Court File No. CV-16-11582-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	THURSDAY, THE 26th
	)	
JUSTICE NEWBOULD	)	DAY OF JANUARY, 2017

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 PERFORMANCE SPORTS GROUP LTD., BAUER HOCKEY CORP., BAUER HOCKEY RETAIL CORP., BAUER PERFORMANCE SPORTS UNIFORMS CORP., BPS CANADA INTERMEDIATE CORP., BPS DIAMOND SPORTS CORP., EASTON BASEBALL/SOFTBALL CORP., KBAU HOLDINGS CANADA, INC., PERFORMANCE LACROSSE GROUP CORP., PSG INNOVATION CORP., BAUER HOCKEY RETAIL INC., BAUER HOCKEY, INC., BAUER PERFORMANCE SPORTS UNIFORMS INC., BPS DIAMOND SPORTS INC., BPS US HOLDINGS INC., EASTON BASEBALL/SOFTBALL INC., PERFORMANCE LACROSSE GROUP INC., PSG INNOVATION INC.

(Applicants)

INARIA APPROVAL AND VESTING ORDER

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order approving the sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement (the "**Inaria APA**") between Bauer Performance Sports Uniforms Corp. and Bauer Performance Sports Uniforms Inc. (the "**Sellers**"), Saverio Michielli (the "**Owner**") and a corporation to be incorporated by the Owner (the "**Buyer**") made as of December 30, 2016, and vesting in the Buyer, the Sellers' right, title and interest in and to the Purchased Assets (as defined in the Inaria APA), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Brian J. Fox sworn January 3, 2017 and the Exhibits thereto, the Affidavit of Lee Nicholson sworn January 20, 2017 and the Exhibits thereto, the Fifth Report of Ernst & Young Inc. ("**EY**") in its capacity as monitor (the "**Monitor**") to the Applicants dated January 13, 2017 and on hearing the submissions of counsel for the

Applicants, the Monitor, on hearing the submissions of counsel for the Applicants, the Monitor, Sagard Capital Ltd., Fairfax Financial Holdings Limited, ABL DIP lenders and the Official Committee of Unsecured Creditors, the Official Committee of Equityholders of Performance Sports Group Ltd., no one appearing for any other party although duly served as appears from the affidavit of service of Lee Nicholson, filed.

DEFINITIONS

1. **THIS COURT ORDERS** that all capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Inaria APA.

SALE TRANSACTION

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Inaria APA by the Sellers, through their existing agents, representatives or officers, is hereby authorized and approved, with such minor amendments as the Sellers and the Buyer, with the approval of the Monitor, may agree upon. The Sellers, through their existing agents, representatives or officers, are hereby authorized and directed, and the Monitor is authorized and empowered, to take such additional steps and execute such additional documents as may be reasonably necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Buyer.

3. **THIS COURT ORDERS** that the Sellers are authorized and directed to perform their obligations under the Inaria APA and any ancillary documents related thereto.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Buyer substantially in the form attached as Schedule A hereto (the "**Monitor's Certificate**"), all of the Sellers' right, title and interest in and to the Purchased Assets shall vest absolutely in the Buyer, free and clear of and from any and all ownership claims, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, pledges, trusts, constructive trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

(a) any encumbrances or charges created by the Initial Order of the Honourable Justice Newbould dated October 31, 2016 (as amended and restated), the Order of the Honourable Justice Newbould dated January 10, 2017 and any subsequent charges created by the Court;

(b) all security interests, hypothecs, mortgages, pledges, encumbrances, liens and charges, including those evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry in any provinces or territories in Canada, the United States or the Civil code of Québec (all of which are collectively referred to as the "**Encumbrances**"); and

(c) all Excluded Liabilities as defined under the Inaria APA;

and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS** that, subject to paragraph 6 of this Order, that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to retain and use the funds making up the Purchase Price to make payments, distributions, and disbursements from such funds, all in accordance with the Initial Order of this Court dated October 31, 2016, as amended and restated.

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

8. **THIS COURT ORDERS** that the Buyer or the Monitor shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances after completion of the Transaction.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Sellers and the Monitor are authorized and

permitted to disclose and transfer to the Buyer all human resources and payroll information in the Sellers' records pertaining to the Sellers' past and current employees. The Buyer shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Sellers.

