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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	MONDAY, THE 6th
	)	
JUSTICE NEWBOULD	)	DAY OF FEBRUARY, 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)

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 "**Sale Transaction**") contemplated by the asset purchase agreement (as amended, the "**Asset Purchase Agreement**") between the Applicants (including any successors thereof, the "**Sellers**" and each, a "**Seller**") and 9938982 Canada Inc. or any Designated Purchaser named under the Asset Purchase Agreement (in either event, the "**Purchaser**") made as of October 31, 2016 and vesting in the Purchaser, the Sellers' right, title and interest in and to the assets described in the Asset Purchase Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Brian J. Fox sworn January 24, 2017 and the Exhibits thereto, the Supplementary Affidavit of Brian J. Fox sworn February 2, 2017 and the Exhibits thereto, the Sixth Report of Ernst & Young Inc. in its capacity as monitor (the "**Monitor**") to the

Applicants dated February 3, 2017, and on hearing the submissions of counsel for the Applicants, the Monitor, the Purchaser, the term loan DIP lenders, the ABL DIP lenders, the Official Committee of Unsecured Creditors (the "**UCC**"), the Official Committee of Equityholders of Performance Sports Group Ltd. (the "**Equity Committee**"), and Q30 Sports Science, LLC and Q30 sports, LCC, no one appearing for any other party although duly served as appears from the affidavits of service, filed.

SERVICE

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

DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Asset Purchase Agreement.

SALE TRANSACTION

3. **THIS COURT ORDERS AND DECLARES** that the Sale Transaction is hereby approved, and the execution of the Asset Purchase Agreement by the Sellers is hereby authorized and approved, with such minor amendments as the Sellers and the Purchaser, with the approval of the Monitor, may agree upon. The Sellers are hereby authorized and directed, and the Monitor is hereby authorized and empowered, to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Sale Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. **THIS COURT ORDERS** that the Sellers are authorized and directed to perform their obligations under the Asset Purchase Agreement and any ancillary documents related thereto.

5. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser 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 Purchaser, 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, encumbrances, obligations, liabilities, claims, demands, guarantees, set-off, liens, executions, levies, charges, or other financial or monetary claims, adverse claims, or rights of use, puts or forced sale provisions exercisable as a consequence of or arising from closing of the Sale Transaction, whether arising prior to or subsequent to the commencement of the CCAA proceedings and proceedings under Chapter 11 of Title 11 of the United States Code (the "**Chapter 11 Proceedings**") and whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, legal equitable, possessory or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

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

(c) any Excluded Liabilities;

(all of which are collectively referred to as the "**Encumbrances**"),

provided that, the Claims and the Encumbrances referred to herein shall not include encumbrances listed on Schedule "B" (the "**Permitted Encumbrances**") or the Assumed Liabilities. 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 except for the Permitted Encumbrances.

6. **THIS COURT ORDERS** that, except as provided under the Asset Purchase Agreement, the Purchaser shall be authorized, upon delivery of the Monitor's Certificate, to operate under any license, permit, registration and governmental authorization or approval of the Sellers with respect to the Purchased Assets, and all such licenses, permits, registrations and governmental authorizations and approval are deemed to have been, and hereby are, directed to be transferred to the Purchaser upon delivery of the Monitor's Certificate as provided by the Asset Purchase Agreement.

7. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall be paid to the Sellers and the Monitor, as applicable, as set out in the Asset Purchase Agreement and shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate, all valid 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 Sellers taking the first of the Pre-Closing Reorganization Steps (as defined below) 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 Sellers' taking any Pre-Closing Reorganization Steps. Subject to this Order, the Sellers and Monitor are hereby authorized and empowered to hold the net proceeds from the sale of the Purchased Assets delivered to them pursuant to the Asset Purchase Agreement pending further order of the Court.

