



No. S233209
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF SLP HOLDINGS LTD,
STRUCTURLAM MASS TIMBER CORPORATION,
STRUCTURLAM MASS TIMBER U.S., INC.,
NATURAL OUTCOMES, LLC

APPLICATION OF SLP HOLDINGS LTD. UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

PETITIONER

NOTICE OF APPLICATION

Name of the applicant: SLP Holdings Ltd.

To: THE SERVICE LIST

TAKE NOTICE that an application will be made by the Applicant before Justice Fitzpatrick at the courthouse at 800 Smithe St., Vancouver, BC V6Z 2E1, on June 1, 2023 at 9:45 a.m. (as arranged through trial scheduling) or as soon thereafter as counsel may be heard, for the order(s) set out in Part 1 below.

PART 1: ORDERS SOUGHT

1. SLP Holdings Ltd. ("**SLP**"), in its capacity as foreign representative (in such capacity, the "**Foreign Representative**") of SLP, Structurlam Mass Timber Corporation, Structurlam Mass Timber U.S., Inc. and Natural Outcomes, LLC (collectively, the "**Debtors**") seeks an order pursuant to section 49 of the *Companies' Creditors Arrangement Act*, R.S.C., c. C. 1985, as amended (the "**CCAA**") for the following relief from this Court:
 - a. an order abridging the time for service of this application and directing that it is properly returnable on the hearing date;
 - b. an order substantially in the form attached hereto as **Schedule "A"** (the "**CAN Sale Order**") recognizing and giving full force and effect in Canada to the order expected to be granted by the United States Bankruptcy Court for the District of Delaware (the "**US Bankruptcy Court**") on May 30, 2023 in the Chapter 11 Proceedings (defined below) (i) authorizing (A) sale of assets free and clear of all liens, claims, interests, and encumbrances and (B) the Debtors' assumption and assignment of certain executory contracts and unexpired leases; and (ii) granting

related relief (the "**US Sale Order**") and further, among other things, approving the sale transaction described in the asset purchase agreement (the "**Purchase Agreement**") dated April 21, 2023 as amended between the Debtors and Mercer International Inc. ("**Mercer**") and vesting right, title and interest in and to the Transferred Assets (defined below) in Mercer free and clear of any charges, security, liens, encumbrances, claims or liabilities other than certain permitted encumbrances assumed as set out in the Purchase Agreement;

- c. an order recognizing and giving full force and effect in Canada to the following orders (collectively, the "**Additional Orders**") granted by the US Bankruptcy Court in the Chapter 11 Proceedings (defined below):
- i. Final Order, dated May 16, 2023, (I) authorizing the Debtors to (A) continue to operate their cash management system, (B) honor certain prepetition obligations related thereto, (C) maintain existing business forms, and (D) continue to perform intercompany transactions, (II) granting administrative expense status to postpetition intercompany balances, and (III) granting related relief (the "**Final Cash Management Order**");
 - ii. Final Order, dated May 16, 2023, (I) authorizing the Debtors to (A) pay their obligations under insurance policies entered into prepetition and (B) renew, supplement, modify, or purchase insurance coverage, and (II) granting related relief (the "**Final Insurance Order**");
 - iii. Final Order, dated May 16, 2023, (I) determining adequate assurance of payment for future utility services, (II) prohibiting utility providers from altering, refusing, or discontinuing utility services, (III) establishing procedures for determining adequate assurance of payment, and (IV) granting related relief (the "**Final Utility Order**");
 - iv. Final Order, dated May 16, 2023, (I) authorizing the Debtors to (A) pay prepetition wages, salaries, other compensation, and reimbursable expenses and (B) continue certain employee benefits programs and (II) granting related relief (the "**Final Wages Order**");
 - v. Final Order, dated May 16, 2023, (I) authorizing the payment of certain prepetition taxes and fees and (II) granting related relief (the "**Final Tax Order**");
 - vi. Order, dated May 16, 2023, (A) authorizing the Debtors to reject the amended and restated Walmart Realty Supplier Agreement – Goods not for resale, effective as of the petition date, and (B) granting related relief (the "**Walmart Order**");
 - vii. Order, dated May 16, 2023, (I) authorizing and approving procedures to reject executory contracts and unexpired leases, and (II) granting related relief (the "**Executory Contracts Order**");
 - viii. Final Order, dated May 17, 2023, authorizing, but not directing, the Debtors to pay certain prepetition claims of critical vendors, shippers, and 503(b)(9) claimants and granting related relief (the "**Final Critical Vendor Order**");