10. **THIS COURT ORDERS** the transfer of the Applicant's interest in the Purchased Assets as provided in the Inaria APA is "AS IS-WHERE IS," without any representations, warranties or conditions of any kind from the Applicants except as expressly set forth in the Inaria APA and cannot be implied as to description, fitness for purpose, book value, quantity, quality thereof, state, condition or location thereof or in respect of any matter or thing whatsoever (other than title of the Applicants). Notwithstanding anything to the contrary in the Motion or the Inaria APA, the Buyer acknowledges and agrees that it is familiar with the tangible personal property forming part of the Purchased Assets, and that it has relied upon its own investigations and inspection of such assets in entering into and completing the transaction contemplated herein.

11. **THIS COURT ORDERS** that for seven (7) years following the Closing Date, the Owner and Buyer shall, and shall cause the Buyer's employees to, retain all books, records and other documents pertaining to the Business in existence on the Closing Date, unless an extension is required by applicable law, and shall make the same available for inspection and copying by the Applicants and their successors and assigns (including any regulatory agency designated by the Applicants or a trustee-in-bankruptcy or another liquidating trustee overseeing the liquidation of the Applicants or any part of them) for any reasonable business purpose during normal business hours upon reasonable request and upon reasonable notice, in each case at such party's own expense. For purposes hereof, a reasonable business purpose includes, among other things, investigations by the United States Securities and Exchange Commission or the Ontario Securities Commission and the defense or prosecution of claims by the Applicants after the Closing Date. In addition, the Buyer shall, and shall cause its employees to, retain all books, records and other documents within the scope of the document hold dated June 3, 2016 instituted by the Applicants for as long as necessary to carry out the purpose of such document hold.

12. **THIS COURT ORDERS** notwithstanding anything to the contrary in the Motion or the Inaria APA, the Buyer shall indemnify and save harmless the Applicants and each of their

affiliates, officers, and directors, employees, and officers, from and against all costs, expenses, losses, claims or liabilities, including legal fees and disbursements, suffered or incurred by the Applicants or any such other person arising out of or in any way connected with the Assumed Liabilities (as defined in the Inaria APA). The Buyer shall have no obligation to indemnify and save harmless the Applicants and each of their affiliates, officers, directors, and employees from and against all costs, expenses, losses, claims or liabilities, including legal fees and disbursements, suffered or incurred by the Applicants or any such other person that does not arise out of or is not in any way connected with the Assumed Liabilities.

13. **THIS COURT ORDERS**, subject to paragraph 6 of this Order, notwithstanding anything to the contrary in the Motion or the Inaria APA, for the avoidance of doubt, without limitation, nothing in the Inaria APA shall be determinative of the issue of allocation of sale proceeds, or prejudice the rights of parties in interest related thereto.

14. **THIS COURT ORDERS** notwithstanding anything to the contrary in the Motion or the Inaria APA, if any portion of the covenants and agreements contained in Section 5.04 or in the Inaria APA, or the application thereof, is construed to be invalid or unenforceable, then the other portions of such covenant(s) or agreement(s) or the application thereof shall not be affected and shall be given full force and effect without regard to the invalid or unenforceable portions. If any covenant or agreement in Section 5.04 is held to be unenforceable because of the area covered, the duration thereof, or the scope thereof, then the court making such determination shall have the power to reduce the area and/or duration and/or limit the scope thereof, and the covenant or agreement shall then be enforceable in its reduced form.

15. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Sellers and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Sellers;

the vesting of the Purchased Assets in the Buyer and payments, distributions, and disbursements made pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Sellers and shall not be void or voidable by creditors of the Sellers, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. **THIS COURT ORDERS AND DECLARES** all entities and persons, including all lenders; debt security holders; equity security holders; governmental, tax, and regulatory authorities; parties to executory contracts and unexpired leases; customers; employees and former employees; dealers and sale representatives; and trade or other creditors holding interests or claims of any kind or nature whatsoever relating to the Purchased Assets against or in the Applicants or the Purchased Assets subject to the Inaria APA arising under or out of, in connection with, or in any way relating to, the Purchased Assets or the assumption and assignment or sale of the Purchased Assets to the Buyer, hereby are forever barred, estopped, and permanently enjoined from asserting any interests or claims of any kind or nature whatsoever against the Buyer and its successors, designees, permitted assigns, or property, or the Purchased Assets conveyed in accordance with the Inaria APA, except as set forth in the Inaria APA or this Order.

