaser;
- (k) pursue the preservation and recovery of the Winnipeg Seized Lab Assets using commercially reasonable efforts, including commencing and advancing such legal proceedings as may be approved by the Purchaser, and report to the Purchaser on those recovery efforts; and
- (l) not enter into any non-arm's length transactions involving the Vendors or its assets or the Businesses without the prior written approval of the Purchaser.

### **5.3 Access During Interim Period**

During the Interim Period, the Vendors shall give, or cause to be given, to the Purchaser, and its Representatives, reasonable access during normal Business hours to the Purchased Locations and Specified Purchased Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Businesses, the Purchased Locations and Specified Purchased Assets as the Purchaser reasonably deems necessary or desirable to further familiarize themselves with the Businesses and the Specified Purchased Assets. Without limiting the generality of the foregoing: (a) the Purchaser and its Representatives shall be permitted reasonable access during normal Business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; (b) any invasive testing, including with respect to any real property, shall require the prior consent of the Vendors; and (c) subject to the ongoing reasonable oversight and participation of the Vendors and the Monitor, and with prior notice to the Monitor, the Purchaser and its Representatives shall be permitted to contact and discuss the transactions contemplated herein with Governmental Authorities and the Vendors' contractual counterparties. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal Business hours, and without undue interference with the Vendors' operations, and the Vendors

shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

#### **5.4 Regulatory Approvals and Consents**

- (a) Each of the Parties shall use its commercially reasonable efforts to: (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under any Applicable Law or otherwise to consummate and make effective the Transaction; (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transaction; and (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Agreement and the Transaction required under any Applicable Law.
- (b) The Parties shall use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section 5.4.

#### **5.5 Insurance Matters**

Until the Closing, the Vendors shall keep in full force and effect all of its applicable existing insurance policies and give any notice or present any claim under any such insurance policies consistent with the respective past practices of the Vendors in the ordinary course of business.

#### **5.6 Name Change**

At the request of Purchaser, the Vendors shall, on or prior to the Closing Date: (i) change its name and cause each of its Affiliates to change its name to a name which does not include the words "Hakim Optical Laboratories Limited" and "Lawrence Ophthalmic Lab Inc." or any part thereof or any similar words, in each case the costs for which shall be borne by the Vendors; and (ii) seek an order in the CCAA Proceedings to change the style of cause in the CCAA Proceedings to reflect the change of the name of the Vendors. Following Closing, the Purchaser will use each of "Hakim Optical Laboratories Limited" and "Lawrence Ophthalmic Lab Inc.".

#### **5.7 Books and Records**

The Purchaser shall preserve and keep the Books and Records acquired by it pursuant to this Agreement for a period of two (2) years after Closing, or for any longer periods as may be required by any Laws applicable to such Books and Records. The Purchaser shall make such Books and Records, as well as electronic copies of such Books and Records (to the extent such electronic copies exist), available to the Monitor, the Vendors its successors, and any trustee in bankruptcy or receiver of the Vendors, and shall, at such party's sole expense, permit any of the foregoing persons to take copies of such Books and Records as they may reasonably require. As soon as

practicable following the Closing and in any event no later than forty-five (45) days following the Closing, the Vendors shall deliver, at the cost of the Purchaser: (a) any and all Books and Records reasonably requested by the Purchaser; and (b) an electronic copy of all of the materials relating to the Specified Purchased Assets established in connection with the Transactions, and such materials available on such electronic copy shall be unlocked, unprotected and fully available to the Purchaser. Until such electronic copy is provided to the Purchaser, the Vendors shall permit access to such materials in such data room.

## **5.8 Employees**

- (a) At least five (5) Business Days in advance of the Closing Date, the Purchaser may, in the Purchaser's sole discretion, make an offer of employment or engagement as applicable, in either written or oral form, at the Purchasers' discretion, to be effective on the Closing Date and conditional upon Closing, to any Employee who is then employed or engaged, as applicable, by any of the Vendors, other than Terminated Employees (each such Employee who receives and accepts such offer and commences active or inactive employment or engagement, as applicable, on the Closing Date and conditional upon Closing, a "**Transferred Employee**"). It is the Purchaser's intention to offer to employ the majority, if not all, of the total current number of Employees of the Vendors who are employed as employees by any of the Vendors and to offer to engage the majority, if not all, of the total current number of Employees of the Vendors who are engaged as independent or dependent contractors by any of the Vendors. The terms of compensation and group benefits, if applicable, being offered in any offer of employment or engagement from the Purchaser to any Employee pursuant to Section 5.8(a) shall be similar to the Employee's compensation and group benefits, if applicable, in effect with the applicable Vendor immediately prior to the Closing Date. In addition, the Purchaser shall recognize and be responsible for, with respect to each Transferred Employee who is employed by any of the Vendors as an employee, the Transferred Employee's accrued but unpaid vacation pay as of the Closing Date. For clarity, the offers of employment that are made pursuant to this Section 5.8(a) to Employees who are employed as employees by any of the Vendors shall explicitly state that all accrued but unpaid vacation pay owing as of the Closing Date will carry-over into the Transferred Employee's employment with the Purchaser and be recognized and provided by the Purchaser and shall not be forfeited.
- (b) The Vendors shall provide reasonable support to facilitate the Purchaser's provision of the Purchaser's offers, if any, made pursuant to Section 5.8(a), and shall not attempt in any way to discourage any Employee who receives an offer from accepting such offer. If any Employee who receives an offer of employment made by the Purchaser pursuant to Section 5.8(a) refuses such offer for any reason, then all liabilities associated with such Employee shall remain the responsibility of the Vendors.
- (c) Nothing in this Section 5.8, express or implied, (i) is intended to or shall confer upon any Person, including any Employee, other than the Parties hereto and their respective successors and assigns, any right, benefit or remedy of any nature

whatsoever under or by reason of this Agreement, (ii) shall establish or constitute an amendment, termination or modification of, or an undertaking to establish, amend, terminate or modify, any benefit plan, program, agreement or arrangement, or (iii) shall create any obligation on the part of the Purchaser to employ any Employee or Transferred Employee for any period following the Closing Date.

## **5.9 Credit Bid Assigned Amount**

Subject to the following: (i) delivery of a loan/payout statement for the DIP Obligations by the Lender; (ii) delivery of a loan/payout statement for the BF Unpaid Obligations by the Lender; and (iii) irrevocable written acceptance of (i) and (ii) above thereof by the Vendors without dispute or challenge thereto, and settlement of an agreed draft statement of adjustments for Closing (including for Priority Payables Amounts) or otherwise by Vendors, Purchaser and Monitor as to all amounts due and payable under Sections 2.2 and 2.4, such that each of (i), (ii), and (iii) above are irrevocably determined and settled no less than ten Business Days prior to the scheduled date for the Approval and Vesting Order, the Purchaser shall, on or prior to the service of the Vendor's motion seeking the Approval and Vesting Order, complete one or more series of transactions with the Lender pursuant to which the Lender assigns to the Purchaser the entirety of the DIP Obligation Amount, and the BF Credit Bid Allocation Amount, with the effect that the Vendors are indebted to the Purchaser in an amount equal to the Credit Bid Assigned Amount for the purposes of tender and satisfaction of the Purchase Price due on Closing.

It is acknowledged that, in the event of termination of this Agreement for any reason under Article 8, or the failure of the Parties to achieve Closing for any reasons, it is the intention of the Purchaser and Lender that the assignment of the DIP Obligations and the BF Credit Bid Allocation Amount to the Purchaser shall be nullified and such rights shall revert back to the Lender, *nunc pro tunc*, without interruption of any continuing accruals for fees, interest and any other costs contemplated under the DIP Loan Facility or the Bridge Financing Facility, as applicable.

## **5.10 Additional Covenants of the Vendors**

- (a) Disclaimer of Contracts. No later than fifteen (15) days prior to the Closing Date, with the consent of the Monitor, the Vendors shall send notices of disclaimer for such contracts and other agreements as the Purchaser may require, as listed in a list of contracts to disclaim as sent by the Purchaser to the Vendors, and which shall be delivered by the Purchaser no later than twenty (20) days before the Closing Date.
- (b) Information relating to and Rectification of Purchased Contracts. The Vendors shall use commercially reasonable efforts to provide the Purchaser with all information in connection with Purchased Contracts as may be reasonably requested by the Purchaser during the Interim Period, including fully executed and current versions of complete copies of all such Purchased Contracts, and will actively participate in ascertainment and verification of applicable Cure Costs relating thereto, and will use commercially reasonable efforts to, secure and deliver documentary evidence of Cure Costs to the Purchaser including Estoppel Certificates relating to each Purchased Contract and Purchased Location, with such other information and

participate in such rectification of the Purchased Contracts as may be requested by the Purchaser prior to Closing.

- (c) Bank Accounts. Prior to the Closing Date, the Vendors shall use commercially reasonable efforts to support and otherwise assist the Purchaser to effect the transfer of ownership of the Bank Accounts to the Purchaser as of the Closing Date, including but not limited to completing any necessary paperwork, supporting any know-your-client or similar obligations and providing any other support reasonably capable of being provided by the Vendors in furtherance of the transfer to the Purchaser of the Bank Accounts.
- (d) Intellectual Property. The Vendors shall use commercially reasonable efforts during the Interim Period to provide the Purchaser with information and documentation in the Vendor's possession which is reasonably required by the Purchaser to enable the Purchaser to access and use the Intellectual Property, including participation in any rectification to Closing.
- (e) Cyber-Attack Disclosure Report. The Vendors shall provide a written report to the Purchaser setting out details regarding the 2022 cyber-attack experienced by the Vendors, as described in the affidavit of Douglas Robertson sworn May 8, 2022, and shall provide such information to the Purchaser as may be reasonably requested in follow up to such report.
- (f) Employment Records. The Vendors shall use commercially reasonable efforts during the Interim Period to provide the Purchaser with all information and documentation reasonably required by the Purchaser in order for the Purchaser to ascertain which Employees will be Terminated Employees and to assist the Purchaser with its offers of employment or engagement to be made pursuant to Section 5.8(a) including providing the Purchaser with an "**Employee List**" that includes the following details for each Employee: (i) status (active or non-active, and if not active, reason therefor and period of time not active), (ii) whether full-time, part-time or fixed-term, (iii) most recent hire date and recognized service date if different than most recent hire date, (iv) present positions held, (v) present annual base salary, hourly wage rate or fee for service, as applicable, (vi) perquisites, (vii) eligibility for commissions, bonuses, share options or other incentive compensation, (viii) annual vacation entitlement and accrued but unpaid vacation pay, and (viii) any Vendors' benefit plans in which they are enrolled. In the event a complete Employee List is not provided to the Purchaser prior to executing this Agreement, the Vendors shall provide the Purchaser with a revised and completed Employee List within the Interim Period as soon as is practicable following the execution of this Agreement.
- (g) Vacation Back Pay Records Disclosure. The Vendors, with the assistance of the Monitor, shall provide records relating to outstanding vacation pay owing to Employees, if any up to the Closing Date. If requested by the Purchaser, the Vendors shall, with the assistance of the Monitor, undertake a negative-notice claims process on terms satisfactory to the Purchaser, acting reasonably, to

ascertain information relating to Employees' outstanding vacation pay amounts up to the Closing Date.

## **ARTICLE 6 CLOSING ARRANGEMENTS**

### **6.1 Closing**

Subject to Article 7, the Closing of the Transactions shall take place remotely by exchange of electronic signatures and shall occur on such date that is the later of (i) five (5) Business Days following issuance of the Sale and Approval Order by the Court (the "**Closing Date**"). The Closing shall be deemed to have occurred at 11:59 p.m. (Eastern Time) on the Closing Date.

### **6.2 The Vendors' Closing Deliveries**

At or before the Closing (as applicable), the Vendors shall deliver or cause to be delivered to the Purchaser the following:

- (a) a true copy of the Stalking Horse and SISP Approval Order, as issued by the Court;
- (b) a true copy of the Approval and Vesting Order, as issued by the Court;
- (c) a certificate of status, compliance, good standing or like certificate with respect to the Vendors issued by the appropriate government official of its jurisdiction of incorporation, to the extent such certificate exists in such jurisdiction;
- (d) a certificate dated as of the Closing Date and executed by an executive officer of the Vendors confirming and certifying that each of the conditions in Sections 7.1(f) and 7.1(g) have been satisfied;
- (e) if required by the Purchaser, an executed and delivered transition services agreement referred to in Section 7.1(k), signed by the Vendors and Monitor, in a manner satisfactory to the Monitor and the Purchaser, each acting reasonably; and
- (f) any tax elections referred to in Section 2.5;
- (g) all Contract consents or a true copy of any Assignment Order as may be required for the transfer of the Purchased Contracts or Permits and Licenses;
- (h) such other agreements, documents and instruments as may be customary or reasonably required by the Purchaser to complete the Transaction provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

### **6.3 Payment of Cure Costs for Purchased Contracts**

If required by the Purchaser, the Vendor shall bring a motion seeking the Assignment Order at the same time as the Approval and Vesting Order is brought forward for approval. Any Cure Costs



payable in respect of any Purchased Contract accordance with the Assignment Order pursuant to section 11.3 of the CCAA shall be paid by the Vendors prior to Closing from immediately available funds under the DIP Facility. The Purchaser shall cause the DIP Lender to agree to and promptly fund any DIP Facility draw request tendered by the Vendors in satisfaction of its obligations under this section.

#### **6.4 The Purchaser's Closing Deliveries**

At or before the Closing (as applicable), the Purchaser shall deliver or cause to be delivered to the Vendors (or to the Monitor, if so indicated below), the following:

- (a) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by the appropriate government official of its jurisdiction of formation;
- (b) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each of the conditions in Sections 7.2(d) and 7.2(e) have been satisfied;
- (c) evidence that the DIP Obligation Amount allocated for the Credit Bid Assigned Amount has been paid in accordance with Section 2.4(a) and Section 5.9 and, to the extent that such amount constitutes the entirety of the DIP Obligation Amount, evidence that the DIP Loan Agreement has been irrevocably terminated;
- (d) evidence that BF Unpaid Obligations been satisfied and paid to the extent of the BF Credit Bid Allocation Amount in accordance with Sections 2.2(a)(ii) and 2.4(b) and Section 5.9 of this agreement;
- (e) if required for Closing, a copy of a transition services agreement referred to in Section 7.1(l), signed by the Purchaser, in form and substance satisfactory to the Purchaser, Vendors and the Monitor, each acting reasonably and in accordance with assurances given to the Purchaser in anticipation of Closing; and
- (f) such other agreements, documents and instruments as may be reasonably required by the Vendors to complete the Transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

### **ARTICLE 7 CONDITIONS OF CLOSING**

#### **7.1 The Purchaser's Conditions**

The Purchaser shall not be obligated to complete the Transactions contemplated by this Agreement, unless, at or before the Closing, each of the conditions listed below in this Section 7.1 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing; provided

that, if the Purchaser does not waive a condition and completes the Closing, such condition(s) shall be deemed to have been waived by the Purchaser. The Vendors shall take all such commercially reasonable actions, steps and proceedings as are reasonably within their control to ensure that the conditions listed below in this Section 7.1 are fulfilled at or before the Closing Time.