8. **THIS COURT ORDERS** that, following the filing of the Monitor's Certificate, the Monitor, in consultation with and on behalf of the Sellers, and the Sellers are hereby authorized and directed, without further order of this Court, to repay in full from the Closing Purchase Price:

(a) the indebtedness and obligations outstanding, as of the date of repayment, under the Sponsor DIP Credit Agreement, after accounting for any obligations applied towards a Credit Bid Amount; and

(b) the indebtedness and obligations outstanding, as of the date of repayment, under the ABL DIP Credit Agreement and the ABL Credit Agreement, dated April 15, 2014 (as amended modified or supplemented from time to time), by and among (i) the Sellers; (ii) Bank of America, N.A., as administrative agent and collateral agent; and (iii) the lenders from time to time party thereto (collectively with the ABL DIP Credit Agreement and Sponsor DIP Credit Agreement, the "**Credit Agreements**");

in each case, such portions of the Closing Purchase Price used to fund such repayments being made free and clear of all Claims and Encumbrances, including any encumbrances or charges created by the Initial Order, the KERP Order and any subsequent charges created by this Court.

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

10. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Sellers and the Purchaser or their respective counsel regarding the satisfaction or waiver of the conditions to closing under the Asset Purchase Agreement, including that adjustments applicable to the Closing Cash Payment are accurate and the Sellers have received the portion of the Closing Cash Payment, subject to applicable adjustments, deliverable to them in accordance with the Asset Purchase Agreement, and shall incur no liability with respect to the delivery of the Monitor's Certificate.

11. **THIS COURT ORDERS** that the Purchaser shall have no liability or responsibility for (i) any Excluded Liabilities; (ii) any liability or other obligation of any Sellers arising under or related to the Purchased Assets other than as expressly set forth in the Asset Purchase Agreement, including successor or vicarious liabilities of any kind or character, including any theory of antitrust, environmental, successor or transferee liability, labour law, de facto merger or substantial continuity; and (iii) the pre-filing and pre-Closing Date conduct of the Sellers or any of their officers, directors, employees or agents, including any conduct which may be the subject of ongoing investigations by the securities regulators.

12. **THIS COURT ORDERS** that, provided that the Asset Purchase Agreement has not been terminated, any plan of compromise or arrangement that may be filed by the Sellers shall not derogate or otherwise affect any right or obligation of the Sellers or the Purchaser under the Asset Purchase Agreement unless otherwise agreed by the Sellers and the Purchaser.

13. **THIS COURT ORDERS** that the Purchaser or the Monitor shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances with respect to the Purchased Assets after completion of the Sale Transaction.

14. **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 Purchaser all human resources and payroll information in the Sellers’ records pertaining to the Sellers’ past and current employees. The Purchaser 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.

15. **THIS COURT ORDERS** that for six (6) years following the Closing Date, the Purchaser shall, and shall cause the Purchaser's affiliates and the Purchaser's and its affiliates respective 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 or due to a regulatory agency's inquiry, and shall make the same available for inspection and copying by the Monitor and the Sellers and their successors and assigns (including any regulatory agency designated by the Sellers or a trustee-in-bankruptcy or another liquidating trustee or estate fiduciary overseeing the liquidation of the Sellers 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; *provided*, that unless otherwise ordered by a court, neither the Purchaser nor its subsidiaries shall be required to disclose to any Seller any information if such Seller or any of its affiliates, on the one hand, and Purchaser or any of its affiliates, on the other hand, are adverse parties in a litigation and such information is reasonably pertinent thereto; *provided*, *further*, that Purchaser may destroy (or cause to be destroyed) any such books, records and other documents pertaining to the business if the Purchaser first advises the Seller, or, as may be applicable, its successors and assigns, including any successor estate representative in the restructuring proceedings, in writing on not fewer than thirty (30) days' prior notice of its intention to destroy such materials and provides Sellers, or, as may be applicable, any Seller successor and assign, including any successor estate representative in the Chapter 11 Proceedings or under the CCAA, a reasonable opportunity to obtain possession thereof (subject in each case to compliance with applicable laws). For purposes hereof, a reasonable business purpose includes, among other things, any investigations by the United States Securities and Exchange Commission or the Ontario Securities Commission and the defense or prosecution of claims by the Sellers after the Closing Date. In addition, the Purchaser shall, and shall cause its Subsidiaries and employees to, retain all books, records and other documents within the scope of the document hold dated June 3, 2016 instituted by the Sellers for as long as necessary to carry out the purpose of such document hold. To the extent that the Purchaser provides prior written notice to the Sellers (or, as may be applicable, any successor or assign, including any successor estate representative in the Chapter 11 Cases or in the Canadian Proceedings) of its intent to destroy any books, records, or other documents pertaining to the Business, then within five (5) days of receiving such notice, the

