



**Second Report to Court of
KSV Restructuring Inc.
as CCAA Monitor of
Hakim Optical Laboratory Limited,
Lawrence Ophthalmic Lab Inc. and
Hakim Optical Worldwide Lenses Inc.**

August 6, 2025

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COURT FILE NUMBER: CV-25-00743383-00CL

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

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

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

**SECOND REPORT OF KSV RESTRUCTURING INC.
AS MONITOR**

August 6, 2025

1.0 Introduction

1. On April 16 and 22, 2025, Hakim Optical Laboratory Limited ("**Hakim Optical**") and Lawrence Ophthalmic Lab Inc. ("**Labs**"), respectively, filed Notices of Intention to Make a Proposal ("**NOI**") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") (collectively, the "**NOI Proceedings**"). KSV Restructuring Inc. ("**KSV**") was appointed the proposal trustee (the "**Proposal Trustee**") in connection with the NOI Proceedings.
2. Pursuant to an order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on May 15, 2025 (the "**Filing Date**"), Hakim Optical, Labs and Hakim Optical Worldwide Lenses Inc. ("**HOWL**", and collectively, the "**Applicants**") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and KSV was appointed monitor (the "**Monitor**").
3. Pursuant to the terms of the Initial Order, among other things, the Court:
 - a) granted a stay of proceedings until June 30, 2025 (the "**Stay Period**");
 - b) continued the NOI Proceedings under the CCAA and ordered that the provisions of Part III of the BIA have no further application to Hakim Optical and Labs;
 - c) approved an interim financing facility of up to \$2.8 million (the "**DIP Facility**") pursuant to a binding commitment letter dated May 8, 2025 (the "**DIP Term Sheet**") between 1001112855 Ontario Inc. ("**855 Ontario**") and, in such capacity, the "**DIP Lender**") and Hakim Optical and Labs; and

- d) granted the following charges in the following order of priority:
 - i. a charge in favour of the Monitor, Chaitons LLP ("**Chaitons**"), the Monitor's legal counsel, and Bennett Jones LLP ("**Bennett Jones**"), the Applicants' legal counsel, in the amount of \$250,000 to secure their fees and disbursements in these proceedings; and
 - ii. a charge in favor of 855 Ontario to secure advances made under the DIP Facility of up to \$2.8 million (the "**DIP Lender's Charge**").
- 4. The Initial Order dispensed with the statutory requirement to bring a comeback motion within 10 days of issuance of the Initial Order.
- 5. On May 15, 2025, the Court also issued orders, among other things, terminating the NOI Proceedings and discharging KSV in its capacity as the Proposal Trustee.
- 6. On June 27, 2025, the Court issued an amended and restated initial order (the "**ARIO**"), among other things:
 - a) extending the Stay Period until July 14, 2025;
 - b) expanding certain relief granted under the Initial Order; and
 - c) approving the Monitor's pre-filing report dated May 9, 2025 (the "**Pre-Filing Report**"), the Monitor's first report dated June 24, 2025 (the "**First Report**") and the Monitor's activities described therein.

A copy of the ARIO is attached as **Appendix "A"**.

- 7. On July 14, 2025, the Court issued an order extending the stay of proceedings to August 8, 2025.
- 8. The principal purpose of the CCAA proceedings is to provide the Applicants with the continued stability to operate while a Court-supervised sale and investment solicitation process (the "**SISP**") is conducted to complete a going-concern transaction. The Applicants intend to seek approval of the SISP as soon as the Applicants finalize a proposed stalking horse bid in the form of an asset purchase agreement (the "**Stalking Horse APA**" or the "**Stalking Horse Bid**") between the Applicants and an affiliate of 855 Ontario which, if completed, would enable the Applicants' business to continue operating as a going concern. The Stalking Horse APA is intended to act as a "stalking horse bid" in the SISP which would provide a higher degree of certainty of a going-concern transaction being completed. As discussed below, the Applicants are actively negotiating a Stalking Horse APA with the proposed stalking horse purchaser and are reasonably optimistic that Court approval of a Stalking Horse Bid will be sought before the end of August 2025.
- 9. The affidavit of Douglas Robertson, Senior Controller of the Applicants, sworn May 8, 2025 in support of the CCAA application (the "**Robertson Affidavit**"), provides, among other things, background information concerning the Applicants and their business, as well as the reasons for the commencement of the NOI Proceedings and the CCAA proceedings.

