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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	MONDAY, THE 17th
	)	
JUSTICE HAINEY	)	DAY OF JULY, 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 OLD PSG WIND-DOWN LTD., OLD BHR WIND-DOWN CORP., OLD BPSU WIND-DOWN CORP., OLD BPSDS WIND-DOWN CORP., OLD EBS WIND-DOWN CORP., OLD PLG WIND-DOWN CORP., OLD PSGI WIND-DOWN CORP., OLD BHR INC., OLD BH INC., OLD BPSU INC., OLD BPSCI INC., OLD BPSUSH INC., OLD EBS INC., OLD PLG INC., AND OLD PSGI INC.

(Applicants)

ORDER
(Re: Stay Extension and Other Relief)

THIS MOTION, made by Old PSG Wind-down Ltd. ("**PSG**"), Old BHR Wind-down Corp., Old BPSU Wind-down Corp., Old BPSDS Wind-down Corp., Old EBS Wind-down Corp., Old EBS Wind-down Corp., Old PLG Wind-down Corp., Old PSGI Wind-down Corp., Old BHR Inc., Old BH Inc., Old BPSU Inc., Old BPSCI Inc., Old BPSCI Inc., Old BPSUSH Inc., Old EBS Inc., Old PLG Inc., and Old PSGI Inc. (together, the "**Applicants**") for an order extending the stay of proceedings to October 1, 2017 and certain other relief was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Brian J. Fox sworn July 11, 2017, the affidavit of Keisha Lackpatiah-Sealy sworn July 11, 2017 and the Ninth Report of Ernst & Young Inc. dated June 13, 2017 in its capacity as Monitor of the Applicants (the "**Monitor**") and on hearing the submissions of counsel for the Applicants, the Monitor and those other parties present, no one appearing for any other party although duly served as appears from the affidavit of service of Lee Nicholson, filed.

SERVICE

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

EXTENSION OF STAY PERIOD

2. **THIS COURT ORDERS** that the Stay Period referred to in the Initial Order of the Honourable Mr. Justice Newbould dated October 31, 2016, as amended and restated, is extended until October 1, 2017.

CAPITALIZED LEASE STIPULATION

3. **THIS COURT ORDERS** that the Stipulation between the Applicants (by and through Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.), on behalf of itself and its affiliated Applicants) and 9938982 Canada Inc. (the "**Purchaser**") attached hereto as Schedule "A" (the "**Lease Stipulation**"), and the transactions and releases contemplated therein, are hereby approved in their entirety.

4. **THIS COURT ORDERS** that the Applicants and the Purchaser are hereby authorized to enter into and perform their obligations under Lease Stipulation and all additional instruments and documents that may be reasonably necessary or desirable to implement the Lease Stipulation.

5. **THIS COURT ORDERS** that upon the Parties (as defined in the Lease Stipulation) to the Lease Stipulation respective receipt of the Purchase Price Payments (as defined in the Lease Stipulation), the releases contemplated by the Lease Stipulation shall be effective and binding on the Parties and their agents.

6. **THIS COURT ORDERS** that nothing in this Order shall derogate from any releases contained in any other Order in these proceedings.

GENERAL

7. **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.

Hainey J

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Schedule "A" – Lease Stipulation

[Attached]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
OLD BPSUSH INC., *et al.*,[1]	)	Case No. 16-12373 (KJC)
Debtors.	)	(Jointly Administered)

STIPULATION BY AND BETWEEN THE DEBTORS AND 9938982 CANADA INC. AND AFFILIATES REGARDING PURCHASE AGREEMENT ESCROW

This Stipulation (the "Stipulation") is made by and between (i) the above-captioned debtors (the "Debtors") and (ii) 9938982 Canada Inc. or, as the case may be, any Designated Purchaser under the Purchase Agreement, as defined below (collectively, the "Purchaser" and, collectively with the Debtors, the "Parties" and each of Purchaser and the Debtors individually, a "Party") by and through the undersigned persons.

RECITALS

WHEREAS, on October 31, 2016 (the "Petition Date"), each of the Debtors filed a separate voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), commencing the Debtors' chapter 11 bankruptcy cases (the "Chapter 11 Cases") with the United States Bankruptcy Court for the District of Delaware (the "U.S. Court");

