



Court File No. BK-25-03268936-0031

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE

)

MONDAY, THE 2ND

JUSTICE DUNPHY

)

DAY OF FEBRUARY, 2026

**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
 XIWANG IOVATE HOLDINGS COMPANY LIMITED, IOVATE HEALTH SCIENCES
 INTERNATIONAL INC., IOVATE HEALTH SCIENCES U.S.A. INC., IOVATE
 HEALTH SCIENCES AUSTRALIA PTY LTD, and NORTHERN INNOVATIONS
 HOLDING CORP.**

Applicants

ORDER
(Incentive Payments, KERP and Sealing Order)

THIS MOTION, made by KSV Restructuring Inc. (“KSV”), in its capacity as Court-appointed monitor of the Applicants (in such capacity, the “Monitor”), pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”) for an order, among other things, granting the Incentive Payments and KERP (as defined below), was heard this day by videoconference on February 2, 2026.

ON READING the Third Report of KSV in its capacity as Monitor dated January 23, 2026 (the “**Third Report**”), and on hearing the submissions of counsel for the Monitor, counsel for Royal Bank of Canada as agent for a syndicate of lenders (the “**Administrative Agent**”, and the syndicate, the “**Lenders**”), and those other parties present, no one else appearing although duly served as appears from the affidavit of service of Laura Culleton sworn January 25, 2026, filed.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that if necessary, 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 all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Third Report, and the Amended and Restated Initial Order of this Court dated November 28, 2025 (the “ARIO”), as applicable.

INCENTIVE PAYMENTS AND KEY EMPLOYEE RETENTION PLAN

3. **THIS COURT ORDERS** that the payments to certain general and international employees (the “Incentive Payments”) and the payments to certain key employees (the “Key Employees”) pursuant to the key employee retention plan (the “KERP”) are hereby authorized and approved, and the Applicants are authorized to make the payments contemplated and described in the Third Report in accordance with the terms and conditions described in the Third Report.
4. **THIS COURT ORDERS** that the Key Employees under the KERP shall be entitled to the benefit of and are hereby granted a charge (the “KERP Charge”) on the Property, which charge shall not exceed an aggregate amount of USD257,000, unless permitted by further Order of this Court, to secure half of the payment to Key Employees under the KERP (the “KERP Payment”). The KERP Charge shall have the priority set out in paragraphs 6 and 8 hereof.

SEALING

5. **THIS COURT ORDERS** that the request for a sealing order in respect of Confidential Appendix "1" to the Third Report is hereby taken under reserve, and pending the determination of

such request, Confidential Appendix "1" to the Third Report shall be sealed on an interim basis and shall not form part of the public record for a period of thirty (30) days from the date of this Order.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

6. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the Administrative Professionals Charge, the Sales Agent Charge and the KERP Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administrative Professionals Charge (to the maximum amount of CAD750,000);

Second – Directors' Charge (to the maximum amount of CAD1,310,000);

Third – Sales Agent Charge (to the maximum amount of CAD1,750,000); and

Fourth – KERP Charge (to the maximum amount of USD257,000).

7. **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.

8. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts (including deemed trusts), liens, charges and encumbrances, and claims of secured

creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person notwithstanding the order of perfection or attachment.

9. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or 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, any of the Charges unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the applicable Charges, or further Order of this Court.

10. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, 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) issued pursuant to BIA, or any bankruptcy 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 the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges shall not create or be deemed to constitute a breach by any of the Applicants of any Agreement to which any of them 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 the creation of the Charges; and

the payments made by the Applicants pursuant to this Order, 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.

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

GENERAL

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

13. **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 Iovate International in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

14. **THIS COURT ORDERS** that Iovate International 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 Iovate International 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.


Digitally signed by
Sean Dunphy
Date: 2026.02.02
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***ONTARIO*
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at: TORONTO

**ORDER
(Incentive Payments, KERP and Sealing Order)**

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Lawyers for the Monitor, KSV Restructuring Inc.