



District of British Columbia
Division No.: 03 - Vancouver
Court No.: VLC-S-B-210418
Estate No.: 11-2741709
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF

HAYER GROUP RECYCLING LTD.

ORDER MADE AFTER APPLICATION

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BEFORE) MASTER SCARTH) 06 OCTOBER 2021
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ON THE APPLICATION of Crowe MacKay & Company Ltd., (the “**Proposal Trustee**”) Proposal Trustee of Hayer Group Recycling Ltd. (the “**Company**”) coming on for hearing at Vancouver, British Columbia, on Thursday, September 30, 2021, and on hearing Peter J. Reardon, counsel for the Proposal Trustee, David E. Gruber and Benjamin Reedijk, counsel for the company, and no one else appearing, although the unsecured creditors of the Company were duly served;

THIS COURT ORDERS that:

1. The proposal made by Hayer Group Recycling Ltd. pursuant to s. 50 of the *Bankruptcy and Insolvency Act* (the “BIA”), a copy of which is attached to this Order as Schedule “A”, be and is hereby approved;

2. The parties hereto shall be at liberty to apply for such further and other direction as may be necessary to carry out the full purport and effect of this Order.
3. Endorsement of this Order by counsel appearing on this application, other than counsel for the applicant, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of counsel for the applicant
PETER J. REARDON

By the Court



Registrar in Bankruptcy

Schedule "A"

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PROPOSAL

WHEREAS, pursuant to the Notice of Intention to Make a Proposal dated May 31, 2021, Hayer Group Recycling Ltd. ("**Hayer Recycling**" or the "**Company**") initiated proceedings under the *Bankruptcy and Insolvency Act* (Canada) R.S.C. 1985, c. B-3 as amended (the "**BIA**"), pursuant to Section 50(1) thereof;

NOW THEREFORE the Company hereby submits the following proposal under the BIA to its creditors (the "**Proposal**").

ARTICLE I DEFINITIONS

1.01 Definitions

In this Proposal:

"**Administrative Fees and Expenses**" means the fees, expenses and disbursements incurred by or on behalf of the Proposal Trustee, the solicitors for the Proposal Trustee and the solicitors of the Company, both before and after the Filing Date;

"**Affected Creditor Claim**" means a Proven Claim, other than an Unaffected Claim;

"**Affected Creditor Share**" means the amount that is equal to 100% of the face value of an Affected Creditor Claim

"**Affected Creditors**" means all Persons having Affected Creditor Claims, but only with respect to and to the extent of such Affected Creditor Claims;

"**Affected Creditors Class**" means the class consisting of the Affected Creditors established under and for the purposes of this Proposal, including voting in respect thereof;

"**Approval Order**" means an order of the Court, among other things, approving the Proposal;

"**BIA**" has the meaning ascribed to it in the recitals;

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are generally open for business in Vancouver, British Columbia;

"**Claim**" means any right or claim of any Person against the Company in connection with any indebtedness, liability, or obligation of any kind whatsoever in existence on the Filing Date (or which has arisen after the Filing Date as a result of the disclaimer or repudiation by the Company on or after the Filing Date of any lease or any other agreement), and any interest accrued thereon to and including the Filing Date and costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets.

or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not such indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against the Company with respect to any matter, cause or chose in action, but subject to any counterclaim, set-off or right of compensation in favour of the Company which may exist, whether existing at present or commenced in the future, which indebtedness, liability or obligation (a) is based in whole or in part on facts that existed prior to the Filing Date, (b) relates to a period of time prior to the Filing Date, or (c) is a right or claim of any kind that would be a claim provable in bankruptcy within the meaning of the BIA;

"**Company**" has the meaning ascribed to it in the recitals;

"**Conditions Precedent**" shall have the meaning given to such term in section 7.02;

"**Court**" means the British Columbia Supreme Court;

"**Court Approval Date**" means the date upon which the Court makes the Approval Order;

