

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

THE HONOURABLE

)

FRIDAY, THE 3rd

JUSTICE KIMMEL

)

DAY OF OCTOBER, 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 NORWOOD INDUSTRIES INC.**

Applicant

ENHANCED POWERS AND CCAA TERMINATION ORDER

THIS MOTION, made by the Applicant pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**"), as amended, was heard this day via judicial videoconference in Toronto, Ontario.

ON READING the affidavit of Rhett Ross sworn September 26, 2025 (the "**Third Rhett Affidavit**"), the Second Report of KSV Restructuring Inc. ("**KSV**") in its capacity as the court-appointed Monitor dated September 29, 2025 (including the affidavit of Robert Kofman sworn September 29, 2025 (the "**Kofman Affidavit**") and the affidavit of the Jennifer Stam sworn September 26, 2025 (the "**Stam Affidavit**") appended thereto, the "**Second Report**") and such other materials filed in respect of this Motion, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor and those other parties present, as listed on the participant sheet, no one else appearing although duly served:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion, as amended, and the Motion Record of the Applicant and the Second Report is hereby abridged and validated such that this motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS AND INTERPRETATION

2. **THIS COURT ORDERS** that any capitalized term used and not otherwise defined herein shall have the meaning ascribed thereto in the Amended and Restated Initial Order made in this proceeding on September 19, 2025 (as amended from time to time, the “**ARIO**”) and the Second Report, as applicable.

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period is hereby extended until and including January 31, 2026.

MONITOR’S FEES, ACTIVITIES AND PROTECTIONS

4. **THIS COURT ORDERS** that the First Report of the Monitor dated September 17, 2025 (the “**First Report**”), and the Second Report are hereby approved and the actions and activities of the Monitor as described in the First Report and Second Report, including the distributions authorized herein, are hereby approved.
5. **THIS COURT ORDERS** that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way the approval of the Monitor’s report detailed in paragraph 4 above.
6. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel as set out in the Second Report, the Kofman Affidavit and the Stam Affidavit are hereby approved, including the fees and disbursements estimated through to the completion of the remaining activities in these proceedings such that no further approval of fees and disbursements of the Monitor or its counsel is required in respect of the period to or after the CCAA Termination Time (defined below) provided the additional fees of the Monitor and its counsel do not exceed the all-inclusive aggregate amount of \$130,000 (excluding disbursements and HST).

ENHANCED MONITOR’S POWERS

7. **THIS COURT ORDERS** that, in addition to the powers and duties of the Monitor set out in the ARIO or any other Order of this Court granted in these CCAA proceedings (the “**CCAA**”

Proceedings”), the CCAA and applicable law, effective upon the resignation of the Norwood director, the Monitor is hereby authorized and empowered, but not required to:

- (a) take any and all actions and steps, and execute all agreements, documents, instruments and writings, on behalf of, and in the name of, the Applicant in order to facilitate the performance of any of the Applicant’s powers or obligations, including, without limitation, any post-closing steps in respect of the Transaction and any steps under or in respect of the TSA or any Order of this Court, and to carry out the Monitor’s duties under this Order or any other Order of this Court in these CCAA Proceedings;
- (b) have the authority to sign such agreements, instruments and other documents on behalf of the Applicant as the Monitor deems appropriate, whether in the Monitor’s name or in the name of and on behalf of the Applicant and execute administrative filings as may be required on behalf of the Applicant, including the accounting, tax and reporting functions on behalf of, and in the name of, the Applicant, in each case based solely upon information in the Applicant’s Books and Records (as defined below), and provided that the Monitor shall incur no liability or obligation to any person with respect to such filings, reporting, statements and records;
- (c) exercise any powers which may be properly exercised by a board of directors of the Applicant and such actions taken by the Monitor are hereby authorized without requiring further action by any person, including any former director or officer of the Applicant;
- (d) meet and consult with current or former management of (i) the Applicant and/or its affiliates or (ii) the Purchaser and its affiliates, or any of their respective advisors, with respect to the carrying out of its powers and obligations under this Order or any other Order of this Court in these CCAA Proceedings;
- (e) retain, or terminate or cause the Applicant to retain or terminate the services of any officer, employee, consultant, agent, representative, advisor, or other persons or entities, as the Monitor deems necessary or appropriate to assist with the exercise of the Monitor’s powers and duties, including such powers and duties as enhanced pursuant to this Order;

