

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) WEDNESDAY, THE 18th
)
JUSTICE CONWAY) DAY OF NOVEMBER, 2020

**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
HEMATITE HOLDINGS INC., HEMATITE MANUFACTURING INC.,
HEMATITE INDUSTRIAL PRODUCTS INC., CANADIAN PAVACO INC.,
PAVACO HOLDINGS U.S. INC., HEMATITE, INC. AND
HEMATITE AUTOMOTIVE PRODUCTS INC.**

MEETING ORDER

THIS MOTION, made by Hematite Holdings Inc., Hematite Manufacturing Inc., Hematite Industrial Products Inc., Canadian Pavaco Inc., Pavaco Holdings U.S. Inc., Hematite, Inc. and Hematite Automotive Products, Inc. (the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, among other things,

- (a) accepting the filing with the Court of the plan of compromise, arrangement and reorganization of the Applicants under the CCAA and the *Business Corporations Act* (Ontario) dated November 18, 2020 (the "**Plan**");
- (b) approving, pursuant to section 22 of the CCAA, the classification of creditors as set out in the Plan;
- (c) authorizing and directing the Applicants to call, hold and conduct a meeting of Affected Creditors (the "**Meeting**") to vote on the Plan;
- (d) authorizing and directing the mailing and distribution of certain meeting materials and other procedures to be followed to provide notice of the Meeting;

- (e) approving the procedures to be followed at the Meeting, including voting procedures;
- (f) setting a date for the hearing of the Applicants' motion for an order (the "**Sanction Order**") approving the Plan (the "**Sanction Hearing**");
- (g) extending the Stay Period (as defined in the Amended and Restated Initial Order dated September 28, 2020) until and including December 31, 2020; and
- (h) authorizing the Monitor to accept certain Late Claims and sealing the Liquidation Analysis (as each term is defined below);

was heard this day by way of judicial video conference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the affidavit of Jacques Nadeau sworn November 11, 2020 (the "**Nadeau Affidavit**"), the Third Report of KPMG Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") dated November 16, 2020 (the "**Third Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor and any such other counsel that were present as listed on the counsel slip, no other party appearing although duly served as appears from the affidavit of service, filed:

A. SERVICE

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

B. DEFINITIONS AND INTERPRETATION

2. **THIS COURT ORDERS** that capitalized terms used herein but not otherwise defined shall have the meanings given to them in the Plan.

3. **THIS COURT ORDERS** that all reference to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.

4. **THIS COURT ORDERS** that all references to the word “including” or “includes” shall mean “including without limitation” or “includes without limitation”, as the case may be.

5. **THIS COURT ORDERS** that, unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, and words importing any gender shall include all genders.

C. MONITOR’S ROLE

6. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA, the Initial Order and the Claims Procedure Order, is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Order.

7. **THIS COURT ORDERS** that:

- (a) in carrying out the terms of this Order, the Monitor shall have all the protections given to it by the CCAA, the Initial Order and the Claims Procedure Order, and as an officer of the Court, including the stay of proceedings in its favour;
- (b) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Order, save and except for any gross negligence or willful misconduct on its part;
- (c) the Monitor shall be entitled to rely on the books and records of the Applicants and any information provided by the Applicants without independent investigation; and
- (d) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

D. CCAA PLAN FILING AND AMENDMENT

8. **THIS COURT ORDERS** that the Plan is hereby accepted for filing and the Applicants are authorized to contemporaneously file the Plan with this Order.

9. **THIS COURT ORDERS** that the Applicants may, with the consent of the Plan Sponsor, at any time and from time to time, prior to or during the Meeting (as defined below), amend, restate, modify and/or supplement the Plan (which will thereafter constitute the “**Plan**” for the purposes of this Order); provided that any such amendment, restatement, modification and/or supplement shall be made in accordance with the terms of the Plan and communicated in accordance with Paragraph 17 hereof.

E. CREDITOR CLASSIFICATION

10. **THIS COURT ORDERS** that, pursuant to section 22 of the CCAA, a single class of Affected Creditors in respect of the Plan is hereby approved.

