

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF 1000156489 ONTARIO INC.

TENTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.

AUGUST 18, 2025

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1.0 INTRODUCTION

- 1.1 On December 20, 2022 (the “**Petition Date**”), 1000156489 Ontario Inc. (f/k/a DCL Corporation) (the “**Applicant**”) obtained an initial order (the “**Initial Order**”) from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The proceedings commenced thereby are referred to herein as the “**CCAA Proceedings**”. Among other things, the Initial Order appointed Alvarez & Marsal Canada Inc. (“**A&M**”) as monitor in the CCAA Proceedings (in such capacity, the “**Monitor**”).
- 1.2 In connection with the CCAA Proceedings, A&M, then in its capacity as proposed monitor, filed the Pre-Filing Report of the Proposed Monitor dated December 20, 2022 (the “**Pre-Filing Report**”). The Monitor has provided to this Court ten reports (collectively and together with the Pre-Filing Report, the “**Prior Reports**”). The Prior Reports and other Court-filed documents in the CCAA Proceedings are available on the Monitor’s case website at: www.alvarezandmarsal.com/DCLCanada (the “**Case Website**”).¹
- 1.3 The Applicant is a subsidiary of its U.S. parent, H.I.G. Colors Inc. (“**Holdings**”), a direct wholly-owned subsidiary of the ultimate corporate parent, H.I.G. Colors Holdings, Inc. (“**HIG Colors Holdings**” and, together with Holdings and its direct and indirect subsidiaries, including the Applicant and its subsidiaries, the “**DCL Group**”).
- 1.4 The CCAA Proceedings were commenced as part of a larger coordinated restructuring of the DCL Group. On the Petition Date, HIG Colors Holdings and certain of its U.S.-based

¹ Materials filed in connection with the Chapter 11 Proceedings are available at: <https://cases.ra.kroll.com/DCL>

subsidiaries (collectively, “**DCL US**” or the “**Chapter 11 Debtors**”)² each filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “**U.S. Bankruptcy Court**”, and such proceedings, the “**Chapter 11 Proceedings**”, and together with the CCAA Proceedings, the “**Restructuring Proceedings**”). On December 22, 2022, the U.S. Bankruptcy Court granted a number of “first day orders” in the Chapter 11 Proceedings.

- 1.5 On December 29, 2022, the Applicant obtained an amended and restated Initial Order (the “**Amended and Restated Initial Order**”) that, among other things, approved the DIP Facility and the Final DIP Credit Agreement, and extended the Stay Period (each as defined in the Amended and Restated Initial Order).
- 1.6 As described in the Prior Reports, the DCL Group conducted a sales process in the Restructuring Proceedings that culminated in a transaction (the “**Transaction**”) with Pigments Services, Inc. (“**Pigments**”), an affiliate of the prepetition term loan lenders to the Applicant and DCL US. On March 29, 2023, this Court issued an Order, which, among other things, approved the Transaction. The Transaction closed on April 14, 2023.
- 1.7 On May 8, 2023, this Court issued an Order, which, among other things: (i) granted the Monitor the Expanded Powers (as defined and described in the Monitor’s fifth report dated May 3, 2023 (the “**Fifth Report**”)), expanding the powers of the Monitor to, among other things, oversee the wind-down activities of the Applicant; and (ii) changed the style of cause in the CCAA Proceedings (the “**Expanded Powers Order**”).

² The Chapter 11 Debtors are: HIG Colors Holdings, Holdings, DCL Holdings (USA), Inc., DCL Corporation (USA) LLC, DCL Corporation (BP), LLC, and Dominion Colour Corporation (USA).

- 1.8 On June 20, 2023, this Court issued an Order (the “**Claims Procedure Order**”), which, among other things: (i) granted the claims procedure (the “**Claims Procedure**”) by which creditors may file claims against the Applicant, or against the Applicant’s Directors or Officers, as applicable; and (ii) extended the Stay Period until and including December 31, 2023. The Stay Period was subsequently extended by Orders of this Court to and including January 31, 2025.
- 1.9 On January 28, 2025, this Court issued: (i) an Order, which, among other things, extended the Stay Period until August 29, 2025; and (ii) an Order (the “**Representative Counsel Order**”), which, among other things, appointed Ursel Phillips Fellows Hopkinson LLP (“**Ursel Phillips**”) as representative counsel (the “**Representative Counsel**”) to represent the interests of all members of the Salaried DB Plan and the Hourly DB Plan (each as defined herein) in the CCAA Proceedings (collectively, the “**Represented Parties**”), solely with respect to pension surplus entitlements of the Represented Parties under the Salaried DB Plan and the Hourly DB Plan, as applicable.
- 1.10 The purpose of this tenth report of the Monitor (this “**Tenth Report**”) is to provide this Court with information regarding the following:
- (i) an update with respect to the CCAA Proceedings since the Monitor’s ninth report dated January 21, 2025 (the “**Ninth Report**”), attached hereto (without appendices) as **Appendix “A”**;
 - (ii) an update on the Claims Procedure;