- (a) Court Approval. The following conditions have been met: (i) the Stalking Horse and SISP Approval Order and the Approval and Vesting Order shall have been issued by the Court; (ii) the Stalking Horse and SISP Approval Order and the Approval and Vesting Order shall not have been vacated, set aside or stayed; (iii) the applicable appeal periods to appeal the Approval and Vesting Order have expired provided that if the Approval and Vesting Order shall not have been subject to any unresolved material objections at the hearing at which it was approved by the Court, the applicable appeal periods need not have expired, but no appeal or leave for appeal shall have been filed; (iv) if applicable, the Assignment Order shall have been issued by the Court; (v) at all times, Schedule "B2" and the identity of the Key Employees shall be sealed by Order of the Court, or otherwise redacted in all materials filed for public review, and (vi) at least two (2) clear Business Days have elapsed since the Approval and Vesting Order was issued by the Court.
- (b) Non-Owned Purchased Locations. Purchased Contracts for each Non-Owned Purchased Location shall be assigned to the Purchaser on existing terms and conditions of each applicable Purchased Contract for that location. For clarity, except as may be required by section 11.3 of the CCAA, the Purchaser shall not be required to assume any Pre-Filing obligations of the Vendors or Cure Costs relating to any Purchased Contract to be assigned for Non-Owned Purchased Locations.
- (c) EA Purchased Locations. Purchased Contracts for each EA Purchased Location shall be negotiated and entered on the terms set out in Schedule "B2", completed and assigned to the Purchaser on or prior to Closing to the satisfaction of the Purchaser. For clarity, the Purchaser shall not be required to assume any Pre-Filing obligations of the Vendors or Cure Costs relating to any Purchased Contract to be assigned for EA Purchased Locations.
- (d) The Vendors' Deliverables. The Vendors shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 6.2.
- (e) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of: (i) making the Transaction illegal; (ii) otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement; or (iii) modifying or amending the Approval and Vesting Order or the Assignment Order without the consent of Purchaser.
- (f) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically

contemplated by this Agreement (including the Approval and Vesting Order or the Assignment Order), each of the representations and warranties contained in Section 4.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

- (g) No Breach of Covenants. The Vendors shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendors on or before the Closing.
- (h) Terminated Employees. The Vendors shall have terminated the employment or engagement, as applicable, of the Terminated Employees, as requested by the Purchaser in its sole discretion, and all Liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, shall be vested out of the Specified Purchased Assets by the Approval and Vesting Order. For certainty, the Employees to whom the Purchaser intends to make an offer of employment or engagement, as applicable, pursuant to Section 5.8(a) will not be included by the Purchaser in the terminated employee and independent/ dependent contractor list to be sent by the Purchaser to the Vendors no later than ten (10) Business Days before the Closing Date.
- (i) Disclaim Contracts. The Vendors shall have sent notices of disclaimer for such contracts and other agreements as the Purchaser may require, as listed in a list of contracts to disclaim as sent by the Purchaser to the Vendors, and which shall be delivered by the Purchaser no later than fifteen (15) days before the Closing Date.
- (j) Key Employees. The Key Employees shall have entered into an employment agreement with the Purchaser on terms satisfactory to the Purchaser, acting reasonably, which terms shall be no less favourable than the employment terms of such Key Employees with the applicable Vendors immediately prior to the Closing Date.
- (k) Intellectual Property and IT Systems. After reviewing information provided to the Purchaser by the Vendors, and conducting such further and other investigations and inquiries as the Purchaser, in its sole discretion, deems necessary or advisable, the Purchaser is satisfied that the Intellectual Property and IT Systems of the Vendors, as applicable:
  - (i) is owned and fully controlled by the Vendors and is not subject to any third-party licenses or contractual obligations, except as may be disclosed by the Vendors; and
  - (ii) the IT Systems are functional, operational and serviceable for the ongoing businesses at the Purchased Locations on and after Closing.

- (l) Transition Services Agreement: If deemed necessary by the Purchaser, a transition services agreement shall have been entered into by the Parties, in form and substance satisfactory to the Vendors and the Monitor, each acting reasonably.
- (m) Termination: No occurrence of any event listed in Section 8.1 by the Purchaser.
- (n) Unpaid Obligations: Discharge or loan statements delivered by the Lender under the DIP Facility and Bridge Financing Facility are irrevocably determined and settled in accordance with Section 5.9.
- (o) LOLI: In the event that the Lab Assets are not acquired by the Purchaser on Closing for any reason, the Purchaser and LOLI shall have entered into a mutually acceptable arm's length supply agreement.

## **7.2 The Vendors' Conditions**

The Vendors shall not be obligated to complete the Transactions contemplated by this Agreement unless, at or before the Closing, each of the conditions listed below in this Section 7.2 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Vendors, and may be waived by the Vendors in whole or in part, without prejudice to any of their rights of termination in the event of nonfulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Vendors only if made in writing. The Purchaser shall take all such actions, steps and proceedings as are reasonably within the Purchaser's control as may be necessary to ensure that the conditions listed below in this Section 7.2 are fulfilled at or before the Closing Time.

- (a) Court Approval. The following conditions have been met: (i) the Stalking Horse and SISP Approval Order and the Approval and Vesting Order shall have been issued by the Court; (ii) the Stalking Horse and SISP Approval Order and the Approval and Vesting Order shall not have been vacated, set aside or stayed; (iii) the applicable appeal periods to appeal the Approval and Vesting Order have expired; provided that if the Approval and Vesting Order shall not have been subject to any unresolved material objections at the hearing at which it was approved by the Court, the applicable appeal periods need not have expired, but no appeal or leave for appeal shall have been filed; (iv) if applicable, the Assignment Order shall have been issued by the Court; and (v) at least two (2) clear Business Days have elapsed since the Approval and Vesting Order was issued by the Court.
- (b) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendors at the Closing all the documents and payments contemplated in Section 6.3.
- (c) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of: (i) making the Transaction contemplated by this Agreement illegal; (ii) otherwise prohibiting, preventing or restraining the consummation of the Transaction contemplated by this Agreement; or (iii)

modifying or amending the Approval and Vesting Order without the consent of the Vendors.

- (d) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 4.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (e) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing, which shall have been performed in all respects.

### **7.3 Monitor's Certificate**

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from the each Party (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no liability to the Parties in connection therewith. The Parties further acknowledge and agree that (i) upon written confirmation from each Party that all conditions of Closing in favour of such Party have been satisfied or waived and (ii) the delivery of the executed Monitor's Certificate, the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel in escrow (with the sole condition of its release from escrow being the Monitor's written confirmation that all such funds have been received), and that upon such confirmation the Monitor's Certificate will be released from escrow to the Purchaser and the Closing shall be deemed to have occurred.

## **ARTICLE 8 TERMINATION**

### **8.1 Grounds for Termination**

This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual agreement of the Vendors (with the consent of the Monitor) and the Purchaser;
- (b) automatically and without any action or notice by either the Vendors to the Purchaser or the Purchaser to the Vendors, if an Alternative Transaction is selected as the Successful Bid in the SISP;
- (c) by the Purchaser, on the one hand, or the Vendors (with the consent of the Monitor), on the other hand, at any time following the Outside Date, if Closing has not occurred on or prior to 11:59 p.m. (Eastern Time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission, or breach of this Agreement, by the Party terminating this Agreement pursuant to this Section 8.1(c);

- (d) by the Purchaser, on the one hand, or the Vendors (with the consent of the Monitor), on the other hand, upon notice to the other Parties if (i) either the Approval and Vesting Order or, if applicable, the Assignment Order, has not been obtained by seven (7) days prior to the Outside Date, (ii) the Vendors withdraw or seek authority to withdraw or fails to timely file the Approval and Vesting Motion, or (iii) the Court declines at any time to grant the Approval and Vesting Order or if applicable the Assignment Order; in each case for reasons other than a breach of this Agreement by the Party terminating this Agreement pursuant to this Section 8.1(d);
- (e) by the Vendors (with the consent of the Monitor), if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.2, as applicable, by the Outside Date and such violation or breach has not been waived by the Vendors or cured by the Purchaser within five (5) Business Days of the Vendors providing notice to the Purchaser of such breach, unless the Vendors are in material breach of its obligations under this Agreement at such time;
- (f) if the CCAA Proceedings are terminated prior to the Outside Date, for any reason; and
- (g) by the Purchaser, if there has been a material violation or breach by the Vendors of any agreement, covenant, representation or warranty which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.1, by the Outside Date and such violation or breach has not been waived by the Purchaser or cured by the Vendors within five (5) Business Days of the Purchaser providing notice to the Vendors of such breach, unless the Purchaser is in material breach of its obligations under this Agreement at such time,

provided that the exercise by a Party of its right of termination shall be without prejudice to its right to seek any other remedy to which it may be entitled.

## **8.2 Effect of Termination.**

If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in Sections 3.3 (*Expense Reimbursement and Break-up Fee*), 8.2 (*Effect of Termination*), 9.3 (*Public Announcements*), 9.4 (*Notices*), 9.8 (*Waiver and Amendment*), 9.11 (*Governing Law*), 9.12 (*Dispute Resolution*), 9.13 (*Attornment*), 9.14 (*Successors and Assigns*), 9.15 (*Assignment*), 9.16 (*No Liability*), 9.17 (*Damages*) and 9.20 (*Third Party Beneficiaries*), which shall survive such termination. For the avoidance of doubt, any Liability incurred by a Party prior to the termination of this Agreement shall survive such termination.

## **ARTICLE 9 GENERAL**

### **9.1 Survival.**

Subject to Section 4.1 and Section 4.2 all representations, warranties, covenants and agreements of the Vendors or the Purchaser made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement will merge on and shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

### **9.2 Expenses**

Except as otherwise agreed by the Parties, each Party shall be responsible for its own costs and expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transactions (including the fees and disbursements of legal counsel, bankers, agents, investment bankers, accountants, brokers and other advisers), provided that nothing in this Section 9.2 shall affect the payment of the Expense Reimbursement provided for in Section 3.3.

### **9.3 Public Announcements**

The Vendors shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein), the Vendors or the Purchaser shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

### **9.4 Notices**

Any notice, consent or approval required or permitted to be given in connection with this Agreement shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by email as follows:

- (a) in the case of notice to the Vendors at:

**Hakim Optical Laboratory Limited**  
79 Wellington Street West, Suite 3000,  
Toronto, Ontario, M5K 1N2

Attention: Sir Karim Hakimi  
Email: hakim@hakimoptical.ca

With a copy to:

**Bennett Jones LLP**

First Canadian Place  
100 King Street West, Suite 3400  
Toronto, Ontario, M5X 1A4

Attention: Jesse Mighton and Jamie Ernst  
Email: mightonj@bennettjones.com and ernstj@bennettjones.com

- (b) in the case of a notice to the Purchaser at:

**CHIARO OTTICO LTD.**

Attention: Ali Azad  
Email: rightcapitalgroup@gmail.com

With a copy to:

**Loopstra Nixon LLP**

130 Adelaide Street West, Suite 2800  
Toronto, Ontario, M5H 3P5

Attention: Maurice Fleming and Shahrzad Hamraz  
Email: mfleming@LN.Law and shamraz@LN.law

- (c) in the case of all communications by any Party, the Monitor shall be copied at:

**KSV Advisory Inc.**

220 Bay Street, Suite 1300, Box 20  
Toronto, Ontario, M5J 2W4

Attention: Mitch Vininsky and Jordan Wong  
Email: mvininsky@ksvadvisory.com and jwong@ksvadvisory.com

With a copy to:

**Chaitons LLP**

5000 Yonge Street, 10<sup>th</sup> Floor  
North York, ON M2N 0A7

Attention: George Benchetrit  
Email: george@chaitons.com

Any notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a



Business Day then the notice shall be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address by giving notice to the other Party in accordance with the provisions of this Section 9.4.

#### **9.5 Time of Essence**

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendors and the Purchaser.

#### **9.6 Further Assurances**

The Vendors and the Purchaser shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Parties may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

#### **9.7 Entire Agreement**

This Agreement and the agreements and other documents required to be delivered by the Parties pursuant to this Agreement in connection with the Transactions contemplated herein constitute the entire agreement between the Parties or any of them pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, conditions, representations, warranties, obligations, understandings or other agreements between the Parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, pre-contractual, statutory or otherwise) except as explicitly set out in this Agreement.

#### **9.8 Waiver and Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless: (a) executed in writing by the Vendors and Purchaser (including by way of email); and (b) the Monitor shall have provided its prior consent. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

#### **9.9 Severability**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

### **9.10 Remedies Cumulative**

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

### **9.11 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

### **9.12 Dispute Resolution**

If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement for the purposes of Article 8, such dispute shall be determined by the Court within the CCAA Proceedings, or by such other Person or in such other manner as the Court may direct.

### **9.13 Attornment**

Each Party agrees: (a) that any Legal Proceeding relating to this Agreement shall be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (b) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Court on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 9.13. Each Party agrees that service of process on such Party as provided in this Section 9.13 shall be deemed effective service of process on such Party.

### **9.14 Successors and Assigns**

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

### **9.15 Assignment**

Prior to Closing, the Purchaser may assign, with the consent of the Vendors and the Monitor, all or any portion of its rights and obligations under this Agreement, including the rights of the Purchaser to purchase from the Vendors the Purchased Shares prior to the issuance of the Approval and Vesting Order; provided that no such assignment shall relieve the Purchaser of any of its obligations or Liabilities under this Agreement and further provided that such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment. Prior to Closing, the Vendors may not assign or transfer, whether absolutely, by way of security or otherwise, all or any part of their rights or obligations under this Agreement. Following Closing, the Vendors shall have the authority to assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement.

#### **9.16 No Liability**

The Purchaser acknowledges and agrees that the Monitor, acting in its capacity as the Monitor of the Vendors, and the Monitor's Affiliates will have no Liability in connection with this Agreement whatsoever in their capacity as Monitor, in their personal capacity or otherwise.

#### **9.17 Damages**

Under no circumstance shall any of the Parties or their representatives 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.

#### **9.18 Paramountcy**

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with the Transactions or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

#### **9.19 Independent Legal Advice**

The Purchaser warrants that it has received independent legal advice in connection with this Agreement.