F. AUTHORIZATION TO CALL AND HOLD MEETING

11. **THIS COURT ORDERS** that the Applicants are authorized and directed to call, hold and conduct a meeting of the Affected Creditors on December 11, 2020 at 11:00 a.m. (Toronto time), or as adjourned to such time as the Chair may determine in accordance with Paragraph 26 or 27 hereof, for the purpose of considering and voting on the resolution to approve the Plan. The Meeting shall take place by videoconference due to the COVID-19 pandemic. The conference details will be provided in the Notice of Meeting and Sanction Hearing (as defined below).

G. APPROVAL OF CERTAIN MEETING MATERIALS

12. **THIS COURT ORDERS** that each of the following is hereby approved:

- (a) the Applicants’ information statement substantially in the form attached to the Nadeau Affidavit as Exhibit “H” (which attaches the Plan as an exhibit) (the “**Information Statement**”);

- (b) the form of notice regarding the Meeting and Sanction Hearing substantially in the form attached to the Nadeau Affidavit as Exhibit “I” (the “**Notice of Meeting and Sanction Hearing**”); and
- (c) the form of proxy and Election Notice for Affected Creditors substantially in the form attached as Schedule “A” hereto,

(collectively, the “**Meeting Materials**”).

13. **THIS COURT ORDERS** that the Applicants, in consultation with the Monitor and with the consent of the Plan Sponsor, may from time to time:

- (a) make such changes to the documents in the Meeting Materials as the Applicants, in consultation with the Monitor and the Plan Sponsor, consider necessary or desirable, including but not limited to changes to conform the content thereof to the terms of the Plan (including any amendments, restatements, modifications or supplements thereto), this Order or any further Orders of the Court and any changes necessary or desirable with respect to the date, time, and method of the Meeting and the Sanction Hearing; and
- (b) prepare any supplements to the Information Statement as the Applicants, in consultation with the Monitor and the Plan Sponsor, consider necessary or desirable (each a “**Supplemental Information Statement**”).

H. NOTICE: POSTING, SERVICE AND PUBLICATION

14. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall cause a copy of the Meeting Materials and this Order to be posted on the website established by the Monitor in respect of these proceedings (the “**Monitor’s Website**”). The Monitor shall ensure that such materials remain posted on the Monitor’s Website until at least one (1) Business Day after the Plan Implementation Date.

15. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall send the Meeting Materials to:

- (a) all Affected Creditors with Affected Claims in respect of which a Proof of Claim has been filed in a proper and timely manner in accordance with the Claims Procedure Order and that is not barred pursuant to the Claims Procedure Order;
- (b) the parties listed on the Consolidated List Required Pursuant to Rule 1007(a)(4) of the Federal Rules of Bankruptcy Procedure filed on September 24, 2020 with the United States Bankruptcy Court for the District of Delaware;
- (c) the service list maintained by the Monitor in these CCAA Proceedings (the “**Service List**”); and
- (d) any Affected Creditor or holder of a D&O Claim who makes a written request to the Monitor for a copy of the Meeting Materials,

in each case by e-mail at the last known e-mail address for such Creditors set out in the books and records of the Applicants or as provided in relation to the Claims Procedure Order, or by regular mail, fax or courier if an e-mail address for such Creditors is not known (except that where such Creditors are represented by counsel known by the Debtors, the email address, mailing address or fax number of such counsel may be substituted) (collectively, the “**Meeting Materials Parties**”).

16. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall cause notice of the Meeting, substantially in the form of the Notice of Meeting and Sanction Hearing, amended or abridged as the Monitor deems reasonable in its discretion for the purposes of publication, to be published for a period of one (1) Business Day in *The Globe and Mail* (National Edition) and USA Today (National Edition).

17. **THIS COURT ORDERS** that, as soon as reasonably practicable after finalization of any Supplemental Information Statement and any amendments or supplements to the Meeting Materials in accordance with Paragraph 13 hereof and any amendments, restatements, modifications and/or supplements to the Plan in accordance with Paragraph 9 hereof, the Monitor shall:

- (a) cause such materials to be posted on the Monitor's Website (where the Monitor shall ensure that such materials remain posted until at least one (1) Business Day after the Plan Implementation Date); and
- (b) if made prior to the Meeting, send such materials to the Meeting Materials Parties or, if made at the Meeting, provide notice to those present at the Meeting prior to the vote being taken to approve the Plan.