- (iii) the Monitor's motion for an Order, among other things, extending the Stay Period until and including January 31, 2026 (the "**Stay Extension Order**");
- (iv) the Monitor's motion for an Order, among other things, approving the Surplus Sharing Agreement dated August 18, 2025 (the "**Settlement Agreement**") between Representative Counsel and the Applicant, and for a declaration that the Applicant is entitled to the surplus in the Plans (as defined herein) for the purposes of paragraph 79(3)(b) of the *Pension Benefits Act* (the "**PBA**") (the "**Settlement Approval Order**");
- (v) the activities of the Monitor since the date of the Ninth Report; and
- (vi) the Monitor's conclusions and recommendations in connection with the foregoing, as applicable.

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this Tenth Report, A&M, in its capacity as Monitor, has been provided with and has relied upon unaudited financial information and the books and records prepared by the Applicant and the DCL Group (collectively, the "**Information**"). Except as otherwise described in this Tenth Report:

- (i) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the *Chartered Professional Accountants*

Canada Handbook (the “**CPA Handbook**”) and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and

- (ii) some of the information referred to in this Tenth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

2.2 Future oriented financial information referred to in this Tenth Report was prepared based on the Applicant’s and the Chapter 11 Debtors’ estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results may vary from the projections, even if the assumptions materialize, and the variations could be significant.

2.3 Unless otherwise stated, all monetary amounts contained in this Tenth Report are expressed in Canadian dollars (“**CAD**”). Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Prior Reports or the Second Amended and Restated Sale Agreement dated as of March 28, 2023, between the Applicant, DCL US and Pigments (as appended to the Fifth Report), as applicable.

3.0 UPDATES SINCE THE DATE OF THE NINTH REPORT

Registered Pension Plans

- 3.1 As described in the Prior Reports, the Applicant is the sponsor of the following registered pension plans: (i) the Salaried DC Plan; (ii) the Hourly DC Plan; (iii) the Hourly DB Plan;³ (iv) the Salaried DB Plan⁴; and (v) the Pension Plan for the Employees of Monteith Inc. registered under the PBA and the *Income Tax Act* (Canada) with registration number 1046994. These registered pension plans were not assumed by Pigments as part of the Transaction.
- 3.2 On October 18, 2023, Wind-Up Orders (copies of which were attached to the Eighth Report of the Monitor) were issued by the Financial Services Regulatory Authority of Ontario (“FSRA”) in respect of the Hourly DB Plan and Salaried DB Plan (collectively, the “Plans”), effective April 14, 2023. Wind-up reports filed with FSRA dated December 11, 2023 for the Hourly DB Plan and Salaried DB Plan (the “Wind-Up Reports”) (copies of which were attached to the Eighth Report) show that as at April 14, 2023, being the wind-up date for both Plans, the Salaried DB Plan had an estimated wind-up surplus of approximately \$2,770,900, and the Hourly DB Plan had an estimated wind-up surplus of approximately \$1,580,300. On February 11, 2024, FSRA approved the Wind-Up Reports. Both Wind-Up Reports provide that the allocation of surplus will be dealt with in a subsequent report to be filed with FSRA.

³ “Hourly DB Plan” means the DCL Corporation Hourly Pension Plan registered under the PBA and the *Tax Act* with registration number 0401455.

⁴ “Salaried DB Plan” means the DCL Corporation Salaried Pension Plan registered under the PBA and the *Tax Act* with registration number 0989616.