"**Creditors' Meeting**" means the meeting of the Affected Creditors called for the purpose of considering and voting upon the Proposal;

"**Creditors' Meeting Date**" means such date and time for the Creditors' Meeting as may be called by the Proposal Trustee;

"**Crown**" means Her Majesty in Right of Canada or of any Province of Canada and their agents;

"**Crown Claims**" means the Claims of the Crown set out in Section 60(1.1) of the BIA outstanding as at the Filing Date against the Company, if any, payment of which will be made in priority to the payment of the Preferred Claims and to distributions in respect of the Ordinary Claims, and specifically excludes any other claims of the Crown;

"**Disputed Claim**" means any Claim which has not been finally resolved as a Proven Claim in accordance with the BIA as at the Proposal Implementation Date;

"**Distribution Date**" means, subject to modifications made in accordance with Section 5.04, the date that is 30 days after the Proposal Implementation Date;

"**Distributions**" means a distribution of funds made by the Proposal Trustee from the Proposal Fund to Affected Creditors in respect of Affected Creditor Claims, in accordance with Article V;

"**Effective Time**" means 12:00 p.m. (Vancouver time) on the Proposal Implementation Date;

"**Filing Date**" means May 31, 2021, being the date upon which Notice of Intention to Make a Proposal was filed by the Company with the Official Receiver in accordance with the BIA;

"Governmental Authority" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"Implementation" means the completion and implementation of the transactions contemplated by this Proposal;

"Implementation Certificate" has the meaning ascribed to it in Section 7.02(e);

"Official Receiver" shall have the meaning ascribed thereto in the BIA;

"Person" means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority and a natural person in such person's capacity as trustee, executor, administrator or other legal representative;

"Preferred Claim" means a Claim enumerated in Section 136(1) of the BIA outstanding as at the Filing Date against the Company, if any, the payment of which will be made in priority to distributions in respect of Affected Creditor Claims;

"Proposal" means this Proposal of the Company, and any amendments, modifications and/or supplements hereto made in accordance with the terms hereof;

"Proposal Fund" means the fund established by Hayer Recycling pursuant to and as described in Section 5.01;

"Proposal Implementation Date" means the date on which Implementation occurs, which shall occur following the satisfaction of the Conditions Precedent;

"Proposal Trustee" means Crowe MacKay & Company Ltd. in its capacity as trustee in respect of this Proposal, or its duly appointed successor;

"Proposal Trustee's Website" means the following website:
<https://www.crowemackayco.ca/engagements/recent-engagements>;

"Proven Claim" means in respect of an Affected Creditor, the amount of a Claim as finally determined in accordance with the provisions of the BIA;

"Released Claims" means, collectively, the matters that are subject to release and discharge pursuant to section 6.01;

"Released Parties" means, collectively, (i) the Company, (ii) each affiliate or subsidiary of the Company; (iv) the Proposal Trustee, and (v) subject to section 6.01, each of the foregoing Persons' respective former and current officers, directors, principals, members, affiliates, shareholders,

managed accounts or funds, fund advisors, employees, financial and other advisors, legal counsel, and agents, each in their capacity as such;

"Required Majority" means an affirmative vote of a majority in number and two-thirds in value of all Proven Claims in the Affected Creditors Class entitled to vote, who are present and voting at the Creditors' Meeting (whether online, in-person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA;

"Secured Claim" means:

- (a) The claim of the Business Development Bank of Canada, but only to the extent that it is registered and perfected in accordance with all applicable legislation;

"Secured Creditor" means a Person holding a Secured Claim, with respect to, and to the extent of such Secured Claim;

"Superintendent's Levy" means the levy payable to the Superintendent of Bankruptcy pursuant to sections 60(4) and 147 of the BIA;

"Unaffected Claim" means:

- (a) The Administrative Fees and Expenses;
- (b) The Secured Claim; and
- (c) Such other Claims as the Company may agree with the consent of the Proposal Trustee;

"Unaffected Creditor" means a creditor holding an Unaffected Claim, with respect to and to the extent of such Unaffected Claim; and

"Undeliverable Distributions" has the meaning ascribed to it in Section 5.03.