18. **THIS COURT ORDERS** that the posting on the Monitor's Website, service of the Meeting Materials, and/or publication of notice in accordance with Paragraphs 14 to 17 above, shall constitute good and sufficient service and notice of this Order, the Plan and the Meeting on all Persons who may be entitled to receive notice thereof, or who may be entitled to be in attendance personally or by proxy at the Meeting or who may have an interest in these proceedings, and no other form of notice or service need be made on such Persons and no other document or material need be served on such Persons in respect of these proceedings. Service shall be effective: (i) in the case of mailing, three (3) Business Days after the date of mailing; (ii) in the case of service by courier, on the day after the courier was sent; and (iii) in the case of any other means of transmission or electronic communication, when dispatched or delivered for dispatch and in the case of service by fax or e-mail, on the day the fax or e-mail was transmitted, unless such day is not a Business Day, or the fax or e-mail transmission was made after 5:00 p.m., in which case, on the next Business Day.

19. **THIS COURT ORDERS** that the non-receipt of a copy of the Meeting Materials beyond the reasonable control of the Monitor, or any failure or omission to provide a copy of the Meeting Materials as a result of events beyond the reasonable control of the Monitor (including, any inability to use postal services) shall not constitute a breach of this Order, but if any such failure or omission is brought to the attention of the Monitor then the Monitor shall use reasonable efforts to rectify the failure or omission by the method and in the time most reasonably practicable in the circumstances.

I. RECORD DATE

20. **THIS COURT ORDERS** that the record date for the purposes of determining which Affected Creditors are entitled to vote at the Meeting (the “**Record Date**”) is December 4, 2020.

J. TRANSFER AND ASSIGNMENT OF CLAIMS

21. **THIS COURT ORDERS** that, subject to any restrictions contained in Applicable Laws or any contractual arrangements with the Applicants, an Affected Creditor may transfer or assign the whole of its Affected Claim prior to the Meeting. If, subject to any restrictions contained in Applicable Laws or any contractual arrangement with the Applicants, an Affected Creditor transfers or assigns the whole of an Affected Claim to another Person, such transferee or assignee shall not be entitled to attend and vote the transferred or assigned Affected Claim at the Meeting unless (a) the assigned Affected Claim is a Voting Claim (as defined below) or Unresolved Claim, or a combination thereof; and (b) satisfactory notice of and proof of transfer or assignment has been delivered to the Applicants and the Monitor in accordance with the Claims Procedure Order, where applicable, no later than the Record Date.

K. CONDUCT AT MEETING

22. **THIS COURT ORDERS** that the Meeting shall be conducted, and the Plan shall be voted upon and, if approved by the Required Majorities (defined below), ratified and given full force and effect, in accordance with the provisions of this Order, the Claims Procedure Order, the CCAA, the *Business Corporations Act* (Ontario) or such other business corporations legislation applicable to an Applicant, and any further order of this Court.

23. **THIS COURT ORDERS** that a representative of the Monitor, designated by the Monitor, shall preside as the chair (the “**Chair**”) of the Meeting and, subject to this Order and any further order of this Court, shall decide all matters relating to the conduct of the Meeting.