Sellers (and any applicable successor or assign) shall provide written notice of the same to the UCC, the Equity Committee and the Monitor.

16. **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 Purchaser and the 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 or equityholders 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) (the "**BIA**") 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.

17. **THIS COURT ORDERS AND DECLARES** that the Sellers are subject to an order of this Court under applicable bankruptcy or insolvency laws and the Sale Transaction constitutes a "related party transaction" for purposes of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and the Court has been advised of the requirements in MI 61-101 regarding valuation and minority approval for related party transactions and does not require compliance with sections 5.4 and 5.6 of MI 61-101, respectively.

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

INITIAL ALLOCATION

19. **THIS COURT ORDERS** that nothing contained in any plan of reorganization or liquidation, or order of any type or kind entered in these CCAA proceedings, Chapter 11

Proceedings, or any subsequent proceeding under the *Code* or the BIA or any related proceeding subsequent to entry of this Order, shall directly conflict with or directly derogate from the provisions of the Asset Purchase Agreement or the terms of this Order.

20. **THIS COURT ORDERS** that notwithstanding anything in the Sellers' motion filed in support of this Order (the "**Motion**"), the Asset Purchase Agreement or related documents, agreements, instruments, schedules, or exhibits to the contrary (collectively, the "**Transaction Documents**"), any allocation pursuant to the Transaction Documents of the net cash proceeds actually received by the Sellers at the Closing from the Sale Transaction (the "**Sale Proceeds**") will not be binding for purposes of distributions of the Sale Proceeds made to creditors or equity claimants (a "**Distribution Apportionment**") in connection with the confirmation, approval or consummation of a plan of reorganization, a plan of liquidation, restructuring plans or a distribution motion (a "**Plan**") or for any related purposes, which Distribution Apportionment will be determined in accordance with such Plan or other settlement agreement.

21. **THIS COURT ORDERS** that prior to the Closing, the Sellers will open a new U.S. bank account in the case of those sellers incorporated in the U.S. and the Monitor will establish a new Canadian bank account in the case of those sellers incorporated in Canada (together, the "**Accounts**") into which the Sale Proceeds will be deposited consistent with the Initial Allocation. The Sellers will report to counsel to the UCC and the Equity Committee receipts and disbursements from the Accounts on a weekly basis.

22. **THIS COURT ORDERS AND DIRECTS** that the Sellers will keep the UCC and the Equity Committee reasonably informed about the determination of the Initial Allocation required by Section 2.6(c)(i) of the Asset Purchase Agreement, and will consult in good faith with the UCC and the Equity Committee and will consider their views regarding the Initial Allocation in good faith. For the avoidance of doubt, this Order does not modify the provisions of Asset Purchase Agreement (and all related schedules) governing the determination of the Initial Allocation, and the Asset Purchase Agreement (and all related schedules) shall govern such determination.