1.02 Intent of Proposal

This Proposal is intended to provide all Affected Creditors a greater recovery than they would otherwise receive if the Company were to become bankrupt under the BIA. More specifically, the Proposal will provide for a payment in full of the Secured Claim and the Affected Creditor Claims. Paul Hayer has undertaken to the Company to source the required funds, which will be provided to the Company to fund this Proposal by way of equity investment, loan or some combination of the two.

1.03 Date for Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

1.04 Time

All times expressed in this Proposal are local time in Vancouver, British Columbia, Canada unless otherwise stipulated. Time is of the essence in this Proposal.

1.05 Statutory References

Except as otherwise provided herein, any reference in this Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.06 Successors and Assigns

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors, and assigns of any Person named or referred to in the Proposal.

1.07 Currency

Unless otherwise stated herein, all references to currency and to "\$" in the Proposal are to lawful money of Canada.

1.08 Articles of Reference

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.09 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.10 Numbers

In this Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

ARTICLE II
CLASSIFICATION AND TREATMENT OF AFFECTED PARTIES

2.01 Classes of Creditors

For the purposes of voting on the Proposal, there will only be one class of creditors, being the Affected Creditors Class.

2.02 Treatment of Affected Creditors

- (a) Each Affected Creditor shall receive from the Proposal Trustee, in accordance with Article V, its Affected Creditor Share, net of the Superintendent's Levy;
- (b) On the Proposal Implementation Date, each Affected Creditor Claim shall, and shall be deemed to have been irrevocably and finally extinguished, discharged and released, and each Affected Creditor shall have no further right, title or interest in or to its Affected Creditor Claim.

2.03 Application of Proposal Distributions

All amounts paid or payable hereunder on account of the Affected Creditor Claims (including, for greater certainty, any securities received hereunder) shall be applied as follows: (i) first, in respect of the principal amount of the Affected Creditor Claim, and (ii) second, in respect of the accrued but unpaid interest on the Affected Creditor Claim.

2.04 Full Satisfaction of All Affected Creditor Claims

All Affected Creditors shall accept the consideration set out in Section 2.02 hereof in full and complete satisfaction of their Affected Creditor Claims, and all liens, certificates of pending litigation, executions, or other similar charges or actions or proceedings in respect of such Affected Creditor Claims will have no effect in law or in equity against any assets and undertaking of the Company. Upon the Implementation of the Proposal, any and all such registered liens, certificates of pending litigation, executions or other similar charges or actions brought, made or claimed by Affected Creditors will be and will be deemed to have been discharged, dismissed or vacated without cost to the Company and the Company will be released from any and all Affected Creditor Claims of Affected Creditors, subject only to the right of Affected Creditors to receive Distributions as and when made pursuant to this Proposal.

2.05 Undeliverable Distributions

Undeliverable Distributions shall be dealt with and treated in the manner provided for in the BIA and the directives promulgated pursuant thereto.

ARTICLE III
MEETING OF AFFECTED CREDITORS

3.01 Proving Claims

The procedure for dealing with the allowance, disallowance, and resolution of Proof of Claims will be as set out in Section 135 of the BIA.

To be eligible to receive a distribution in accordance with Article 2.02, creditors must have filed a Proof of Claim in accordance with the BIA and by no later than the date that is 30 days from

the date on which the Proposal Trustee delivers its "Notice to Prove Claim" pursuant to Section 149 of the BIA (the "**Claims Bar Date**").

Affected Creditors that fail to file their Proof of Claim with the Proposal Trustee before the Claims Bar Date will not be eligible for participation in the proposed distribution under this Proposal and their claims will be forever barred as against the Company.

3.02 Meeting of Affected Creditors

On the Creditors' Meeting Date, the Company shall hold the Creditors' Meeting in order for the Affected Creditors to consider and vote upon the Proposal.