- 3.3 As discussed in the Prior Reports, once the liabilities of the Plans were settled, if surplus assets remained, such assets would be allocated in accordance with each Plan's governing documents or as may otherwise be agreed with the Applicant's plan members or as ordered by the Court. Absent a court order determining surplus ownership, or agreement with plan members, entitlement to any surplus would be adjudicated by FSRA, and in any case, the distribution of such surplus would be subject to the oversight and consent of FSRA. As of November 2024, both the Hourly DB Plan and Salaried DB Plan liabilities had been paid out to beneficiaries or secured via a purchase of annuities.
- 3.4 As of April 30, 2025, the administrator of the Plans, Actuarial Solutions Inc. (the "**Administrator**"), estimated the surplus before expenses (the "**Gross Surplus**") to be \$1,893,144 in the Hourly DB Plan and \$2,886,020 in the Salaried DB Plan. The estimates prepared by the Administrator dated May 21, 2025 for each of the Hourly DB Plan and the Salaried DB Plan, respectively, are attached hereto as **Appendices "B" and "C"**.
- 3.5 The Monitor understands that surplus entitlement and allocation in a pension plan may be settled by court order. Surplus entitlement may also be determined by FSRA, in which case allocation would be made entirely to the entitled party. Allocation (but not entitlement) may also be effected by member vote. In all cases, FSRA would oversee the distribution of surplus in accordance with such order, determination or vote.
- 3.6 Pursuant to the Expanded Powers Order, the Court granted the Monitor authority to, on behalf of the Applicant or on its own behalf, instruct and engage with any person regarding the Plans, and to the extent of any surplus assets held in connection with any of the Plans, to apply for such assets to be allocated in accordance with each of the Plan's governing

documents or as may otherwise be agreed with the applicable Plan members or as ordered by the Court.

3.7 In light of the Monitor's intention to bring a motion requesting an order from the Court regarding surplus entitlement in the Hourly DB Plan and the Salaried DB Plan, on January 28, 2025, the Monitor sought and was granted the Representative Counsel Order by this Court, which appointed Ursel Phillips as Representative Counsel for both the members of the Hourly DB Plan and members of the Salaried DB Plan for purposes of representing the members of those plans in such motion and in any negotiations regarding surplus entitlement in order to achieve the members' consent to such motion. In advance of the motion for the Representative Counsel Order, the Monitor also engaged in discussions with counsel to Teamsters Chemical, Energy and Allied Workers (Local Union NO. 1979) (the "**Union**").

3.8 Pursuant to the Representative Counsel Order, the Representative Counsel was entitled to form a committee, consisting of no more than three members of the Salaried DB Plan to advise Representative Counsel with respect to the surplus in the Salaried DB Plan, and no more than one Union representative, to advise Representative Counsel with respect to the surplus in the Hourly DB Plan (collectively, the "**Representatives**"). Representative Counsel subsequently appointed one member of the Salaried DB Plan and one Union representative to serve as the Representatives of the Salaried DB Plan and Hourly DB Plan, respectively.

- 3.9 As required by the Representative Counsel Order, notice of the Representative Counsel Order was provided to all Represented Parties and no Represented Party opted out of representation by the deadline prescribed in the Representative Counsel Order.

Amounts Received by the Monitor on Closing

- 3.10 As described in the Prior Reports, the Monitor received the following amounts from Pigments upon the closing of the Transaction:

- (i) the Canadian Designated Amount Portion of USD\$575,000 (\$753,000);
- (ii) the CCAA Cash Pool of USD\$750,000; and
- (iii) USD\$1,442,134.50 in respect of the amount of HST potentially exigible on the Transaction, to be held by the Monitor in trust.⁵

Canadian Designated Amount Portion

- 3.11 The Canadian Designated Amount Portion was established to pay all remaining costs, professional fees and other amounts in connection with the completion of the CCAA Proceedings and the wind-down of the Applicant.
- 3.12 In addition to the original Canadian Designated Amount Portion paid to the Monitor: (i) amounts from HST refunds and accrued interest, together with; (ii) an amount transferred from the CCAA Cash Pool to cover fees in connection with the Claims Procedure, have been used to pay professional fees and costs. As of the date of this Tenth Report, approximately \$977,000 (inclusive of HST) of professional fees and costs have been paid

⁵ As further described in the Prior Reports, such amount was returned by the Monitor to Pigments following the parties agreeing on arrangements satisfactory to the Monitor to allow for same.

to the Applicant's counsel (\$426,000), the Monitor (\$256,000), the Monitor's counsel (\$222,000) and tax advisors (\$73,000) in connection with the completion of the CCAA Proceedings, the Claims Procedure (discussed below) and the wind-down of the Applicant.

3.13 As set out in the Prior Reports, the Monitor notes that these balances do not include: (i) deferred fees of the Applicant's Canadian counsel of approximately USD\$360,000 incurred prior to closing of the Transaction, which were deferred by counsel to accommodate the closing of the Transaction and the Applicant's cash flow constraints; and (ii) fees of the Applicant's Canadian counsel of approximately \$50,000 incurred after the closing of the Transaction which remain unpaid as of the date of this Tenth Report. As these amounts are subject to the Administration Charge, it is contemplated that the above deferred and unpaid fees will be paid from any recoveries obtained by the Applicant in connection with the Hourly DB Plan and Salaried DB Plan surplus entitlements, and any available funds in the Canadian Designated Amount Portion.