23. **THIS COURT ORDERS** that notwithstanding anything to the contrary in this Order or the Transaction Documents, but in all cases subject to the terms of the Orders entered in each the U.S. and Canada as of the date of this Order, the Acquired Assets and Assigned Actions

shall not include any Avoidance Action or Action (the "**Intercompany Actions**") in respect of indebtedness by and among or between any Seller or any Seller affiliate or related entity (the "**Intercompany Indebtedness**") other than Intercompany Actions in respect of the Acquired Entities and Acquired Investments. The Intercompany Actions other than Intercompany Actions in respect of the Acquired Entities and Acquired Investments shall be Excluded Assets under the Asset Purchase Agreement.

24. **THIS COURT ORDERS** that nothing in this Order, the Asset Purchase Agreement, or any Transaction Documents shall, or shall be deemed to, release or affect in any way any claims or causes of action of the Sellers or their estates against any current or former directors or officers of any of the Sellers arising out of or related to events occurring prior to the filing date.

25. **THIS COURT ORDERS** that nothing in this Order, the Sale Transaction, the Pre-Closing Reorganization Steps, the Asset Purchase Agreement, any amendment thereto, the Sellers Disclosure Letter, or related documents, agreements, instruments, schedules, or exhibits to the contrary shall impair the rights of any party in interest to seek to (a) to recharacterize, subordinate, or otherwise challenge (by avoidance action, claim objection, or otherwise) the extent, character, priority, validity and amount of any indebtedness by and among or between any Seller or any Seller affiliate or related entity, including, without limitation, Amalco (the "**Intercompany Indebtedness**"); *provided, however*, that (i) the Sellers can (and unless otherwise consented in writing by the Purchaser, shall) settle any amounts (including Intercompany Indebtedness) owing by a Seller to any Acquired Entity (as defined in the Asset Purchase Agreement), or by an Acquired Entity to any Seller, either pursuant to a Pre-Closing Reorganization (as that term is defined in the Affidavit of Brian J. Fox sworn February 2, 2017) or, failing the ability to complete such a Pre-Closing Reorganization, for no consideration prior to the Closing Date as determined by the Sellers and the Purchaser in accordance with the Asset Purchase Agreement, and once so settled such amounts shall not be reinstated, in whole or in part, as liabilities of the Acquired Entities or Acquired Investments to any Seller or any successor or assign; and (ii), that, in respect of any such challenge, the Pre-Closing Reorganization Steps shall not of themselves impact the validity, amount or priority of any Intercompany Indebtedness; and (b) with respect to the substantive consolidation or similar action or remedy in respect of any Seller or any Seller affiliate or related entity. If the Sellers in consultation with the Monitor, UCC and Equity Committee cannot agree to any of the

determinations set forth in this paragraph 25, the parties will seek this Court and the U.S. Court's advice and direction for a determination in respect of such dispute.

26. **THIS COURT ORDERS** that **n**otwithstanding anything set forth in this Order or the Motion, to the extent the Sellers seek to make any material amendments or modifications to the Pre-Closing Reorganization or Reorganization Steps after entry of this Order (other than as required under Paragraph 12(a)(i) of this Order), such material amendments or modifications shall be made only with the consent of the Monitor, the Purchaser, the UCC, and the Equity Committee, or upon further order of the Court and the Canadian Court.

ASSIGNMENT OF AGREEMENTS

27. **THIS COURT ORDERS** that upon delivery of the Monitor's Certificate, all of the rights and obligations of the Sellers under the agreements set out in Schedule "C" hereto that are Assigned Contracts under the Asset Purchase Agreement on Closing shall be assigned to and assumed by the Purchaser pursuant to section 2.1 of the Asset Purchase Agreement and pursuant to section 11.3 of the CCAA.

28. **THIS COURT ORDERS** that, with respect to the Assigned Contracts that are real property leases (collectively, the "**Real Property Leases**"), upon delivery of the Monitor's Certificate, the Purchaser 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 Real Property Leases 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 premises contemplated by the Real Property Leases and, if applicable, any renewals thereof, for its own use and benefit, all in accordance with the terms of the Real Property Leases, without any interruption from the Sellers, the landlords under the Real Property Leases or any other person whomsoever claiming through or under any of the Sellers or the landlords under the Real Property Leases.