17. **THIS COURT ORDERS AND DECLARES** this Order shall be binding in all respects upon the Applicants, their estates, all creditors, all holders of equity interests in the Applicants, all holders of any interests or claims (whether known or unknown) against the Applicants, any holders of interests or claims against or on all or any portion of the Purchased Assets transferred under the Inaria APA, Mr. Michielli and the Buyer, and all successors and assigns of each of the foregoing, and any trustees, examiners, or other fiduciary, if any, subsequently appointed in the Proceedings or upon a conversion to a bankruptcy proceeding under the *Bankruptcy and Insolvency Act* (R.S.C., 1985, c. B-3). The terms and provisions of the Inaria APA and this Order shall inure to the benefit of the Applicants and their estates, and Mr. Michielli and the Buyer, and the respective affiliates, successors and assigns of each, notwithstanding any subsequent appointment of any trustee(s), party, entity, or other fiduciary, as to which trustee(s), party, entity, or other fiduciary such terms and provisions likewise shall be binding.

18. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

ASSIGNMENT OF AGREEMENTS

19. **THIS COURT ORDERS** that upon delivery of the Monitor's Certificate all of the rights and obligations of the Sellers under the Assumed Contracts which are set out in Schedule "B" hereto shall be assigned to the Buyer pursuant to section 1.01(g) of the Inaria APA and pursuant to section 11.3 of the CCAA.

20. **THIS COURT ORDERS** that, with respect to the Lease, upon delivery of the Monitor's Certificate, the Buyer shall be entitled to all of the rights and benefits and subject to all of the obligations as tenant pursuant to the terms of the Lease for the period commencing from and after the delivery of such Monitor's Certificate and may enter into and upon and hold and have quiet enjoyment of the premise that is the subject of the Lease and, if applicable, any renewals thereof, for its own use and benefit, all in accordance with the terms of the Lease, without any interruption from the Sellers, the landlord under the Lease or any person whomsoever claiming through or under any of the Sellers or the landlords under the Lease.

21. **THIS COURT ORDERS** that the assignment to the Buyer of the rights and obligations of the Sellers under the Assumed Contracts to the Buyer, pursuant to the CCAA and this Order is valid and binding upon all of the counterparties to the Assumed Contracts notwithstanding any restriction or prohibition contained in any such Assumed Contracts relating to the assignment thereof, including any provision requiring the consent of any party to the assignment.

22. **THIS COURT ORDERS** that the Sellers' right, title and interest in the Assumed Contracts shall vest absolutely in the Buyer free and clear of all Encumbrances.

23. **THIS COURT ORDERS** that each counterparty to the Assumed Contracts is prohibited from exercising any right or remedy under the Assumed Contracts by reason of any defaults thereunder arising from the assignment of the Assumed Contracts, the insolvency of the Sellers, the commencement of these CCAA proceedings, or any failure of the Sellers to perform a non-monetary obligation under the Assumed Contracts.

24. **THIS COURT ORDERS** that the cure costs of the Assumed Contracts ("**Cure Costs**") shall be in amounts set out in Schedule "B" hereto and that upon Closing, the Buyer shall assume the obligation to pay Cure Costs in accordance with the Inaria APA, and shall pay such Cure Costs in full and final satisfaction of Cure Costs owing to the counterparty to the applicable Assumed Contract, by no later than the Closing Date provided the Buyer receives wire remittance instructions or other payment instructions from such counterparty by that date. The Buyer and the Applicants shall have no further liability for any Cure Costs for the Purchased Assets; provided, however, that from the date of Closing forward the Buyer shall have both the benefits and the burdens of the Purchased Assets, and shall honour in the ordinary course any obligations under the Purchased Assets that first become due and payable after entry of this Order, regardless of when accrued, and the Applicants shall be relieved from any further liability with respect to the Purchased Assets.

25. **THIS COURT DIRECTS** the Sellers to send a copy of this Order to all of the counterparties of the Assumed Contracts as soon as practicable.

GENERAL

26. **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 and 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 the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

Dunphy J.