3.14 As set out in the following table, approximately \$7,300 remains in the Monitor's trust account (the "**Remaining Canadian Designated Amount Portion**"):

Remaining Canadian Designated Amount Portion CAD \$000's	
Initial funded amount	\$ 753.3
Add: HST refund ⁶	134.1
Add: Interest and other receipts	34.4
Add: Funds transferred from the CCAA Cash Pool	62.6
Less: Restructuring professional & tax advisory fees	(977.1)
Remaining Canadian Designated Amount Portion	\$ 7.3

⁶ As described in the Prior Reports, the Canada Revenue Agency (the "**CRA**") performed an audit of the Applicant's HST account relating to the post-filing period, which was completed in January 2024. The refund that was being held by the CRA in the amount of approximately \$134,100 was subsequently released to the Applicant.

It is contemplated that any professional fees incurred for final tax and pension related work by the Monitor, the Monitor's legal counsel, and the Applicant's legal counsel, including in connection with the distribution of the surplus entitlements from the pension plans, will be paid from any recoveries obtained by the Applicant in connection with the Hourly DB Plan and Salaried DB Plan surplus entitlements, and available funds in the Remaining Canadian Designated Amount Portion.

CCAA Cash Pool

- 3.15 As of the date of this Tenth Report, the Monitor is holding approximately USD \$770,000 in the CCAA Cash Pool (including accrued interest, net of the \$62,600 transferred to the Canadian Designated Amount Portion described above) for the benefit of the Applicant's estate in the CCAA Proceedings, including any costs to administer the CCAA Proceedings.

4.0 SETTLEMENT APPROVAL ORDER

- 4.1 The Monitor proposes that this Court grant the Settlement Approval Order, which, among other things, declares that the Applicant is entitled to the surplus on wind-up of the Hourly DB Plan and the Salaried DB Plan and approves the Settlement Agreement dated August 18, 2025 between the Representative Counsel and the Applicant, a copy of which is attached hereto as **Appendix "D"**. The Settlement Agreement sets out the conditions that would govern the terms of the allocation and distribution of the Net Surplus (as defined herein) from the Plans to the Applicant and the Represented Parties, subject to the required court and regulatory approvals.
- 4.2 The appointment of Representative Counsel pursuant to the Representative Counsel Order facilitated negotiations with respect to entitlement to the surplus balances in the Plans,

which culminated in the Settlement Agreement. Representative Counsel represented and protected the interests of the Represented Parties in such negotiations. The Monitor understands that the Representatives, in their advisory and representative capacities, support the settlement.

4.3 The key terms of the Settlement Agreement provide as follows:

- (i) for each Plan, the assets available for distribution to the Applicant and the Represented Parties is equal to the Gross Surplus less the Administrator Expenses and the Agreed Expenses (each as defined herein) (the “**Net Surplus**”), all as determined as at the date of the first distribution of Net Surplus shares to the Represented Parties (the date of such first distribution, the “**Distribution Date**”);⁷
- (ii) the Net Surplus for each Plan shall be divided between the Represented Parties and the Applicant, with 45% of the Net Surplus being paid to the Represented Parties (the “**Represented Parties Share**”) and 55% of the Net Surplus being paid to the Monitor on behalf of the Applicant (the “**Company Share**”);
- (iii) the following amounts shall be deducted from the Gross Surplus prior to the allocation contemplated in the Settlement Agreement:⁸

⁷ Appendix “A” to the Settlement Agreement contains a sample calculation of the Net Surplus.

⁸ Such amounts include a reasonable estimate of the fees and expenses to be incurred for work to be completed after the Distribution Date.

- (a) the fees and expenses incurred by the Administrator and approved for payment by FSRA, which are estimated to be in the amount of \$220,000 (the “**Administrator Expenses**”);
- (b) the reasonable fees and expenses incurred by Representative Counsel in connection with the matters contemplated in the Settlement Agreement, which are estimated to be in the amount of \$120,000 plus HST (the “**Representative Counsel Expenses**”); and
- (c) the reasonable fees and expenses incurred by the Monitor and its counsel in connection with assessing and managing the Applicant’s entitlement to surplus from the Plans, negotiating with Representative Counsel, and bringing the court and regulatory proceedings contemplated in the Settlement Agreement, which are estimated to be in the amount of \$200,000 plus HST (the “**Monitor Expenses**” and together with the Representative Counsel Expenses, the “**Agreed Expenses**”).

The Administrator Expenses shall be allocated to the Plans in such manner as is determined by the Administrator, subject to the approval of FSRA. Agreed Expenses shall be divided between the Plans on a *pro rata* basis based on the value of Gross Surplus in each Plan, relative to the total Gross Surplus in both Plans.