#### **9.20 Third Party Beneficiaries**

Except with respect to the Monitor pursuant to Section 9.16, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

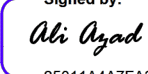
#### **9.21 Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Parties by email in PDF format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

*[Remainder of page intentionally left blank. Signature page follows.]*

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

**CHIARO OTTICO LTD.**

By:  Signed by:  
Name: Ali Azad  
Title: President

**HAKIM OPTICAL LABORATORY LIMITED**

By: \_\_\_\_\_  
Name: Karim Hakimi  
Title: Founder and CEO

**LAWRENCE OPHTHALMIC LAB INC.**

\_\_\_\_\_  
Name: Karim Hakimi  
Title: Founder and CEO

**HAKIM OPTICAL WORLDWIDE LENSES INC.**

\_\_\_\_\_  
Name: Karim Hakimi  
Title: Founder and CEO

**EVELYN AIMIS HOLDINGS INC.**

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Name: Karim Hakimi

Title: Founder and CEO

**SCHEDULE "A"**  
**FORM OF STALKING HORSE & SISP APPROVAL ORDER**

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

THE HONOURABLE	)	THURSDAY, THE 28 <sup>TH</sup>
	)	
JUSTICE J. DIETRICH	)	DAY OF AUGUST, 2025

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE OPHTHALMIC LAB INC.  
AND HAKIM OPTICAL WORLDWIDE LENSES INC. (collectively, the "**Applicants**")

**SISP APPROVAL ORDER**

**THIS MOTION**, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, *inter alia*, (i) approving the sale and investment solicitation process in the form attached hereto as Schedule "A" (the "**SISP**") and granting certain related relief; (ii) approving the Stalking Horse Purchase Agreement (as defined below) as the stalking horse bid for purposes of the SISP; (iii) granting the Bid Protections Charge (as defined below); (iv) extending the Stay Period; (v) approving the Third Report and the activities of the Monitor set out therein (each as defined below); and (vi) approving the fees and disbursements of the Monitor and its counsel, was heard this day by way of judicial videoconference via Zoom.

**ON READING** the affidavit of Douglas Robertson sworn August 21, 2025, and the Exhibits thereto (the "**Robertson Affidavit**"), and the Third Report of KSV Restructuring Inc. dated August [●], 2025 (the "**Third Report**"), in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**"), and on being advised that the secured creditors who are likely to be affected by the charge created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Stalking Horse Purchaser (as defined below) and such other counsel that were present, no one else appearing although duly served as appears from the affidavit of service of Jamie Ernst filed,

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the SISP, the Amended and Restated Initial Order granted by this Court on June 27, 2025 (the "**ARIO**"), or the Stalking Horse Purchase Agreement, as applicable.

## **SALE AND INVESTMENT SOLICITATION PROCESS**

3. **THIS COURT ORDERS** that the SISP (subject to any amendments thereto that may be made in accordance therewith and with the terms of this Order) be and is hereby approved, and the Applicants and the Monitor, are hereby authorized and directed to implement the SISP pursuant to the terms thereof. The Applicants and the Monitor are hereby authorized and directed to perform their respective obligations thereunder and to do all things reasonably necessary to perform their respective obligations thereunder, subject to prior approval of the Court being obtained before completion of any transaction(s) under the SISP.
4. **THIS COURT ORDERS** that the Applicants, the Monitor, and their respective affiliates, partners, directors, officers, employees, legal advisors, representatives, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the SISP, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or wilful misconduct of any such person (with respect to such person alone), in performing their obligations under the SISP, as determined by this Court in a final Order that is not subject to appeal or other review.
5. **THIS COURT ORDERS** that, pursuant to section 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221), the Applicants and the Monitor are authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors and to their advisors, but only to the extent required to provide information with respect to the SISP in these proceedings.



6. **THIS COURT ORDERS** that in overseeing and conducting the SISP, the Monitor shall have all of the benefits and protections granted to it under the CCAA, the ARIO and any other Order of this Court in the within proceeding, and notwithstanding anything contained herein or in the SISP, the Monitor shall not take possession of any Property (as defined in the ARIO) or be deemed to take possession of any Property.

### **STALKING HORSE PURCHASE AGREEMENT**

7. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered, *nunc pro tunc* to enter into the Stalking Horse Specified Asset Purchase Agreement dated August 21, 2025, (the "**Stalking Horse Purchase Agreement**"), among the Applicants, as vendors, (collectively, the "**Vendors**"), Evelyn Aimis Holdings Inc., and Chiaro Ottico Ltd., as purchaser (the "**Stalking Horse Purchaser**"), attached as Exhibit D to the Robertson Affidavit, with such minor amendments as may be acceptable to the Vendors and the Stalking Horse Purchaser with the approval of the Monitor; provided that, nothing herein approves the sale and the vesting of any Property to the Stalking Horse Purchaser (or any of its designees) pursuant to the Stalking Horse Purchase Agreement and that the approval of any sale and vesting of any such Property shall be considered by this Court on a subsequent motion made to this Court if the transaction set out in the Stalking Horse Purchase Agreement is designated as the Successful Bid pursuant to the SISP.

8. **THIS COURT ORDERS** that, as soon as reasonably practicable following the Vendors and the Stalking Horse Purchaser agreeing to any amendment to the Stalking Horse Purchase Agreement permitted pursuant to the terms of this Order, the Applicants shall: (a) file a copy thereof with this Court; (b) serve a copy thereof on the Service List; and (c) provide a copy thereof to each SISP Participant (as hereinafter defined) excluding from the public record any confidential information that the Vendors and the Stalking Horse Purchaser, with the consent of the Monitor, agree should be redacted.

### **BID PROTECTIONS**

9. **THIS COURT ORDERS** that the Break-up Fee and Expense Reimbursement (each as defined in the Stalking Horse Purchase Agreement) are hereby approved and the Vendors are hereby authorized and directed to pay the Break-up Fee and Expense Reimbursement to the

Stalking Horse Purchaser (or to such other person as it may direct) in the manner and circumstances described in the Stalking Horse Purchase Agreement.

10. **THIS COURT ORDERS** that the Stalking Horse Purchaser shall be entitled to the benefit of and is hereby granted a charge (the "**Bid Protections Charge**") on the Property, which charge shall not exceed \$1,200,000 as security for the payment of the Break-up Fee and Expense Reimbursement, in the manner and circumstances described in the Stalking Horse Purchase Agreement.

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

12. **THIS COURT ORDERS** that the Bid Protections Charge shall constitute a charge on the Property and shall rank subordinate to the Charges (as defined in the ARIO), but in priority to all other Encumbrances (as defined in the ARIO).

13. **THIS COURT ORDERS** that, except for the Charges or such other charges as may be approved by this Court on notice to parties in interest, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Bid Protections Charge, unless the Applicants obtain the prior written consent of the Monitor and the Stalking Horse Purchaser, or further Order of this Court.

14. **THIS COURT ORDERS** that the Bid Protections Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Stalking Horse Purchaser shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), or otherwise, or any bankruptcy order(s) or receivership order(s) made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation

of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (each, an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Bid Protections Charge nor the execution, delivery, perfection, registration or performance of the Stalking Horse Purchase Agreement shall create, cause or be deemed to constitute a breach by any of the Applicants of any Agreement to which they are a party;
- (b) the Stalking Horse Purchaser shall not have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Bid Protections Charge or the execution, delivery or performance of the Stalking Horse Purchase Agreement; and
- (c) the payments made by and of the Vendors, pursuant to this Order, the Stalking Horse Purchase Agreement, and the granting of the Bid Protections Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

15. **THIS COURT ORDERS** that the Bid Protections Charge created by this Order over leases of real property in Canada shall only be a charge on the Applicants' interest in such real property lease.

16. **THIS COURT ORDERS AND DECLARES** that the Stalking Horse Purchaser, with respect to the Bid Protections Charge only, shall be treated as unaffected in any Plan, or any proposal filed by the Applicants under the BIA.

#### **PIPEDA**

17. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in any other applicable jurisdictions, the Monitor, the Applicants and their respective advisors are hereby authorized and permitted to disclose and transfer to prospective SISP participants, that are party to a non-disclosure agreement (each a "**SISP Participant**"), and their respective advisors,

personal information of identifiable individuals, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the SISP (each a "**Transaction**"). Each SISP Participant to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and, if it does not complete a Transaction, shall return all such information to the Monitor or the Applicants, or, in the alternative, destroy all such information and provide confirmation of its destruction if requested by the Monitor or the Applicants. Any bidder with a Successful Bid shall maintain and protect the privacy of such information, and upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or the Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Monitor or the Applicants, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Monitor or the Applicants.

#### **SEALING**

18. **THIS COURT ORDERS** that Confidential Exhibit "1" to the Robertson Affidavit is hereby sealed pending further Order of the Court and shall not form part of the public record.

#### **EXTENSION OF THE STAY PERIOD**

19. **THIS COURT ORDERS** that the Stay Period (as defined in the ARIO) be and is hereby extended until and including November 7, 2025.

#### **APPROVAL OF THE MONITOR'S REPORT, ACTIVITIES AND FEES**

20. **THIS COURT ORDERS** that the Third Report and the activities of the Monitor referred to therein be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and solely with respect to its own personal liability, shall be entitled to rely upon or make any use of such approval.

21. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, as set out in the Third Report and as more particularized within the fee affidavits of the Monitor and its counsel included within the Third Report, be and are hereby approved.

## **GENERAL**

22. **THIS COURT ORDERS** that the Applicants or the Monitor may apply to this Court to amend, vary or supplement this Order or for advice and directions with respect to the SISP at any time.

23. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

24. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist the Monitor and the Applicants, and their respective agents in carrying out the terms of this Order. All courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

25. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto Time) on the date of this Order, without the need for entry or filing.

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**SCHEDULE "A"**  
**SISP**

See attached.

## SCHEDULE "A"

### SALE AND INVESTMENT SOLICITATION PROCESS

#### **Background**

1. Hakim Optical Laboratory Limited ("**HOLL**") and Lawrence Ophthalmic Lab Inc. ("**Lawrence Lab**") commenced proceedings pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended, by filing Notices of Intention to Make a Proposal dated April 16, 2025, and April 22, 2025, respectively (the "**NOI Proceedings**").
2. Prior to the NOI Proceedings, HOLL, Lawrence Lab, certain of their affiliates, and 1001112855 Ontario Inc. (the "**Lender**") entered into a senior secured bridge financing credit facility dated as of January 21, 2025, pursuant to which the Lender advanced funds to HOLL and Lawrence Lab from time to time.
3. Pursuant to an initial order issued by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on May 15, 2025 (as amended and restated on June 27, 2025, the "**Initial Order**"), the NOI Proceedings were continued under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("**CCAA**"), as amended. Hakim Optical Worldwide Lenses Inc. was added as an applicant in the CCAA proceedings (together with HOLL and Lawrence Lab, the "**Applicants**"), and KSV Restructuring Inc. was appointed as monitor (in such capacity, the "**Monitor**") of the Applicants. Among other things, the Initial Order granted a stay of proceedings in favour of the Applicants, approved a debtor-in-possession financing facility (the "**DIP Facility**") among, *inter alios*, HOLL, Lawrence Lab and the Lender, and granted a Court-order charge in favour of the Lender in respect of any amounts advanced to the Applicants under the DIP Facility from time to time.
4. On August 28, 2025, the Court granted an order (the "**SISP Approval Order**"), which, among other things, approved:
  - (a) the sale and investment solicitation procedures set forth herein (the "**SISP**");
  - (b) the Stalking Horse Specified Asset Purchase Agreement dated August 21, 2025 (the "**Stalking Horse Purchase Agreement**"), among the Applicants and Evelyn Aimis Holdings Inc. (collectively, the "**Vendors**"), and Chiaro Ottico Ltd. (the "**Stalking Horse Bidder**");
  - (c) the bid made by the Stalking Horse Bidder pursuant to the Stalking Horse Purchase Agreement as the stalking horse bid (the "**Stalking Horse Bid**"), solely for the purpose of the SISP; and
  - (d) the Bid Protections (as defined below) in favour of the Stalking Horse Bidder, and granted a corresponding charge to secure the obligations and amounts contemplated under the Stalking Horse Purchase Agreement.

5. The SISP Approval Order and the SISP exclusively govern the process for soliciting and selecting bids for the purchase and sale of all or substantially all of the Applicants' Assets (as defined below) and the assumption of certain liabilities, including retail store leases.
6. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Capitalized terms that are not otherwise defined herein have the meanings ascribed to them in the SISP, Stalking Horse Purchase Agreement, or the Initial Order, as applicable.

### **Opportunity**

7. This SISP is intended to solicit interest in, and opportunities for, a sale of the Applicants' Assets and operations on a going-concern basis.
8. The Vendors have entered into the Stalking Horse Purchase Agreement, which constitutes a Qualified Bid (as defined below) for all purposes and at all times under the SISP. The purchase price under the Stalking Horse Purchase Agreement is \$22,000,000 an estimated amount comprised of the sum total of: (i) the Credit Bid Assigned Amount, plus (ii) the Priority Payables Amount, (the "**Purchase Price**"), all as set out in the Stalking Horse Purchase Agreement.
9. Notwithstanding the Stalking Horse Purchase Agreement, all interested parties are encouraged to submit Qualified Bids.
10. The SISP shall be conducted by the Monitor, in consultation with the Applicants. The Applicants are offering for sale, in whole or in part, all of their right, title and interest in and to their business enterprise, including all related assets, or all of their issued and outstanding shares, whether by way of an asset or share sale to be implemented through an approval and vesting order (collectively, the "**Applicants' Assets**").
11. The Monitor, in consultation with the Applicants, will consider (i) a bid for all of the Applicants' Assets (an "**En Bloc Bid**") or (ii) separate bids to acquire some but not all of the Applicants' Assets ("**Aggregate Bids**"), provided that the Monitor will only consider Aggregate Bids if a combination of one or more Aggregate Bids in the aggregate meets the requirements to be a Qualified Bid. The preferred transaction structure is an En Bloc Bid.

### **SISP Timeline**

12. The Monitor and the Applicants will use reasonable efforts to complete the SISP in accordance with the milestones set out herein. Notwithstanding any other provision of the SISP, the Monitor shall be permitted to make such adjustments to the timelines set out herein that it determines are appropriate or reasonably necessary in the circumstances, provided the aggregate discretionary extension is limited to fourteen (14) days, unless agreed in advance and in writing by the Applicants and the Stalking Horse Bidder, or otherwise ordered by the Court.
13. The SISP will otherwise be conducted in accordance with the following milestones:



Milestone	Deadline
Granting of SISP Approval Order	August 28, 2025
Deadline to publish a notice of the SISP and set up the Data Room	September 3, 2025
Deadline to submit a Qualified Bid (" <b>Qualified Bid Deadline</b> ")	No later than 5:00 p.m. (Toronto time) on October 3, 2025
Auction (if necessary), to be held virtually	Commences at 10:00 a.m. (Toronto time) on October 8, 2025
Hearing – Court application for Approval Order(s)	If the Stalking Horse Bidder is the Successful Bidder, then by no later than October 15, 2025  Otherwise, no later than October 22, 2025, subject to Court availability
Closing of the Successful Bid(s)	If the Stalking Horse Bidder is the Successful Bidder, then by no later than October 31, 2025  Otherwise, no later than November 7, 2025, subject to Court availability
Outside Date for the Closing of the Stalking Horse Bid	October 31, 2025, or such other date as the Vendors (with the consent of the Monitor) and the Stalking Horse Bidder may agree to in writing

#### As Is, Where Is

14. The sale of the Applicants' Assets or any portion thereof shall be on an "as is, where is" and "with all faults" basis and without representations, warranties, or guarantees, express, implied or statutory, written or oral, of any kind, nature, or description by the Monitor or the Applicants or their respective agents, representatives, partners or employees, or any of the other parties participating in the SISP, except as may otherwise be provided in a definitive purchase agreement with the Applicants or the Monitor (as applicable). By submitting a bid, each Qualified Bidder (as defined below) shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Applicants' Assets prior to making its bid, that it

has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Applicants' Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Applicants' Assets by the Applicants or the Monitor.