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Old BPSUSH Inc. (f/k/a BPS US Holdings Inc.) (8341); Old BH Inc. (f/k/a Bauer Hockey, Inc.) (3094); Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.) (5670); Old BHR Inc. (f/k/a Bauer Hockey Retail Inc.) (6663); Old BPSU Inc. (f/k/a Bauer Performance Sports Uniforms Inc.) (1095); Old PLG Inc. (f/k/a Performance Lacrosse Group Inc.) (4200); Old BPSCI Inc. (f/k/a BPS Diamond Sports Inc.) (5909); Old PSGI Inc. (f/k/a PSG Innovation Inc.) (9408); Old BHR Wind-down Corp. (f/k/a Bauer Hockey Retail Corp.) (1899); Old EBS Wind-down Corp. (f/k/a Easton Baseball / Softball Corp.) (4068); Old PSGI Wind-down Corp. (f/k/a PSG Innovation Corp.) (2165); Old BPSDS Wind-down Corp. (f/k/a BPS Diamond Sports Corp.) (8049); Old BPSU Wind-down Corp. (f/k/a Bauer Performance Sports Uniforms Corp.) (2203); Old PLG Wind-down Corp. (f/k/a Performance Lacrosse Group Corp.) (1249); and Old PSG Wind-down Ltd. (1514) (f/k/a Performance Sports Group Ltd., and also representing the estates of the Debtors formerly known as KBAU Holdings Canada, Inc., Bauer Hockey Corp., and BPS Canada Intermediate Corp., respectively). The Debtors' mailing address is 100 Domain Drive, Exeter, NH 03833.

WHEREAS, on the Petition Date, each of the Debtors made an application for protection from their creditors before the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court") and together with the U.S. Court, the "Courts") under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 (the "Canadian Proceedings");

WHEREAS, on November 10, 2016, the Office of the United States Trustee for the District of Delaware (the "UST") appointed the statutory committee of unsecured creditors pursuant to Section 1102 of the Bankruptcy Code (the "Creditors' Committee"). On November 28, 2016, the UST also appointed a statutory committee of equity security holders pursuant to Section 1102 of the Bankruptcy Code (the "Equity Committee" and, together with the Creditors' Committee, the "Committees"). A monitor (the "Monitor") has been appointed in the Canadian Proceedings;

WHEREAS, on October 31, 2016, the Debtors entered into, subject to court approval, that certain Purchase Agreement by and among Performance Sports Group Ltd. and the Other Entities Identified Therein as Sellers and 9928982 Canada Inc. (as amended from time to time, the "Purchase Agreement") for the sale of substantially all of the Debtors' business as a going concern to Purchaser (the "Sale").

WHEREAS, on February 6, 2017, the U.S. Court entered an order approving the Purchase Agreement (the "U.S. Sale Order") [Docket No. 770] and the Canadian Court entered an order similarly approving the Purchase Agreement (the "Canadian Sale Order" and, collectively with the U.S. Sale Order, the "Sale Orders").

WHEREAS, in connection with the entry into the Purchase Agreement, Purchaser deposited on its behalf an aggregate amount equal to $28,750,000 in cash as a "good faith deposit" (the "Deposit") by wire transfer of immediately available funds to Citibank, N.A. (the

"Deposit Escrow Agent"), to be held in escrow in accordance with the terms of the escrow agreement (the "Deposit Escrow Agreement") entered into on October 31, 2016 between and among Purchaser, the Debtors and Deposit Escrow Agent.

WHEREAS, prior to the Sale closing, the Parties disputed whether the lease in respect of 3500 Willow Lane, Thousand Oaks, California, 91361 by and between Martin Properties, Inc. and Easton Baseball / Softball Inc. dated May 11, 2015 (the "Thousand Oaks Lease") constitutes a "Capitalized Lease" under the Purchase Agreement for purposes of the calculation of the Specified Assumed Liability Deduction Amount (as defined in the Purchase Agreement) to be deducted from the purchase price at the closing of the Sale (the "Capitalized Lease Issue").

WHEREAS, to facilitate the closing of the Sale, the Debtors and Purchaser entered into the Third Amendment to Purchase Agreement and Agreement dated February 27, 2017 (the "Third Amendment"). The Third Amendment provides, among other things:

i. Capitalized Lease Issue: In full resolution of the Capitalized Lease Issue for purposes of closing the transactions contemplated by the Purchase Agreement, the Parties covenant and agree that:

    1. Notwithstanding anything to the contrary in Section 2.7(b)(iii)(B) of the Purchase Agreement, the Company and Purchaser shall deliver, or cause to be delivered, an executed joint instruction letter instructing the Deposit Escrow Agent to (A) retain $12,008,073 of the Deposit (the "Capital Lease Escrow Amount") until such time as the Company and Purchaser deliver to the Deposit Escrow Agent a certified copy of a final non-appealable judgment or order from the [Courts] instructing or awarding the disbursement of such amount, or an executed joint instruction letter instructing the Deposit Escrow Agent to disburse such amount pursuant to and in accordance with such order, and (B) disburse the balance of the Deposit at the Closing to Sellers in immediately available funds.