- ix. Final Order, dated May 19, 2023, (I) authorizing debtors and debtors in possession to (A) obtain postpetition financing, (B) use cash collateral, (C) grant liens and super-priority claims, and (D) grant adequate protection; (II) modifying the automatic stay; and (III) granting related relief, (the "**Final Postpetition Financing Order**");
- x. Order dated, May 25, 2023, authorizing the Debtors to employ and retain Kurtzman Carson Consultants LLC as administrative advisor effective as of the Petition Date (the "**KCC Appointment Order**");
- xi. Order dated May 25, 2023, establishing bar dates and related procedures for filing proofs of claim (including for administrative expense claims arising under section 503(b)(9) of the Bankruptcy Code) and approving the form and manner of notice (the "**Claim Process Order**"); and
- xii. Order dated May 30, 2023, (I) authorizing the Debtors to implement Key Employee incentive and retention plans and (II) granting related relief (the "**KERP/KEIP Order**").

d. such further and other Orders as this Honourable Court may deem appropriate.

PART 2: FACTUAL BASIS

1. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Purchase Agreement or the Bidding Procedures Order (defined below).
2. On April 21, 2023 the Debtors each commenced proceedings pursuant to Chapter 11 of Title 11 of the United States Code (the "**Chapter 11 Proceedings**") in the US Bankruptcy Court.
3. On April 26, 2023 pursuant to certain "First Day Motions" filed by the Debtors, the US Bankruptcy Court granted certain interim and/or final orders, including an order authorizing SLP to act as the foreign representative for the purpose of these Canadian recognition proceedings.
4. On April 27, 2023 the Honourable Justice Fitzpatrick granted: (a) an initial recognition order (the "**Initial Recognition Order**"), among other things, recognizing SLP as the "foreign representative" and the Chapter 11 Proceedings of SLP and SMTC as "foreign non-main proceedings" and the Chapter 11 Proceedings of SMTU and NOLLC as "foreign main proceedings" each as defined in section 45 of the CCAA; and (b) a supplemental order (the "**Supplemental Recognition Order**"), among other things, (i) recognizing various orders of the US Bankruptcy Court, (ii) ordering a stay of proceedings in Canada in respect of the Debtors until June 1, 2023 (the "**Stay Period**"); and (iii) appointing Alvarez & Marsal Canada Inc. ("**A&M**") as information officer in respect of these Canadian recognition proceedings (in such capacity, the "**Information Officer**").
5. On May 16, 2023 the Honourable Justice Fitzpatrick granted a recognition of bidding procedures order (the "**Bidding Procedures Order**") recognizing an order granted on May 8, 2023 by the US Bankruptcy Court which order, among other things: (i) approved bidding procedures; (ii) approved stalking horse protections and the Debtors' entry into a stalking horse purchase agreement; (iii) scheduled the bid deadlines and the auction; (iv)

scheduled hearings and objection deadlines with respect to the sale; (v) approved the form and manner of notice thereof; (vi) approved contract assumption and assignment procedures; and (vii) granted related relief. In addition the Stay Period was extended up to and including June 30, 2023.

The Additional Orders

6. Between April 26, 2023 and May 30, 2023 the US Bankruptcy Court granted the Additional Orders. A summary of the Additional Orders is set out below.

The Final Cash Management Order

7. The Final Cash Management Order, granted May 16, 2023 (a) authorizes, but does not direct, on a final basis, the Debtors to among other things (i) continue operating the cash management system, with all prepetition agreements related to their bank accounts remaining in full force and effect; (ii) honor their prepetition obligations related thereto (iii) use, in their present form, all preprinted correspondence and business forms (including letterhead and checks) without reference to the Debtors' status as debtors in possession; (iv) continue to perform intercompany transactions consistent with historical practice; (v) continue to use, with the same account numbers, the bank accounts in existence as of the petition date; (vi) treat the bank accounts for all purposes as accounts of the Debtors as debtors in possession; (vii) deposit funds in and withdraw funds from the bank accounts by all usual means, including checks, wire transfers, and other debits; (viii) pay bank fees (including prepetition amounts); and (ix) pay, pursuant to those certain existing deposit, cash management and credit card agreements any ordinary course bank fees, including attorneys' fees, incurred in connection with the bank accounts; and (b) grants related relief.