29. **THIS COURT ORDERS** that the assumption by the Purchaser of the rights and obligations of the Sellers under the Assigned Contracts and the assignment of the Assigned Contracts to the Purchaser pursuant to the CCAA and this Order is valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction or prohibition

contained in any such Assigned Contracts relating to the assignment thereof, including any provision requiring the consent of any party to the assignment.

30. **THIS COURT ORDERS** that the Sellers' right, title and interest in the Assigned Contracts shall vest absolutely in the Purchaser free and clear of all Encumbrances other than the Permitted Encumbrances.

31. **THIS COURT ORDERS** that each counterparty to the Assigned Contracts is prohibited from exercising any right or remedy under the Assigned Contracts by reason of any defaults thereunder arising from the assignment of the Assigned Contracts, the insolvency of the Sellers, the Pre-Closing Reorganization, the commencement of these CCAA proceedings or the Chapter 11 Proceedings, or any failure of the Sellers to perform a non-monetary obligation under the Assigned Contracts.

32. **THIS COURT ORDERS** that to the extent any dispute exists regarding the amount of Cure Costs payable to a counterparty under an Assigned Contract or Designated Seller Contract, the Sellers or the Monitor, as applicable, in consultation with the Purchaser, are authorized and empowered to elect to (i) not assume such Assigned Contract or Designated Seller Contract in accordance with the Asset Purchase Agreement; (ii) postpone the assumption of such Assigned Contract or Designated Seller Contract until the resolution of such dispute in accordance with the Asset Purchase Agreement; or (iii) hold the claimed amount in reserve pending resolution of such dispute, and notwithstanding the dispute, the assignment and assumption of the Assigned Contract pursuant to paragraph 27 of this Order is valid and binding in all respects and the counterparty's recourse is limited to the funds held in reserve pending resolution of the dispute.

33. **THIS COURT ORDERS** that, subject to paragraph 32 of this Order, the Cure Costs of the contracts set out in Schedule "C" shall be in the amounts set out therein, and that upon, prior to, or promptly after Closing, the Purchaser (first, and to an aggregate maximum amount of US$1,000,000) and the Monitors or the Sellers, as the case may be, (second, and for any amount in excess of US$1,000,000 in the aggregate) shall pay the Cure Costs as set out in the Asset Purchase Agreement with respect to each applicable Assigned Contract, in full and final satisfaction of any Cure Costs owing to the counterparty to the applicable Assigned Contract, except if the funds are being reserved pending the dispute of amount of Cure Costs payable to a

counterparty. Notwithstanding the foregoing, in addition to all obligations under Assigned Contracts arising from and after the Closing Date, for which the Purchaser shall be liable, the Purchaser shall be liable for and shall timely pay to counterparties under Assigned Contracts any and all charges under the Assigned Contracts that may have accrued prior to Closing or are attributable or related to a period prior to Closing, but which do not come due until on or after the Closing Date by their terms.

34. **THIS COURT ORDERS** that if the Sellers have not received payment information from a counterparty upon Closing, the Sellers or Monitor may reserve for the Cure Costs payable to such counterparty to the extent payable by Sellers pursuant to the Asset Purchase Agreement, and if payable by the Sellers, the Sellers or Monitor shall pay the Cure Costs payable to such counterparty by no later than the day that is five (5) business days from the date that the Seller or Monitor receives wire remittance instructions or other payment instructions from such counterparty.

35. **THIS COURT DIRECTS** the Sellers shall send a copy of this Order to all of the counterparties to the contracts listed in Schedule "C" hereto and, furthermore, within five (5) business days after the Closing Date, the Sellers shall file a notice of sale closing with a listing of Assigned Contracts and a separate listing of contracts that the Purchaser has elected not to treat as Assigned Contracts, and serve such notice by mail on all counterparties to both the Assigned Contracts and agreements listed on Schedule "C" that subsequently become Excluded Seller Contracts.