24. **THIS COURT ORDERS** that the quorum required at the Meeting is one (1) Affected Creditor with a Voting Claim that is in attendance at the Meeting personally or by proxy.
25. **THIS COURT ORDERS** that the Monitor may appoint scrutineers (the “**Scrutineers**”) for the supervision and tabulation of the attendance, quorum and votes cast at the Meeting and that a Person designated by the Monitor shall act as secretary at the Meeting (the “**Secretary**”).
26. **THIS COURT ORDERS** that if: (i) the requisite quorum is not in attendance at the Meeting; or (ii) the Meeting is postponed by the vote of Affected Creditors present personally or by proxy holding the majority in value of Voting Claims (as defined below) voted in respect of such matter, then in either case the Meeting shall be adjourned by the Chair to a date thereafter and to such time and place as may be appointed by the Chair.
27. **THIS COURT ORDERS** that the Meeting need not be convened in order to be adjourned and that the Chair shall be entitled to adjourn and further adjourn the Meeting provided that any such adjournment or adjournments shall be for a period of not more than thirty (30) days in total and, in the event of any such adjournment, the Applicants and Monitor shall not be required to deliver any notice of adjournment other than posting notice on the Monitor’s Website and notifying the Service List of the adjournment. Any Proxy (as defined below) validly delivered in connection with the Meeting shall be accepted as a Proxy in respect of any adjourned Meeting.
28. **THIS COURT ORDERS** that the only Persons entitled to notice of or to attend the Meeting are: (i) the Monitor and its counsel; (ii) those Persons, including the holders of Proxies, entitled to vote at Meeting pursuant to this Order and their legal counsel and advisors; (iii) the Applicants’ officers, legal counsel and advisors; (iv) the Chief Restructuring Officer; (v) the Plan Sponsor’s officers, legal counsel and advisors; and (vi) the Scrutineers and Secretary. Any other Person may be admitted to the Meeting on invitation of the Chair.
29. **THIS COURT ORDERS** that the Chair of the Meeting and the Monitor may rely on representations by attendees to confirm their identification.

L. VOTING PROCEDURE

30. **THIS COURT ORDERS** that, at the Meeting, the Chair shall direct a vote on a resolution to approve the Plan and any amendments thereto in accordance with the Plan, and may direct a vote with respect to any other resolutions as the Chair may consider appropriate, in consultation with the Applicants and in accordance with the Plan.

31. **THIS COURT ORDERS** that, only Affected Creditors holding Affected Claims that are Proven Claims or Unresolved Claims (and that are not Equity Claims) or their proxies shall be entitled to vote at the Meeting.

32. **THIS COURT ORDERS** that Unaffected Creditors and holders of Equity Claims are not entitled, in such capacity, to attend the Meeting or vote on the Plan.

33. **THIS COURT ORDERS** that each Affected Creditor as of the Record Date with an Affected Claim that is a Proven Claim is entitled to one vote in respect of such Affected Claim, which vote (each, a “**Voting Claim**”, and collectively the “**Voting Claims**”) shall have a value equal to the dollar value of such Affected Creditor’s Proven Claim determined in accordance with the Claims Procedure Order, provided that:

- (a) in the case of a Proven Claim that includes an Insured Claim, the vote shall have a value equal to the portion of the Proven Claim, if any, that is not an Insured Claim; and
- (b) in the case of a Proven Claim that includes a Tooling Claim, the vote shall have a value equal to the sum of (i) the portion of the Proven Claim, if any, that is not a Tooling Claim, and (ii) the Tooling Claim Amount as of the Record Date.

34. **THIS COURT ORDERS** that the vote on the resolution to approve the Plan shall be decided by approval of the Plan by a majority in number of the Affected Creditors holding Voting Claims representing at least two-thirds in value of the Voting Claims that are in attendance personally or by proxy and voting at the Meeting (the “**Required Majorities**”).

35. **THIS COURT ORDERS** that Affected Creditors with Unresolved Claims (or their proxies) may attend and vote at the Meeting and will have their voting intentions with respect

to the Unresolved Claims separately recorded by the Monitor and reported to this Court. For purposes of such vote, each Affected Creditor with an Unresolved Claim is entitled to one vote, which vote shall have the value accepted by the Monitor, if any, for voting purposes only in respect of the Unresolved Claim. The voting of such claim at the Meeting and the valuation of it for voting purposes is without prejudice to the rights of the Applicants and Monitor, and the holder of the Unresolved Claim, with respect to the resolution of the Claim for distribution purposes. Votes by Affected Creditors with Unresolved Claims in respect of such Unresolved Claims will not be considered in the calculation of the Required Majorities; however, if approval or non-approval of the Plan by the Affected Creditors would be determined by the votes cast in respect of Unresolved Claims, the Applicants and the Monitor, in consultation with the Plan Sponsor and on notice to the Service List, will request this Court's directions and, if necessary, a deferral of the Sanction Hearing (as defined below) and expedited determination of any material Unresolved Claims, as appropriate.