10. Materials filed in the NOI and CCAA proceedings are available on the Monitor's case website at www.ksvadvisory.com/experience/case/hakim.
11. This report (the "**Report**") is being filed by KSV in its capacity as Monitor of the Applicants. This Report should be read in conjunction with the affidavit of Douglas Robertson sworn August 5, 2025.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information regarding this proceeding;
 - b) summarize the Applicants' cash flow forecast for the period August 4 to November 7, 2025 (the "**Updated Cash Flow Forecast**");
 - c) provide the Court with an update on the activities of the Applicants and the Monitor since the last attendance on July 14, 2025;
 - d) provide an update on discussions among the Applicants, the Monitor, their respective counsel, the proposed stalking horse purchaser and its counsel, Loopstra Nixon LLP ("**Loopstra**"), regarding the Stalking Horse APA; and
 - e) recommend that the Court issue an Order, among other things:
 - (i) extending the Stay Period until August 29, 2025;
 - (ii) increasing the Applicants' permitted borrowings under the DIP Facility from \$2.8 million to \$4.2 million in accordance with the first amending agreement between the Applicants and 855 Ontario dated August 5, 2025 (the "**DIP Amendment**"), and increase the amount of the DIP Lender's Charge as security for the additional borrowings under the DIP Amendment; and
 - (iii) approving this Report, the Monitor's supplement to the first report dated July 8, 2025 and the Monitor's activities described therein.

1.2 Scope and Terms of Reference

1. In preparing this Report, the Monitor has relied upon the Applicants' unaudited financial information, books and records, and discussions with the Applicants' management and legal counsel.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information set out herein should perform its own diligence.

3. An examination of the Updated Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information relied upon in this Report is based upon the Applicants' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Updated Cash Flow Forecast will be achieved.

1.3 Currency

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

2.0 Background

2.1 Corporate

1. The Robertson Affidavit and the Pre-Filing Report provide detailed background information with respect to the Applicants' business, operations and financial situation. Accordingly, that information is only summarized in this Report.
2. Hakim Optical was incorporated under the *Canada Business Corporations Act* (the "**CBCA**") by articles of incorporation dated March 6, 2015. Through former related entities, the business of Hakim Optical has been operating since 1967. It is also extra provincially registered in Manitoba, Alberta and British Columbia.
3. Labs is governed by the CBCA pursuant to articles of continuation dated March 17, 2015.
4. HOWL was incorporated on March 6, 1992 pursuant to the *Ontario Business Corporations Act*.
5. The Applicants' registered head office is located at 3430 Lawrence Avenue East, Scarborough, Ontario.
6. Sir Karim Hakimi is the founder, sole shareholder and sole director of the Applicants and Evelyn Aimis Holding Inc. ("**Evelyn Aimis**"), the non-applicant parent company of Hakim Optical, which owns certain real properties that are leased to Hakim Optical (where rent has historically been accrued but not paid). Sir Hakimi founded the Applicants' business 58 years ago when he opened the first optical laboratory in downtown Toronto and first retail store in Mississauga, Ontario and began building the brand that grew into a nationally recognized affordable high-quality eyewear company.
7. A copy of the organizational chart of Hakim Optical, Labs, Evelyn Aimis and certain related parties is provided in **Appendix "B"**.

2.2 Business of the Applicants

1. Hakim Optical is a Canadian retail optical chain that offers designer and “Hakim” branded frames, as well as contact lenses and safety glasses. Hakim Optical currently operates from 70 locations (including 9 locations owned by Evelyn Aimis) and, at the start of the CCAA proceedings, employed approximately 267 individuals, as summarized in the table below¹.

Province	Number of Stores	Number of Employees
Ontario	65	247
Alberta	1	6
Manitoba	4	14
Total	70	267

2. Hakim Optical is known for its distinctive orange signage and its “your eyes can have it all at Hakim Optical” advertising jingle.
3. Labs operates two laboratories in the Greater Toronto Area located at 1880 The Queensway, Etobicoke, Ontario and 1325 The Queensway, Toronto, Ontario. Labs manufactures all Hakim Optical branded lenses which are then sold to Hakim Optical, its only customer, at cost, or an estimate of cost. Labs employs approximately 10 individuals. The Applicants’ cash management is integrated such that Hakim Optical pays all costs incurred by Labs and certain of Evelyn Aimis’ operating costs (primarily insurance and property taxes for the locations where Hakim Optical operates).
4. The Monitor has been advised by the Applicants that HOWL has no active business operations or assets. HOWL is a party to certain utility contracts and leases (the “**HOWL Agreements**”) where Hakim Optical operates. Notwithstanding that HOWL is a party to the HOWL Agreements, Hakim Optical is the entity that has historically made payments in respect of the HOWL Agreements.
5. The Applicants’ employees are not unionized. All employees with more than two years of employment are automatically enrolled in the Applicants’ defined contribution registered pension plan.