- (iv) the Monitor, on behalf of the Applicant, shall: (a) bring a motion before the Court in the CCAA Proceedings for a declaration that the Applicant is entitled to the surplus in the Plans for the purposes of paragraph 79(3)(b) of the PBA and for the approval of the Settlement Agreement; and (b) thereafter, seek regulatory approval

by FSRA for the payment of the Company Share to the Monitor on behalf of the Applicant and for the payment of the Represented Parties Share to the Represented Parties (collectively, the “**Required Approvals**”). Representative Counsel, on behalf of the Represented Parties, shall support the Monitor in seeking and obtaining the Required Approvals; and

- (v) following the distribution of the Net Surplus in accordance with the requirements of the Settlement Agreement, the Represented Parties release and discharge the Plans, the Monitor, the Applicant, Representative Counsel, and each of their respective affiliates, subsidiaries, predecessors and successors, and their respective directors, officers, employees and agents, and the Representatives, from all demands, actions, causes of action, proceedings and claims whatsoever arising out of the wind ups or the division and distribution of surplus assets pursuant to the Settlement Agreement.

4.4 To the extent that the Settlement Approval Order is granted, the recovery to the Applicant from the surplus balances in the Plans will increase the recovery available to the Applicant’s unsecured creditors in the CCAA Proceedings as set out in the below recoveries analysis.

4.5 In the Monitor’s view, the Settlement Agreement is fair and reasonable and beneficial for the Applicant and its stakeholders. The Settlement Agreement provides certainty with respect to distributions of the surplus balance remaining in the Plans and avoids the alternative uncertain and lengthy processes for distribution of pension surplus set out in the

PBA, while maximizing the funds available for distribution to creditors once the Required Approvals are obtained.

- 4.6 As set out in the Prior Reports, the process of obtaining plan documents was more challenging than anticipated given that the Salaried DB Plan and the Hourly DB Plan were originally established in 1977 and 1978, respectively. In some circumstances, the relevant documents may no longer exist, despite significant efforts by the Applicant's counsel to locate these documents. Therefore, determining entitlement to the surplus under the Plans based on the governing documents would be a complex exercise, and resolving it through contested litigation would be a lengthy and costly process with risks to both sides.
- 4.7 The Settlement Agreement is the product of good faith, arm's length negotiations between the Monitor, on behalf of the Applicant, and the Representative Counsel, and is supported by the Monitor and the Applicant's largest unsecured creditor.
- 4.8 If the Settlement Agreement is approved, this key outstanding matter in the CCAA Proceedings will be resolved, which will facilitate the wind-down of the Applicant's estate in a timely manner and the termination of the CCAA Proceedings.
- 4.9 The releases in the Settlement Agreement are also fair and reasonable and were necessary to achieving the underlying settlement.

5.0 UPDATE ON THE CLAIMS PROCEDURE & RECOVERY ANALYSIS

- 5.1 Capitalized terms used but not defined in this section of the Tenth Report have the meaning ascribed to them in the Claims Procedure Order.

- 5.2 On June 20, 2023, the Court granted the Claims Procedure Order approving the Claims Procedure for the identification, quantification, and resolution of claims of certain creditors of the Applicant and the Applicant's current and former Directors and Officers as at the date of the Initial Order.
- 5.3 Pursuant to the Claims Procedure Order, the deadline for the filing of:
- (i) Pre-filing Claims and Director / Officer Claims was August 18, 2023 (the “**Claims Bar Date**”); and
 - (ii) Restructuring Period Claims was the later of: (a) 30 days after the date on which the Monitor sends a Claims Package with respect to a Restructuring Period Claim; and (b) the Claims Bar Date.
- 5.4 A summary of filed Claims as of the applicable deadlines is included in the Prior Reports. As of the date of the Ninth Report, only one (1) Pre-filing Claim, in the amount of approximately \$3.75 million for wrongful termination filed by a former employee, which was subject to a NORD issued by the Monitor on December 20, 2023, remained outstanding (the “**Employee Claim**”). The Monitor received a Notice of Dispute of Revision or Disallowance from the Claimant on January 3, 2024, and subsequently engaged in discussions to resolve the claim. Since the last motion in the CCAA Proceedings, the Monitor and the Claimant have resolved the Employee Claim.