    2. The Parties shall commence proceedings in the [Courts] promptly following the Closing Date to determine, on notice to all stakeholders and with request for a hearing, the Capitalized Lease Issue and, if applicable, provide a ruling regarding the amount of the reduction of

the purchase price with respect thereto; provided that, in no event shall either Party with respect to the Capitalized Lease Issue request, move or petition the [Courts] for damages, payments or an award or determination of such issue in an amount exceeding the Capital Lease Escrow Amount, and any such amount awarded shall be payable by releasing all or a portion of the Capital Lease Escrow Amount from the remaining Deposit Escrow as provided in clause (i) above in the amount and to the party(ies) as determined by the [Courts]; provided further, that the Parties may settle the Capitalized Lease Issue (but in no event for an amount in excess of the Capital Lease Escrow Amount) pursuant to a settlement approved by the [Courts]. Each Party shall be responsible for its own fees and expenses related thereto.

3. The Parties agree that the Capital Lease Escrow Amount is an agreed-upon amount solely to resolve the Capital Lease Issue for purposes of Closing and is not to be used in whole or in part as an admission or evidence regarding the amount or merits of the Capitalized Lease Issue.

WHEREAS, to avoid the expense and costs of litigation, among other things, the Parties have negotiated a consensual disposition of their rights in the Capital Lease Escrow Amount in final resolution of the Capitalized Lease Issue on the terms and conditions set forth below:

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED THAT:

1. In full and final resolution of the Capitalized Lease Issue and all claims arising under or related thereto, the Parties agree that, in each case subject to the Escrow Expense Deduction (defined below), (a) the Debtors will receive $8,000,000 from the Capital Lease Escrow Amount and (b) the Purchaser will receive $4,008,073 from the Capital Lease Escrow Amount (disbursements (a) and (b) hereof, the "Purchase Price Payments").

2. The Escrow Agent may deduct any fees and expenses owed to it under the Deposit Escrow Agreement, if any (the "Escrow Expense Deduction") in accordance with the terms of the Deposit Escrow Agreement prior to making the Purchase Price Payments. In

accordance with the Deposit Escrow Agreement, the Escrow Expense Deduction shall be deducted from the Purchase Price Payments in equal one-half amounts to each Party.

3. Within five (5) business days after approval of this Stipulation by the Courts, the Debtors and Purchaser shall deliver, or cause to be delivered, an executed joint instruction letter instructing the Deposit Escrow Agent to disburse the Capital Lease Escrow Amount in accordance with this Stipulation in immediately available funds.

4. Mutual Release: Effective upon the Parties' respective receipt of the Purchase Price Payments, the Parties release each other and their agents from any claim related to or arising from the Capitalized Lease Issue other than any rights under this Stipulation, and the releases in paragraphs 14 and 15 of the U.S. Sale Order entered by the U.S. Court [Docket No. 770] and paragraph 25 of the Canadian Sale Order entered by the Canadian Court are fully applicable to, enforceable with respect to, and effect a release of, such claims, notwithstanding anything to the contrary contained therein or herein.

5. Covenant Not to Sue. Effective upon the Parties respective receipt of the Purchase Price Payments, the Parties each agree not to commence or join any action or proceeding related to or arising from the Capitalized Lease Issue, except as a defense to a claim by a third-party asserted against either Party. In addition, the Parties agree not to solicit, encourage, join or otherwise participate in (directly or indirectly) any such action or proceeding.

6. Continuing Effect. Except as expressly provided in this Stipulation, nothing contained herein shall constitute an amendment, modification or waiver of any provision of the Purchase Agreement and the Purchase Agreement, including the Transition Services Agreement (as defined therein), to the extent still in effect, shall remain in full force and effect.

7. This Stipulation may be executed in one or more counterparts which shall each be deemed an original, but all of which together shall constitute one and the same instrument. A signature transmitted by electronic mail or facsimile shall be deemed an original signature for purposes of this Stipulation. By executing this Stipulation, the undersigned represent that they have the full authority to enter into the Stipulation and bind the Parties hereto to its terms.

8. This Stipulation shall constitute the entire agreement between the Parties with respect to the resolution of the Capitalized Lease Issue and supersedes any previous negotiations, commitments, writings, orders or judgments with respect to such subject matter and no provision of this Stipulation may be changed except by a written instrument executed by the Parties. Upon its approval by the Courts, this Stipulation is binding on, and inures to the benefit of, the Parties and their respective heirs, successors and assigns.

9. The Courts shall maintain jurisdiction for all matters concerning this Stipulation.

10. The Parties acknowledge that each of them has participated in and jointly consented to the drafting of this Stipulation and that any claimed ambiguity shall not be construed for or against either Party on account of such drafting.

[Remainder of page intentionally left blank.]

AGREED AND ACCEPTED BY:

Old EBS Inc. (f/k/a Easton Baseball / Softball Inc.), on behalf of itself and its affiliated Debtors

By:________________________________

Print:______________________________

Its:________________________________

Date: ______________________________

9938982 Canada Inc., on behalf of itself and affiliates or other Designated Purchasers

By:________________________________

Print:______________________________

Its:________________________________

Date: ______________________________

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.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER
(RE: STAY EXTENSION AND OTHER RELIEF)

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