2.3 Secured Creditors

1. On January 21, 2025, 855 Ontario, Royal Bank of Canada (“**RBC**”), the Applicants’ senior secured creditor at the time, and Hakim Optical entered into an assignment agreement, whereby RBC agreed to assign and 855 Ontario agreed to acquire the indebtedness owing under a letter agreement between Hakim Optical and RBC dated April 22, 2021, as amended (collectively, the “**Loan Agreement**”). Pursuant to the Loan Agreement, RBC had agreed to extend three credit facilities to Hakim Optical with an aggregate availability of approximately \$14.5 million (the “**Loan**”).
2. The Loan is guaranteed by each of Evelyn Aimis, Labs, and their parent company, 605529 Ontario Inc., up to a maximum amount of \$13.9 million, plus interest, pursuant to guarantee and postponement of claim agreements dated April 29, 2021.

¹ Optometrists based out of the retail locations are neither employees nor contractors; they operate rent-free pursuant to a verbal arrangement with Hakim Optical.

3. As security for the Loan, RBC was granted, among other things, the following security:
 - a) a General Security Agreement dated April 29, 2021 granted by Hakim Optical;
 - b) a General Security Agreement dated April 29, 2021 granted by Labs; and
 - c) a Postponement and Assignment of Claim dated as of April 29, 2021 between Sir Hakimi and Hakim Optical, as amended pursuant to an amending agreement signed by Sir Hakimi and Hakim Optical dated as April 29, 2021.
4. As described above, on January 21, 2025, 855 Ontario, as lender, Hakim Optical, as borrower, and Labs, as guarantor, among others, entered into the Bridge Financing Credit Agreement, whereby 855 Ontario agreed to extend a non-revolving demand credit facility to Hakim Optical in the maximum aggregate amount of \$5 million (the “**Bridge Loan**”). The Bridge Loan was provided for the limited purpose of funding Hakim Optical’s working capital needs, the payment of certain fees and expenses, including the professional fees and expenses incurred in respect of negotiating the Stalking Horse APA and commencing the NOI Proceedings and CCAA proceedings, and certain pre-filing obligations and other costs.
5. 855 Ontario, being an arm’s length party, is the Applicants’ principal secured creditor. As of July 4, 2025, 855 Ontario is owed approximately \$17.8 million by the Applicants in respect of the Loan Agreement and Bridge Loan. Interest, fees and costs continue to accrue. As noted below, 855 Ontario has also advanced \$1.8 million to the Applicants under the DIP Facility, exclusive of interest, fees and costs.
6. Chaitons has provided the Monitor with an opinion confirming the validity and enforceability of 855’s security, subject to standard assumptions and qualifications.²
7. The Applicants also entered into agreements with two equipment lenders who each have security interests registered against their respective machines and/or vehicles pursuant to the applicable provincial personal property legislation.

2.4 SISP Development

1. Since the start of the CCAA proceedings, the Applicants and Bennett Jones have been working diligently to advance negotiation of the Stalking Horse APA with the proposed stalking horse purchaser and/or Loopstra. The Monitor has also assisted to facilitate negotiations in this regard. Although negotiations have taken longer than initially projected, the Applicants and Monitor remain engaged in ongoing discussions with the proposed stalking horse purchaser and/or Loopstra and 855 Ontario has, pursuant to the DIP Amendment, agreed to provide additional funding under the DIP Facility to allow for continued negotiations and closing of a transaction with a successful bidder.
2. The DIP Term Sheet contemplated that a successful bid would have been selected for Court approval by no later than July 18, 2025. Accordingly, the DIP Amendment includes revisions to this and certain other milestone dates set out in the DIP Term Sheet which contemplate that the Applicants will seek approval of a Court order approving a SISP by the end of the proposed stay extension (being August 29, 2025).

² A copy of the opinion letter can be provided to the Court upon request.

3. On August 4, 2025, counsel to the proposed stalking horse purchaser sent a revised draft of the proposed Stalking Horse APA to the Applicants' counsel, the Monitor and the Monitor's counsel, which addressed many of the outstanding issues between the parties. The Applicants and the Monitor are in the process of reviewing the draft. Since the delivery of the revised draft, the proposed stalking horse purchaser and Loopstra have been actively engaged in a number of work streams related to finalizing the Stalking Horse APA. Loopstra, on behalf of the proposed stalking horse purchaser, has indicated that the revised SISP timeline contemplated in the DIP Amendment is achievable by the proposed stalking horse purchaser. The Monitor understands that the Applicants are optimistic that the Stalking Horse APA will be finalized in the near term for approval by the Court within the Stay Period, as extended.
4. As additional time is required to finalize the SISP and Stalking Horse APA, the Applicants, supported by the Monitor, are seeking a brief extension of the Stay Period.