Illustrative Estimated Creditor Recoveries

- 5.5 The Monitor has prepared an illustrative estimated recoveries analysis based on information available as at the date of this Tenth Report, and on the basis that the Proposed

Settlement Approval Order is granted by this Court and the Required Approvals are obtained (the “**Illustrative Recoveries Analysis**”):

Illustrative Recoveries Analysis <i>CAD \$000's</i>	
Gross Pension Surplus	\$ 4,779
Less: Estimated Administrator Expenses	(220)
Less: Estimated Agreed Expenses	(362)
Estimated Net Surplus	4,197
Company Share of Net Surplus (55% of \$4,197)	2,309
Add: Remaining CCAA Cash Pool (USD \$770) ⁹	1,059
Less: Unpaid Fees of Applicant's Canadian Counsel	(546)
Less: Est. Cost to Complete Claims Procedure and CCAA Wind-Down	(300)
Estimated Funds Available for Distribution	\$ 2,522
Total Resolved Claim Amount	\$ 31,076
Illustrative Recovery	8.1%

5.6 As per the Illustrative Recoveries Analysis above, if the Settlement Agreement with respect to surplus balances in the Plans is approved, the Monitor estimates approximately \$2.5 million of funds (net of accrued unpaid professional fees and the fees to complete the Claims Procedure and remaining wind-down activities) will be available for distribution in connection with the Claims Procedure. Based on the Illustrative Recoveries Analysis, the Monitor estimates that each Claimant with an accepted claim will receive a recovery of approximately 8.1% of their accepted claim amount.

5.7 As set out in the Ninth Report, without the Company’s share of the Net Surplus, the illustrative recoveries to unsecured creditors would have been approximately \$1.1 million, or a recovery of approximately 3.4%.

⁹ Based on Bank of Canada exchange rate (USD to CAD) as of August 13, 2025.

6.0 EXTENSION OF THE STAY PERIOD

6.1 The Stay Period currently expires on August 29, 2025.

6.2 The Monitor proposes that this Court extend the Stay Period to January 31, 2026 for the following reasons:

- (i) the stay of proceedings should provide the time necessary for the Monitor and Applicant to continue to pursue the distribution of surplus balance from the Plans, including the required approval of FSRA, provided that the Settlement Approval Order is granted;
- (ii) the stay of proceedings is required to provide the necessary stability and certainty to enable the Monitor to facilitate the wind-down of the CCAA Proceedings;
- (iii) the Remaining Canadian Designated Amount Portion, together with any funds received by the Applicant in respect of the Hourly DB Plan and/or Salaried DB Plan surplus funds, are expected to provide sufficient liquidity to fund the remaining costs anticipated to be incurred to complete the wind-down of the CCAA Proceedings (and any related wind-down proceedings such as formal bankruptcies); and
- (iv) the Applicant, with the assistance and oversight of the Monitor, continues to act in good faith and with due diligence.

6.3 Should the Settlement Approval Order and Stay Extension Order be granted, the Monitor intends to come back to Court before the expiry of the extended Stay Period for an order

authorizing the distribution of amounts held by the Monitor to the Applicant's unsecured creditors and providing for the termination of the CCAA Proceedings.

7.0 ACTIVITIES OF THE MONITOR SINCE THE DATE OF THE NINTH REPORT

7.1 Since the date of the Ninth Report, the activities of the Monitor have included the following:

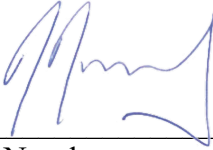
- (i) together with counsel, engaging in negotiations with Representative Counsel regarding the settlement of the entitlement to the surplus balance in the Plans and discussions with the Administrator of the Plans;
- (ii) working to resolve the Employee Claim;
- (iii) engaging in discussions with the Applicant's former management, as well as the Applicant's and the Monitor's legal counsel regarding the CCAA Proceedings, including certain limited wind-down activities;
- (iv) responding to inquiries from stakeholders, including addressing questions or concerns of parties who contacted the Monitor on the hotline number or email account established by the Monitor for the CCAA Proceedings;
- (v) posting non-confidential materials filed with this Court to the Case Website; and
- (vi) with the assistance of its legal counsel, preparing this Tenth Report.

8.0 CONCLUSIONS AND RECOMMENDATIONS

8.1 For the reasons set out in this Tenth Report, the Monitor respectfully recommends that this Court grant the proposed Settlement Approval Order and Stay Extension Order.

All of which is respectfully submitted to this Court this 18th day of August, 2025.

