Court File No. CV-24-00721374-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	TUESDAY, THE 11TH
	)	
JUSTICE CAVANAGH	)	DAY OF JUNE, 2024

B E T W E E N:

BANK OF MONTREAL

Applicant

and

HOHS DRUGS LIMITED AND HUAN DANG

Respondents

APPROVAL AND VESTING ORDER
(Manning Transaction)

THIS APPLICATION made by Bank of Montreal ("**BMO**") for an order, among other things: (i) approving the share purchase agreement dated April 4, 2024 (the "**Purchase Agreement**") between Grant Thornton Limited ("**GTL**") in its capacity as the court-appointed receiver and manager (the "**Receiver**") of the property, assets, and undertaking of, and all of the issued and outstanding shares in the capital of, HOHS Drugs Limited (the "**Debtor**") and Frank Murgic Pharmacist Professional Corporation, or its assignee or nominee (the "**Purchaser**"), for the purchase and sale of all of the issued and outstanding shares in the capital of the Debtor (the "**Shares**"), (ii) adding 1000915701 ("**ResidualCo**") as a Respondent in these receivership proceedings in order to carry out the transactions contemplated by the Purchase Agreement (collectively, the "**Transaction**"); (iii) transferring and vesting all of the Respondents' right, title and interest in and to the Excluded Liabilities, Excluded Assets, and Excluded Contracts (each as defined in the Purchase Agreement) in and to ResidualCo; (iii) vesting all of the right, title and interest in and to the Shares in the Purchaser; and (v) discharging all Encumbrances against the Debtor and the Retained Assets other than Permitted Encumbrances, if any; was heard this day at 330 University Avenue, Toronto, Ontario by judicial videoconference.

ON READING the Affidavit of Leo Chun sworn May 29, 2024 and the Exhibits thereto, the pre-filing report to the Court of GTL in its capacity as proposed Receiver dated June 3, 2024, and on hearing the submissions of counsel for BMO and GTL and all other counsel on the Counsel Slip, no one appearing for any other party although duly served as appears from the Affidavit of Service, filed,

DEFINED TERMS

1. **THIS COURT ORDERS** that capitalized terms used in this order and not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

APPROVAL AND VESTING

2. **THIS COURT ORDERS AND DECLARES** that the Purchase Agreement and the Transaction be and are hereby approved and the execution of the Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments (including to the Schedules) as the parties may deem necessary. The Receiver is hereby authorized and directed to perform its obligations under the Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable to effect the Transaction and for the conveyance of the Shares to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that this order shall constitute the only authorization required by the Receiver to proceed with the Transaction including, without limitation, the Pre-Closing Reorganization, and that no shareholder or other approval shall be required in connection therewith.

4. **THIS COURT ORDERS AND DECLARES** that, upon the delivery of the Receiver's certificate to the Purchaser, substantially in the form attached as **Schedule** "**A**" hereto (the "**Receiver's Certificate**"), the following steps shall occur and shall be deemed to have occurred in the sequence as set out in the Pre-Closing Reorganization and as set out below (the "**Reorganization Steps**"), provided that the Pre-Closing Reorganization as set out below may be amended to implement the Transaction on such terms as may be agreed by the parties:

(a) First, all of the Debtor's right, title and interest in and to the Excluded Assets shall transfer to, and vest absolutely and exclusively in, ResidualCo and all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise, together with any and all encumbrances, 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 dated June 11, 2024 (the "**Appointment Order**"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act (Ontario)* or any other personal property registry systems; (all of which are collectively referred to as the "**Encumbrances**") shall continue to attach to the Excluded Assets with the same nature and priority as they had immediately prior to the transfer;

(b) Second, all of the Excluded Liabilities (which, for greater certainty, includes all debts, obligations, Liabilities, Encumbrances, indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims, claims and potential claims of Terminated Employees, rights and entitlements of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise), shall transfer to, be assumed by and vest absolutely and exclusively in ResidualCo such that the Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of the Debtor, and the Debtor and all of its assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate (including, for certainty, the Retained Assets, the "**Debtor's Property**") shall be and are hereby forever released and discharged from such Excluded Liabilities and all Claims and Encumbrances affecting or relating to the Debtor's Property are hereby expunged and discharged as against the Debtor's Property;

(c) Third, all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any person and are convertible or exchangeable for any securities of the Debtor, or which require the issuance, sale or transfer by the Debtor, of any shares or other securities of the Debtor and/or the share capital of the Debtor, or otherwise relating thereto, shall be deemed terminated and cancelled;

(d) Fourth, all right, title and interest in and to the Shares shall vest absolutely and exclusively in the Purchaser free and clear of and from any and all Claims and Encumbrances and, for greater certainty, this court orders that all of the Claims and Encumbrances affecting or relating to the Shares are hereby expunged and discharged as against the Shares; and

(e) Fifth, the Debtor shall, and shall be deemed to, cease to be a Respondent in these receivership proceedings, and shall be deemed to be released from the purview of the Appointment Order of Justice Cavanagh dated June 11, 2024 (the "**Appointment Order**") and all other orders of this Court granted in respect of these receivership proceedings, save and except for this order, the provisions of which shall continue to apply in all respects.

5. **THIS COURT ORDERS** that, following the Closing Time, and notwithstanding the Debtor ceasing to be Respondent in these receivership proceedings, the Receiver (or any successor in interest thereto and any licensed insolvency trustee appointed in respect of ResidualCo) shall be authorized to take all steps as may be necessary to uphold any and all obligations arising from the *Wage Earner Protection Program Act,* SC 2005, c 47 ("**WEPPA**"), including: (i) working with the management of the Debtor and/or the Purchaser to identify the Terminated Employees and to determine the amounts owed to Terminated Employees; (ii) providing Service Canada and

Terminated Employees with information necessary to establish eligibility for payment pursuant to WEPPA; and (iii) administering the WEPPA claims process generally.

6. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof in connection with the Transaction.

7. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Shares (the "**Proceeds**"), and the Excluded Assets, if any, shall stand in the place and stead of the Shares and Retained Assets, and that from and after the delivery of the Receiver's Certificate, all Claims and Encumbrances shall attach to the Proceeds and the Excluded Assets with the same priority as they had with respect to the Shares and Retained Assets immediately prior to the Transaction.

8. **THIS COURT ORDERS** that, upon delivery of the Receiver's Certificate, the Purchaser, its counsel, and/or their respective agents, shall be authorized to file or register, as applicable, all such financing change statements and other instruments as may be necessary to cancel and discharge all registrations against the Debtor pursuant to the *Personal Property Security Act* (Ontario) or any similar legislation.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Debtor or the Receiver, as the case may be, are each authorized and permitted to disclose to the Purchaser all human resources and payroll information in the Debtor's records pertaining to past and current employees of the Debtor. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it

in a manner which is in all material respects identical to the prior use of such information by the Debtor.

10. **THIS COURT ORDERS AND DECLARES** that, at the Closing Time and without limiting the provisions of paragraph 4 hereof, the Purchaser, the Receiver and the Debtor shall be deemed released from any and all Claims and Encumbrances with respect to or arising from any taxes (including penalties and interest thereon) of, or that relate to, the Debtor (provided, as it relates to the Debtor, such release shall not apply to Taxes in respect of the business and operations conducted by the Debtor after the Closing Time) including, without limiting the generality of the foregoing, all taxes that could be assessed against the Purchaser or the Debtor pursuant to section 160 of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), or any provincial equivalent, in connection with the Debtor; any Taxes arising as a result of the Pre-Closing Reorganization; or the implementation of this Approval and Vesting Order.

11. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Purchase Agreement, all Assumed Contracts as at the delivery of the Receiver's Certificate will be and remain in full force and effect upon and following delivery of the Receiver's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the delivery of the Receiver's Certificate that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Debtor);

(b) the insolvency of the Debtor;

(c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Purchase Agreement, the Transaction or the provisions of this order, or any other order of the court in these receivership proceedings; or

(d) any transfer of assignment, or any direct or indirect change of control of the Debtor, or other step arising from the implementation of the Purchase Agreement, the Transaction, the Pre-Closing Reorganization or the provisions of this order.

12. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of the Debtor then existing or previously committed by the Debtor, or caused by the Debtor, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Assumed Contract, existing between such Person and the Debtor arising directly or indirectly from the filing of the receivership proceedings and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph 11 hereof.

13. **THIS COURT ORDERS** that from and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly,

derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Debtor or the Retained Assets relating in any way to or in respect of any Excluded Assets, Excluded Contracts or Excluded Liabilities and any other claims, obligations and other matters which are waived, released, expunged or discharged pursuant to this order.

14. **THIS COURT ORDERS** that, from and after the Closing Time:

(a) the nature of the Retained Liabilities assumed by the Purchaser or retained by the Debtor, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this order;

(b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;

(c) any Person that prior to the Closing Time had a valid right or claim against the Debtor under or in respect of any Excluded Contract or Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have such right or claim against the Debtor but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Closing Time in its place and stead, and nothing in this order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and

(d) any Person with an Excluded Liability Claim against ResidualCo following the Closing Time shall have the same rights, priority and entitlement as against ResidualCo as such Person had against the Debtor in respect of that Excluded Liability Claim prior to the Closing Time.