36. **THIS COURT ORDERS** that in full and final resolution of Mission Product Holdings, Inc.'s Reservation of Rights (the "**Mission RoR**") filed in the U.S. Bankruptcy Court for the District of Delaware (the "**U.S. Court**"), the assumption of the Mission Contract (as defined in the Mission RoR) shall be conditioned upon (a) Bank of America filing a release of lien with the Canadian Trade-Marks office as well as making any other filings that Bank of America and Mission Product Holdings, Inc. jointly and reasonably determine is required under Canadian law to properly effect the release of the lien and (b) Bank of America filing a release of its lien under the Uniform Commercial Code with the Vermont Secretary of State. The U.S. Court shall retain jurisdiction over any issues arising from satisfaction of these conditions. For the avoidance of doubt, for purposes of the sale approved by this Order, the satisfaction of

conditions (a) and (b) above shall also resolve any dispute of Mission Product Holdings, Inc. with the Cure Cost in the amount of $0.00.

37. **THIS COURT ORDERS** that in full and final resolution of the objection of United Parcel Service, Inc. ("**UPS**") filed in the U.S. Court (the "**UPS Objection**"), and as a condition to assumption and assignment of the UPS Contract (as defined in the UPS Objection), the Cure Costs amount for the UPS Contract shall remain at $37,605.96, and, as an additional condition, the additional amounts asserted by UPS in the UPS Objection shall be paid after Closing by the Purchaser, provided such payments may be made in accordance with the Sellers' pre-Closing Date payment practices of utilizing one or more third-party vendors for the audit and payment of invoices.

38. **THIS COURT ORDERS** that In full and final resolution of the objection of Oracle America, Inc. ("**Oracle**") filed in the U.S. Court (the "**Oracle Objection**"), Oracle consents to the assumption and assignment of that certain Oracle Cloud Services Agreement, together with its related ordering documents, to the Purchaser or its affiliated designee, conditioned on payment of Cure Costs in the amount of $14,490.00 and the execution by the Sellers and assignee on execution of mutually agreeable assignment documentation in a final form to be negotiated after entry of this Order.

39. **THIS COURT ORDERS** that any information provided as evidence in order to demonstrate the ability of the Purchaser to meet its obligations pursuant to s. 11.3(3)(b) of the CCAA (the "**s. 11.3 Evidence**") shall be kept confidential by the party receiving that information. More specifically, and without limiting the generality of the foregoing, this Court orders that any counterparty to an Assigned Contract or a Designated Seller Contract shall keep s. 11.3 Evidence confidential, and shall be restricted from using or disclosing such information to any third party.

PRE-CLOSING REORGANIZATION

40. **THIS COURT ORDERS AND DECLARES** that the Pre-Closing Reorganization is hereby approved and the Sellers are authorized to take the necessary or desirable steps, transactions, set-offs, distributions, repayments, transfers and other actions to consummate the Pre-Closing Reorganization (collectively, the "**Pre-Closing Reorganization Steps**"), and that

such Pre-Closing Reorganization Steps may be amended by the Sellers in accordance with the Asset Purchase Agreement, with the consent of the Monitor or by further order of this Court.

41. **THIS COURT ORDERS AND DIRECTS** the Sellers to preserve, or cause to be preserved, their accounting entries and related systems, including records and documents relating to, in connection with or in respect of all open balances, tax attributes and intercompany notes and payables, as they exist: (a) as of the filing date; and (b) immediately prior to the implementation of the Pre-Closing Reorganization (collectively, the "**Pre-Reorganized State**") to replicate allocations and potential creditor distributions as if the Pre-Closing Reorganization had not occurred (taking into consideration any reduction in proceeds available for distribution and tax effects that could be expected in such an event).