36. **THIS COURT ORDERS** that, following the vote at the Meeting, the Monitor will tally the votes in the manner set out herein and determine whether the Plan has been accepted by the Required Majorities.

37. **THIS COURT ORDERS** that the result of any vote at the Meeting shall be binding on all Affected Creditors, whether or not any such Affected Creditor is present at the Meeting or voted on the resolution to approve the Plan.

38. **THIS COURT ORDERS** that every question submitted to be decided at the Meeting, except to approve the resolution to approve the Plan, will be decided by a vote of a majority in value of the Voting Claims held by Affected Creditors in attendance personally or by proxy at such Meeting and cast in respect of such question.

M. VOTING BY PROXY

39. **THIS COURT ORDERS** that the Monitor, in consultation with the Applicants, is authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any form of proxy is completed and executed and is hereby authorized to accept and rely upon proxies substantially in the form attached hereto or such other form as is acceptable to the Monitor, in consultation with the Applicants (in each case, a "**Proxy**").

40. **THIS COURT ORDERS** that any Proxy must be received by the Monitor by no later than 5:00 p.m. on the date that is three (3) Business Days prior to the Meeting (or any adjournment thereof), provided that the Monitor may waive strict compliance with the time limits imposed for receipt of a Proxy if deemed advisable to do so by the Monitor, in consultation with the Applicants.

41. **THIS COURT ORDERS** that, for purposes of tabulating the votes cast on any matter voted upon at the Meeting, the Chair is entitled to rely on any vote cast by a holder of a Proxy that has been duly submitted to the Monitor in accordance with this Order, without independent investigation.

42. **THIS COURT ORDERS** that, if a duly signed and returned Proxy does not provide an instruction to vote for or against the approval of the resolution on the Plan, the Proxy will be deemed to include an instruction to vote for the approval of the resolution and the Plan, provided that the Proxy holder does not otherwise exercise its right to vote at the Meeting.

43. **THIS COURT ORDERS** that a Creditor with a Voting Claim who is not an individual may only attend and vote at the Meeting if it has appointed a proxyholder to attend and act on its behalf at the Meeting.

N. CONVENIENCE CREDITORS

44. **THIS COURT ORDERS** that, in respect of Convenience Creditors who will receive, subject to the terms and implementation of the Plan, payment in an amount equal to the lesser of the Election Amount and the actual amount of their Proven Claims,

- (a) in order for an Affected Creditor with Proven Claims exceeding the Election Amount to elect to receive the Election Amount as a Convenience Creditor in full satisfaction of such Proven Claims, such Affected Creditor is required to indicate such election in the Election Notice section of its Proxy, which Proxy must be submitted pursuant to the terms of this Order; and
- (b) an Affected Creditor with Proven Claims not exceeding the Election Amount shall not be permitted or required to make an election in the Election Notice section of its Proxy and shall receive an amount equal to the actual amount of such Proven Claim

as a Convenience Creditor in full satisfaction of such Proven Claims and any election in the Election Notice section of the Proxy submitted by such Convenience Creditors shall be deemed null and void.

45. **THIS COURT ORDERS** that each Convenience Creditor with a Voting Claim shall be deemed to vote in favour of the Plan unless such Convenience Creditor has notified the Monitor in writing of its intention to vote against the Plan prior to the Meeting of Affected Creditors and does vote against the Plan at such Meeting either personally or by proxy. The value of a Convenience Creditor's Affected Claim for voting purposes is the actual amount of such Proven Claim (subject to paragraphs 33(a) and 33(b) to the extent applicable).

O. MONITOR'S REPORT AND SANCTION HEARING

46. **THIS COURT ORDERS** that the Monitor shall provide a report to this Court no later than three (3) Business Days following the Meeting (the "**Monitor's Report Regarding the Meeting**"), which shall be served on the Service List and posted on the Monitor's Website as soon as practicable after it is filed with this Court, with respect to:

- (a) the results of the voting at the Meeting on the resolution to approve the Plan;
- (b) whether the Required Majorities have approved the Plan;
- (c) whether the votes cast in respect Unresolved Claims, if any, would affect the result of that vote; and
- (d) any other matter that the Monitor considers relevant.