- (f) perform or cause the Applicant to perform such other functions or duties, and enter into or cause the Applicant to enter into any agreements, disclaim or terminate any agreements or incur any obligations, as the Monitor considers necessary or desirable in order to facilitate or assist the winding-down or liquidation of the Applicant, the distribution of any net proceeds the Transaction, or any other related activities, including, without limitation, in connection with terminating these CCAA Proceedings;
- (g) have access to all books and records that are the Property of the Applicant or that are in the Applicant's possession or control and the same access as the Applicant has to any books and records no longer in the Applicant's control or possession (collectively, the "**Books and Records**");
- (h) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of the Applicant (including, without limitation, any governmental authority) in the name of or on behalf of the Applicant;
- (i) hold any proceeds from the Transaction in an account of the Monitor on behalf of the Applicant, and pay or cause to be paid from such proceeds, in the name of and on behalf of the Applicants, or in its own name, such amounts as the Monitor deems necessary and appropriate consistent with the Approval and Vesting Order dated October 3, 2025 (the "**Approval and Vesting Order**") and any other Order of this Court;
- (j) act as an authorized representative of the Applicant in respect of dealings with any taxing or regulatory authority, and the Monitor shall hereby be entitled to execute any appointment or authorization form on behalf of the Applicant that a taxing or regulatory authority may require in order to confirm the Monitor's appointment as an authorized representative for such purposes;
- (k) consult with any taxing or regulatory authority with respect to any issues arising in respect of these CCAA Proceedings;

- (l) file, or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Applicant, (i) any tax returns, and (ii) the Applicant's employee-related remittances, T4 statements and records of employments for the Applicant's former employees, in either case, based solely upon the information in the Books and Records and on the basis that the Monitor shall incur no liability or obligation to any person with respect to such returns, remittances, statements, records or other documents;
- (m) assign the Applicant, or cause the Applicant to be assigned, into bankruptcy and to take any steps incidental thereto, with KSV authorized and empowered, but not obligated, to act as the licensed insolvency trustee in bankruptcy of the Applicant;
- (n) apply to this Court for advice and directions or any further Orders necessary or advisable to carry out the Monitor's powers and duties under this Order or any other Order of this Court granted in these CCAA Proceedings; and
- (o) take any steps reasonably incidental to the exercise by the Monitor of the powers listed above or the performance of any statutory obligations; and, in each case where the Monitor takes any action or steps, or signs or enters into any documentation, it shall be exclusively authorized and empowered to do so, to the exclusion of all other persons, including the Applicant, and without interference from any person.

- 8. **THIS COURT ORDERS** that the enhancement of the Monitor's powers as set forth in this Order, the exercise by the Monitor of any of its powers, the performance by the Monitor of any of its duties, or the employment by the Monitor of any person in connection with its appointment and the performance of its powers and duties shall not constitute the Monitor as the employer, successor employer or related employer of the employees of the Applicant within the meaning of any provincial, federal or municipal legislation, or common law governing employment, pensions or labour standards or any other statute, regulation or rule of law or equity for any purpose whatsoever or expose the Monitor to liability to any individual arising from or relating to their previous employment by the Applicant.
- 9. **THIS COURT ORDERS** that, without limiting the provisions of the Initial Order, all employees and consultants of the Applicant shall remain employees or consultants of the

Applicant until such time as the Monitor, on the Applicants behalf, may terminate the employment of such employees or other contractual or consulting arrangements. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities or duties, including, without limitation, wages, severance pay, termination pay, vacation pay and pension or benefit amounts.

10. **THIS COURT ORDERS** that the Monitor is not and shall not be or be deemed to be a director, officer, or employee of the Applicant.
11. **THIS COURT ORDERS** that in exercising any of the authorizations and powers set out in paragraph 7 above, the Monitor shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the ARIIO, the CCAA and any other Order of this Court.

TERMINATION OF CCAA PROCEEDINGS

12. **THIS COURT ORDERS** that immediately upon service by the Monitor of an executed certificate in substantially the form attached hereto as Schedule "A" (the "**Termination Certificate**") on the service list in these CCAA Proceedings certifying the completion of all matters to be attended to in connection with these CCAA Proceedings to the satisfaction of the Monitor, the CCAA Proceedings shall be terminated without any further act or formality (the "**CCAA Termination Time**"), save and except as provided in this Order, and provided that nothing herein impacts the validity of any Orders made in the CCAA Proceedings or any action or steps taken by any Person pursuant thereto.
13. **THIS COURT ORDERS** that the Monitor is hereby directed to file a copy of the Termination Certificate with the Court as soon as is practicable following the service thereof on the service list in these CCAA Proceedings.
14. **THIS COURT ORDERS** that the Charges shall be terminated, released and discharged as of the CCAA Termination Time without any further act or formality.