42. **THIS COURT ORDERS** that if, pursuant to paragraphs 43 and 4441 herein, it becomes necessary or upon reasonable request by the Monitor, the UCC or the Equity Committee, the Sellers shall generate a distribution model based on the Sellers' corporate structure and intercompany indebtedness as it existed at the Pre-Reorganized State (the "**Pre-Reorganization Distribution Model**").

43. **THIS COURT ORDERS** that allocation and distribution of any additional proceeds available for distribution due to tax savings available as a result of the Pre-Closing Reorganization Steps (whether or not the Pre-Reorganization Distribution Model is triggered) shall be addressed in a process to be determined by the Sellers, in consultation with the Monitor, the UCC and the Equity Committee, subject to Court approval. If all of the foregoing parties cannot agree to such determination, the parties will seek the Court's advice and direction for a determination in respect of this dispute.

44. **THIS COURT ORDERS** that to ensure that the Pre-Closing Reorganization does not adversely affect any particular stakeholder (which includes, for greater certainty, any creditor or holder of equity security interests), in the event that any stakeholder (including creditors or holders of equity security interests) having a valid claim or interest in equity securities that is in existence at the Pre-Reorganized State would receive in respect of such claim or interest, an amount at final distribution that would be less than the amount that it would have received under the Pre-Reorganization Distribution Model, subject to paragraphs 42 and 43 herein, the proceeds available for distribution will be distributed in accordance with the Pre-

Reorganization Distribution Model or such other methodology as agreed to by the Sellers, the Monitor, the UCC and Equity Committee, or ordered by this Court and the U.S. Court.

45. **THIS COURT ORDERS** that this Court and the U.S. Court shall retain all authority and shall have the ability to fashion a remedy to ensure that the Pre-Closing Reorganization Steps and the Pre-Closing Reorganization do not impair or adversely affect the rights and claims of the stakeholders either individually or in the aggregate as such rights and claims existed at the Pre-Reorganized State and in respect of all preserved rights in paragraph 46 herein.

46. **THIS COURT ORDERS** that all stakeholders (including creditors or holders of equity security interests) explicitly reserve and preserve their rights with respect to the allocation or distribution of proceeds available for distribution pursuant to the Pre-Closing Reorganization, Pre-Reorganization Distribution Model, or other methodology, as the case may be, and the rights outlined in paragraph 42 herein. If the Sellers in consultation with the Monitor, UCC and Equity Committee cannot agree to any of the determinations set forth in this paragraph 46, the parties will seek this Court and the U.S. Court's advice and direction for a determination in respect of such dispute.

47. **THIS COURT ORDERS** that all Persons are prohibited from exercising any right or remedy under a contract, agreement, licence or permit to which a Seller is a party to by reason of any defaults thereunder arising from the Pre-Closing Reorganization or the Sellers' undertaking any of the Pre-Closing Reorganization Steps.

48. **THIS COURT ORDERS** that the Sellers are hereby authorized to transfer up to USD$500,000 to the Monitor in connection with the Pre-Closing Reorganization, and that such transfer shall not constitute a breach of the Amended and Restated Initial Order dated October 31, 2016.

49. **THIS COURT ORDERS AND DIRECTS** that the Monitor is hereby authorized to hold the equivalent of USD$500,000 (the "**Escrow Funds**") in escrow in a Canadian bank account to be maintained by the Monitor. Such Escrow Funds are to be held in trust for any payments required to be made to BPS Luxembourg S.a.r.l. ("**Luxco**") for any operational or wind down costs, or other payables, in accordance with the Pre-Closing Reorganization Steps. Upon written direction from Luxco or a duly appointed liquidator under Luxembourg law (the "**Lux**

Liquidator") to release any portion or all of the Escrow Funds, along with supporting documentation in form and content satisfactory to the Monitor, acting reasonably, the Monitor shall promptly transfer such amount to Luxco or to any beneficiary indicated by Luxco or the Lux Liquidator. Any unused portion of the Escrow Funds will be transferred to the Sellers' estate.