3.0 Cash Flow Forecast

3.1 Cash Flow Comparison

1. A comparison of the Applicants' actual cash flow from July 7 to August 3, 2025 (the "**Actual Period**") to the cash flow forecast provided in the Supplement to the First Report is provided below.

(unaudited; \$) ³	Actual	Projected	Variance
Receipts			
Deposits from stores	1,891	1,600	291
Deposits from insurance companies	290	400	(110)
HST refunds	-	225	(225)
	2,181	2,225	(44)
Disbursements			
Utilities	92	180	88
Payroll	1,187	1,274	87
Benefits	-	-	-
Rent	602	712	110
Lab supplies	288	340	52
Insurance	7	48	42
Moneris fees	24	35	11
Other suppliers	219	210	(9)
Professional fees	280	280	0
Repairs and maintenance	89	175	86
	2,787	3,254	467
Net Cash Flow	(605)	(1,029)	424
Opening cash balance	712	712	-
Net cash flow	(605)	(1,029)	424
Advances under the DIP Facility	700	1,000	(300)
Closing cash balance	807	683	124

³ Due to rounding, numbers may not precisely add to the total amounts.

2. As set out above, during the Actual Period, the Applicants' cash receipts were generally in line with projections and the Applicants' disbursements were approximately \$424,000 less than projected. The variance in disbursements is largely due to: a) timing differences associated with rent, insurance, repairs and maintenance; and b) the Applicants' payroll and inventory being less than projected.

3.2 Updated Cash Flow Forecast

1. The Applicants, with the assistance of the Monitor, prepared the Updated Cash Flow Forecast which, as noted above, is for the period August 4 to November 7, 2025 (the "**Projection Period**"). The Updated Cash Flow Forecast and the Applicants' statutory report thereon pursuant to Section 10(2)(b) of the CCAA are attached hereto as **Appendix "C"**.
2. Based on the Monitor's review of the Updated Cash Flow Forecast, the cash flow assumptions appear reasonable. The Monitor's report on the Updated Cash Flow Forecast is attached hereto as **Appendix "D"**.
3. The Updated Cash Flow Forecast is prepared on the basis that a transaction can be completed by the end of the Projection Period.
4. The Updated Cash Flow Forecast reflects that the Applicants are projected to require advances of \$2.15 million under the DIP Facility during the Projection Period. As at the date of this Report, the Applicants have borrowed \$1.8 million under the DIP Facility and approximately \$225,000 has been incurred in connection with professional fees and other costs. As the authorized borrowing under the DIP Facility is \$2.8 million, the Applicants are seeking an increase in the DIP Facility from \$2.8 million to \$4.2 million and a corresponding increase in the DIP Lender's Charge.
5. The Monitor understands that the DIP Lender is prepared to fund the Applicants and these proceedings in accordance with the Updated Cash Flow Forecast, subject to: a) the Court's approval of an increase in the permitted borrowings under the DIP Facility to \$4.2 million; b) the Court's approval of a corresponding increase in the DIP Lender's Charge; and c) the Applicants remaining in compliance with the terms and conditions of the DIP Amendment, a copy of which is provided as **Appendix "E"**.

3.3 DIP Facility Increase Recommendation

1. For the following reasons, the Monitor recommends that the Court issue an order approving the increase in the amount of the permitted borrowings under the DIP Facility and the DIP Amendment:
 - a) the increase in the permitted borrowings is required for the Applicants to continue to negotiate the Stalking Horse APA and pursue a SISF;
 - b) the DIP Facility (and additional funding pursuant to the DIP Amendment) is the only financing source available to the Applicants to fund their immediate cash requirements;
 - c) without the cash to be provided under the DIP Amendment, the Applicants will be unable to continue operating and, consequently, advance their restructuring process;

- d) as set out in the Pre-Filing Report, the Monitor has compared the terms of the DIP Facility to other interim financing facilities approved by Canadian courts in recent CCAA proceedings. The comparison was appended to the Pre-Filing Report. The DIP Lender is not seeking an increase in the cost of the DIP Facility. The cost of the proposed DIP Facility is within the range of similar facilities recently approved by the Court and other Canadian courts in CCAA and other restructuring proceedings; and
- e) other than a monthly fee of \$2,500, there are no structuring, facility, standby or other fees being charged by the DIP Lender under the DIP Facility and DIP Amendment.

4.0 The Applicants' Activities

1. The Applicants' activities since First Report have included, among other things:
 - carrying on business in the ordinary course;
 - dealing extensively with suppliers to secure the ongoing supply of goods and services;
 - dealing with utilities providers to ensure the continuation of services;
 - negotiating the terms of ongoing supply from certain suppliers;
 - corresponding with the Monitor, Bennett Jones and 855 Ontario with respect to advances under the DIP Facility to fund the Applicants' normal course operating expenses;
 - preparing weekly reporting to the DIP Lender pursuant to the DIP Term Sheet;
 - preparing, with the assistance of the Monitor, the Updated Cash Flow Forecast and corresponding extensively with the Monitor regarding same;
 - negotiating the Stalking Horse APA;
 - considering the terms of the SISP and corresponding with the Monitor and Bennett Jones regarding same; and
 - responding to inquiries from employees, suppliers and former and current landlords.