3.03 Time and Means of Creditors' Meeting

The Creditors' Meeting shall take place at 11:00AM (Vancouver time) on September 8, 2021. Due to COVID-19, the Creditors' Meeting shall be held virtually. For an invitation to join the meeting, please contact the Proposal Trustee at derek.lai@crowemackay.ca and nelson.allan@crowemackay.ca.

3.04 Quorum and Conduct of Creditors' Meeting

A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Affected Creditor, entitled to vote, present in person (virtually) or by proxy, or if one Affected Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Proposal Trustee to such date, time and place or online meeting platform as determined by the Proposal Trustee. For greater certainty, the Creditors' Meeting may be adjourned one or more times.

3.05 Voting at the Meeting

Each Affected Creditor will be required to submit a proof of claim to the Proposal Trustee. Each Affected Creditor shall be entitled to a single vote valued in the full amount of its Proven Claim. In order to vote at the Creditors' Meeting, the proof of claim must be submitted to the Proposal Trustee no later than 12:00 p.m. (Vancouver time) on the day that is one (1) Business Day prior to the commencement of the Creditors' Meeting.

The only Persons entitled to attend and speak at the Creditors' Meeting are representatives of the Company and its legal counsel and advisors, the Proposal Trustee and its legal counsel and advisors, and all other Persons entitled to vote at the Creditors' Meeting and their respective legal counsel and advisors. Any other Person may be admitted to the Creditors' Meeting on invitation of the Proposal Trustee.

The provisions of section 135 of the BIA will apply to all proofs of claim submitted by Affected Creditors, including in respect of Disputed Claims. In the event that a duly submitted proof of claim has been disallowed or revised for voting purposes by the Proposal Trustee, and such disallowance has been disputed by the applicable Affected Creditor in accordance with Section

135(4) of the BIA, then the dollar value for voting purposes at the Creditors' Meeting shall be the dollar amount of such disputed claim set out in the proof of claim submitted by such Affected Creditor, without prejudice to the determination of the dollar value of such Affected Creditor's disputed claim for distribution purposes.

Except as expressly provided herein, the Proposal Trustee's determination of claims pursuant to this Proposal and the BIA shall only apply for the purposes of this Proposal, and such determination shall be without prejudice to a Creditor's right to submit a revised proof of claim in subsequent proceedings in respect of the Company should this Proposal not be implemented.

3.06 Approval by Affected Creditors

In order to be approved, this Proposal must receive the affirmative votes of the Required Majority.

3.07 Modification to Proposal

Subject to the consent of the Proposal Trustee, the Company reserves the right at any time prior to the Creditors' Meeting to file any modification of, amendment or supplement to the Proposal by way of supplementary proposal. Any such amended or supplementary proposal shall forthwith be posted on the Proposal Trustee's Website and filed with the Official Receiver as soon as practicable, in which case any such amended or supplementary proposal or proposals shall, for all purposes, be and be deemed to be a part of and incorporated in to this Proposal. At the Creditors' Meeting, the Company and/or the Proposal Trustee shall provide all Affected Creditors in attendance with details of any modifications or amendments prior to the vote being taken to approve the Proposal. Subject to the provisions of the BIA, after the Creditors' Meeting (and both prior to and subsequent to the Approval Order) and subject to the consent of the Proposal Trustee, the Company may at any time and from time to time vary, amend, modify or supplement the Proposal.

ARTICLE IV PREFERRED CLAIMS AND MANDATORY PAYMENTS

4.01 Crown Claims

On the Distribution Date or such date as may be required by the BIA, the Crown Claims, if any, will be paid by the Proposal Trustee, in full with related interest and penalties as prescribed by the applicable laws, regulations and decrees.

4.02 Preferred Claims

On the Distribution Date the Preferred Claims, if any, will be paid in full by the Proposal Trustee.