50. **THIS COURT ORDERS** that, notwithstanding paragraph 49 herein, if the Closing of the Sale Transaction does not occur by the Extended Outside Date, the Monitor shall return the Escrow Funds to the Sellers promptly.

MONITOR AND SELLERS' PROTECTIONS

51. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the Initial Order, the Monitor shall not be liable for any act or omission on the part of the Monitor pertaining to the discharge of its duties under this Order, save and except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Monitor. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA, any other federal or provincial applicable law or the Initial Order.

52. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order and without in any way limiting the protections for the Monitor set forth in this Order, the Initial Order and the CCAA, the Monitor shall have no obligation to make any payment unless the Monitor is in receipt of funds adequate to effect any such payment.

53. **THIS COURT ORDERS AND DECLARES** that any payments, distributions and disbursements under this Order shall not constitute a "distribution" for the purposes of section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada), section 23 of the *Canada Pension Plan Act* (Canada), section 86 of the *Employment Insurance Act* (Canada), section 14 of the *Tax Administration Act* (Quebec) and section 97.39 of the *Customs Act* (Canada), or any other similar federal, provincial or territorial tax legislation (collectively, the "**Tax Statutes**"), and the Monitor, the Sellers and any officer or director of the Sellers shall not incur any liability under the Tax Statutes in respect of its making any payments, distributions or disbursements ordered or permitted under this Order, and are hereby forever released and discharged from any claims against it, him or her under or pursuant to the Tax Statutes or otherwise at law,

arising in respect of any such payments, distributions or disbursements made under this Order and any claims of this nature are hereby forever barred.

GENERAL

54. **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 Sellers 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 Sellers 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 Sellers and the Monitor and their respective agents in carrying out the terms of this Order.

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'S 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 undertakings, property and assets of Applicants.

B. Pursuant to an Order of the Court dated February 6, 2017 (the "**Approval and Vesting Order**"), the Court approved the asset purchase agreement made as of October 31, 2016 (the "**Asset Purchase Agreement**") between the Sellers and 9938982 Canada Inc. (the "**Purchaser**") and the sale transaction (the "**Sale Transaction**") contemplated therein, and provided for the vesting in the Purchaser 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 Purchaser of a certificate confirming (i) the payment by the Purchaser of the Closing Cash Payment, subject to applicable adjustments, for the Purchased Assets; (ii) that the conditions to Closing as set out in the Asset Purchase Agreement have been satisfied or waived by the Sellers and/or the Purchaser, as applicable; and (iii) the Sale Transaction has been completed to the satisfaction of the Monitor.

C. Pursuant to the Approval and Vesting Order, the Monitor may rely on written notice from the Sellers and the Purchaser regarding fulfillment of conditions to closing under the Asset Purchase Agreement.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Asset Purchase Agreement.

THE MONITOR CERTIFIES the following:

1. The Sellers and the Purchaser have each delivered written notice to the Monitor that all applicable conditions under the Asset Purchase Agreement have been satisfied and/or waived, as applicable;

2. The Purchaser has paid and the Sellers or the Monitor, as applicable, have received the Closing Cash Payment, subject to applicable adjustments, for the Purchased Assets payable on the Closing Date pursuant to the Asset Purchase Agreement;

3. The Sale 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 Sellers, and not in its personal or corporate capacity

Per: ______________________________

Name:

Title:

Schedule "B" – Permitted Encumbrances

None.

Schedule "C" – Potential Assigned Contracts

Attached

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

APPROVAL AND VESTING ORDER

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Peter Howard LSUC#: 22056F
Tel: (416) 869-5613
E-mail: phoward@stikeman.com

Kathryn Esaw LSUC#: 58264F
Tel: (416) 869-6820
E-mail: kesaw@stikeman.com

Lee Nicholson LSUC#66412I
Tel: (416) 869-5604
E-mail: leenicholson@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicants