

File No. CI 23-01-43791

THE KING'S BENCH

Winnipeg Centre

B E T W E E N:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

KROMAR PRINTING LTD.

Respondent

APPROVAL AND VESTING ORDER

PITBLADO LLP
Barristers and Solicitors
2500 - 360 Main Street
Winnipeg, MB R3C 4H6

Catherine E. Howden

Telephone No. (204) 956-0560
Fax No. (204) 957-0227

(File No. 68556/1)

THE KING'S BENCH

Winnipeg Centre

THE HONOURABLE MR.)

MONDAY, THE 17th

JUSTICE MARTIN)

DAY OF MARCH, 2025

B E T W E E N:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and -

KROMAR PRINTING LTD.

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APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO CANADA LIMITED in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of all the undertakings, properties and assets of the Respondent KROMAR PRINTING LTD. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale dated July 11, 2024 and amending agreement dated February 18, 2025 (the "**Sale Agreement**") between the Receiver and NAWOC HOLDINGS LTD. (the "**Purchaser**"), and appended to the First Report of the Receiver dated February 7, 2025 (the "**First Report**") and the Supplement to the First Report dated March 7, 2025 (the "**Supplement to the First Report**"), and the Second Supplement to the First Report of the Receiver dated March 14, 2025 (the "**Second Supplement to the First Report**") and vesting in the Purchaser's Nominee, 10217034 Manitoba Inc. the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at The Law Courts, 408 York Avenue, Winnipeg, Manitoba.

ON READING the First Report, the Supplement to the First Report, the Second Supplement to the First Report, the Confidential Supplement to the First Report dated February 7, 2025 (the “**Confidential Report**”), the Second Confidential Supplement to the First Report dated March 7, 2025 (the “**Second Confidential Report**”), the Affidavit of Lori Matson sworn November 23, 2023, and on hearing the submissions of counsel for the Receiver, the Applicant, the Respondent, Canada Revenue Agency and JayCap Financial Ltd., no one appearing for any other person on the service list, although properly served as appears from the Affidavits of Service of Chantale DeBlois sworn February 12, 2025, March 6, 2025 and March 10, 2025, filed, and the Affidavit of Service of Elenore Kesterke sworn March 17, 2025, filed:

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

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to 10217034 Manitoba Inc.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as Schedule A hereto (the “**Receiver’s Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets described in the Sale Agreement [and listed on Schedule B hereto] shall vest absolutely in 10217034 Manitoba Inc., free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, 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: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Martin dated November 30, 2023 (the “**Receivership Order**”); (ii) all charges, security interests or claims evidenced by registrations pursuant to *The Personal Property Security Act* (Manitoba)

or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D (the "**Permitted Encumbrances**")) 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.

4. THIS COURT ORDERS that upon the registration in the Winnipeg Land Titles Office ("**WLTO**") of a Transmission in the form prescribed by *The Real Property Act* (Manitoba) duly executed by 10217034 Manitoba Inc., and accompanied by a certified true copy of this Order, title to the real property identified in Schedule B hereto (the "**Real Property**") shall vest in 10217034 Manitoba Inc., and the District Registrar is hereby directed to expunge from title all of the Encumbrances listed in Schedule C hereto.

5. THIS COURT ORDERS that this Order shall be accepted by the District Registrar notwithstanding that the appeal period in respect of this Order has not elapsed, which appeal period is expressly waived.

6. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims and Encumbrances, 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 Receiver'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.

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

8. 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 Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in 10217034 Manitoba Inc. pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, 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 or action other than in good faith pursuant to any applicable federal or provincial legislation.

9. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

10. THIS COURT ORDERS that the Second Confidential Report shall be sealed, kept confidential and shall not form part of the public record, and shall remain in a sealed envelope and/or be stored electronically with this Court on an encrypted basis, limiting access only to the Registrar of this Court and the Presiding Judge, except:

- (a) by further Order of this Court;
- (b) upon the date on which the Receiver files the Receiver's Certificate with the Court, certifying that the Sale Transaction has closed to the satisfaction of the Receiver;

whichever shall first occur, whereupon the Second Confidential Report shall form part of the public record and shall no longer be sealed.

March , 2025

Justice

C.W. Martin

Digitally signed by Justice C.W.
Martin
Date: 2025.05.09 11:24:29 -05'00'

J.

I, CATHERINE HOWDEN OF THE FIRM PITBLADO LLP HEREBY CERTIFY THAT I HAVE RECEIVED THE CONSENT AS TO FORM OF COUNSEL FOR THE APPLICANT, JJ BURNELL OF MLT AIKINS LLP, COUNSEL FOR THE RESPONDENT, THOMAS FROHLINGER OF PKF LAWYERS, COUNSEL FOR HIS MAJESTY THE KING (CANADA REVENUE AGENCY), PENNY PIPER OF THE DEPARTMENT OF JUSTICE (CANADA), COUNSEL FOR JAYCAP FINANCIAL LTD., KALEV ANNIKO OF FILLMORE RILEY LLP, AND COUNSEL FOR THE PURCHASER, NAWOC HOLDINGS LIMITED AND ITS NOMINEE, 10217034 MANITOBA INC., JAMES MARRELLI OF MARRELLI & CO, AS DIRECTED BY THE HONOURABLE JUSTICE MARTIN

Schedule A – Form of Receiver’s Certificate

Court File No. CI 23-01-43791

THE KING'S BENCH

WINNIPEG CENTRE

B E T W E E N:

BUSINESS DEVELOPMENT BANK OF CANADA

Applicant

- and –

KROMAR PRINTING LTD.

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to Orders of the Honourable Mr. Justice Martin of the Manitoba Court of King's Bench (the "**Court**") dated November 30, 2023 and December 22, 2023, BDO CANADA LIMITED was appointed as the receiver and manager (the "**Receiver**") of the undertakings, properties and assets of KROMAR PRINTING LTD. (the "**Debtor**").

B. Pursuant to an Order of the Court dated March 17, 2025, the Court approved the agreement of purchase and sale made as of July 11, 2024 and Amending Agreement dated February 18, 2025 (the "**Sale Agreement**") between the Receiver and NAWOC HOLDINGS LTD. (the "**Purchaser**") and provided for the vesting in the Purchaser’s Nominee, 10217034 MANITOBA INC., of the Debtor’s 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 Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased

Assets; (ii) that the conditions to Closing have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at the City of Winnipeg, Manitoba on _____ day of _____, 202__.

**BDO Canada Limited, in its capacity as
Receiver of the undertaking, property and
assets of Kromar Printing Ltd., and not in its
personal capacity**

Per: _____

Name: Brent Warga, CPA, CA, CIRP, LIT

Title: Senior Vice-President

Schedule B – Purchased Assets

725 Portage Avenue, Winnipeg, Manitoba

Title No. 1363513/1

LOTS 1-21 PLAN 114 WLTO (W DIV) PARISH OF ST JAMES

EXC OUT OF SAID LOT 7 TO 21, THE ELY 8 FEET

AND EXC OUT OF SAID LOT 6 ALL THAT PORTION OF THE MOST

ELY 8 FEET WHICH LIES TO THE NORTH OF A LINE

DRAWN SOUTH OF PARALLEL WITH AND PERP DISTANT

16.5 FEET FROM THE NORTHERN LIMIT OF LOT 1

PLAN 171 WLTO (W DIV) IN SAID PARISH

Schedule C – Claims to be deleted and expunged from title to Real Property

Mortgage No. 2958354/1 to Business Development Bank of Canada

Amending Agreement No. 3679343/1 to Business Development Bank of Canada

Caveat No. 4332521/1 to Frontier Capital Partners Limited

PPSN No. 4581268/1 to 6230539 Manitoba Ltd.

Change of Address No. 4581269/1 to 6230539 Manitoba Ltd.

Caveat No. 4726807/1 to Manitoba Hydro – Electric Board

Notice No. 4726809/1 to Manitoba Hydro

Misc. Assignment of PPSN No. 4749123/1 from 6230539 Manitoba Ltd. to 7303948 Manitoba Ltd.

Assignment of Caveat No. 4749124/1 from Frontier Capital Partners Limited to 7303948 Manitoba Ltd.

Mortgage No. 5087604/1 to JayCap Financial Ltd.

Caveat No. 5087605/1 to JayCap Financial Ltd.

Postponement of Rights No. 5087607/1 from 7303948 Manitoba Ltd.

Postponement of Rights No. 5087608/1 from 7303948 Manitoba Ltd.

Postponement of Rights No. 5087609/1 from Manitoba Hydro

Postponement of Rights No. 5087610/1 from Manitoba Hydro

Mortgage No. 5299477/1 to Volume Freight Solutions Inc.

Tax Sale – First Return No. 5499226/1 to the City of Winnipeg

Caveat No. 5600259/1 Caveat to Deloitte Restructuring Inc.

Notice No. 5636019/1 to BDO Canada Limited

PPSN No. 5666310/1 to JayCap Financial Ltd.

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

Caveat No. 5488862/1 Compliance Order to the City of Winnipeg