15. **THIS COURT ORDERS AND DECLARES** that, as of the Closing Time, ResidualCo shall be added as a Respondent in these receivership proceedings and all references in any order of this court in respect of these proceedings to (i) a "Respondent" shall be deemed to refer to and include ResidualCo, and (ii) the "Property" shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situated including all proceeds thereof, of ResidualCo (collectively, the "**ResidualCo Property**"), and, for greater certainty, the Receiver's Charge and the Receiver's Borrowings Charge (each as defined in the Appointment Order) shall constitute a charge on the ResidualCo Property.

16. **THIS COURT ORDERS** that, notwithstanding:

(e) the pendency of these proceedings;

(f) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") in respect of any of the Respondents or ResidualCo and any bankruptcy order issued pursuant to any such applications; and

(g) any assignment in bankruptcy made in respect of any of the Respondents or ResidualCo;

the Purchase Agreement, the implementation of the Transaction (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo), and any payments by the Purchaser or the Debtor authorized herein or pursuant to the Purchase Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and/or ResidualCo and shall not be void or voidable by creditors of the Respondents or ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

17. **THIS COURT ORDERS** that, in addition to its prescribed rights and obligations under the BIA, the Receiver is authorized, entitled and empowered to assign or cause to be assigned, at any time after the Closing Date, ResidualCo into bankruptcy and to take any steps incidental thereto, and the Receiver shall be authorized and empowered, by not obligated, to act as trustee in bankruptcy in respect of ResidualCo.

18. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Receiver and its directors, officers, legal counsel, employees and representatives shall not be deemed to be directors, officers or employees of ResidualCo, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this order, other than any liability as a direct result of the gross negligence or willful misconduct of the Receiver.

19. **THIS COURT ORDERS** that, following the Closing Time, the title of these proceedings is hereby changed to

BANK OF MONTREAL

Applicant

and

1000915701 ONTARIO INC., HOHS DRUGS LIMITED AND HUAN DANG

Respondents

GENERAL

20. **THIS COURT ORDERS** that, following the Closing Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Shares and the Retained Assets.

21. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

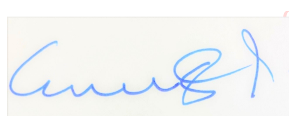
22. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

23. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located,

for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

24. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

25. **THIS COURT ORDERS** that this order is effective from the date that it is made and is enforceable without any need for entry and filing, provided that the transaction steps set out in paragraph 4 shall be deemed to have occurred sequentially, one after the other, in the order set out in paragraph 4.



Mr. Justice Cavanagh

SCHEDULE “A”
RECEIVER’S CERTIFICATE

B E T W E E N:

BANK OF MONTREAL

Applicant

and

HOHS DRUGS LIMITED AND HUAN DANG

Respondents

RECITALS

A. Pursuant to an Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (the “**Court**”) dated June 11, 2024, Grant Thornton Limited was appointed as the receiver (the “**Receiver**”) of the property, assets, and undertaking of, and all of the issued and outstanding shares in the capital of, HOHS Drugs Limited (the “**Debtor**”).

B. Pursuant to an Order of the Court dated June 11, 2024, the Court approved the share purchase agreement made as of April 4, 2024 (the “**Purchase Agreement**”) between the Receiver and Frank Murgic Pharmacist Professional Corporation (the “**Purchaser**”) and ordered, *inter alia*, that: (i) all of the Respondents’ right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo; (ii) all of the Excluded Contracts and Excluded Liabilities shall be transferred to, assumed by and vested in ResidualCo; and (iii) all of the right, title and interest in and to the issued and outstanding shares of the Debtor (the “**Shares**”) shall vest absolutely and exclusively in the Purchaser, which vesting is, in each case, to be effective upon the delivery by the Receiver to the Purchaser of a certificate confirming that the conditions to Closing as set out in the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser, and 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 Purchase Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Cash Purchase Price payable at the Closing Time pursuant to the Purchase Agreement;

2. The conditions to Closing as set out in Article 8 of the Purchase 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 ________ [TIME] on _______ [DATE].

GRANT THORNTON LIMITED, solely in its capacity as the Court-appointed receiver of all of the issued and outstanding shares in the capital of HOHS Drugs Limited and of the assets, undertaking and properties of HOHS Drugs Limited, and not in its personal or corporate capacities

Per: ____________________________________

Name:

Title:

BANK OF MONTREAL Applicant	and	HOHS DRUGS LIMITED and HUAN DANG Respondents	Court File No. CV-24-00721374-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at
Toronto

APPROVAL AND VESTING ORDER
(RETURNABLE JUNE 11, 2024)

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
Toronto, ON Canada M5H 3S1

Tony Van Klink LSO#: 29008M
tvanklink@millerthomson.com
Tel: 519.931.3509

Sam Massie LSO# 72958L
smassie@millerthomson.com
Tel: 416.595.8641

Monica Faheim LSO#: 82213R
mfaheim@millerthomson.com
Tel: 416.597.6087

Lawyers for the Applicant, Bank of Montreal

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