SUPERIOR COURT

(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
No. 500-11-058116-209

DATE: NOVEMBER 19, 2020

PRESIDING: THE HONOURABLE LOUIS J. GOUIN, J.S.C.

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

SPECTRA PREMIUM INDUSTRIES INC.
-and-

SPECTRA PREMIUM HOLDINGS (USA) CORP.

-and-

SPECTRA PREMIUM (USA) CORP.

-and-

SPECTRA PREMIUM PROPERTIES (USA) CORP.

-and-

SPECTRA PREMIUM TAIWAN CO. LTD.

-and-

SPECTRA PREMIUM (SHANGHAI) AUTOMOTIVE TECHNICAL SERVICES CO. LTD.

-and-

SPECTRA PREMIUM (CHONGQING) AUTOMOTIVE SERVICES CO. LTD.

Petitioners

-and-

ERNST & YOUNG INC.

Monitor

APPROVAL AND VESTING ORDER
(42 Lysander Property)

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[1] **ON READING** the Petitioner's Spectra Premium Industries Inc. ("**Spectra Canada**" or "**Vendor**") *Motion for the Issuance of an Approval and Vesting Order* (the "**Motion**"), the affidavit and the exhibits in support thereof, as well as the Report of the Monitor dated November 17, 2020 (the "**Report**").

[2] **SEEING** the service of the Motion.

[3] **SEEING** the submissions of the Petitioner's attorneys and the submissions of the Monitor.

[4] **SEEING** that it is appropriate to issue an order approving the transactions contemplated by the following agreement (the "**Transaction**"):

- An agreement of purchase and sale (the "**Purchase Agreement**") between Spectra Canada as vendor and Ritchie Bros Properties Inc. ("**Ritchie Bros**" or "**Purchaser**") as purchaser for the assets described in the Purchase Agreement (the ""**Purchased Assets**"), copy of which was filed as Exhibit R-9 to the Motion;

[5] **SEEING** the absence of any contestation.

WHEREFORE THE COURT:

[6] **GRANTS** the Motion.

SERVICE

[7] **ORDERS** that any prior delay for the presentation of this Motion is hereby abridged and validated so that this Motion is properly returnable today and hereby **DISPENSES** with further service thereof.

[8] **PERMITS** service of this Order at any time and place and by any means whatsoever.

SALE APPROVAL

[9] **ORDERS** and **DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by Spectra Canada is hereby authorized and approved, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Monitor.

EXECUTION OF DOCUMENTATION

[10] **AUTHORIZES** Spectra Canada to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in the Purchase Agreement (Exhibit R-9) and any other ancillary document which could be required or useful to give full and complete effect thereto.

AUTHORIZATION

[11] **ORDERS** and **DECLARES** that this Order shall constitute the only authorization required by Spectra Canada to proceed with the Transaction and that no shareholder or regulatory approval, if applicable, shall be required in connection therewith.

VESTING OF PURCHASED ASSETS

[12] **ORDERS** and **DECLARES** that upon the issuance of a Monitor's certificate substantially in the form appended as Schedule "A" hereto (the "**Certificate**"), all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with Ritchie Bros, free and clear of and from any and all claims, liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, mortgages, pledges, deemed trusts, assignments, judgments, executions, writs of seizure or execution, notices of sale, options, adverse claims, levies, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including without limiting the generality of the foregoing all charges, security interests or charges evidenced by registration, publication or filing pursuant to the Civil Code of Québec, the Nova Scotia Personal Property Security Act, or any other applicable legislation providing for a security interest in personal or movable property, and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets be expunged and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate.

[13] **ORDERS** and **DIRECTS** the Monitor to file with the Court a copy of the Certificate, forthwith after issuance thereof**.**

CANCELLATION OF SECURITY REGISTRATIONS

[14] **ORDERS** that upon registration in the Land Registration Office for the Registration District of Colchester of an Application for Vesting Order in the form prescribed by the Land Registration Act (Nova Scotia) duly executed by the Monitor, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in **Schedule "B"** (the "**NS Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the NS Real Property, all of the Encumbrances, and more particularly the Mortgages registered under number 105078563, 114883284 and 102896702.

[15] **ORDERS** that upon the issuance of the Certificate, the Vendor shall be authorized to take all such steps as may be necessary to effect the discharge of all Encumbrances registered against the Purchased Assets, including filing such financing change statements in the Nova Scotia Personal Property Registry (the "**NSPPR**") as may be necessary, from any registration filed against the Vendor in the NSPPR, provided that the Vendor shall not be authorized to effect any discharge that would have the effect of releasing any collateral other than the Purchased Assets, and the Vendor shall be authorized to take any further steps by way of further application to this Court.

PROCEEDS

[16] **ORDERS** that the proceeds from the sale of the Purchased Assets (the "N**et Proceeds")** shall be remitted to the Monitor and shall be distributed in accordance with applicable legislation.

[17] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the Net Proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that upon payment of the Purchase Price (as defined in the Purchase Agreement) by Ritchie Bros, all Encumbrances shall attach to the Net Proceeds 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.