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ON / BOOK NO:
LE / DANS LE REGISTRE NO:

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PER / PAR: ML

Schedule A – Form of Monitor's Certificate

Court File No. CV-16-11582-00CL

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 PERFORMANCE SPORTS GROUP LTD., BAUER HOCKEY CORP., BAUER HOCKEY RETAIL CORP., BAUER PERFORMANCE SPORTS UNIFORMS CORP., BPS CANADA INTERMEDIATE CORP., BPS DIAMOND SPORTS CORP., EASTON BASEBALL/SOFTBALL CORP., KBAU HOLDINGS CANADA, INC., PERFORMANCE LACROSSE GROUP CORP., PSG INNOVATION CORP., BAUER HOCKEY RETAIL INC., BAUER HOCKEY, INC., BAUER PERFORMANCE SPORTS UNIFORMS INC., BPS DIAMOND SPORTS INC., BPS US HOLDINGS INC., EASTON BASEBALL/SOFTBALL INC., PERFORMANCE LACROSSE GROUP INC., PSG INNOVATION INC.

MONITOR CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Newbould of the Ontario Superior Court of Justice (the "**Court**") dated October 31, 2016, Ernst & Young Inc. was appointed as the Monitor (the "**Monitor**") of the undertaking, property and assets of Applicants.

B. Pursuant to an Order of the Court dated January 26, 2017 (the "**Inaria Approval and Vesting Order**"), the Court approved the asset purchase agreement dated December 30, 2016 (the "**Inaria APA**") between Bauer Performance Sports Uniforms Corp. and Bauer Performance Sports Uniforms Inc. (collectively, the "**Sellers**"), Saverio Michielli (the "**Owner**") and a corporation to be incorporated by the Owner (the "**Buyer**"), approved the sale transaction contemplated therein (the "**Transaction**") and provided for the vesting in the Buyer of the Sellers' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Buyer of a certificate confirming (i) the payment by the Buyer of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 2.01 of the Inaria APA have been satisfied or waived by the Sellers and the Buyer; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

C. Pursuant to the Inaria Approval and Vesting Order, the Monitor may rely on written notice from the Sellers and the Buyer regarding fulfillment of conditions to closing under the Inaria APA.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Inaria APA.

THE MONITOR CERTIFIES the following:

1. The Sellers and the Buyer have each delivered written notice to the Monitor that all applicable conditions under the Inaria APA have been satisfied and/or waived, as applicable;

2. The Buyer has paid and the Sellers have received the Purchase Price for the Purchased Assets payable on or prior to the Closing Date pursuant to the Inaria APA;

3. The Transaction has been completed to the satisfaction of the Monitor; and

4. This Certificate was delivered by the Monitor at ________ [TIME] on _______ [DATE].

Ernst & Young Inc., in its capacity as Monitor of the Applicants, and not in its personal or corporate capacity

Per: ______________________________

Name:

Title:

Schedule B – Assumed Contracts

Counter Party	Contract Name	Cure Costs
AMAZON.COM	Freight & Buying Agreement Dated 10/01/2014	$0.00
D'AMICO, ANDREA	Athlete Endorsement Agreement	$0.00
D'AMICO, ANDREA	Consulting Agreement Dated 08/01/2015	$0.00
GIOVINCO, SEBASTIAN	Athlete Endorsement Contract Dated 08/01/2015	$0.00
GIOVINCO, SEBASTIAN	Consulting Agreement Dated 08/01/2015	$0.00
MEO HOLDINGS, INC.	Lease Agreement Dated 01/07/2012 plus Amendments	$0.00
UNC CHARLOTTE	Product Supply and Sponsorship Agreement Dated 7/1/2015	$0.00

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

Court File No. CV-16-11582-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERFORMANCE SPORTS GROUP LTD ET. AL.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

INARIA APPROVAL AND VESTING ORDER

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Lawyers for the Applicants

January 26, 2017

Court File No. CV-16-11582-00CL

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 PERFORMANCE SPORTS GROUP LTD. ET. AL.

January 26/17

I am satisfied that the sale should be approved. The Monitor supports the sale. There is no opposition to it.

[signature] J.

ONTARIO
SUPERIOR COURT OF JUSTICE COMMERICAL LIST

Proceeding commenced at Toronto

MOTION RECORD
(Returnable on a date to be determined)
(Re: Inaria Sale Approval)

SUPERIOR COURT OF JUSTICE / COUR SUPÉRIEURE DE JUSTICE
FILED / DÉPOSÉ
JAN 25 2017
AT / À
LOCAL REGISTRAR / GREFFIER LOCAL
TORONTO

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