5.0 The Monitor's Activities

1. In addition to the activities discussed above, the Monitor's activities since the First Report have included, among other things:
 - corresponding extensively with the Applicants to, among other things, respond to suppliers and landlords, monitor cash flows, report to the DIP Lender and review DIP Facility advance requests;

- corresponding with Chaitons, Bennett Jones and Loopstra regarding various matters in these proceedings, including advances under the DIP Facility, the Stalking Horse APA, SISP and the extension of the stay of proceedings under the CCAA;
- monitoring the Applicants' receipts and disbursements on a daily basis;
- assisting the Applicants to prepare weekly reporting to the DIP Lender pursuant to the DIP Term Sheet;
- assisting the Applicants to respond to questions from their suppliers and other stakeholders;
- corresponding with the Applicants' utility providers to arrange for ongoing supply during the CCAA proceedings;
- reviewing the Updated Cash Flow Forecast and corresponding with the Applicants regarding same;
- drafting this Report and the Supplemental Report, and reviewing the Applicants' motion materials; and
- dealing with all other matters in these proceedings not specifically addressed above.

6.0 Stay Extension

1. The stay of proceedings expires on August 8, 2025. The Applicants are requesting a brief extension of the Stay Period to August 29, 2025.
2. The Monitor supports the request for an extension of the Stay Period for the following reasons:
 - a) the Applicants are acting in good faith and with due diligence;
 - b) the Updated Cash Flow Forecast reflects that, subject to this Court's approval of the DIP Amendment, the Applicants are projected to have sufficient liquidity to fund their post-filing obligations;
 - c) it will allow the Applicants and the proposed stalking horse purchaser additional time to finalize the terms of the Stalking Horse APA and SISP for the purposes of identifying a value maximizing transaction for the benefit of the Applicants' stakeholders;
 - d) 855 Ontario, in its capacities as both the Applicants' senior secured creditor and the DIP Lender, supports the stay extension;
 - e) absent an extension of the stay of proceedings, the Applicants would likely be subject to the continuation and/or initiation of enforcement proceedings by landlords and other creditors which would erode the value of the Applicants' business and jeopardize the Applicants' ability to complete a going-concern transaction;

- f) the Monitor believes that the extension is appropriate and in the best interests of the Applicants' stakeholders and that no stakeholder will be prejudiced by extending the stay of proceedings; and
- g) as of the date of this Report, neither the Applicants nor the Monitor is aware of any party opposed to an extension of the stay of proceedings.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Court grant the relief requested in this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.
IN ITS CAPACITY AS MONITOR OF
HAKIM OPTICAL LABORATORY LIMITED,
LAWRENCE OPHTHALMIC LAB INC. AND
HAKIM OPTICAL WORLDWIDE LENSES INC
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”



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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) FRIDAY, THE 27TH 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 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

	<p>ONTARIO</p> <p>SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>Proceeding commenced in Toronto</p>
	<p>AMENDED AND RESTATED INITIAL ORDER</p>
	<p>BENNETT JONES LLP One First Canadian Place Suite 3400, P.O. Box 130 Toronto, Ontario M5X 1A4</p> <p>Sean Zweig (LSO# 573071) Tel: (416) 777-6254 Email: zweigs@bennettjones.com</p> <p>Jesse Mighton (LSO# 62291J) Tel: (416) 777-6255 Email: mightonj@bennettjones.com</p> <p>Jamie Ernst (LSO# 88724A) Tel: (416) 777-6124 Email: ernstj@bennettjones.com</p> <p>Linda Fraser-Richardson (LSO# 89718B) Tel: (416) 777-7869 Email: fraserrichardsonl@bennettjones.com</p> <p><i>Lawyers for the Applicants</i></p>

Appendix “B”