**ALVAREZ & MARSAL CANADA INC.,
solely in its capacity as Monitor of
1000156489 Ontario Inc. (f/k/a DCL Corporation)
and not in its personal or corporate capacity**

Per: 
Josh Nevsky
Senior Vice-President

APPENDIX “A”

**NINTH REPORT OF THE MONITOR DATED
JANUARY 21, 2025 (WITHOUT APPENDICES)**

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APPENDICES

Appendix “A” – Eighth Report of the Monitor dated June 18, 2024

1.0 INTRODUCTION

- 1.1 On December 20, 2022 (the “**Petition Date**”), 1000156489 Ontario Inc. (f/k/a DCL Corporation) (the “**Applicant**”) obtained an initial order (the “**Initial Order**”) from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The proceedings commenced thereby are referred to herein as the “**CCAA Proceedings**”. Among other things, the Initial Order appointed Alvarez & Marsal Canada Inc. (“**A&M**”) as monitor in the CCAA Proceedings (in such capacity, the “**Monitor**”).
- 1.2 In connection with the CCAA Proceedings, A&M, then in its capacity as proposed monitor, filed the Pre-Filing Report of the Proposed Monitor dated December 20, 2022 (the “**Pre-Filing Report**”). The Monitor has provided to this Court eight reports (collectively and together with the Pre-Filing Report, the “**Prior Reports**”). The Prior Reports and other Court-filed documents in the CCAA Proceedings are available on the Monitor’s case website at: www.alvarezandmarsal.com/DCLCanada (the “**Case Website**”).¹
- 1.3 The Applicant is a subsidiary of its U.S. parent, H.I.G. Colors Inc. (“**Holdings**”), a direct wholly-owned subsidiary of the ultimate corporate parent, H.I.G. Colors Holdings, Inc. (“**HIG Colors Holdings**” and, together with Holdings and its direct and indirect subsidiaries, including the Applicant and its subsidiaries, the “**DCL Group**”).
- 1.4 The CCAA Proceedings were commenced as part of a larger coordinated restructuring of the DCL Group. On the Petition Date, HIG Colors Holdings and certain of its U.S.-based

¹ Materials filed in connection with the Chapter 11 Proceedings are available at: <https://cases.ra.kroll.com/DCL>

subsidiaries (collectively, “**DCL US**” or the “**Chapter 11 Debtors**”)² each filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “**U.S. Bankruptcy Court**”, and such proceedings, the “**Chapter 11 Proceedings**”, and together with the CCAA Proceedings, the “**Restructuring Proceedings**”). On December 22, 2022, the U.S. Bankruptcy Court granted a number of “first day orders” in the Chapter 11 Proceedings.

- 1.5 On December 29, 2022, the Applicant obtained an amended and restated Initial Order (the “**Amended and Restated Initial Order**”) that, among other things, approved the DIP Facility and the Final DIP Credit Agreement, and extended the Stay Period (each as defined in the Amended and Restated Initial Order).
- 1.6 As described in the Prior Reports, the DCL Group conducted a sales process in the Restructuring Proceedings that culminated in a transaction (the “**Transaction**”) with Pigments Services, Inc. (“**Pigments**”), an affiliate of the prepetition term loan lenders to the Applicant and DCL US. On March 29, 2023, this Court issued an Order, which, among other things, approved the Transaction. The Transaction closed on April 14, 2023.
- 1.7 On May 8, 2023, this Court issued an Order, which, among other things: (i) granted the Monitor the Expanded Powers (as defined and described in the Monitor’s fifth report dated May 3, 2023 (the “**Fifth Report**”)), expanding the powers of the Monitor to, among other things, oversee the wind-down activities of the Applicant; and (ii) changed the style of cause in the CCAA Proceedings.

² The Chapter 11 Debtors are: HIG Colors Holdings, Holdings, DCL Holdings (USA), Inc., DCL Corporation (USA) LLC, DCL Corporation (BP), LLC, and Dominion Colour Corporation (USA).

- 1.8 On June 20, 2023, this Court issued an Order (the “**Claims Procedure Order**”), which, among other things: (i) granted the claims procedure (the “**Claims Procedure**”) by which creditors may file claims against the Applicant, or against the Applicant’s Directors or Officers, as applicable; and (ii) extended the Stay Period until and including December 31, 2023.
- 1.9 On December 6, 2023, this Court issued an Order, which, among other things, extended the Stay Period until and including June 30, 2024.
- 1.10 On June 21, 2024, this Court issued an Order, which, among other things, extended the Stay Period until and including January 31, 2025.
- 1.11 The purpose of this ninth report of the Monitor (this “**Ninth Report**”) is to provide this Court with information regarding the following:
- (i) an update with respect to the CCAA Proceedings since the Monitor’s eighth report dated June 18, 2024 (the “**Eighth Report**”), attached hereto as **Appendix “A”**;
 - (ii) an update on the Claims Procedure;
 - (iii) the Monitor’s motion for an Order, among other things, extending the Stay Period until and including August 29, 2025 (the “**Stay Extension Order**”);
 - (iv) the Monitor’s motion for an Order appointing Ursel Phillips Fellows Hopkinson LLP (“**Ursel Phillips**”) as representative counsel (“**Representative Counsel**”) for the Represented Parties (as defined herein) (the “**Representative Counsel Order**”);

- (v) the activities of the Monitor since the date of the Eighth Report; and
- (vi) the Monitor's conclusions and recommendations in connection with the foregoing, as applicable.