The Final Insurance Order

8. The Final Insurance Order, granted May 16, 2023 (a) authorizes, but does not direct, on a final basis, the Debtors to, among other things (i) continue their insurance policies and to pay any prepetition or postpetition obligations under the insurance policies, insurance broker fees, and any other amounts related to the insurance policies, including any amounts owed to the insurance broker; (ii) renew, amend, supplement, extend, reduce or purchase insurance policies to the extent that the Debtors determine that such action is in the best interest of their estates; (iii) honor the terms of the premium financing agreements and pay any installment payments; and (iv) enter into, amend, supplement, or extend the premium financing agreements as necessary, in the ordinary course of business consistent with past practices to the extent the Debtors determine that such action is in the best interests of their estates; and (b) grants related relief.

The Final Utility Order

9. The Final Utility Order, granted May 16, 2023 on a final basis, provides, among other things that (i) all utility providers are prohibited from altering, refusing or discontinuing services on account of any unpaid prepetition charges, the commencement of the Chapter 11 Proceedings, or any perceived inadequacy of proposed adequate assurance; (ii) establishes assurance procedures; and grants related relief.

The Final Wages Order

10. The Final Wages Order, granted May 16, 2023 (a) authorizes, but does not direct, the Debtors, on a final basis, to among other things (i) continue, modify, change and discontinue employee compensation and benefits in the ordinary course of business during the Chapter 11 Proceedings without the need for further Court approval, subject to applicable law; (ii) pay and honor prepetition employee obligations in the ordinary course of business; and (iii) forward unpaid amounts on account of withholding obligations to the appropriate third-party recipients or taxing authorities in accordance with the Debtors' prepetition policies and practices; (b) authorizes employees to proceed with claims under the Workers' Compensation Program in the appropriate judicial or administrative forum and the Debtors are authorized, but not directed, to continue the Workers' Compensation Program in the ordinary course and (c) grants related relief.

The Final Tax Order

11. The Final Tax Order, granted May 16, 2023 (a) authorizes, but does not direct, on a final basis, the Debtors to among other things (i) negotiate, pay and remit the obligations that arose or accrued in the ordinary course of business on account of taxes and fees prior to the Petition Date and that will become due and owing in the ordinary course of business during the Chapter 11 Proceedings in an aggregate amount not to exceed CAD \$10,153 and USD \$145,000 absent further order of the US Bankruptcy Court; (ii) negotiate and pay taxes and fees that arise in the ordinary course of business on a postpetition basis; and (iii) participate in any amnesty program or otherwise settle tax disputes pursuant to Bankruptcy Rule 9019; and (b) grants related relief.

The Walmart Order

12. The Walmart Order, granted May 16, 2023 among other things (a) rejects the Amended Supply Agreement, but only to the extent it is an executory contract; (b) does not make a determination on the merits that the Amended Supply Agreement is an executory contract; (c) establishes deadlines for filing proofs of claim arising from the Amended Supply Agreement; and (d) grants related relief.

The Executory Contracts Order

13. The Executory Contracts Order, granted May 16, 2023 establishes, among other things, rejection procedures in connection with rejecting contracts and leases and grants related relief.

The Final Critical Vendor Order

14. The Final Critical Vendor Order, granted May 17, 2023 (a) authorizes, but does not direct, on a final basis, the Debtors to among other things (i) pay all or part of, and discharge, on a case-by-case basis, critical vendor claims in an aggregate amount not to exceed CAD \$750,000, absent further order of the US Bankruptcy Court; and (b) grants related relief.