Sir Karim Hakimi

100%

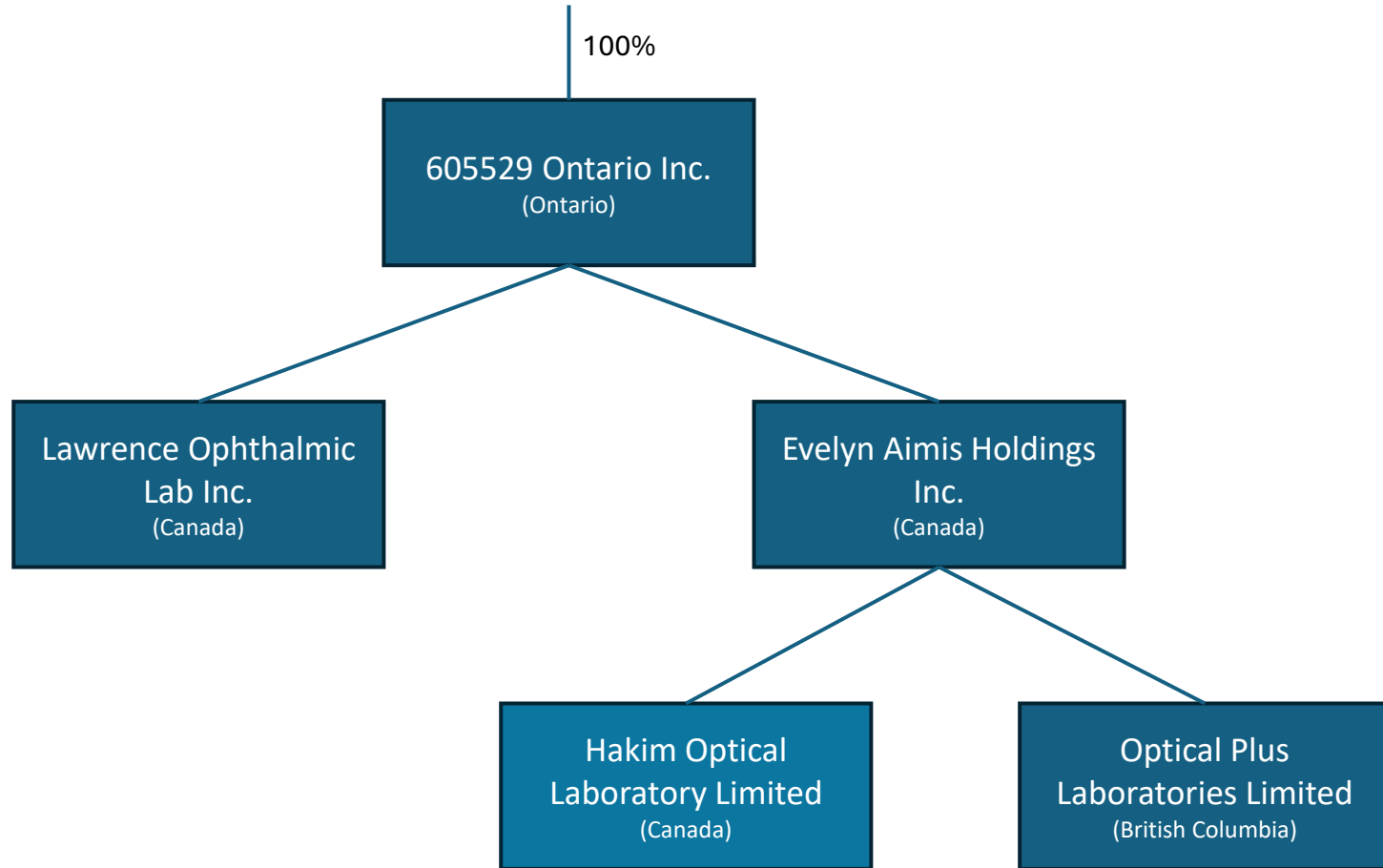
605529 Ontario Inc.
(Ontario)

Lawrence Ophthalmic
Lab Inc.
(Canada)

Evelyn Aimis Holdings
Inc.
(Canada)

Hakim Optical
Laboratory Limited
(Canada)

Optical Plus
Laboratories Limited
(British Columbia)



Appendix “C”

Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc.
Projected Statement of Cash Flows
For the period ending November 7, 2025
(\$000s; unaudited)

		10-Aug-25	17-Aug-25	24-Aug-25	31-Aug-25	07-Sep-25	14-Sep-25	For the weeks ending		05-Oct-25	12-Oct-25	19-Oct-25	26-Oct-25	02-Nov-25	07-Nov-25	Total
								21-Sep-25	28-Sep-25							
Receipts																
Deposits from stores	2	354	425	400	400	333	400	400	400	400	400	333	400	400	400	5,446
Deposits from insurance companies	2	83	100	100	100	83	100	100	100	100	100	83	100	100	100	1,350
HST refunds		-	-	248	150	150	-	-	-	150	-	-	-	-	150	848
Total Receipts		438	525	748	650	567	500	500	500	650	500	417	500	500	650	7,644
Disbursements																
Utilities		30	30	30	30	30	30	30	30	30	30	30	30	30	30	420
Payroll	3	17	600	-	617	-	600	-	617	-	600	-	617	-	600	4,268
Benefits		52	-	-	-	-	52	-	-	-	52	-	-	-	52	208
Rent	4	109	-	-	712	-	-	-	-	712	-	-	-	712	-	2,245
Lab supplies	5	20	120	20	120	20	120	20	120	20	120	20	120	20	120	980
Insurance		3	-	45	-	3	-	45	-	3	-	45	-	3	-	148
Moneris fees	6	-	-	-	20	-	-	-	20	-	-	-	-	20	-	60
Other suppliers	6	65	40	40	65	40	40	65	40	40	65	40	40	40	40	660
Professional fees	7	125	-	-	-	300	-	-	-	300	-	-	-	-	300	1,025
Repairs and maintenance	7	25	25	25	25	15	15	15	15	15	15	15	15	15	15	250
Advertising and designer frames	8	240	-	-	-	-	-	-	-	-	-	-	-	-	-	240
Total Disbursements		686	815	160	1,589	408	857	175	842	1,120	882	150	822	840	1,157	10,504
Opening cash balance		807	858	568	1,556	617	875	518	943	1,001	931	549	816	744	603	807
Net cash flow		(249)	(290)	588	(939)	158	(357)	325	(342)	(470)	(382)	267	(322)	(340)	(507)	(2,860)
Advances under the DIP Facility	9	300	-	400	-	100	-	100	400	400	-	-	250	200	-	2,150
Closing cash balance		858	568	1,556	617	875	518	943	1,001	931	549	816	744	603	96	96
DIP balance, beginning		1,800	2,100	2,100	2,500	2,500	2,600	2,600	2,700	3,100	3,500	3,500	3,500	3,750	3,950	1,800
DIP advances		300	-	400	-	100	-	100	400	400	-	-	250	200	-	2,150
DIP balance, ending		2,100	2,100	2,500	2,500	2,600	2,600	2,700	3,100	3,500	3,500	3,500	3,750	3,950	3,950	3,950

Notes to Projected Statement of Cash Flow

For the period ending November 7, 2025

(Unaudited; \$CAD, 000's)

Purpose and General Assumptions

1. The cash flow projection has been prepared on the assumption that Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc. (collectively, the "**Companies**") continue to be afforded protection under the *Companies' Creditors Arrangement Act* (the "**CCA**") up to and including November 7, 2025.

The cash flow projection has been prepared based on hypothetical and most probable assumptions developed and prepared by the Companies.

Probable Assumptions

2. Assumes reduced collections during the weeks ended September 7 and October 19, 2025 due to the Labor Day and Thanksgiving statutory holidays, respectively.
3. The Companies pay payroll bi-weekly. Includes a \$17,000 monthly pension obligation.
4. Represents rent for the leased locations that are occupied. Excludes any rent in respect of properties that are owned by Evelyn Aimis Holding Inc. ("**Evelyn Aimis**"), a related party, which will continue to accrue.
5. Represents payments made by Hakim Optical Laboratory Limited on behalf of Lawrence Ophthalmic Lab Inc. in respect of the purchase of frames and lenses on a cash on delivery basis.
6. Other suppliers include waste management, office supplies, other vendors to the retail locations and property tax on leased locations owned by Evelyn Aimis. Moneris represents merchant fees.
7. Represents an estimate of the fees of the Companies' counsel, the Monitor and the Monitor's counsel.
8. Represents advertising and purchases of designer frames.
9. Represents funding to be provided under the debtor in possession ("**DIP**") loan facility. Assumes that interest and any DIP lender fees are capitalized to the loan rather than paid in cash.

COURT FILE NO.: BK-25-00743383-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

APPLICANTS

MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 10(2)(b) of the CCAA)

The management of Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc. (the "**Applicants**") has developed the assumptions and prepared the attached statement of projected cash flow as of the 6th day of August, 2025 for the period August 4, 2025 to November 7, 2025 (the "**Cash Flow**"). All such assumptions are disclosed in the notes to the Cash Flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in the notes to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual events will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in the Cash Flow using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 6th day of August, 2025.

Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc.



Doug Robertson

Appendix “D”

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.

MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of Hakim Optical Laboratory Limited, Lawrence Ophthalmic Lab Inc. and Hakim Optical Worldwide Lenses Inc. (collectively the "**Applicants**") as of the 6th day of August, 2025, consisting of a weekly projected cash flow statement for the period August 4, 2025 to November 7, 2025 (the "**Cash Flow**") has been prepared by management of the Applicants for the purpose described in the notes, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by management. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in the notes and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 6th day of August, 2025.

KSV Restructuring Inc.