VALIDITY OF THE TRANSACTION

[18] **ORDERS** that notwithstanding:

(i) the pendency of these proceedings;

(ii) any petition for a receiving order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* ("**BIA**") and any order issued pursuant to any such petition; or

(iii) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets contemplated in this Order, as well as the execution of the Purchase Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against Spectra Canada and the Monitor.

LIMITATION OF LIABILITY

[19] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the Monitor to occupy or to take control, or to otherwise manage all or any part of the Purchased Assets. The Monitor shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the CCAA.

[20] **DECLARES** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the Monitor or belonging to the same group as the Monitor shall benefit from the protection arising under the present paragraph.

GENERAL

[21] **ORDERS** that Ritchie Bros, Spectra Canada or the Monitor shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.

[22] **ORDERS** that the Purchase Agreement be kept confidential and under seal until the earlier of a) the closing of the Transaction; or b) further order of this Court.

[23] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

[24] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order.

[25] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

[26] **THE WHOLE WITHOUT COSTS.**

Louis Joseph Gouin

Signature numérique de Louis Joseph Gouin
Date : 2020.11.19 05:02:26 -05'00'

Louis J. Gouin, J.S.C.

Me Jean Legault
Me Jonathan Warin
LAVERY, DE BILLY, L.L.P.
Attorneys for Petitioners

SCHEDULE "A"

DRAFT CERTIFICATE OF THE [RECEIVER/ TRUSTEE/MONITOR]

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

File: No: 500-11-058116-209

S U P E R I O R   C O U R T
Commercial Division

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF:

SPECTRA PREMIUM INDUSTRIES INC.
-and-

SPECTRA PREMIUM HOLDINGS (USA) CORP.

-and-

SPECTRA PREMIUM (USA) CORP.

-and-

SPECTRA PREMIUM PROPERTIES (USA) CORP.

-and-

SPECTRA PREMIUM TAIWAN CO. LTD.

-and-

SPECTRA PREMIUM (SHANGHAI) AUTOMOTIVE TECHNICAL SERVICES CO. LTD.

-and-

SPECTRA PREMIUM (CHONGQING) AUTOMOTIVE SERVICES CO. LTD.

Petitioners

-and-

ERNST & YOUNG INC.

Monitor

CERTIFICATE OF THE MONITOR

<u>RECITALS</u>:

WHEREAS on March 9, 2020, the Superior Court of Quebec (the "**Court**") issued an initial order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act* (the "**Act**") in respect of Spectra Premium Industries Inc., Spectra Premium Holdings (USA) Corp., Spectra Premium (USA) Corp., Spectra Premium Properties (USA) Corp., Spectra Premium Taiwan Co. Ltd. Spectra Premium (Shanghai) Automotive Technical Services Co. Ltd. And Spectra Premium (Chongqing) Automotive Services Co. Ltd. (the "**Petitioners**");

WHEREAS pursuant to the terms of the Initial Order, Ernst & Young Inc. (the "**Monitor**") was named Monitor of the Petitioners; and

WHEREAS on ●, the Court issued an Order (the "**Vesting Order**") thereby, *inter alia*, authorizing and approving the execution by the Petitioner of an agreement entitled *purchase and sale agreement* (the "**Purchase Agreement**") by and between Spectra Premium Industries inc., as vendor (the “**Vendor**”) and Ritchie Bros as purchaser (the "**Purchaser**"), copy of which was filed in the Court record, and into all the transactions contemplated therein (the "**Transaction**") with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the Monitor.

WHEREAS the Vesting Order contemplates the issuance of this Certificate of the Monitor once the (a) the Purchase Agreement has been executed and delivered; and (b) the Purchase Price (as defined in the Purchase Agreement) has been paid by the Purchaser; and (c) and all the conditions to the closing of the Transaction have been satisfied or waived by the parties thereto.

THE MONITOR CERTIFIES THAT IT HAS BEEN ADVISED BY THE VENDOR AND THE PURCHASER AS TO]THE FOLLOWING:

(a) the Purchase Agreement has been executed and delivered;

(b) the Purchase Price (as defined in the Purchase Agreement) payable upon the closing of the Transaction and all applicable taxes have been paid; and

(c) all conditions to the closing of the Transaction have been satisfied or waived by the parties thereto.

This Certificate was issued by the Monitor at ____ **[TIME]** on ____________ **[DATE].**

● in its capacity as ●, and not in its personal capacity.

Name: ______________________________

Title: ______________________________

SCHEDULE "B"

PROPERTY DESCRIPTION

PID 20276481

SCHEDULE "A"
PID 20276481

ALL THAT CERTAIN lot or parcel of land known as Lot 104 as described on Plan Number 5772 as filed at the Registry of Deeds for the County of Colchester at Truro, Nova Scotia.

SUBJECT TO restrictive covenants as described in Book 780 at Page 254.

SUBJECT TO a utility interest (service easements) as described in Book 780 at Page 254 and as shown as a water line easement along the northern and western boundaries and as an existing road access easement on Plan Number 5772.

MGA COMPLIANCE - the parcel originates with an approved plan of subdivision that has been filed under the Registry Act or registered under the Land Registration Act at the Land Registration Office for the registration district of Colchester as plan number 5772.