The Final Postpetition Financing Order

15. The Final Postpetition Financing Order, granted May 19, 2023 authorizes the Debtors to, among other things, borrow and obtain loans and to incur obligations and each loan party

is authorized to guaranty such obligations up to the amount of CAD \$7,500,000 plus interest, costs and fees according to the DIP Credit Agreement and the other DIP Loan Documents through the financing period.

The KCC Appointment Order

16. The KCC Appointment Order, granted May 25, 2023 approves the appointment of KCC as claims and noticing agent effective as of the Petition Date to, among other things (i) perform noticing services and to receive, maintain, record and otherwise administer the proof of claim filed in the Chapter 11 Proceedings; (ii) serve as the custodian of court records and the authorized repository for all proofs of claim filed in the Chapter 11 Proceedings (if any); and (iii) provide administrative services, as necessary and in accordance with applicable law, during the Chapter 11 Proceedings; and (b) grants related relief.

The Claim Process Order

17. The Claim Process Order, granted May 25, 2023 establishes, among other things, bar dates and related procedures in connection with filing proofs of claim and approves the form and manner of notice.

The KERP/KEIP Order

18. The KERP/KEIP Order, granted May 30, 2023 approves and authorizes the implementation of the Key Employee Incentive and Retention Plans (the "**KERP/KEIP**") and it authorizes the Debtors to take any and all actions they deem necessary, desirable, or appropriate to effect implement, and/or consummate the KERP/KEIP.

The Sale Transaction and the CAN Sale Order and US Sale Order

19. Prior to the Bid Deadline, the Debtors received a qualified overbid from the Weyerhaeuser Company ("**Weyerhaeuser**"), as determined by the Debtors in consultation with the Consultation Parties, in the amount of USD \$70 million to acquire substantially all assets of the Debtors related to their US operations. On May 24, 2023 the Debtors held an auction (the "**Auction**") pursuant to the Bidding Procedures. In addition to the Debtors, their advisors, and the Consultation Parties, Mercer and Weyerhaeuser both attended the Auction. Mercer participated in the Auction as the "**Stalking Horse Bidder**".
20. After several rounds of bidding between the Stalking Horse Bidder and Weyerhaeuser, the Debtors, in consultation with the Consultation Parties, determined that the highest and best bid was received from Mercer, as the Stalking Horse Bidder, in the amount of USD \$83.5 million comprised of a cash component of USD \$81.1 million plus credit for the Break-Up Fee and Expense Reimbursement Amount totalling USD \$2.4 million, and declared it to be the Winning Bid. The Debtors designated Weyerhaeuser, with its bid of USD \$80 million, as the Backup Bidder in accordance with the Bidding Procedures Order.
21. Other than with regard to price, the terms of Mercer's winning bid are unchanged from the terms of the stalking horse agreement approved by and attached to the Bidding Procedures Order. Generally, it provides for the acquisition by Mercer of the Canadian and US business and core assets of the Debtors. The subject transaction maximizes the

benefits available to affected creditors, suppliers and customers of the Debtors, employees of the Debtors and communities in which the Debtors operate.

22. Under the Purchase Agreement:

- a. Mercer will purchase the Transferred Assets which include, among other things, all of the Debtors' right, title and interest in and to all of the Debtors' assets, properties and rights of every kind and nature, whether real, personal or mixed, tangible or intangible (including goodwill), free and clear of all liens, claims, encumbrances and interests (other than Permitted Encumbrances and Excluded Liabilities) (as more particularly described in the May 11 Affidavit;
- b. Mercer will take assignment of the Debtors' Canadian real property leases;
- c. Mercer will continue the employment of all of the Debtors' unionized employees; and
- d. the Purchase Agreement is conditional on court approval of the CAN Sale Order and the US Sale Order and on the wind-up of the municipal bond structure involving the Debtors' real property in Arkansas.

23. The US Sale Order, made on May 30, 2023, among other things, (a) approves the Purchase Agreement; (b) transfers the Transferred Assets, free and clear of any and all liens, to the Buyer (with the exceptions of the Assumed Liabilities and Permitted Encumbrances, each as defined in the Purchase Agreement); (c) vests in the Buyer all of the Debtors' right, title and interests in the Transferred assets; and (d) assigns certain real property leases to Mercer in accordance with the Contract Assumption and Assignment Procedures as set out in the Bidding Procedures Order.

PART 3: LEGAL BASIS

This Honourable Court has Jurisdiction to Grant the Orders Sought

1. The Foreign Representative is seeking recognition of the Additional Orders pursuant to section 49 of the CCAA. In the Initial Recognition Order, this Honourable Court recognized that two of the Chapter 11 Proceedings were categorized as "foreign main proceedings" while two were categorized as "foreign non-main proceedings" pursuant to section 47 of the CCAA. When a foreign main proceeding or foreign non-main proceeding has been recognized under Part IV of the CCAA, subsection 49(1) empowers the court to make any order that it considers appropriate if the court is satisfied that it is necessary for the protection of the debtor company's property or the interests of creditors.

CCAA, sections 47, 49(1)

2. Canadian Courts have noted that "[t]he purpose of Part IV of the CCAA is to effect cross-border insolvencies and create a system under which foreign insolvency proceedings can be recognized in Canada." This statement corresponds with the stated purposes of Part IV of the CCAA set out in section 44 of the CCAA, which include the promotion of: (a) cooperation between the courts and other competent authorities in Canada with those of foreign jurisdictions; and (b) the fair and efficient administration of cross-border

insolvencies that protects the interests of creditors and other interested persons, and those of debtor companies.

Zochem Inc. (Re), 2016 ONSC 958 at para 15

3. The principle of comity is central to achieving these objectives. Comity mandates that Canadian courts should recognize and enforce the judicial acts of other jurisdictions, provided that those other jurisdictions have assumed jurisdiction on a basis consistent with principles of order, predictability and fairness.

Hollander Sleep Products, LLC (Re), 2019 ONSC 3238, at para 41; Re Babcock & Wilcox Canada Ltd., 2000 CanLII 22482 (ONSC) at para 21

4. Where a cross-border insolvency proceeding is most closely connected to another jurisdiction, it is appropriate for the court in that jurisdiction to exercise principal control over the process given the principles of comity and to avoid a multiplicity of proceedings. Section 52 of the CCAA provides that if a proceeding is recognized by a Canadian court under the CCAA as a foreign proceeding, "the court shall cooperate, to the maximum extent possible, with the foreign representative and the foreign court involved in the foreign proceeding."

Marciano (Séquestre de), 2012 QCCA 1881 at para 76 CanLII); leave to appeal refused 2013 CanLII 21748 (SCC) (CanLII)

5. Typically, a Canadian court will only refuse to recognize an order of another court in situations where subsection 61(2) of the CCAA is engaged. Subsection 61(2) of the CCAA provides that "Nothing in this Part [IV] prevents the court from refusing to do something that would be contrary to public policy." Canadian courts have held that this exception to recognition should be interpreted narrowly.

CCAA, section 61(2)

The CAN Sale Order should be approved

6. The recognition and approval of the US Sale Order and approval of the CAN Sale Order is in line with Canadian public policy and consistent with relief granted in single jurisdiction CCAA proceedings.
7. It is well established that section 36 of the CCAA expressly provides for the sale of substantially all of a debtor's assets in the absence of a plan. Section 36(3) of the CCAA further provides for certain factors to be considered in deciding whether to authorize a sale:
 - a. whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
 - b. whether the monitor approved the process leading to the proposed sale or disposition;

- c. whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- d. the extent to which the creditors were consulted;
- e. the effects of the proposed sale or disposition on the creditors and other interested parties; and
- f. whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

CCAA, section 36(3); Re Nortel Networks Corp., 2009 ONSC 4467, at para.s 35-41, 48 and 51 Re Brainhunter Inc., 2009 ONSC 72333, at para 15

8. From these statutory factors, this Honourable Court and others have discerned a general test to be applied when considering whether to approve a sale under Section 36(3). Specifically, a court should consider the transaction as a whole and decide "whether or not the sale is appropriate, fair and reasonable".