47. **THIS COURT ORDERS** that, in the event that the Plan has been approved by the Required Majorities, the Applicants shall bring a motion before this Court on December 18, 2020 or such later date as is set by this Court for the Sanction Hearing upon motion by the Applicants seeking an order sanctioning the Plan.

48. **THIS COURT ORDERS** that the posting on the Monitor's Website, service of the Meeting Materials, and/or publication in accordance with Paragraphs 14 to 17 above, shall constitute good and sufficient service and notice of the Sanction Hearing on all Persons entitled to receive such service and no other form of notice or service need be made and no

other materials need be served in respect of the Sanction Hearing, except that the Applicants shall serve the Service List with the motion materials relating to the Sanction Hearing and any additional materials to be used in support thereof and the Monitor shall post and serve the Monitor's Report Regarding the Meeting in accordance with Paragraph 46 above.

49. **THIS COURT ORDERS** that any party who wishes to oppose the entry of the Sanction Order shall serve on the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the granting of the Sanction Order at least two (2) Business Days before the date set for the Sanction Hearing, or such shorter time as this Court, by order, may allow.

50. **THIS COURT ORDERS** that in the event that the Sanction Hearing is adjourned, only those Persons who have filed and served a Notice of Appearance in the Applicants' CCAA proceeding shall be served with notice of the adjourned date.

51. **THIS COURT ORDERS** that subject to any further order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Order, the terms, conditions and provisions of the Plan shall govern and be paramount, and any such provision of this Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

P. EXTENSION OF THE STAY PERIOD

52. **THIS COURT ORDERS** that the Stay Period (as defined in paragraph 15 of the Amended and Restated Initial Order dated September 28, 2020) be and is hereby extended until and including December 31, 2020.

Q. LATE CLAIMS AND SEALING

53. **THIS COURT ORDERS** that the Monitor is authorized, in its discretion, to accept the Proofs of Claim (as defined in the Claims Procedure Order) identified in the Third Report as having been received subsequent to the Pre-Filing Claims Bar Date (as defined in the Claims Procedure Order) (the "**Late Claims**"), which Late Claims shall be reviewed by the Monitor in accordance with the Claims Procedure Order for the purposes of determining whether such Late Claims are Proven Claims.

54. **THIS COURT ORDERS** that the Liquidation Analysis (as defined in the Third Report) prepared by the Monitor, a copy of which is attached as Confidential Appendix “1” to the Third Report, shall be and is hereby sealed, kept confidential, and shall not form part of the public record unless otherwise ordered by the Court.

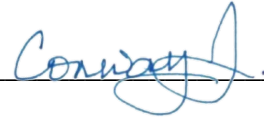
R. GENERAL

55. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary, supplement or replace this Order or for advise and directions concerning the discharge of their respective powers and duties under this Order or the interpretation or application of this Order.

56. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

57. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date that it is made, and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or a motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original signing, entry and filing when the Court returns to regular operations.

58. **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, or abroad, 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 Hematite Holdings Inc. to obtain recognition of this Order in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.



Schedule “A” – Form of Proxy

**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
HEMATITE HOLDINGS INC., HEMATITE MANUFACTURING INC.,
HEMATITE INDUSTRIAL PRODUCTS INC., CANADIAN PAVACO INC.,
PAVACO HOLDINGS U.S. INC., HEMATITE, INC. AND
HEMATITE AUTOMOTIVE PRODUCTS INC.**

PROXY AND ELECTION NOTICE

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the plan of compromise, arrangement and restructuring (as may be amended, restated or supplemented from time to time, the “**Plan**”) of Hematite Holdings Inc., Hematite Manufacturing Inc., Hematite Industrial Products Inc., Canadian Pavaco Inc., Pavaco Holdings U.S. Inc., Hematite, Inc. and Hematite Automotive Products, Inc. (the “**Applicants**”) pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and filed with the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) pursuant to the Order of the Court dated November 18, 2020 in respect of the meeting of Affected Creditors (the “**Meeting Order**”).

VOTING BY PROXY

This proxy may only be filed by Affected Creditors with Voting Claims (each, an “Eligible Voting Creditor”). Any such Affected Creditor who is not an individual may only attend and vote at the Meeting if a proxyholder has been appointed to act on its behalf at such meeting.