DISCHARGE OF MONITOR

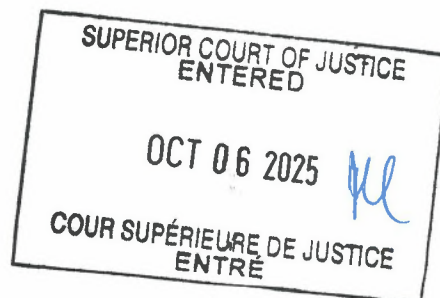
15. **THIS COURT ORDERS** that effective at the CCAA Termination Time, KSV shall be and is hereby discharged from its duties as the Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time, provided that, notwithstanding its discharge as Monitor, KSV shall have the authority to carry out, complete or address any matters in its role as Monitor that are ancillary or incidental to these CCAA Proceedings following the CCAA Termination Time, as may be required or appropriate (the “**Monitor Incidental Matters**”).
16. **THIS COURT ORDERS** that effective as of the CCAA Termination Time, in addition to the protections in favour of the Monitor in any Order of this Court in these CCAA Proceedings or the CCAA, the Monitor and Norton Rose, in its capacity as counsel to the Monitor, and each of their respective affiliates and officers, directors, partners, employees and agents (collectively, the “**Released Parties**”) are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of this Order in any way relating to, arising out of or in respect of these CCAA Proceedings, the appointment of the Monitor, or with respect to their respective conduct in these CCAA Proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.
17. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to these CCAA Proceedings, the appointment of the Monitor, or with respect to their respective conduct in these CCAA Proceedings except with prior leave of this Court on at least seven (7) days’ prior written notice to the applicable Released Party, and provided that any such Order granting leave includes a term granting the applicable Released Party security for its costs and the costs of its counsel in connection with any proposed action or proceeding, such security to be on terms this Court deems just and appropriate.

18. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, the Monitor's discharge or the termination of these CCAA Proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and the Monitor shall continue to have the benefit of, all of the rights, approval and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO, or any other Order of this Court in these CCAA Proceedings or otherwise, all of which are expressly continued and confirmed following and after the CCAA Termination Time, including in connection with any Monitor Incidental Matters and other actions taken by the Monitor following the CCAA Termination Time with respect to the Applicant or these CCAA Proceedings.

GENERAL

19. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.
20. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.
21. **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 Applicant, the Monitor and the Purchaser 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 Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

Jessica Kimmel
Digitally signed by Jessica Kimmel
Date: 2025.10.03 14:23:11
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SCHEDULE "A"

Court File No. CV-25-00751289-00CL

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 NORWOOD INDUSTRIES INC.

Applicant

TERMINATION CERTIFICATE

RECITALS:

1. KSV Restructuring Inc. ("**KSV**") was appointed as the Monitor of the Applicant in the within proceedings commenced under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 12, 2025 (as amended, the "**Initial Order**").
2. Pursuant to an Order of this Court dated October 3, 2025 (the "**Enhanced Powers and CCAA Termination Order**"), among other things, KSV shall be discharged as the Monitor and the Applicant's CCAA proceedings shall be terminated upon the service of this Termination

Certificate on the service list in these CCAA proceedings, all in accordance with the terms of the Enhanced Powers and CCAA Termination Order.

3. Unless otherwise indicated herein, capitalized terms used in this Termination Certificate shall have the meaning given to them in the Initial Order or the Enhanced Powers and CCAA Termination Order, as applicable.

THE MONITOR CERTIFIES the following:

4. To the knowledge of the Monitor, all matters to be attended to in connection with these CCAA Proceedings have been completed.

ACCORDINGLY, the CCAA Termination Time as defined in the Enhanced Powers and CCAA Termination Order has occurred.

DATED at Toronto, Ontario this _____ day of _____, 2025.

**KSV Restructuring Inc., in its capacity as
the Monitor of the Applicant, and not in its
personal or corporate capacity**

Per: _____
Name:
Title:

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 NORWOOD INDUSTRIES INC.

Court File No. CV-25-00751289-00CL

Ontario
**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceedings commenced in Toronto

**ENHANCED POWERS AND CCAA
TERMINATION ORDER**

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