ARTICLE V
DISTRIBUTIONS

5.01 Proposal Fund

On or before the Distribution Date Hayer Recycling shall transfer to the Proposal Trustee (the "**First Tranche Payment**"), in trust, an amount equal to the amount necessary to pay each Affected Creditor 50% of its Affected Creditor Share, pay the Crown Claims and the Preferred Claims, if any, and a reasonable reserve on account of Administrative Fees and Expenses. These funds shall be held in a specific trust account by the Proposal Trustee (the "**Proposal Fund**") and used for the specific purposes set out in this Proposal, plus a reasonable reserve on account of Administrative Fees and Expenses.

On or before the date that is 30 days after the Distribution Date, Hayer Recycling shall transfer to the Proposal Trustee (the "**Second Tranche Payment**"), in trust, an amount equal to the amount necessary to pay each Affected Creditor a further 25% of its Affected Creditor Share. These funds shall be held in a specific trust account by the Proposal Trustee and used for the specific purposes set out in this Proposal, plus a reasonable reserve on account of Administrative Fees and Expenses.

On or before the date that is 60 days after the Distribution Date, Hayer Recycling shall transfer to the Proposal Trustee (the "**Third Tranche Payment**"), in trust, an amount equal to the amount necessary to pay each Affected Creditor an amount such that, when combined with any interim distributions, each Affected Creditor has received all of its Affected Creditor Share. These funds shall be held in a specific trust account by the Proposal Trustee and used for the specific purposes set out in this Proposal, plus a reasonable reserve on account of Administrative Fees and Expenses.

All cash transferred to the Proposal Trustee, other than the reasonable reserve on account of Administrative Fees and Expenses Creditors shall be held in trust by the Proposal Trustee in the Proposal Fund for the benefit of such Persons who are entitled to receive Distributions (including all Affected Creditors to the extent of their Proven Claims) pursuant to this Proposal. Any excess funds remaining in the Proposal Fund following the distribution of all amounts contemplated by the Proposal to those parties entitled to such disbursements shall be remitted directly to the Hayer Recycling, or as Hayer Recycling may direct.

5.02 Distributions

On or after the Distribution Date, and after the payments contemplated by Sections 4.01 and 4.02, the Proposal Trustee may, in its sole discretion, make an interim Distribution to each Affected Creditor of 50% of its Affected Creditor Share out of the Proposal Fund (the "**First Tranche Distribution**").

On or after the date that is 30 days after the Distribution Date, the Proposal Trustee may, in its sole discretion, make an interim Distribution to each Affected Creditor of an additional 25% its Affected Creditor Share out of the Proposal Fund (the "**Second Tranche Distribution**").

On or after the date that is at least 60 days after the Distribution Date, and after the resolution of all Disputed Claims, the Proposal Trustee shall make a final Distribution to each Affected Creditor

such that, when combined with any interim Distributions, each Affected Creditor has received all of its Affected Creditor Share (the "**Third Tranche Distribution**").

5.03 Method of Distributions

Unless otherwise agreed to by the Proposal Trustee and an Affected Creditor, all Distributions made by the Proposal Trustee pursuant to this Proposal shall be made by cheque mailed to the address shown on the proof of claim filed by such Affected Creditor or, where an Affected Creditor has provided the Trustee with written notice of a change of address, to such address set out in that notice. If any delivery or distribution to be made pursuant to Article V hereof in respect of an Affected Creditor Claim is returned as undeliverable, or in the case of a distribution made by cheque, the cheque remains uncashed (each an "**Undeliverable Distribution**"), no other crediting or delivery will be required unless and until the Proposal Trustee is notified of the Affected Creditor's then current address. The Proposal Trustee's obligations to the Affected Creditor relating to any Undeliverable Distribution will expire six months following the date of delivery or mailing of the cheque or other distribution, after which date the Proposal Trustee's obligations under this Proposal in respect of such Undeliverable Distribution will be forever discharged and extinguished.

5.04 Modifications to Distribution Scheme

With the consent of the Proposal Trustee, the Company may modify:

- a) The Distribution Date;
- b) The dates of the First, Second, and Third Tranche Payments and the First, Second, and Third Tranche Distributions; and
- c) The applicable percentages of the First and Second Tranche Payments and the First and Second Tranche Distributions.