Veris Gold Corp., Re, 2015 BCSC 1204 at para 23

9. Also relevant when reviewing a sale or disposition of assets in a CCAA proceeding are the factors set out in *Royal Bank v Soundair Corp.* These factors include: (1) considering whether the party conducting the sale made sufficient efforts to obtain the best price and did not act improvidently; (2) the interests of all parties; (3) the efficacy and integrity of the process by which offers were obtained; and (4) whether there has been any unfairness in the sales process.

Royal Bank v. Soundair Corp., 1991 CarswellOnt 205 at para 16;
Veris Gold Corp., Re, 2015 BCSC 1204 at paras 24-25

10. The Court's approach in considering a proposed sale under section 36 of the CCAA is also informed by the CCAA's statutory objectives, mainly, to avoid, if possible, the devastating social and economic costs of a liquidation of a debtor's assets, while remaining cognizant of the various interests at stake.

Mountain Equipment Co-Operative (Re), 2020 BCSC 1586 at paras 156-157

11. A Court should also give effect to the business judgment rule, which affords deference to the exercise of the commercial and business judgment of the debtor company in the context of an asset sale where the marketing and sale process was fair, reasonable, transparent and efficient.

Re Bloom Lake, 2015 QCCS 1920 at para 28

12. The Foreign Representative respectfully submits that recognition of the US Sale Order and granting of the CAN Sale Order and the transaction contemplated by the Purchase Agreement satisfies the criteria in section 36(3) of the CCAA and the *Soundair* principles. The marketing process was administered both prior to and during the Chapter 11 Proceedings and these CCAA proceedings and in accordance with the Bidding

Procedures Order as approved by this Honourable Court. The Debtors believe the sales process was efficiently conducted and was fair, appropriate, and reasonable for the following reasons:

- a. the Debtors have been working diligently for nearly four months on a marketing process for the sale of the Business;
 - b. unless the sale is approved, the long term viability of the Business will be in jeopardy;
 - c. the Purchase Agreement provides for the continuation of the Business as a going concern, will save numerous Canadian jobs and constitutes the best and most valuable proposal for the Business;
 - d. given the lengthy and thorough marketing process, the transaction contemplated by the Purchase Agreement following the Auction represents the highest and best going concern purchase value for the Business; and
 - e. the sale of the Business at this time is in the best interests of the Debtors and their stakeholders.
13. The transfer of the Transferred Assets to Mercer preserves as much of the Debtors' business as possible for Mercer, the going concern value for the Debtors' primary stakeholders, as well as some employment and economic activity in the British Columbia interior.

Recognition of the Additional Orders is Appropriate

14. This Honourable Court's approval of the Additional Orders made by the US Bankruptcy Court will help ensure the orderly operation of the Debtors' restructuring in both Canada and the United States. The Additional Order are generally typical and common orders granted in the ordinary course in US restructuring proceedings. To this end, Canadian courts frequently recognize these so called "second day orders" approved by U.S. bankruptcy courts in chapter 11 cases.

See *Voyager Digital Ltd.*, Order (recognition of Foreign Orders) granted August 11, 2022, Court File No. CV-22-00683820-00CL (Ont. Sup. Ct. J. [Commercial List]), at para. 3(i); *Knotel Canada Inc.* Supplemental Order (Foreign Main Proceeding) granted March 12, 2021, Court File No. CV-21-00658434-00CL (Ont. Sup. Ct. J. [Commercial List]), at para 4

15. The Foreign Representative submits that recognition of the Additional Orders by this Honourable Court is consistent with Part IV of the CCAA and the principles of comity, is not contrary to public policy and is commonly granted in Canadian restructuring proceedings.
16. Recognition of the Additional Orders will enable the Debtors to proceed with an orderly restructuring and the sale of the Debtors' business.

17. As set out in the second report of the Information Officer dated May ●, 2023, the Information Officer is supportive of the relief sought in the within application. The Foreign Representative is not aware of any opposition to the relief sought.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Shawn Turkington, sworn April 26, 2023, filed.
2. Affidavit #2 of Shawn Turkington, sworn May 11, 2023, filed.
3. Affidavit #1 of Kevin Haggard, sworn May 11, 2023, filed.
4. Affidavit #3 of Michèle Hay, sworn May 30, 2023, filed.
5. Affidavit #2 of Kevin Haggard, sworn May 30, 2023, filed.
6. First Report of the Information Officer dated May 12, 2023, filed.
7. Second Report of the Information Officer dated May ●, 2023, to be filed.
8. The pleadings and materials filed herein.
9. Such further and other material this Honourable Court may allow.