### **Free of any and all Claims and Interest**

15. In the event that a Successful Bid (as defined below) is selected in accordance with this SISP, all of the rights, title and interest of the Applicants in and to the Applicants' Assets to be acquired under such Successful Bid, will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, interests thereon and there against (collectively, the "**Claims and Interests**") pursuant to one or more approval and vesting orders made by the Court (each, an "**Approval Order**"). All such Claims and Interests shall attach to the net proceeds of the sale of such property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder (as defined below).
16. If the Stalking Horse Bid is not the Successful Bid, then the Stalking Horse Bidder will be entitled to the payment of certain bid protections, which are comprised of: (i) a break fee in the amount of \$600,000 (the "**Break Fee**"), and (ii) an expense reimbursement for all actual documented out-of-pocket reasonable costs and expenses incurred in connection with negotiating, preparing and executing the Stalking Horse Purchase Agreement, up to the maximum amount of \$600,000 (the "**Expense Reimbursement**" and together with the Break Fee, the "**Bid Protections**").

### **Solicitation of Interest**

17. As soon as reasonably practicable following the granting of the SISP Approval Order and, but, in any event, by no later than September 3, 2025, the Monitor shall:
  - (a) cause a notice of the SISP, and such other relevant information which the Monitor considers appropriate, to be published in applicable industry publications, websites and/or forums;
  - (b) prepare: (i) in consultation with the Applicants, marketing materials and a process letter outlining the SISP and opportunities thereunder; and (ii) a non-disclosure agreement in form and substance satisfactory to the Monitor, in consultation with the Applicants, which shall inure to the benefit of any purchaser of the Applicants' Assets or any part thereof (an "**NDA**"); and
  - (c) make available a virtual data room (the "**Data Room**") to interested parties that have signed an NDA.

### Participation Requirements and Due Diligence

18. In order to participate in the SISP, an interested party must first be designated by the Monitor as a Qualified Bidder.
19. A "**Qualified Bidder**" means any interested party that:
  - (a) has actually delivered, to the addresses specified herein (including by email) an executed NDA; and
  - (b) has been determined by the Monitor, in its sole discretion and after consulting with the Applicants, to have the financial wherewithal to consummate a successful transaction pursuant to the SISP.
20. The Monitor shall provide any person it deems to be a Qualified Bidder with access to the Data Room and such reasonably required due diligence materials and information relating to the Applicants' Assets, as the Monitor deems appropriate.
21. Qualified Bidders will be able to conduct their due diligence using the information in the Data Room and must direct all related questions, on a without liability or representation basis, to the Monitor. All such information obtained by that Qualified Bidder shall be subject to the NDA.

### Submission of Qualified Bids

22. A Qualified Bidder that desires to make a bid for all or substantially all of the Applicants' Asset must deliver to the Monitor by the Qualified Bid Deadline a Qualified Bid in the form of a fully executed purchase and sale agreement substantially in the form of the template agreement of purchase and sale located in the Data Room (the "**Template APS**").
23. Qualified Bids must be delivered in accordance with the notice requirements set out herein and must be actually received by the Monitor on or before the Qualified Bid Deadline.
24. The Qualified Bid Deadline may be extended by up to ten (10) Business Days at the sole discretion of the Monitor, unless otherwise agreed in writing by the Stalking Horse Bidder or with the approval of the Court.

### Qualified Bid Requirements

25. A bid from a Qualified Bidder that includes all of the Qualified Bid Requirements and is received by the Qualified Bid Deadline is a "**Qualified Bid**".
26. To constitute a Qualified Bid or an Aggregate Bid, a bid must comply with the following conditions (each, a "**Qualified Bid Requirement**" and collectively, the "**Qualified Bid Requirements**"):
  - (a) it has been submitted by a Qualified Bidder by the Qualified Bid Deadline;

- (b) it provides for the payment in full in cash on closing an amount that is sufficient to pay in full all of:
  - (i) the Purchase Price;<sup>1</sup>
  - (ii) the Expense Reimbursement;
  - (iii) the Break Fee; plus
  - (iv) a minimum bid increment of \$100,000;
- (c) it provides an allocation of the purchase price under such bid among the Applicants' Assets and any other assets to be acquired;
- (d) it provides detailed sources and uses schedules that identifies, with specificity, the amount of cash consideration (the "**Cash Consideration Value**") and any assumptions that could reduce the net consideration payable;
- (e) it provides details of any assumption of the Applicants' liabilities;
- (f) it is reasonably capable of being consummated within ten (10) Business Days after the issuance of an Approval Order or by no later than November 7, 2025, if selected as the Successful Bid;
- (g) it contains:
  - (i) duly executed purchase and sale agreement substantially in the form of the Template APS and a blackline of the executed purchase and sale agreement to the Template APS;
  - (ii) the required cash Deposit (defined below); and
  - (iii) such other information as may, in their discretion, be reasonably requested by the Applicants or the Monitor;
- (h) it includes a letter stating that the Qualified Bid is submitted in good faith, is binding and is irrevocable until the earlier of: (i) the completion of the sale to a Successful Bidder, or (ii) November 7, 2025;
- (i) it provides written evidence of the Qualified Bidder's ability to fully fund and consummate the transaction and satisfy its obligations in cash on closing under the reasonably anticipated transaction documents in keeping with transactions of this nature, including

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<sup>1</sup> As indicated in the Stalking Horse Purchase Agreement the Purchase Price for the Specified Purchased Assets is the amount of \$22,000,000 which comprised of the sum total of: (i) the Credit Bid Assigned Amount, plus (ii) the Allocated Priority Payables Amount (each as defined therein).

binding equity/debt commitment letters and/or guarantees (i.e., bank guarantees) covering the full value of the Cash Consideration Value;

- (j) it does not include any request for or entitlement to any break fee, expense reimbursement, brokerage fees, finder's fees or commissions, or any similar type of payment;
- (k) it is not conditional upon:
  - (i) the outcome of unperformed due diligence by the Qualified Bidder; or
  - (ii) obtaining financing;
- (l) it includes full details of the Qualified Bidder's intended treatment of the Applicants' employees under the proposed bid;
- (m) it is accompanied by a cash deposit (the "**Deposit**") by wire transfer of immediately available funds equal to 15% of the Cash Consideration Value, which Deposit shall be retained by the Monitor in a non-interest bearing trust account in accordance with Section 40;
- (n) it includes a statement that the Qualified Bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis;
- (o) it includes an acknowledgement and representation that the Qualified Bidder:
  - (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its Qualified Bid;
  - (ii) understands that the transaction will proceed on an "as is, where is" basis, and did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Applicants, Monitor, or any of its advisors, except as expressly stated in the purchase and sale agreement submitted by it;
  - (iii) will accept the form of the draft Approval Order(s) on commercially reasonable terms and conditions;
  - (iv) is a sophisticated party that is capable of making its own assessments in respect of making its Qualified Bid; and

- (v) has had the benefit of independent legal advice in connection with its Qualified Bid; and
  - (p) it contains evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body), if applicable, and identifies each entity or person and representatives thereof who are authorized to appear and act on behalf of the Qualified Bidder on a timely basis for all purposes regarding the transaction.
27. All Aggregate Bids must comply with each of the Qualified Bid Requirements (as may be modified in accordance with the SISP) in order to be a Qualified Bid.
28. The Monitor may, in its reasonable discretion, waive compliance with any one or more of the Qualified Bid Requirements specified herein, and deem such non-compliant bid to be a Qualified Bid in accordance with the SISP. If a bid received is not a Qualified Bid, the Monitor may provide the bidder with an opportunity to remedy any deficiencies and render such bid a Qualified Bid; *provided* that such defects are remedied on or before the Qualified Bid Deadline.

#### **Modified SHB and the Excluded Assets Sale**

29. The Applicants and the Stalking Horse Bidder, with the consent of the Monitor, shall be permitted to modify the Stalking Horse Bid, to exclude any asset for which an alternative bid (each, an "**Alternative Bid**", and the assets subject to such Alternative Bid, the "**Excluded SHB Assets**") is received if:
- (a) the Stalking Horse Bidder in its sole discretion, acting reasonably, consents to modify the Stalking Horse Bid in order to accommodate such proposed Alternative Bid;
  - (b) the Applicants and the Stalking Horse Bidder, with the consent of the Monitor, agree on the adjustment of the Purchase Price under the Stalking Horse Bid to account for the removal of the Excluded SHB Assets and the value of the Alternative Bid;
  - (c) the Monitor determines that the aggregate consideration to be offered by (i) the Stalking Horse Bid, as so modified (the "**Modified SHB**") and (ii) the proposed Alternative Bid for the Excluded SHB Assets, would exceed the value of the Stalking Horse Bid (the "**Excluded Assets Sale**");
  - (d) the Alternative Bid combined with the Modified SHB meets all of the requirements of a Qualified Bid;
  - (e) the Monitor determines that the Modified SHB and the Excluded Assets Sale, collectively, are a Qualified Bid; and
  - (f) the Stalking Horse Bidder agrees that the original Stalking Horse Bid shall remain open for acceptance notwithstanding the Modified SHB, such that the Stalking Horse Bid can be

completed if for any reason the Modified SHB and the Excluded Assets Sale are not completed.

30. For greater certainty, if the Modified SHB and the Excluded Assets Sale are each designated as a Successful Bid, then the Stalking Horse Bidder shall not be entitled to receive the Expense Reimbursement or the Break Fee as a result of the completion of such transaction. If the Modified SHB and the Excluded Asset Sale are not selected as a Successful Bid, then the Stalking Horse Bidder shall continue to be entitled to receive the Expense Reimbursement and Break Fee (in accordance with the Stalking Horse Purchase Agreement) upon completion of an Alternative Bid constituting a Successful Bid to which the Stalking Horse Bidder is not a party.

#### **No Qualified Bids Received**

31. If the Monitor does not receive any Qualified Bids, (other than the Stalking Horse Bid) by the Qualified Bid Deadline, the Stalking Horse Purchase Agreement will be deemed to be the Successful Bid and the Monitor shall take reasonable steps to perform Section 33 herein.

#### **Assessment of Qualified Bids**

32. The Monitor shall assess all Qualified Bids submitted on or before the Qualified Bid Deadline to determine whether the transactions contemplated therein are likely to be consummated. Such assessments will be made as promptly as practicable but in any event no later than ten (10) Business Days following the Qualified Bid Deadline.
33. If the Monitor determines that no Qualified Bids other than the Stalking Horse Purchase Agreement were received by the Qualified Bid Deadline, or that at least one additional Qualified Bid was received but it is unlikely that the transactions contemplated in any such Qualified Bids will be consummated, the Monitor shall:
  - (a) forthwith irrevocably terminate the SISP;
  - (b) notify each Qualified Bidder (if any) that the SISP has been terminated;
  - (c) notify the Stalking Horse Bidder that it is the Successful Bidder; and
  - (d) as soon as reasonably practicable after such termination, and in any event, no later than fifteen (15) days following the selection (or deemed selection) of the Successful Bid, file a motion with the Court seeking approval to implement the Stalking Horse Purchase Agreement.

#### **The Sale and Auction Process**

34. If one or more Qualified Bids (other than the Stalking Horse Bid) has been received by the Monitor on or before the Qualified Bid Deadline, the Monitor shall proceed with an auction to determine the successful bid(s) (the "**Auction**"), which Auction shall be administered in accordance with Exhibit "A" hereto, subject to such additional procedural rules as may be determined by the Monitor

to be necessary or desirable in the conduct of the Auction. The successful bid(s) selected within the Auction shall constitute the successful bid ("**Successful Bid**", with such bidder being the "**Successful Bidder**"). Forthwith upon determining to proceed with an Auction, the Monitor shall provide written notice to each party that submitted a Qualified Bid (including the Stalking Horse Bidder), along with copies of all Qualified Bids and a statement by the Monitor specifying which Qualified Bid is the leading bid.

35. If an Auction is conducted, the Qualified Party (as defined below) and/or Qualified Bidder with the next highest or otherwise best Qualified Bid at the Auction or, if such Qualified Bidder did not participate in the Auction, submitted in the SISP, as determined by the Monitor, may be designated as the backup bidder (the "**Backup Bidder**"). The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submitted one or more overbids at the Auction, the Backup Bidder's final overbid) (the "**Backup Bid**") open until the earlier of (i) two (2) Business Days after the date of closing of the transaction contemplated by the Successful Bid; or (ii) November 7, 2025.
36. If the Stalking Horse Bid is not selected as the Successful Bid, the Stalking Horse Bidder shall not be designated as a Backup Bidder, and the Stalking Horse Purchase Agreement shall not be a Backup Bid.
37. Following the selection of a Successful Bid, the parties shall negotiate and finalize any definitive documents, in accordance with the key milestones set out in herein. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the Monitor, the Applicants shall apply to the Court for an Approval Order (or orders), among other things, approving such Successful Bid and/or the mechanics to authorize the Applicants, with the assistance of the Monitor, to complete the transactions contemplated thereby, as applicable, and authorizing the Applicants to: (i) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (ii) undertake such other actions as may be necessary to give effect to such Successful Bid; and (iii) implement the transaction(s) contemplated in such Successful Bid.
38. If a selected Successful Bid is not completed within ten (10) Business Days following issuance of an Approval Order, the Approval Order is not granted, or the Monitor otherwise determines a selected Successful Bid will not be completed, the Monitor shall be permitted to designate one or more Backup Bids received prior to or during the Auction, and such alternative Successful Bid shall be deemed the Successful Bid for all purposes hereunder. The foregoing shall not limit the Monitor's right in the foregoing circumstances to terminate the SISP and pursue any alternative process and any alternative transactions determined by the Monitor to be appropriate, in consultation with the Applicants.

#### **Miscellaneous**

39. Except as otherwise provided in the SISP or the Stalking Horse Purchase Agreement, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Stalking Horse Purchase Agreement, the SISP Approval Order, and the SISP.



40. All Deposits shall be retained by the Monitor in a non-interest bearing trust account. If a Successful Bid is selected and an Approval Order authorizing the consummation of the transaction contemplated thereunder is granted, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. In the event that the Successful Bid is not completed due to a breach or default of the bidder's obligations thereunder, the Deposit shall be forfeited to the Applicants as damages and such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Applicants have in respect of such breach or default. Any Deposit delivered with a Qualified Bid that is not selected as a Successful Bid will be returned to the applicable bidder as soon as reasonably practicable (but not later than ten (10) Business Days) after the earliest of (i) completion of a Successful Bid; or (ii) the date of the Monitor's determination that such bid will not be pursued further.

#### **Notice Requirements**

41. Any communication, bids and all associated documentation to be given under this SISP by any person to the Monitor shall be in writing in substantially the form, if any, provided for in the SISP and will be sufficiently given only if delivered by prepaid ordinary mail, registered mail, courier, personal delivery, or email addressed to:

**KSV Restructuring Inc.**

220 Bay Street, 13th Floor

PO Box 20, Toronto Ontario, M5J 2W4

**Attention:** Mitch Vininsky / Jordan Wong

**Email:** [mvininsky@ksvadvisory.com](mailto:mvininsky@ksvadvisory.com) / [Jwong@ksvadvisory.com](mailto:Jwong@ksvadvisory.com)

**Tel:** 416-932 6013 / 416- 932 6025

**EXHIBIT "A"**  
**AUCTION PROCEDURES**

1. **Auction.** If the Monitor receives at least one Qualified Bid (other than the Stalking Horse Purchase Agreement) including any Aggregate Bid, the Monitor shall conduct and administer the Auction in accordance with the terms of the SISP. Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Parties not less than 24 hours prior to the Auction.
2. **Participation.** Only Qualified Bidders that submit a Qualified Bid, including the Stalking Horse Bidder and the parties submitting any Aggregate Bid (each, a "**Qualified Party**", and collectively, the "**Qualified Parties**"), shall be eligible to participate in the Auction. No later than 5:00 p.m. (Toronto time) on the day prior to the Auction, each Qualified Party (other than the Stalking Horse Bidder) must inform the Monitor whether it intends to participate in the Auction. The Monitor will promptly thereafter inform in writing each Qualified Party who has expressed its intent to participate in the Auction of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction. If no Qualified Party indicates such expression of intent, the Stalking Horse Bid shall be deemed the Successful Bid, and the Monitor shall as soon as practicable seek Court approval of the Stalking Horse Bid.
3. **Auction Procedures.**
  - (a) **Procedures.** The Auction shall be governed by the following procedures:
    - (i) **Attendance.** Only the Applicants, the Monitor, representatives of the Qualified Parties and each of their respective advisors, and any other person admitted with the consent of the Monitor will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction;
    - (ii) **No Collusion.** Each Qualified Party participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the bid process (excluding, for greater certainty, any discussions among those parties who are bidders in an Aggregate Bid); and (ii) its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bid;
    - (iii) **Minimum Overbid.** The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the Monitor (the "**Initial Bid**"), and any bid made at the Auction by a Qualified Party subsequent to the Monitor's announcement of the Initial Bid (each, an "**Overbid**"), must proceed in minimum additional cash increments as determined by the Monitor and announced to the Auction participants prior to each round of bidding (the "**Required Bid Increment**"). At the end of each

round of bidding, the Monitor will identify the highest or otherwise best Overbid as the leading bid for the subsequent round (the "**Lead Bid**");

(iv) **Bidding Conclusion.** The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party (including parties to an Aggregate Bid) has had the opportunity to submit an additional bid or refused to submit an additional bid with full knowledge and written confirmation of the then-existing Lead Bid for that round. If at the commencement of the Auction, no party submits a bid that both exceeds the Initial Bid by the Required Bid Increment, then the Initial Bid will be the Successful Bid. If in any round, a Qualified Party (other than the party who submitted the Lead Bid in such round) does not submit an Overbid satisfying the Required Bid Increment, then such Qualified Party (including the parties to any Aggregate Bid if no Aggregate Bid is submitted in a particular round) will no longer be permitted to participate in any subsequent round of the Auction; and

(v) **No Post-Auction Bids.** No bids will be considered for any purpose after the Auction has concluded.

(b) **Additional Procedures.** The Monitor may announce prior to or during the Auction additional procedural rules, including the process for submission and review of bids, that are reasonable under the circumstances for conducting the Auction; *provided* that those rules are not inconsistent in any material respects with the SISP Approval Order, SISP or the Stalking Horse Purchase Agreement.

4. **Selection of Successful Bid.** Before the conclusion of the Auction, the Monitor will: (a) review each Qualified Bid and Overbid, considering the Qualified Bid Requirements set out in the SISP and, among other things: (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same; (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in subparagraph (i) above; (iii) the likelihood of the Qualified Party's ability to close any proposed transaction by ten (10) Business Days after issuance of an Approval Order and the timing thereof (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals); (iv) the likelihood of the Court's approval of such Overbid; (v) the net benefit to the estate of the Applicants of such Overbid; and (vi) any other factors the Monitor may, consistent with its duties, reasonably deem relevant; and (b) designate the highest or otherwise best bid received at the Auction the Successful Bid and the Qualified Party making such bid, the Successful Bidder.

5. **Acknowledgement.** The Successful Bidder shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within one (1) Business Day of the Successful Bid being selected as such, unless extended by the Monitor, subject to the milestones set forth herein.

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

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE  
OPHTHALMIC LAB INC. AND HAKIM OPTICAL WORLDWIDE LENSES INC.**

Court File No.: CV-25-00743383-00CL

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

Proceeding commenced in Toronto

**SISP APPROVAL ORDER**

**BENNETT JONES LLP**

One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario M5X 1A4

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Lawyers for the Applicants

**SCHEDULE "B1"**  
**NON-OWNED PURCHASED LOCATIONS**

**LOCATIONS:**

<b>Store #</b>	<b>Location</b>	<b>Address</b>
2	Yonge & Finch	5643 Yonge Street, Willowdale, ON M2M 3T2
3	Mississauga 5 & 10	3024 Hurontario Street, Unit G6, Mississauga, ON L5B 4M4
14	Stoney Creek	75 Centennial Parkway North, Stoney Creek, ON L8E 2P2
22	St. Clair & Vaughan	533 St. Clair Avenue West, Toronto ON M6C 1A1
31	Bradford Holland St	442 Holland Street West, Unit 1, Bradford, ON L3Z 0G1
33	Brantford King George	Unit 113, 265 King George Road, Brantford, ON N3R 6Y1
37	London Wellington	725 Wellington Road South, London, ON L6K 3R9
44	GTA Wilson & Keele	1021 Wilson Avenue, Toronto, ON M3K 1G7
50	Chatham St. Clair St	461 St. Clair Street, Unit 1, Chatham, ON N7L 3K6
52	GTA Eglinton & Pharmacy	1900A Eglinton Avenue East, Toronto, ON M1L 2L9
53B	1270 Finch (Keele & Finch-Unit 3)	1270 Finch #3 Avenue West, Toronto, ON M3J 3J7
53C	1270 Finch (Keele & Finch-Unit 4)	1270 Finch #4 Avenue West, Toronto, ON M3J 3J7
55	Ottawa - Baseline	1983 Baseline Road, Ottawa, ON K2C 0C7
60	Kitchener Highland Rd	525 Highland Road West, Kitchener, ON N3M 5K1
62	Queen & Bay	65 Queen Street West, ON, M5H 2M5
63	Barrie	411 Bayfield Street, Barrie, ON, L4M 6E5
66	Niagara Falls	Capilano Mall 175-5055-101 Ave. T6A 0G1 (6200 Thorold Stone Rd Niagara Falls, ON L2J 1A5)
67	Newmarket Yonge Street	1-17335 Yonge Street, Newmarket, ON L3Y 7R5
69	GTA Wellesley & Bay	863 Bay St. Unit 7, Toronto, ON M5S 3M4

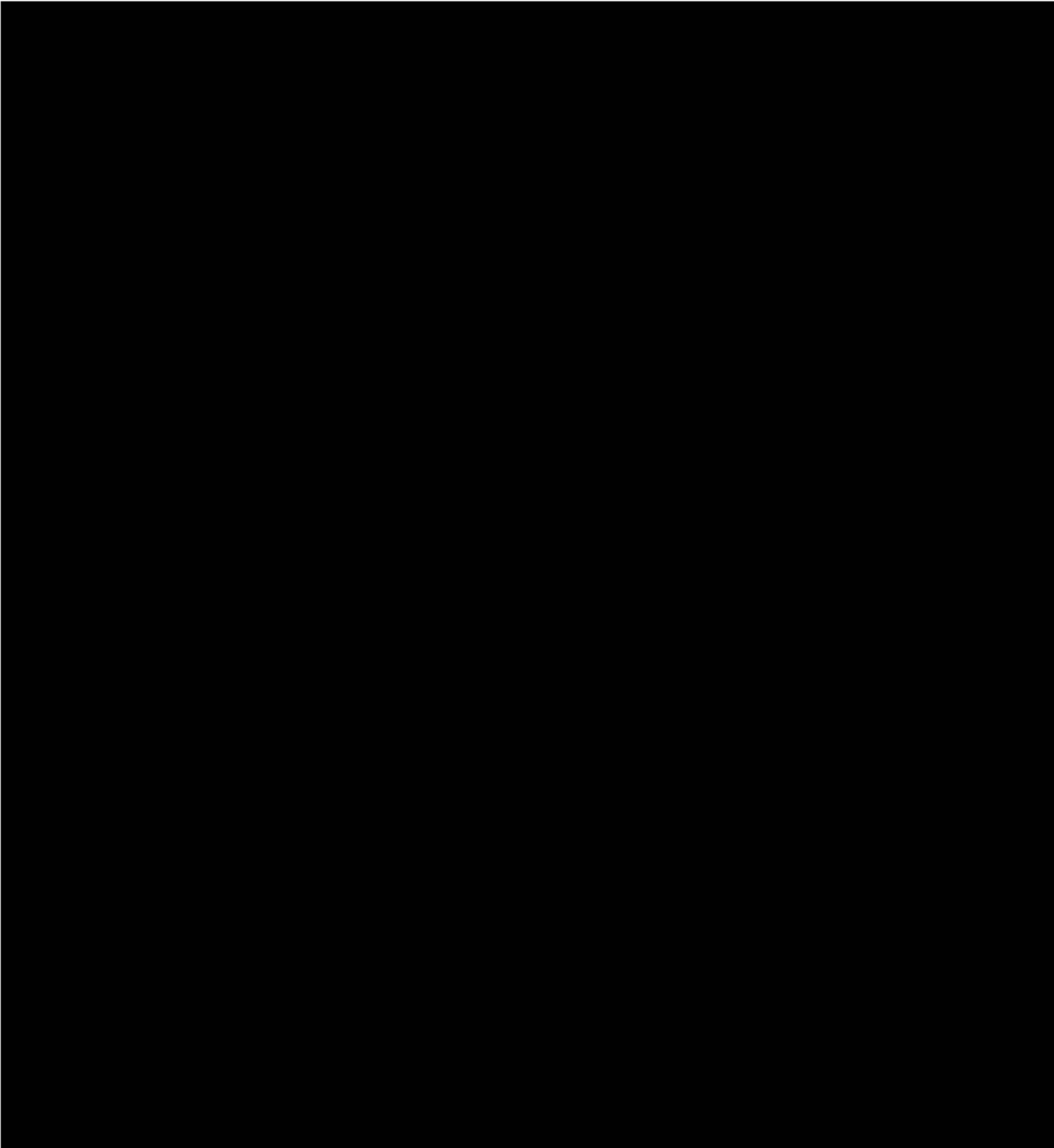
<b>Store #</b>	<b>Location</b>	<b>Address</b>
71	Barrhaven Town Centre	3763 Strandherd Drive, Nepean, ON K2J 4B1
74	Sarnia	1200 London Road, Sarnia, ON, N7S 1P4
79	Hamilton - Mohawk Rd	Store No: 29A Westcliffe Mall, 640 Mohawk Road West, Hamilton, ON
80	Thunder Bay	1086 Memorial Ave. Unit 3, Thunder Bay, ON N4K 1Z4
81	Owen Sound	1209 16th Street East, Owen Sound, ON N4K 1Z4
82	Bloor & Dufferin	1091 Bloor Street West, Toronto, ON M6H 1M5
94	Stratford	1067 Ontario St., Stratford, ON N5A 3G8
95	Aurora	14760 Yonge St., Aurora, ON L4G 7H8 (14740 Yonge St.,)
97	Ajax	65 Kingston Road E, Unit #8-3, Ajax, ON L1S 7J4 (or Unit 8C)
102	Bloor & Royal York	#3 & 4-3009 Bloor St. West, Toronto, ON M8X 1C3 (Unit #1 - 2)
103	Lindsay	126 Kent Street West, Lindsay, ON K9V 2Y4
104	Oshawa - Ritson Centre	16-300 Taunton Road East, Oshawa, ON L1G 7T4
105	Bowmanville	2379 Old Highway #2, Bowmanville, ON L1C 5A5 (also 70 Clarington Blvd 2B)
111	St Thomas	16-1010 Talbot ST., St. Thomas, ON N5P 4N2
115	Sault St. Marie (Cambrian Mall)	44 Great Northern Rd., #6 Sault Ste., Marie, ON P6B 4Y5
116	Brockville	359 Stewart Blvd., Brockville, ON K6V 4W9
124	Britannia	775 Britannia Rd West, Mississauga, ON L5V 2Y1
125	1108 Barrydowne Rd., Sudbury	1106 Barrydowne Rd., Sudbury, ON, P3A 3V3
136	Brampton Airport & 7	2901 Queen Street East, Unit 10 Brampton, ON L6T 0C7 (Also 30 Coventry Rd, Brampton, ON L6T 5P9)
137	Winnipeg - McPhillips	1416 McPhillips Street, Winnipeg, MB R2V 3C5
140	Milton	800 Main Street East Unit #2a Milton, ON L9T 0J4
143	Queensway	1325 The Queensway, Toronto, Ontario
144	Orangeville	39 Broadway Avenue

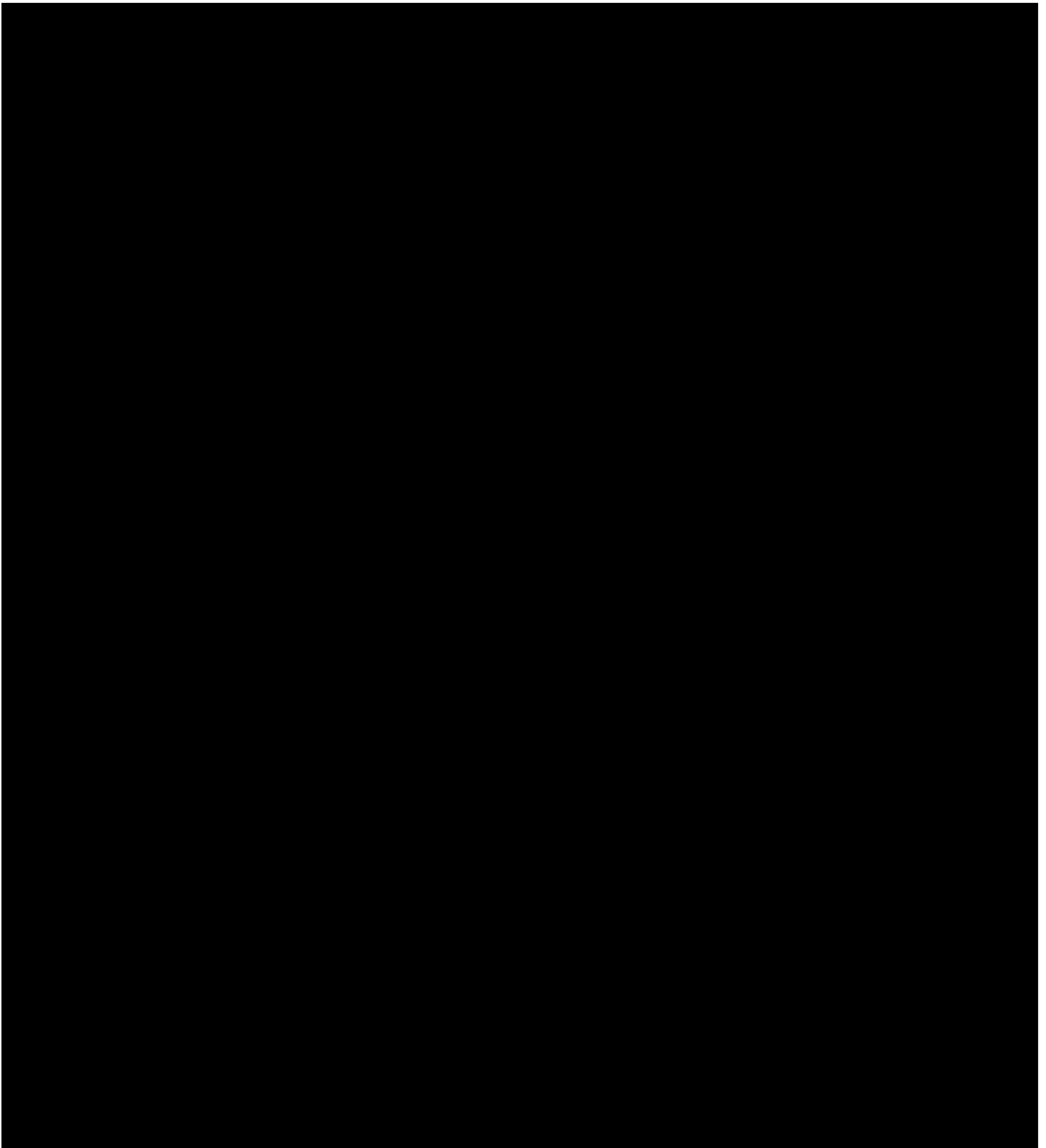
<b>Store #</b>	<b>Location</b>	<b>Address</b>
145	Cobourg	1011 Elgin Street W., Cobourg, ON K9A 5J4
146	Bovaird	10045 Hurontario St., Bldg A Brampton, ON L6Z 0E6
148	Mississauga Argentia	3029 Argentia Road, Mississauga, ON L5N 8P7
149	Davis Drive - Newmarket (404 Town Centre)	404 Plaza 1111 Davis Dr. Newmarket ON L3Y 8X2
158	Edmonton Millwoods Centre	2331 66 Street N.W. Unit #412, Edmonton, AB T6K 4B5
162	Markham & Sheppard (Markham Corner)	5085 Sheppard Ave. E Unit 25 Toronto, ON M1S 4N8
163	North Bay	789 Mckeown Ave., Unit #11 & 12, North Bay, ON P1B 8N2
164	Runnymede & Bloor	2243 Bloor Street West, Toronto ON, M6S 1N8
166	4099 Baldwin- Whitby	4099 Baldwin Street S., Whitby, ON L1A 0A1 (also 30 Taunton Road East, Whitby NE, ON L1R 3L5)
170	Marlborough Mall	1171-3800 Memorial Drive, N.E. Calgary, AB, T2A 2K2
179	Queensway - Sherway Gardens	1880 The Queensway, Etobicoke, ON M9C 5H5
194	Peterborough- Lansdowne	861/867 Lansdowne St., W. Peterborough, ON K9J 1Z5
199	Pickering Town Centre	1355 Kingston Rd, Pickering, ON L1V 1B8
210	Carlingwood Shopping Centre	2121 Carling Ave., Unit #73, Ottawa, ON K2A 1H2
213	Billing Bridge Centre	2221 Riverside Drive East, Suite 208, Ottawa ON, K1H 7X6 / S 84 Ottawa
216	Erin Mills Town Centre	Erin Mills Town Ctr., Mississauga, ON L5M 4Z5
217	Major Weston Centres	3604 Major Mackenize Dr. Unit 1, Woodbridge, ON L4H 3T6 (also 3600 Major Mackenzie Dr. W Vaughan, ON)
218	Markville Shopping Centre-5000 Hwy #7	5000 Hwy #7 Unit 2370 Markham Shopping Centre L3R 4M9

<b>Store #</b>	<b>Location</b>	<b>Address</b>
231	1225 St. Mary's Rd- Winnipeg, - St. Vital Centre	St., Mary's Road Winnipeg, Manitoba, MB R2M 5E5
232	Kildonan Place, Winnipeg	1555 Regent Ave., West, Unit T87 R2C 4J2



**SCHEDULE "B2"**  
**EA PURCHASED LOCATIONS**





**SCHEDULE "C"**  
**SPECIFIED PURCHASED ASSETS**

[NTD: To be completed upon selection as the Successful bid.]

**INTELLECTUAL PROPERTY RELATED TO BUSINESSES**

[•]

**PERSONAL PROPERTY RELATED TO THE BUSINESSES AT ALL PURCHASED LOCATIONS**

[•]

**PURCHASED CONTRACTS**

[•]

**CUSTOMER RECORDS**

[•]

**CLOSING DATE RECEIVABLES**

[•]

**LAB ASSETS**

[•]

**CLOSING DATE INVENTORY**

[•]

**GOODWILL**

[•]

**BANK ACCOUNTS**

[•]

**SCHEDULE "D"**  
**ASSUMED LIABILITIES**

- All accrued but unpaid vacation pay as of the Closing Date for each Transferred Employee, in accordance with Section 5.8 of this Agreement.
- Any amounts owing to Transferred Employees on the Closing Date that have not been paid from funds allocated and advanced under the DIP Facility in accordance with the DIP Budget in effect up to the Closing Date, pursuant to section 6(5)(a)(ii) of the CCAA.

**SCHEDULE "E"**  
**ENCUMBRANCES TO BE DISCHARGED**

	Registration Number	Date	Secured Party	Particulars
[•]	[•]	[•]	[•]	[•]

[NTD: To be completed upon selection as the Successful bid.]

**SCHEDULE "F"**  
**PERMITTED ENCUMBRANCES**

**[NTD: To be completed upon selection as the Successful bid.]**

**SCHEDULE "G"**  
**APPROVAL AND VESTING ORDER**

**[NTD: To be completed upon selection as the Successful bid.]**

THIS IS **CONFIDENTIAL EXHIBIT "1"** REFERRED TO IN  
THE AFFIDAVIT OF DOUGLAS ROBERTSON, SWORN  
BEFORE ME THIS 21ST DAY OF AUGUST, 2025.



---

**JAMIE ERNST**

A Commissioner for taking Affidavits  
(or as may be)



**Confidential Exhibit “1”**  
[Intentionally omitted]

<p><b>IN THE MATTER OF THE <i>COMPANIES' CREDITORS ARRANGEMENT ACT</i>, R.S.C. 1985, c. C-36, AS AMENDED</b></p> <p><b>AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE OPHTHALMIC LAB INC. AND HAKIM OPTICAL WORLDWIDE LENSES INC.</b></p>	<p>Court File No. CV-25-00743383-00CL</p>
	<p><b>ONTARIO</b>  <b>SUPERIOR COURT OF JUSTICE</b>  <b>(COMMERCIAL LIST)</b>          Proceeding commenced at Toronto</p>
	<p><b>AFFIDAVIT OF DOUGLAS ROBERTSON</b>  <b>(Sworn August 21, 2025)</b></p>
	<p><b>BENNETT JONES LLP</b>          One First Canadian Place          Suite 3400, P.O. Box 130          Toronto, Ontario M5X 1A4</p> <p><b>Sean Zweig (LSO# 57307I)</b>          Tel: (416) 777-6254          Email: <a href="mailto:zweigs@bennettjones.com">zweigs@bennettjones.com</a></p> <p><b>Jesse Mighton (LSO# 62291J)</b>          Tel: (416) 777-6255          Email: <a href="mailto:mightonj@bennettjones.com">mightonj@bennettjones.com</a></p> <p><b>Jamie Ernst (LSO# 88724A)</b>          Tel: (416) 777-6124          Email: <a href="mailto:ernstj@bennettjones.com">ernstj@bennettjones.com</a></p> <p><b>Linda Fraser-Richardson (LSO# 89718B)</b>          Tel: (416) 777-7869          Email: <a href="mailto:fraserrichardsonl@bennettjones.com">fraserrichardsonl@bennettjones.com</a></p> <p>Lawyers for the Applicants</p>

TAB 3

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

THE HONOURABLE	)	THURSDAY, THE 28 <sup>TH</sup>
	)	
JUSTICE J. DIETRICH	)	DAY OF AUGUST, 2025

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE OPHTHALMIC LAB INC.  
AND HAKIM OPTICAL WORLDWIDE LENSES INC. (collectively, the "**Applicants**")

**SISP APPROVAL ORDER**

**THIS MOTION**, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, *inter alia*, (i) approving the sale and investment solicitation process in the form attached hereto as Schedule "A" (the "**SISP**") and granting certain related relief; (ii) approving the Stalking Horse Purchase Agreement (as defined below) as the stalking horse bid for purposes of the SISP; (iii) granting the Bid Protections Charge (as defined below); (iv) extending the Stay Period; (v) approving the Third Report and the activities of the Monitor set out therein (each as defined below); and (vi) approving the fees and disbursements of the Monitor and its counsel, was heard this day by way of judicial videoconference via Zoom.

**ON READING** the affidavit of Douglas Robertson sworn August 21, 2025, and the Exhibits thereto (the "**Robertson Affidavit**"), and the Third Report of KSV Restructuring Inc. dated August [●], 2025 (the "**Third Report**"), in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**"), and on being advised that the secured creditors who are likely to be affected by the charge created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Stalking Horse Purchaser (as defined below) and such other counsel that were present, no one else appearing although duly served as appears from the affidavit of service of Jamie Ernst filed,

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the SISP, the Amended and Restated Initial Order granted by this Court on June 27, 2025 (the "**ARIO**"), or the Stalking Horse Purchase Agreement, as applicable.

## **SALE AND INVESTMENT SOLICITATION PROCESS**

3. **THIS COURT ORDERS** that the SISP (subject to any amendments thereto that may be made in accordance therewith and with the terms of this Order) be and is hereby approved, and the Applicants and the Monitor, are hereby authorized and directed to implement the SISP pursuant to the terms thereof. The Applicants and the Monitor are hereby authorized and directed to perform their respective obligations thereunder and to do all things reasonably necessary to perform their respective obligations thereunder, subject to prior approval of the Court being obtained before completion of any transaction(s) under the SISP.
4. **THIS COURT ORDERS** that the Applicants, the Monitor, and their respective affiliates, partners, directors, officers, employees, legal advisors, representatives, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the SISP, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or wilful misconduct of any such person (with respect to such person alone), in performing their obligations under the SISP, as determined by this Court in a final Order that is not subject to appeal or other review.
5. **THIS COURT ORDERS** that, pursuant to section 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221), the Applicants and the Monitor are authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors and to their advisors, but only to the extent required to provide information with respect to the SISP in these proceedings.

6. **THIS COURT ORDERS** that in overseeing and conducting the SISP, the Monitor shall have all of the benefits and protections granted to it under the CCAA, the ARIO and any other Order of this Court in the within proceeding, and notwithstanding anything contained herein or in the SISP, the Monitor shall not take possession of any Property (as defined in the ARIO) or be deemed to take possession of any Property.

### **STALKING HORSE PURCHASE AGREEMENT**

7. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered, *nunc pro tunc* to enter into the Stalking Horse Specified Asset Purchase Agreement dated August 21, 2025, (the "**Stalking Horse Purchase Agreement**"), among the Applicants, as vendors, (collectively, the "**Vendors**"), Evelyn Aimis Holdings Inc., and Chiaro Ottico Ltd., as purchaser (the "**Stalking Horse Purchaser**"), attached as Exhibit D to the Robertson Affidavit, with such minor amendments as may be acceptable to the Vendors and the Stalking Horse Purchaser with the approval of the Monitor; provided that, nothing herein approves the sale and the vesting of any Property to the Stalking Horse Purchaser (or any of its designees) pursuant to the Stalking Horse Purchase Agreement and that the approval of any sale and vesting of any such Property shall be considered by this Court on a subsequent motion made to this Court if the transaction set out in the Stalking Horse Purchase Agreement is designated as the Successful Bid pursuant to the SISP.

8. **THIS COURT ORDERS** that, as soon as reasonably practicable following the Vendors and the Stalking Horse Purchaser agreeing to any amendment to the Stalking Horse Purchase Agreement permitted pursuant to the terms of this Order, the Applicants shall: (a) file a copy thereof with this Court; (b) serve a copy thereof on the Service List; and (c) provide a copy thereof to each SISP Participant (as hereinafter defined) excluding from the public record any confidential information that the Vendors and the Stalking Horse Purchaser, with the consent of the Monitor, agree should be redacted.

### **BID PROTECTIONS**

9. **THIS COURT ORDERS** that the Break-up Fee and Expense Reimbursement (each as defined in the Stalking Horse Purchase Agreement) are hereby approved and the Vendors are hereby authorized and directed to pay the Break-up Fee and Expense Reimbursement to the

Stalking Horse Purchaser (or to such other person as it may direct) in the manner and circumstances described in the Stalking Horse Purchase Agreement.

10. **THIS COURT ORDERS** that the Stalking Horse Purchaser shall be entitled to the benefit of and is hereby granted a charge (the "**Bid Protections Charge**") on the Property, which charge shall not exceed \$1,200,000 as security for the payment of the Break-up Fee and Expense Reimbursement, in the manner and circumstances described in the Stalking Horse Purchase Agreement.

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

12. **THIS COURT ORDERS** that the Bid Protections Charge shall constitute a charge on the Property and shall rank subordinate to the Charges (as defined in the ARIO), but in priority to all other Encumbrances (as defined in the ARIO).

13. **THIS COURT ORDERS** that, except for the Charges or such other charges as may be approved by this Court on notice to parties in interest, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Bid Protections Charge, unless the Applicants obtain the prior written consent of the Monitor and the Stalking Horse Purchaser, or further Order of this Court.

14. **THIS COURT ORDERS** that the Bid Protections Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Stalking Horse Purchaser shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), or otherwise, or any bankruptcy order(s) or receivership order(s) made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation

of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (each, an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Bid Protections Charge nor the execution, delivery, perfection, registration or performance of the Stalking Horse Purchase Agreement shall create, cause or be deemed to constitute a breach by any of the Applicants of any Agreement to which they are a party;
- (b) the Stalking Horse Purchaser shall not have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Bid Protections Charge or the execution, delivery or performance of the Stalking Horse Purchase Agreement; and
- (c) the payments made by and of the Vendors, pursuant to this Order, the Stalking Horse Purchase Agreement, and the granting of the Bid Protections Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

15. **THIS COURT ORDERS** that the Bid Protections Charge created by this Order over leases of real property in Canada shall only be a charge on the Applicants' interest in such real property lease.

16. **THIS COURT ORDERS AND DECLARES** that the Stalking Horse Purchaser, with respect to the Bid Protections Charge only, shall be treated as unaffected in any Plan, or any proposal filed by the Applicants under the BIA.

#### **PIPEDA**

17. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in any other applicable jurisdictions, the Monitor, the Applicants and their respective advisors are hereby authorized and permitted to disclose and transfer to prospective SISP participants, that are party to a non-disclosure agreement (each a "**SISP Participant**"), and their respective advisors,



personal information of identifiable individuals, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the SISP (each a "**Transaction**"). Each SISP Participant to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and, if it does not complete a Transaction, shall return all such information to the Monitor or the Applicants, or, in the alternative, destroy all such information and provide confirmation of its destruction if requested by the Monitor or the Applicants. Any bidder with a Successful Bid shall maintain and protect the privacy of such information, and upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or the Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Monitor or the Applicants, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Monitor or the Applicants.

#### **SEALING**

18. **THIS COURT ORDERS** that Confidential Exhibit "1" to the Robertson Affidavit is hereby sealed pending further Order of the Court and shall not form part of the public record.

#### **EXTENSION OF THE STAY PERIOD**

19. **THIS COURT ORDERS** that the Stay Period (as defined in the ARIQ) be and is hereby extended until and including November 7, 2025.

#### **APPROVAL OF THE MONITOR'S REPORT, ACTIVITIES AND FEES**

20. **THIS COURT ORDERS** that the Third Report and the activities of the Monitor referred to therein be and are hereby approved; provided, however, that only the Monitor, in its personal capacity and solely with respect to its own personal liability, shall be entitled to rely upon or make any use of such approval.

21. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, as set out in the Third Report and as more particularized within the fee affidavits of the Monitor and its counsel included within the Third Report, be and are hereby approved.

## **GENERAL**

22. **THIS COURT ORDERS** that the Applicants or the Monitor may apply to this Court to amend, vary or supplement this Order or for advice and directions with respect to the SISP at any time.

23. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

24. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist the Monitor and the Applicants, and their respective agents in carrying out the terms of this Order. All courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

25. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto Time) on the date of this Order, without the need for entry or filing.

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**SCHEDULE "A"**  
**SISP**

See attached.

## SCHEDULE "A"

### SALE AND INVESTMENT SOLICITATION PROCESS

#### **Background**

1. Hakim Optical Laboratory Limited ("**HOLL**") and Lawrence Ophthalmic Lab Inc. ("**Lawrence Lab**") commenced proceedings pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended, by filing Notices of Intention to Make a Proposal dated April 16, 2025, and April 22, 2025, respectively (the "**NOI Proceedings**").
2. Prior to the NOI Proceedings, HOLL, Lawrence Lab, certain of their affiliates, and 1001112855 Ontario Inc. (the "**Lender**") entered into a senior secured bridge financing credit facility dated as of January 21, 2025, pursuant to which the Lender advanced funds to HOLL and Lawrence Lab from time to time.
3. Pursuant to an initial order issued by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on May 15, 2025 (as amended and restated on June 27, 2025, the "**Initial Order**"), the NOI Proceedings were continued under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("**CCAA**"), as amended. Hakim Optical Worldwide Lenses Inc. was added as an applicant in the CCAA proceedings (together with HOLL and Lawrence Lab, the "**Applicants**"), and KSV Restructuring Inc. was appointed as monitor (in such capacity, the "**Monitor**") of the Applicants. Among other things, the Initial Order granted a stay of proceedings in favour of the Applicants, approved a debtor-in-possession financing facility (the "**DIP Facility**") among, *inter alios*, HOLL, Lawrence Lab and the Lender, and granted a Court-order charge in favour of the Lender in respect of any amounts advanced to the Applicants under the DIP Facility from time to time.
4. On August 28, 2025, the Court granted an order (the "**SISP Approval Order**"), which, among other things, approved:
  - (a) the sale and investment solicitation procedures set forth herein (the "**SISP**");
  - (b) the Stalking Horse Specified Asset Purchase Agreement dated August 21, 2025 (the "**Stalking Horse Purchase Agreement**"), among the Applicants and Evelyn Aimis Holdings Inc. (collectively, the "**Vendors**"), and Chiaro Ottico Ltd. (the "**Stalking Horse Bidder**");
  - (c) the bid made by the Stalking Horse Bidder pursuant to the Stalking Horse Purchase Agreement as the stalking horse bid (the "**Stalking Horse Bid**"), solely for the purpose of the SISP; and
  - (d) the Bid Protections (as defined below) in favour of the Stalking Horse Bidder, and granted a corresponding charge to secure the obligations and amounts contemplated under the Stalking Horse Purchase Agreement.

5. The SISP Approval Order and the SISP exclusively govern the process for soliciting and selecting bids for the purchase and sale of all or substantially all of the Applicants' Assets (as defined below) and the assumption of certain liabilities, including retail store leases.
6. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Capitalized terms that are not otherwise defined herein have the meanings ascribed to them in the SISP, Stalking Horse Purchase Agreement, or the Initial Order, as applicable.

### **Opportunity**

7. This SISP is intended to solicit interest in, and opportunities for, a sale of the Applicants' Assets and operations on a going-concern basis.
8. The Vendors have entered into the Stalking Horse Purchase Agreement, which constitutes a Qualified Bid (as defined below) for all purposes and at all times under the SISP. The purchase price under the Stalking Horse Purchase Agreement is \$22,000,000 an estimated amount comprised of the sum total of: (i) the Credit Bid Assigned Amount, plus (ii) the Priority Payables Amount, (the "**Purchase Price**"), all as set out in the Stalking Horse Purchase Agreement.
9. Notwithstanding the Stalking Horse Purchase Agreement, all interested parties are encouraged to submit Qualified Bids.
10. The SISP shall be conducted by the Monitor, in consultation with the Applicants. The Applicants are offering for sale, in whole or in part, all of their right, title and interest in and to their business enterprise, including all related assets, or all of their issued and outstanding shares, whether by way of an asset or share sale to be implemented through an approval and vesting order (collectively, the "**Applicants' Assets**").
11. The Monitor, in consultation with the Applicants, will consider (i) a bid for all of the Applicants' Assets (an "**En Bloc Bid**") or (ii) separate bids to acquire some but not all of the Applicants' Assets ("**Aggregate Bids**"), provided that the Monitor will only consider Aggregate Bids if a combination of one or more Aggregate Bids in the aggregate meets the requirements to be a Qualified Bid. The preferred transaction structure is an En Bloc Bid.

### **SISP Timeline**

12. The Monitor and the Applicants will use reasonable efforts to complete the SISP in accordance with the milestones set out herein. Notwithstanding any other provision of the SISP, the Monitor shall be permitted to make such adjustments to the timelines set out herein that it determines are appropriate or reasonably necessary in the circumstances, provided the aggregate discretionary extension is limited to fourteen (14) days, unless agreed in advance and in writing by the Applicants and the Stalking Horse Bidder, or otherwise ordered by the Court.
13. The SISP will otherwise be conducted in accordance with the following milestones:

Milestone	Deadline
Granting of SISP Approval Order	August 28, 2025
Deadline to publish a notice of the SISP and set up the Data Room	September 3, 2025
Deadline to submit a Qualified Bid (" <b>Qualified Bid Deadline</b> ")	No later than 5:00 p.m. (Toronto time) on October 3, 2025
Auction (if necessary), to be held virtually	Commences at 10:00 a.m. (Toronto time) on October 8, 2025
Hearing – Court application for Approval Order(s)	If the Stalking Horse Bidder is the Successful Bidder, then by no later than October 15, 2025  Otherwise, no later than October 22, 2025, subject to Court availability
Closing of the Successful Bid(s)	If the Stalking Horse Bidder is the Successful Bidder, then by no later than October 31, 2025  Otherwise, no later than November 7, 2025, subject to Court availability
Outside Date for the Closing of the Stalking Horse Bid	October 31, 2025, or such other date as the Vendors (with the consent of the Monitor) and the Stalking Horse Bidder may agree to in writing

#### As Is, Where Is

14. The sale of the Applicants' Assets or any portion thereof shall be on an "as is, where is" and "with all faults" basis and without representations, warranties, or guarantees, express, implied or statutory, written or oral, of any kind, nature, or description by the Monitor or the Applicants or their respective agents, representatives, partners or employees, or any of the other parties participating in the SISP, except as may otherwise be provided in a definitive purchase agreement with the Applicants or the Monitor (as applicable). By submitting a bid, each Qualified Bidder (as defined below) shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Applicants' Assets prior to making its bid, that it

has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Applicants' Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Applicants' Assets by the Applicants or the Monitor.

### **Free of any and all Claims and Interest**

15. In the event that a Successful Bid (as defined below) is selected in accordance with this SISP, all of the rights, title and interest of the Applicants in and to the Applicants' Assets to be acquired under such Successful Bid, will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, interests thereon and there against (collectively, the "**Claims and Interests**") pursuant to one or more approval and vesting orders made by the Court (each, an "**Approval Order**"). All such Claims and Interests shall attach to the net proceeds of the sale of such property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder (as defined below).
16. If the Stalking Horse Bid is not the Successful Bid, then the Stalking Horse Bidder will be entitled to the payment of certain bid protections, which are comprised of: (i) a break fee in the amount of \$600,000 (the "**Break Fee**"), and (ii) an expense reimbursement for all actual documented out-of-pocket reasonable costs and expenses incurred in connection with negotiating, preparing and executing the Stalking Horse Purchase Agreement, up to the maximum amount of \$600,000 (the "**Expense Reimbursement**" and together with the Break Fee, the "**Bid Protections**").

### **Solicitation of Interest**

17. As soon as reasonably practicable following the granting of the SISP Approval Order and, but, in any event, by no later than September 3, 2025, the Monitor shall:
  - (a) cause a notice of the SISP, and such other relevant information which the Monitor considers appropriate, to be published in applicable industry publications, websites and/or forums;
  - (b) prepare: (i) in consultation with the Applicants, marketing materials and a process letter outlining the SISP and opportunities thereunder; and (ii) a non-disclosure agreement in form and substance satisfactory to the Monitor, in consultation with the Applicants, which shall inure to the benefit of any purchaser of the Applicants' Assets or any part thereof (an "**NDA**"); and
  - (c) make available a virtual data room (the "**Data Room**") to interested parties that have signed an NDA.

### Participation Requirements and Due Diligence

18. In order to participate in the SISP, an interested party must first be designated by the Monitor as a Qualified Bidder.
19. A "**Qualified Bidder**" means any interested party that:
  - (a) has actually delivered, to the addresses specified herein (including by email) an executed NDA; and
  - (b) has been determined by the Monitor, in its sole discretion and after consulting with the Applicants, to have the financial wherewithal to consummate a successful transaction pursuant to the SISP.
20. The Monitor shall provide any person it deems to be a Qualified Bidder with access to the Data Room and such reasonably required due diligence materials and information relating to the Applicants' Assets, as the Monitor deems appropriate.
21. Qualified Bidders will be able to conduct their due diligence using the information in the Data Room and must direct all related questions, on a without liability or representation basis, to the Monitor. All such information obtained by that Qualified Bidder shall be subject to the NDA.

### Submission of Qualified Bids

22. A Qualified Bidder that desires to make a bid for all or substantially all of the Applicants' Asset must deliver to the Monitor by the Qualified Bid Deadline a Qualified Bid in the form of a fully executed purchase and sale agreement substantially in the form of the template agreement of purchase and sale located in the Data Room (the "**Template APS**").
23. Qualified Bids must be delivered in accordance with the notice requirements set out herein and must be actually received by the Monitor on or before the Qualified Bid Deadline.
24. The Qualified Bid Deadline may be extended by up to ten (10) Business Days at the sole discretion of the Monitor, unless otherwise agreed in writing by the Stalking Horse Bidder or with the approval of the Court.

### Qualified Bid Requirements

25. A bid from a Qualified Bidder that includes all of the Qualified Bid Requirements and is received by the Qualified Bid Deadline is a "**Qualified Bid**".
26. To constitute a Qualified Bid or an Aggregate Bid, a bid must comply with the following conditions (each, a "**Qualified Bid Requirement**" and collectively, the "**Qualified Bid Requirements**"):
  - (a) it has been submitted by a Qualified Bidder by the Qualified Bid Deadline;



- (b) it provides for the payment in full in cash on closing an amount that is sufficient to pay in full all of:
  - (i) the Purchase Price;<sup>1</sup>
  - (ii) the Expense Reimbursement;
  - (iii) the Break Fee; plus
  - (iv) a minimum bid increment of \$100,000;
- (c) it provides an allocation of the purchase price under such bid among the Applicants' Assets and any other assets to be acquired;
- (d) it provides detailed sources and uses schedules that identifies, with specificity, the amount of cash consideration (the "**Cash Consideration Value**") and any assumptions that could reduce the net consideration payable;
- (e) it provides details of any assumption of the Applicants' liabilities;
- (f) it is reasonably capable of being consummated within ten (10) Business Days after the issuance of an Approval Order or by no later than November 7, 2025, if selected as the Successful Bid;
- (g) it contains:
  - (i) duly executed purchase and sale agreement substantially in the form of the Template APS and a blackline of the executed purchase and sale agreement to the Template APS;
  - (ii) the required cash Deposit (defined below); and
  - (iii) such other information as may, in their discretion, be reasonably requested by the Applicants or the Monitor;
- (h) it includes a letter stating that the Qualified Bid is submitted in good faith, is binding and is irrevocable until the earlier of: (i) the completion of the sale to a Successful Bidder, or (ii) November 7, 2025;
- (i) it provides written evidence of the Qualified Bidder's ability to fully fund and consummate the transaction and satisfy its obligations in cash on closing under the reasonably anticipated transaction documents in keeping with transactions of this nature, including

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<sup>1</sup> As indicated in the Stalking Horse Purchase Agreement the Purchase Price for the Specified Purchased Assets is the amount of \$22,000,000 which comprised of the sum total of: (i) the Credit Bid Assigned Amount, plus (ii) the Allocated Priority Payables Amount (each as defined therein).

binding equity/debt commitment letters and/or guarantees (i.e., bank guarantees) covering the full value of the Cash Consideration Value;

- (j) it does not include any request for or entitlement to any break fee, expense reimbursement, brokerage fees, finder's fees or commissions, or any similar type of payment;
- (k) it is not conditional upon:
  - (i) the outcome of unperformed due diligence by the Qualified Bidder; or
  - (ii) obtaining financing;
- (l) it includes full details of the Qualified Bidder's intended treatment of the Applicants' employees under the proposed bid;
- (m) it is accompanied by a cash deposit (the "**Deposit**") by wire transfer of immediately available funds equal to 15% of the Cash Consideration Value, which Deposit shall be retained by the Monitor in a non-interest bearing trust account in accordance with Section 40;
- (n) it includes a statement that the Qualified Bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis;
- (o) it includes an acknowledgement and representation that the Qualified Bidder:
  - (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its Qualified Bid;
  - (ii) understands that the transaction will proceed on an "as is, where is" basis, and did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Applicants, Monitor, or any of its advisors, except as expressly stated in the purchase and sale agreement submitted by it;
  - (iii) will accept the form of the draft Approval Order(s) on commercially reasonable terms and conditions;
  - (iv) is a sophisticated party that is capable of making its own assessments in respect of making its Qualified Bid; and

- (v) has had the benefit of independent legal advice in connection with its Qualified Bid; and
  - (p) it contains evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body), if applicable, and identifies each entity or person and representatives thereof who are authorized to appear and act on behalf of the Qualified Bidder on a timely basis for all purposes regarding the transaction.
27. All Aggregate Bids must comply with each of the Qualified Bid Requirements (as may be modified in accordance with the SISP) in order to be a Qualified Bid.
28. The Monitor may, in its reasonable discretion, waive compliance with any one or more of the Qualified Bid Requirements specified herein, and deem such non-compliant bid to be a Qualified Bid in accordance with the SISP. If a bid received is not a Qualified Bid, the Monitor may provide the bidder with an opportunity to remedy any deficiencies and render such bid a Qualified Bid; *provided* that such defects are remedied on or before the Qualified Bid Deadline.

#### **Modified SHB and the Excluded Assets Sale**

29. The Applicants and the Stalking Horse Bidder, with the consent of the Monitor, shall be permitted to modify the Stalking Horse Bid, to exclude any asset for which an alternative bid (each, an "**Alternative Bid**", and the assets subject to such Alternative Bid, the "**Excluded SHB Assets**") is received if:
- (a) the Stalking Horse Bidder in its sole discretion, acting reasonably, consents to modify the Stalking Horse Bid in order to accommodate such proposed Alternative Bid;
  - (b) the Applicants and the Stalking Horse Bidder, with the consent of the Monitor, agree on the adjustment of the Purchase Price under the Stalking Horse Bid to account for the removal of the Excluded SHB Assets and the value of the Alternative Bid;
  - (c) the Monitor determines that the aggregate consideration to be offered by (i) the Stalking Horse Bid, as so modified (the "**Modified SHB**") and (ii) the proposed Alternative Bid for the Excluded SHB Assets, would exceed the value of the Stalking Horse Bid (the "**Excluded Assets Sale**");
  - (d) the Alternative Bid combined with the Modified SHB meets all of the requirements of a Qualified Bid;
  - (e) the Monitor determines that the Modified SHB and the Excluded Assets Sale, collectively, are a Qualified Bid; and
  - (f) the Stalking Horse Bidder agrees that the original Stalking Horse Bid shall remain open for acceptance notwithstanding the Modified SHB, such that the Stalking Horse Bid can be

completed if for any reason the Modified SHB and the Excluded Assets Sale are not completed.

30. For greater certainty, if the Modified SHB and the Excluded Assets Sale are each designated as a Successful Bid, then the Stalking Horse Bidder shall not be entitled to receive the Expense Reimbursement or the Break Fee as a result of the completion of such transaction. If the Modified SHB and the Excluded Asset Sale are not selected as a Successful Bid, then the Stalking Horse Bidder shall continue to be entitled to receive the Expense Reimbursement and Break Fee (in accordance with the Stalking Horse Purchase Agreement) upon completion of an Alternative Bid constituting a Successful Bid to which the Stalking Horse Bidder is not a party.

#### **No Qualified Bids Received**

31. If the Monitor does not receive any Qualified Bids, (other than the Stalking Horse Bid) by the Qualified Bid Deadline, the Stalking Horse Purchase Agreement will be deemed to be the Successful Bid and the Monitor shall take reasonable steps to perform Section 33 herein.

#### **Assessment of Qualified Bids**

32. The Monitor shall assess all Qualified Bids submitted on or before the Qualified Bid Deadline to determine whether the transactions contemplated therein are likely to be consummated. Such assessments will be made as promptly as practicable but in any event no later than ten (10) Business Days following the Qualified Bid Deadline.
33. If the Monitor determines that no Qualified Bids other than the Stalking Horse Purchase Agreement were received by the Qualified Bid Deadline, or that at least one additional Qualified Bid was received but it is unlikely that the transactions contemplated in any such Qualified Bids will be consummated, the Monitor shall:
  - (a) forthwith irrevocably terminate the SISP;
  - (b) notify each Qualified Bidder (if any) that the SISP has been terminated;
  - (c) notify the Stalking Horse Bidder that it is the Successful Bidder; and
  - (d) as soon as reasonably practicable after such termination, and in any event, no later than fifteen (15) days following the selection (or deemed selection) of the Successful Bid, file a motion with the Court seeking approval to implement the Stalking Horse Purchase Agreement.

#### **The Sale and Auction Process**

34. If one or more Qualified Bids (other than the Stalking Horse Bid) has been received by the Monitor on or before the Qualified Bid Deadline, the Monitor shall proceed with an auction to determine the successful bid(s) (the "**Auction**"), which Auction shall be administered in accordance with Exhibit "A" hereto, subject to such additional procedural rules as may be determined by the Monitor

to be necessary or desirable in the conduct of the Auction. The successful bid(s) selected within the Auction shall constitute the successful bid ("**Successful Bid**", with such bidder being the "**Successful Bidder**"). Forthwith upon determining to proceed with an Auction, the Monitor shall provide written notice to each party that submitted a Qualified Bid (including the Stalking Horse Bidder), along with copies of all Qualified Bids and a statement by the Monitor specifying which Qualified Bid is the leading bid.

35. If an Auction is conducted, the Qualified Party (as defined below) and/or Qualified Bidder with the next highest or otherwise best Qualified Bid at the Auction or, if such Qualified Bidder did not participate in the Auction, submitted in the SISP, as determined by the Monitor, may be designated as the backup bidder (the "**Backup Bidder**"). The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submitted one or more overbids at the Auction, the Backup Bidder's final overbid) (the "**Backup Bid**") open until the earlier of (i) two (2) Business Days after the date of closing of the transaction contemplated by the Successful Bid; or (ii) November 7, 2025.
36. If the Stalking Horse Bid is not selected as the Successful Bid, the Stalking Horse Bidder shall not be designated as a Backup Bidder, and the Stalking Horse Purchase Agreement shall not be a Backup Bid.
37. Following the selection of a Successful Bid, the parties shall negotiate and finalize any definitive documents, in accordance with the key milestones set out in herein. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the Monitor, the Applicants shall apply to the Court for an Approval Order (or orders), among other things, approving such Successful Bid and/or the mechanics to authorize the Applicants, with the assistance of the Monitor, to complete the transactions contemplated thereby, as applicable, and authorizing the Applicants to: (i) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (ii) undertake such other actions as may be necessary to give effect to such Successful Bid; and (iii) implement the transaction(s) contemplated in such Successful Bid.
38. If a selected Successful Bid is not completed within ten (10) Business Days following issuance of an Approval Order, the Approval Order is not granted, or the Monitor otherwise determines a selected Successful Bid will not be completed, the Monitor shall be permitted to designate one or more Backup Bids received prior to or during the Auction, and such alternative Successful Bid shall be deemed the Successful Bid for all purposes hereunder. The foregoing shall not limit the Monitor's right in the foregoing circumstances to terminate the SISP and pursue any alternative process and any alternative transactions determined by the Monitor to be appropriate, in consultation with the Applicants.

#### **Miscellaneous**

39. Except as otherwise provided in the SISP or the Stalking Horse Purchase Agreement, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Stalking Horse Purchase Agreement, the SISP Approval Order, and the SISP.

40. All Deposits shall be retained by the Monitor in a non-interest bearing trust account. If a Successful Bid is selected and an Approval Order authorizing the consummation of the transaction contemplated thereunder is granted, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. In the event that the Successful Bid is not completed due to a breach or default of the bidder's obligations thereunder, the Deposit shall be forfeited to the Applicants as damages and such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Applicants have in respect of such breach or default. Any Deposit delivered with a Qualified Bid that is not selected as a Successful Bid will be returned to the applicable bidder as soon as reasonably practicable (but not later than ten (10) Business Days) after the earliest of (i) completion of a Successful Bid; or (ii) the date of the Monitor's determination that such bid will not be pursued further.

#### **Notice Requirements**

41. Any communication, bids and all associated documentation to be given under this SISP by any person to the Monitor shall be in writing in substantially the form, if any, provided for in the SISP and will be sufficiently given only if delivered by prepaid ordinary mail, registered mail, courier, personal delivery, or email addressed to:

**KSV Restructuring Inc.**

220 Bay Street, 13th Floor

PO Box 20, Toronto Ontario, M5J 2W4

**Attention:** Mitch Vininsky / Jordan Wong

**Email:** [mvininsky@ksvadvisory.com](mailto:mvininsky@ksvadvisory.com) / [Jwong@ksvadvisory.com](mailto:Jwong@ksvadvisory.com)

**Tel:** 416-932 6013 / 416- 932 6025

**EXHIBIT "A"**  
**AUCTION PROCEDURES**

1. **Auction.** If the Monitor receives at least one Qualified Bid (other than the Stalking Horse Purchase Agreement) including any Aggregate Bid, the Monitor shall conduct and administer the Auction in accordance with the terms of the SISP. Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Parties not less than 24 hours prior to the Auction.
2. **Participation.** Only Qualified Bidders that submit a Qualified Bid, including the Stalking Horse Bidder and the parties submitting any Aggregate Bid (each, a "**Qualified Party**", and collectively, the "**Qualified Parties**"), shall be eligible to participate in the Auction. No later than 5:00 p.m. (Toronto time) on the day prior to the Auction, each Qualified Party (other than the Stalking Horse Bidder) must inform the Monitor whether it intends to participate in the Auction. The Monitor will promptly thereafter inform in writing each Qualified Party who has expressed its intent to participate in the Auction of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction. If no Qualified Party indicates such expression of intent, the Stalking Horse Bid shall be deemed the Successful Bid, and the Monitor shall as soon as practicable seek Court approval of the Stalking Horse Bid.
3. **Auction Procedures.**
  - (a) **Procedures.** The Auction shall be governed by the following procedures:
    - (i) **Attendance.** Only the Applicants, the Monitor, representatives of the Qualified Parties and each of their respective advisors, and any other person admitted with the consent of the Monitor will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction;
    - (ii) **No Collusion.** Each Qualified Party participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with respect to the Auction and the bid process (excluding, for greater certainty, any discussions among those parties who are bidders in an Aggregate Bid); and (ii) its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bid;
    - (iii) **Minimum Overbid.** The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the Monitor (the "**Initial Bid**"), and any bid made at the Auction by a Qualified Party subsequent to the Monitor's announcement of the Initial Bid (each, an "**Overbid**"), must proceed in minimum additional cash increments as determined by the Monitor and announced to the Auction participants prior to each round of bidding (the "**Required Bid Increment**"). At the end of each

round of bidding, the Monitor will identify the highest or otherwise best Overbid as the leading bid for the subsequent round (the "**Lead Bid**");

(iv) **Bidding Conclusion.** The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party (including parties to an Aggregate Bid) has had the opportunity to submit an additional bid or refused to submit an additional bid with full knowledge and written confirmation of the then-existing Lead Bid for that round. If at the commencement of the Auction, no party submits a bid that both exceeds the Initial Bid by the Required Bid Increment, then the Initial Bid will be the Successful Bid. If in any round, a Qualified Party (other than the party who submitted the Lead Bid in such round) does not submit an Overbid satisfying the Required Bid Increment, then such Qualified Party (including the parties to any Aggregate Bid if no Aggregate Bid is submitted in a particular round) will no longer be permitted to participate in any subsequent round of the Auction; and

(v) **No Post-Auction Bids.** No bids will be considered for any purpose after the Auction has concluded.

(b) **Additional Procedures.** The Monitor may announce prior to or during the Auction additional procedural rules, including the process for submission and review of bids, that are reasonable under the circumstances for conducting the Auction; *provided* that those rules are not inconsistent in any material respects with the SISP Approval Order, SISP or the Stalking Horse Purchase Agreement.

4. **Selection of Successful Bid.** Before the conclusion of the Auction, the Monitor will: (a) review each Qualified Bid and Overbid, considering the Qualified Bid Requirements set out in the SISP and, among other things: (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same; (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in subparagraph (i) above; (iii) the likelihood of the Qualified Party's ability to close any proposed transaction by ten (10) Business Days after issuance of an Approval Order and the timing thereof (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals); (iv) the likelihood of the Court's approval of such Overbid; (v) the net benefit to the estate of the Applicants of such Overbid; and (vi) any other factors the Monitor may, consistent with its duties, reasonably deem relevant; and (b) designate the highest or otherwise best bid received at the Auction the Successful Bid and the Qualified Party making such bid, the Successful Bidder.

5. **Acknowledgement.** The Successful Bidder shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within one (1) Business Day of the Successful Bid being selected as such, unless extended by the Monitor, subject to the milestones set forth herein.



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

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE  
OPHTHALMIC LAB INC. AND HAKIM OPTICAL WORLDWIDE LENSES INC.**

Court File No.: CV-25-00743383-00CL

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

Proceeding commenced in Toronto

**SISP APPROVAL ORDER**

**BENNETT JONES LLP**

One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario M5X 1A4

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Lawyers for the Applicants

<p><b>IN THE MATTER OF THE <i>COMPANIES' CREDITORS ARRANGEMENT ACT</i>, R.S.C. 1985, c. C-36, AS AMENDED</b></p> <p><b>AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE OPHTHALMIC LAB INC. AND HAKIM OPTICAL WORLDWIDE LENSES INC.</b></p>	<p>Court File No. CV-25-00743383-00CL</p>
	<p><b>ONTARIO</b>  <b>SUPERIOR COURT OF JUSTICE</b>  <b>(COMMERCIAL LIST)</b>          Proceeding commenced at Toronto</p>
	<p><b>MOTION RECORD</b>  <b>(Returnable August 28, 2025)</b></p>
	<p><b>BENNETT JONES LLP</b>          One First Canadian Place          Suite 3400, P.O. Box 130          Toronto, Ontario M5X 1A4</p> <p><b>Sean Zweig (LSO# 57307I)</b>          Tel: (416) 777-6254          Email: <a href="mailto:zweigs@bennettjones.com">zweigs@bennettjones.com</a></p> <p><b>Jesse Mighton (LSO# 62291J)</b>          Tel: (416) 777-6255          Email: <a href="mailto:mightonj@bennettjones.com">mightonj@bennettjones.com</a></p> <p><b>Jamie Ernst (LSO# 88724A)</b>          Tel: (416) 777-6124          Email: <a href="mailto:ernstj@bennettjones.com">ernstj@bennettjones.com</a></p> <p><b>Linda Fraser-Richardson (LSO# 89718B)</b>          Tel: (416) 777-7869          Email: <a href="mailto:fraserrichardsonl@bennettjones.com">fraserrichardsonl@bennettjones.com</a></p> <p>Lawyers for the Applicants</p>