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all proxies previously given and nominates, constitutes, and appoints:

Ms. Katherine Forbes of KPMG Inc., in its capacity as Monitor of the Applicants, or a person designated by her

or, instead of the foregoing, _____, or such other Person as he/she, in his/her sole discretion, may designate to attend on behalf of and act for the Eligible Voting Creditor at the Meeting of the Affected Creditors to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling of such Meeting, and to vote the amount of the Eligible Voting Creditor’s claim(s) for voting purposes as determined by and accepted for voting purposes in accordance with the Meeting Order and the Claims Procedure Order as follows:

To be completed by an Eligible Voting Creditor:

1. (mark one only):

Vote **FOR** approval of the Plan; or

Vote **AGAINST** approval of the Plan.

If this proxy is submitted and a box is not marked as a vote for or against approval of the Plan, this proxy shall be voted **FOR** approval of the Plan unless the Eligible Voting Creditor or their Proxyholder (provided the Proxyholder is a Person other than a representative of the Monitor) otherwise exercises their right to vote at the Meeting.

- and -

2. Vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments, modifications, variations or supplements to the Plan and to any other matters that may come before the Meeting of the Affected Creditors or any adjournment, postponement or other rescheduling of such Meeting.

CONVENIENCE CREDITOR ELECTION

This Election may be completed by Affected Creditors with Proven Claims exceeding an aggregate of \$10,000 (the "**Election Amount**"):

Election to receive the Election Amount in respect of such Proven Claims

Pursuant to the Plan and the Meeting Order, Affected Creditors with Proven Claims not exceeding an aggregate of the Election Amount will receive the actual amount of such Proven Claims pursuant to the Plan and are not entitled to make the election above (such Creditors, together with Affected Creditors with Affected Claims exceeding an aggregate of the Election Amount who duly make the above Election in accordance with the Plan and the Meeting Order, a "**Convenience Creditor**").

Pursuant to the Meeting Order, any Convenience Creditor with a Voting Claim shall be deemed to vote in favour of the Plan unless such Convenience Creditor has notified the Monitor in writing of its intention to vote against the Plan prior to the Meeting of Affected Creditors and does vote against the Plan at such Meeting either personally or by proxy.

If this Proxy is submitted by an Affected Creditor whose Affected Claims that are Proven Claims exceed an aggregate of the Election Amount and the above box is not marked, such Affected Creditor will be deemed to have not filed an Election Notice.

Notwithstanding any elections made pursuant to this Proxy, any and all distributions in respect of Affected Claims shall be made subject to the terms (including, without limitation, any adjustments required pursuant to the Plan) and implementation of the Plan.

Any Proxy must be received by the Monitor by no later than 5:00 p.m. on the date that is three (3) Business Days prior to the date of the Meeting (or any adjournment thereof), provided that the Monitor may waive strict compliance with the time limits imposed for receipt of a Proxy if deemed advisable to do so by the Monitor, in consultation with the Applicants. Proxies may be sent to the Monitor by email or, only where it is not possible for the Proxy to be sent by email, by fax or mail to the following email address/fax number/address:

KPMG Inc.
Court-appointed Monitor of the Applicants
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5
Attention: Katherine Forbes
Email: hematitegroup@kpmg.ca
Fax: 416-777-8818
Tel: 416-777-3978

[Remainder of page intentionally left blank]

Dated this _____ day of _____, 2020.

Print Name of Eligible Voting Creditor

Title of the authorized signing officer of the corporation, partnership or trust, if applicable

Signature of Eligible Voting Creditor or, if the Eligible Voting Creditor is a corporation, partnership or trust, signature of an authorized signing officer of the corporation, partnership or trust

Telephone Number of Eligible Voting Creditor or authorized signing officer

Mailing Address of Eligible Voting Creditor

E-mail Address of Eligible Voting Creditor

Print Name of Witness, if Eligible Voting Creditor is an individual

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 HEMATITE HOLDINGS INC. ET AL

Court File No. CV-20-00647824-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

MEETING ORDER

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MT DOCS 20849806