The applicant estimates that the application will take thirty (30) minutes.

☐ This matter is within the jurisdiction of a master.

☒ This matter is not within the jurisdiction of a master.

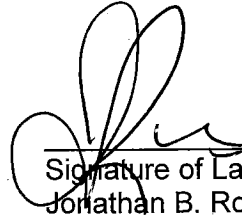
TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;

(ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;

(iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: May 30, 2023



Signature of Lawyer for the Applicant
Jonathan B. Ross

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs _____ of Part 1 of this notice of application

☐ with the following variations and additional terms:

Date: _____

Signature of ☐ Judge ☐ Master

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ other matters concerning document discovery
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment
- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts
- ☒ other

Schedule "A"

No. S233209
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF SLP HOLDINGS LTD.
STRUCTURLAM MASS TIMBER CORPORATION
STRUCTURLAM MASS TIMBER U.S., INC.
NATURAL OUTCOMES, LLC,

APPLICATION OF SLP HOLDINGS LTD. UNDER SECTION 46 OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE

JUSTICE FITZPATRICK

)
)
)

01/June/2023

THE APPLICATION of SLP Holdings Ltd., in its capacity as the foreign representative (the "**Foreign Representative**") of SLP Holdings Ltd, Structurlam Mass Timber Corporation, Structurlam Mass Timber U.S., Inc. and Natural Outcomes, LLC (the "**Debtors**") in respect of the proceedings (the "**Foreign Proceedings**") commenced in the United States Bankruptcy Court for the District of Delaware (the "**U.S. Bankruptcy Court**") under docket numbers 23-10500-CTG, 23-10499-CTG, 23-10498-CTG, and 23-10497-CTG respectively, coming on for hearing at Vancouver, British Columbia, on the 1st day of June, 2023; AND ON HEARING Jonathan Ross and Manuel Dominguez, counsel for the Foreign Representative and the Debtors, and those other counsel listed on Schedule "A" hereto; AND UPON READING the material filed, including the Affidavit #1 of Shawn Turkington sworn April 26, 2023, the Affidavit #2 of Shawn Turkington sworn May 11, 2023, the Affidavit #3 of Michèle Hay sworn May 30, 2023, the Affidavit of Kevin Haggard #1 sworn May 11, 2023 and the Affidavit of Kevin Haggard #2 sworn May 30, 2023, the first report of Alvarez & Marsal Canada Inc., in its capacity as court-appointed information officer in respect of these proceedings (in such capacity, the "**Information Officer**") dated May 12, 2023, and the second report of the Information Officer dated May 12, 2023;

THIS COURT ORDERS AND DECLARES THAT:

1. The Final Order of the U.S. Bankruptcy Court made in the Foreign Proceeding dated May 30th, 2023 authorizing, among other things, the sale of assets free and clear of all liens, claims, interest, and encumbrances, a copy of which is attached hereto as Schedule "B"

(the "**Foreign Order**") is hereby recognized and given full force and effect in all provinces and territories of Canada, provided, however, that in the event of any conflict between the terms of the Foreign Order and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Purchased Assets (as defined below) in Canada.

2. The sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement dated April 21, 2023 as amended (the "**Sale Agreement**") between the Debtors and Mercer International Inc. (the "**Purchaser**") is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Debtors is hereby authorized and approved, and the Debtors are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the "**Purchased Assets**").
3. Upon delivery by the Information Officer to the Purchaser of a certificate substantially in the form attached as Schedule "C" hereto (the "**Information Officer's Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Orders of this Court in this proceeding; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**", and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
4. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Information Officer's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
5. The Information Officer is to file with the Court a copy of the Information Officer's Certificate forthwith after delivery thereof.
6. Pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(1)(o) of the *Personal Information Protection Act* of British Columbia, the Petitioner is hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Debtors' past and current employees, including personal information of those employees. The Purchaser shall maintain and protect the privacy of such information 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 Debtors.

7. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets shall be delivered by the Debtors to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement.
8. The Debtors, with the written consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
9. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Debtors, or any one of them, now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of the Debtors, or any one of them,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtors, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. Pursuant and in accordance with the Foreign Order, including paragraph 23 thereof, the Debtors will pay the DIP Obligations and the Prepetition Obligations (each as defined in the Foreign Order) to the Bank of Montreal.
11. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Petitioner, 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 Information Officer, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Information Officer and its agents in carrying out the terms of this Order.
12. The Debtors, the Information Officer or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
13. Endorsement of this Order by counsel appearing on this application other than counsel for the Debtors 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 Lawyer for the Foreign
Representative and the Debtors

BY THE COURT

REGISTRAR

Schedule A

LIST OF COUNSEL

<u>Name</u>	<u>Acting for</u>
Colin Brousson	Alvarez & Marsal (Information Officer)
Kelly J. Bourassa	Bank of Montreal (Secured Creditor and DIP Lender)

Schedule B

Foreign order

Schedule C

CERTIFICATE

No. S233209
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND
IN THE MATTER OF SLP HOLDINGS LTD.
STRUCTURLAM MASS TIMBER CORPORATION
STRUCTURLAM MASS TIMBER U.S., INC.
NATURAL OUTCOMES, LLC,

APPLICATION OF SLP HOLDINGS LTD. UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

PETITIONER

INFORMATION OFFICER'S CERTIFICATE

A. Pursuant to an Order of the Supreme Court of British Columbia (the "**Court**") dated April 27, 2023, Alvarez & Marsal Canada Inc. was appointed as the Information Officer (in such capacity, the "**Information Officer**") of SLP Holdings Ltd., Structurlam Mass Timber Corporation, Structurlam Mass Timber U.S., Inc. and Natural Outcomes, LLC (collectively, the "**Debtors**").

B. Unless otherwise stated herein, all capitalized terms in this Information Officer's Certificate shall have the meaning set out in the Asset Purchase Agreement dated April 21, 2023 (the "**Sale Agreement**") among the Debtors and Mercer International Inc. (the "**Purchaser**").

C. Pursuant to an Order of the Court dated June 1st 2023 (the "**Approval and Vesting Order**"), the Court approved the sale of the Purchased Assets to the Purchaser, providing for the vesting in the Purchaser of all of the Debtors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Information Officer to the Purchaser of a certificate confirming the transaction contemplated by the Sale Agreement has been completed to the satisfaction of the Information Officer.

THE INFORMATION OFFICER HEREBY CERTIFIES the following:

1. The Information Officer has received written confirmation from the Debtors and the Purchaser, or their respective counsel, that all conditions to Closing have been satisfied and/or waived and that the Purchase Price has been paid in full.

ALVAREZ & MARSAL CANADA INC., in its capacity as the Information Officer, and not in its personal capacity:

Per: _____

Name:

Title:

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND
IN THE MATTER OF SLP HOLDINGS LTD.
STRUCTURLAM MASS TIMBER CORPORATION
STRUCTURLAM MASS TIMBER U.S., INC.
NATURAL OUTCOMES, LLC,

APPLICATION OF SLP HOLDINGS LTD. UNDER SECTION 46 OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

PETITIONER

ORDER MADE AFTER APPLICATION

GOWLING (WLG) CANADA LLP
Suite 2300
550 Burrard Street
Vancouver, BC V6C 2B5
Tel. 604.891-2778 Fax 604.683.3558

Attention : Jonathan B. Ross

File No. V56936/JR

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

IN THE MATTER OF SLP HOLDINGS LTD, STRUCTURLAM MASS
TIMBER CORPORATION, STRUCTURLAM MASS TIMBER U.S., INC.,
NATURAL OUTCOMES, LLC

APPLICATION OF SLP HOLDINGS LTD. UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED

NOTICE OF APPLICATION

GOWLING WLG (CANADA) LLP

Barristers & Solicitors
Bentall 5, Suite 2300
550 Burrard Street
Vancouver, BC V6C 2B5
Attention : Jonathan B. Ross

Tel: 604.683.6498 Fax: 604.683.3558

File No. V57461

JBR/msh