ARTICLE VI **RELEASES**

6.01 Release of Released Parties

At the Effective Time, the Released Parties, including their officers and directors, shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, and other recoveries on account of any liability, obligation, demand or cause of action owing to or held by any of the Affected Creditors all to the full extent permitted by applicable law, provided that nothing herein shall release or discharge a Released Party for gross negligence, criminal, fraudulent or other willful misconduct, if any such party is found liable or guilty, as the case may be, for such misconduct by the express terms of a judgment rendered on a final determination on the merits..

ARTICLE VII
CONDITIONS PRECEDENT

7.01 Confirmation of Proposal

Provided that the Proposal is approved by the Required Majority, the Proposal Trustee shall apply for the Approval Order no later than five (5) days following the Creditors' Meeting.

7.02 Conditions Precedent

This Proposal will take effect on the Proposal Implementation Date. The Implementation of this Proposal on the Proposal Implementation Date is subject to the satisfaction of the following conditions precedent (collectively, the "**Conditions Precedent**"):

- (a) the Proposal is approved by the Required Majority;
- (b) the Approval Order, in form and substance satisfactory to Hayer Recycling, has been issued, has not been stayed and no appeal therefrom is outstanding;
- (c) Either
 - (i) At least 10 business days have passed since the expiry of the appeal period for the Approval Order, and no application for leave to appeal the Approval Order or notice of appeal with respect to the Approval Order has been filed; or
 - (ii) If an application for leave to appeal the Approval Order or notice of appeal with respect to the Approval Order has been filed, all such applications for leave to appeal and all appeals have been finally dismissed.
- (d) As of the date on which all other Conditions Precedent under this Section 7.02 are satisfied, there shall not be in effect any preliminary or final decision, order or decree by a Governmental Authority, no application shall have been made to any Governmental Authority, and no action or investigation shall have been announced, threatened or commenced by any Governmental Authority, in consequence or in connection with the Proposal or the Project that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit), the Proposal or any part thereof or the Project or any part thereof or requires or purports to require a variation of the Proposal or the Project; and
- (e) Hayer Recycling shall have delivered a certificate to the Proposal Trustee that the conditions precedent to the Implementation of the Proposal have been satisfied or waived (the "**Implementation Certificate**").

Upon written confirmation of receipt from the Proposal Trustee of the Implementation Certificate, the Implementation of the Proposal shall have been deemed to have occurred and all actions deemed to occur upon Implementation of the Proposal shall occur without the delivery or execution of any further documentation, agreement or instrument.

ARTICLE VIII
EFFECT OF PROPOSAL

8.01 Binding Effect of Proposal

After the issuance of the Approval Order by the Court, subject to satisfaction of the Conditions Precedent, the Proposal shall be implemented by the Company and shall be fully effective and binding on the Company and all Persons affected by the Proposal. Without limitation, the treatment of Affected Creditor Claims under the Proposal shall be final and binding on the Company, the Affected Creditors, and all Persons affected by the Proposal and their respective heirs, executors, administrators, legal representatives, successors, and assigns. For greater certainty, this Proposal shall have no effect upon Unaffected Creditors.

8.02 Amendments to Agreements and Paramountcy of Proposal

Notwithstanding the terms and conditions of all agreements or other arrangements with Affected Creditors entered into before the Filing Date, for so long as an event of default under this Proposal has not occurred, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern and be paramount.

8.03 Deemed Consents and Authorizations of Affected Creditors

At the Effective Time each Affected Creditor shall be deemed to have:

- (a) executed and delivered to the Company all consents, releases, assignments, and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) waived any default by the Company in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company that has occurred on or prior to the Proposal Implementation Date; and
- (c) agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company as at the date and time of Court approval of the Proposal (other than those entered into by the Company on, or with effect from, such date and time) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly.