KSV RESTRUCTURING INC.
IN ITS CAPACITY AS CCAA MONITOR OF
HAKIM OPTICAL LABORATORY LIMITED, LAWRENCE OPHTHALMIC LAB INC. AND HAKIM
OPTICAL WORLDWIDE LENSES INC.
AND NOT IN ANY OTHER CAPACITY

Appendix “E”

FIRST AMENDING AGREEMENT

THIS FIRST AMENDING AGREEMENT (this “**Agreement**”) is effective this 5th day of August, 2025.

WHEREAS:

- A. Hakim Optical Laboratory Limited (“**Hakim Optical**”) and Lawrence Ophthalmic Lab Inc. (“**Lawrence Lab**”) and Hakim Optical Worldwide Lenses Inc., were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended pursuant to an initial order granted by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on May 15, 2025 (the “**Initial Order**”);
- B. The Initial Order, among other things, approved the debtor-in-possession financing term sheet dated as of May 8, 2025 (the “**Original DIP Term Sheet**”) between: (i) Hakim Optical and Lawrence Lab, as borrowers (collectively, the “**Borrowers**” and each a “**Borrower**”); (ii) 605529 Ontario Inc. as guarantor (in such capacity, the “**Guarantor**”, and together with the Borrowers, the “**Obligors**”); and (iii) 1001112855 Ontario Inc. as lender (the “**Lender**”, and together with the Obligors, the “**Parties**”);
- C. The Parties have agreed to make certain amendments to the Original DIP Term Sheet, on and subject to the terms and conditions set out in this Agreement (as amended by this Agreement, the “**DIP Term Sheet**”).

NOW THEREFORE in consideration of the premises and the agreements set out herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

Unless otherwise defined herein, capitalized terms used in this Agreement, including in the recitals hereto, shall have the meaning ascribed to such terms in the Original DIP Term Sheet.

Section 1.2 Continued Effectiveness

Except as expressly provided herein, all of the terms and provisions of the Original DIP Term Sheet are and shall remain in full force and effect and are hereby ratified and confirmed by the Parties. The amendments contained herein shall not be construed as a waiver or amendment of any other provision of the Original DIP Term Sheet or for any purpose except as expressly set forth herein.

Section 1.3 Currency

All references to currency, “dollars” or “\$” shall be deemed to refer to Canadian dollars.

ARTICLE 2 AMENDMENTS

Section 2.1 Amendments to the DIP Term Sheet

The DIP Term Sheet is hereby amended as follows:

- (a) Section 5 by deleting “\$2,800,000.00” and replacing it with “\$4,200,000.00”.
- (b) Section 6(a) by deleting “deducted and satisfied from the Initial Advance” in the last paragraph titled “Fees” and replacing it with “accrued within the Facility Amount”;
- (c) Sections 10(d) and 10(e) are hereby deleted;
- (d) Section 10(k) by deleting "July 18, 2025" and replacing it with "August 29, 2025";
- (e) Section 12(v) by deleting “August 15, 2025” and replacing it with “November 7, 2025”;
- (f) Section 20(b) by deleting “July 11, 2025” and replacing it with “October 15, 2025”;
- (g) Section 20(b) by deleting “August 8, 2025” and replacing it with “November 7, 2025”; and
- (h) Section 20(l) by deleting “July 18, 2025” and replacing it with “October 22, 2025”.

Section 2.2 Waiver of Defaults

The DIP Lender hereby waives any defaults under sections 10(k), 12(v), 20(b), and 21(l) of the Original DIP Term Sheet, and forever releases the Borrowers and Guarantor from liability for such specific defaults.

ARTICLE 3 CONDITIONS PRECEDENT

Section 3.1 Conditions Precedent

This Agreement shall become effective only upon:

- (a) final settlement of the information obtained in the loan statement delivered by the DIP Lender for the obligations outstanding to July 4, 2025, with approval of the Monitor; and
- (b) approval by the Court in a form and content consistent with this Agreement.

ARTICLE 4 MISCELLANEOUS

Section 4.1 Governing Law

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

Section 4.2 Time of the Essence

Time shall be of the essence in this Agreement in all respects.

Section 4.3 Benefit of the Agreement

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

Section 4.4 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same Agreement. Transmission by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first set out above.

**HAKIM OPTICAL LABORATORY
LIMITED, as Borrower**

Per: _____

Name: Karim Hakimi

Title: President

I/We have the authority to bind the
corporation

**LAWRENCE OPHTHALMIC LAB
INC., as Borrower**

Per: _____

Name: Karim Hakimi

Title: President

I/We have the authority to bind the
corporation

605529 ONTARIO INC., as Guarantor


Per: _____

Name: Karim Hakimi

Title: President

I/We have the authority to bind the
corporation

1001112855 ONTARIO INC., as Lender

Per:  Signed by:
Name: Dan Cesana
Title: President

I/We have the authority to bind the
corporation