ARTICLE IX
ADMINISTRATIVE FEES AND EXPENSES

9.01 Administrative Fees and Expenses

Administrative Fees and Expenses will be paid in cash by the Company in the ordinary course of business and no later than on the Proposal Implementation Date together with a reserve in respect of the discharge of the Proposal Trustee. The Proposal Trustee's fees and costs including its legal fees are subject to final taxation by the Court.

ARTICLE X
INDEMNIFICATION

10.01 Indemnification of Proposal Trustee

The Proposal Trustee shall be indemnified in full by the Company for all personal liability arising from fulfilling any duties or exercising any powers or duties conferred upon it by this Proposal or under the BIA, except for any willful misconduct or gross negligence.

ARTICLE XI
POST FILING GOODS AND SERVICES

11.01 Payment of Payroll Deductions and Post Filing Claims

The following shall continue to be paid in the ordinary course by the Company prior to and after the Court Approval Date and shall not constitute Distributions or payments under this Proposal:

- (a) all Persons, who may advance monies, or provide goods or services to the Company after the Filing Date shall be paid by the Company in the ordinary course of business;
- (b) current source deductions and other amounts payable pursuant to Section 60(1.2) of the BIA, if applicable, shall be paid to Her Majesty in Right of Canada in full by the Company as and when due; and
- (c) current goods and services tax (GST), and all amounts owing on account of provincial sales taxes, if applicable, shall be paid in full by the Company as and when due.

ARTICLE XII
TRUSTEE, CERTIFICATE OF COMPLETION, AND DISCHARGE OF TRUSTEE

12.01 Proposal Trustee

Crowe MacKay & Company Ltd. shall be the Proposal Trustee pursuant to this Proposal and upon the making of the Distributions and the payment of any other amounts provided for in this

Proposal, the Proposal Trustee will be entitled to be discharged from its obligations under the terms of this Proposal. The Proposal Trustee is acting in its capacity as Proposal Trustee under this Proposal, and not in its personal capacity and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business, liabilities or obligations of the Company, whether existing as at the Filing Date or incurred subsequent thereto.

The Proposal Trustee shall not incur, and is hereby released from, any liability as a result of carrying out any provisions of this Proposal and any actions related or incidental thereto, save and except for any gross negligence or willful misconduct on its part (as determined by a final, non-appealable judgment of the Court).

12.02 Discharge of Proposal Trustee

As soon as practicable after the Proposal Implementation Date, upon the Proposal Trustee making the Distributions to the Affected Creditors as contemplated by this Proposal, the terms of this Proposal shall be deemed to be fully performed and the Proposal Trustee shall provide to the Official Receiver a certificate pursuant to Section 65.3 of the BIA and the Proposal Trustee shall thereupon be entitled to be discharged. The Proposal Trustee will apply for its discharge in Court following the full performance of the Proposal in accordance with the provisions of the BIA.

ARTICLE XIII **GENERAL**

13.01 Valuation

For purposes of voting and Distributions, all Claims shall be valued as at the Filing Date.

13.02 Preferences, Transfers at Undervalue

In conformity with Section 101.1 of the BIA, Sections 95-101 of the BIA and any provincial statute related to preference, fraudulent conveyance, transfer at undervalue, or the like shall not apply to this Proposal. As a result, all of the rights, remedies, recourses and Claims described therein:

- (a) all such rights, remedies and recourses and any Claims based thereon shall be completely unavailable to the Proposal Trustee or any Affected Creditors against the Company or any other Person whatsoever; and
- (b) the Proposal Trustee and all of the Affected Creditors shall be deemed, for all purposes whatsoever, to have irrevocably and unconditionally waived and renounced such rights, remedies and recourses and any Claims based thereon against the Company or any other Person whatsoever.

13.03 Governing Law

The Proposal shall be governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein. Any disputes as to the interpretation or

application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

Dated at Vancouver, this 13th day of August, 2021.

Hayer Group Recycling Ltd.

Per: Phayre
Name:
Title:
I have the authority to bind the Corporation