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this Ninth Report, A&M, in its capacity as Monitor, has been provided with and has relied upon unaudited financial information and the books and records prepared by the Applicant and the DCL Group (collectively, the "**Information**"). Except as otherwise described in this Ninth Report:

- (i) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("CASs") pursuant to the *Chartered Professional Accountants Canada Handbook* (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
- (ii) some of the information referred to in this Ninth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

2.2 Future oriented financial information referred to in this Ninth Report was prepared based on the Applicant's and the Chapter 11 Debtors' estimates and assumptions. Readers are

cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results may vary from the projections, even if the assumptions materialize, and the variations could be significant.

- 2.3 Unless otherwise stated, all monetary amounts contained in this Ninth Report are expressed in Canadian dollars (“**CAD**”). Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Prior Reports or the Second Amended and Restated Sale Agreement dated as of March 28, 2023, between the Applicant, DCL US and Pigments (as appended to the Fifth Report), as applicable.

3.0 UPDATES SINCE THE DATE OF THE EIGHTH REPORT

Registered Pension Plans

- 3.1 As described in the Fifth, Sixth, Seventh and Eighth Reports, the Applicant is the sponsor of the following registered pension plans: (i) the Salaried DC Plan; (ii) the Hourly DC Plan; (iii) the Hourly DB Plan;³ (iv) the Salaried DB Plan⁴; and (v) the Pension Plan for the Employees of Monteith Inc. registered under the *Pension Benefits Act* (Ontario) and the *Income Tax Act* (Canada) with registration number 1046994 (the “**Canadian Pension Plans**”). The Canadian Pension Plans were not assumed by Pigments as part of the Transaction.
- 3.2 On October 18, 2023, Wind-Up Orders (copies of which were attached to the Eighth Report) were issued by the Financial Services Regulatory Authority of Ontario (“**FSRA**”)

³ “**Hourly DB Plan**” means the DCL Corporation Hourly Pension Plan registered under the *Pension Benefits Act* (the “**PBA**”) and the *Tax Act* with registration number 0401455.

⁴ “**Salaried DB Plan**” means the DCL Corporation Salaried Pension Plan registered under the *PBA* and the *Tax Act* with registration number 0989616.

in respect of the Hourly DB Plan and Salaried DB Plan, effective April 14, 2023. Wind-up reports filed with FSRA dated December 11, 2023 for the Hourly DB Plan and Salaried DB Plan (the “**Wind-Up Reports**”) (copies of which were attached to the Eighth Report) show that as of April 14, 2023, being the wind-up date for both plans, the Salaried DB Plan had an estimated wind-up surplus of approximately \$2,770,900, and the Hourly DB Plan had an estimated wind-up surplus of approximately \$1,580,300. On February 11, 2024, FSRA approved the Wind-Up Reports. Both Wind-Up Reports provide that the allocation of surplus will be dealt with in a subsequent report to be filed with FSRA.

- 3.3 As discussed in the Fifth, Sixth, Seventh and Eighth Reports, once the liabilities of the Hourly DB Plan or the Salaried DB Plan were settled, if surplus assets remained, such assets would be allocated in accordance with each plan’s governing documents or as may otherwise be agreed with the Applicant’s plan members or as ordered by the Court. Absent a court order determining surplus ownership, or agreement with plan members, entitlement to any surplus would be adjudicated by FSRA, and in any case, the distribution of such surplus would be subject to the oversight and consent of FSRA.
- 3.4 Based on conversations held between the Applicant’s legal counsel and the appointed administrator of the Hourly DB Plan and Salaried DB Plan, the Monitor understands that both the Hourly DB Plan and Salaried DB Plan liabilities have been paid out or secured via a purchase of annuities. As a result, there is a crystalized surplus of approximately \$1.8 million in the Hourly DB Plan and \$2.6 million in the Salaried DB Plan. The Monitor further understands that the appointed administrator for both plans intends to file updates to the Wind-Up Reports as of December 31, 2024 reflecting the foregoing.

- 3.5 Surplus entitlement in a pension plan may be settled by member vote, by court order, or by FSRA, following which FSRA will oversee the distribution of such surplus in accordance with such agreement, order or finding.
- 3.6 It is the current intention of the Monitor to bring a motion requesting orders and/or declarations from the Court regarding surplus entitlement in the Hourly DB Plan and Salaried DB Plan. As described further below, in addition to engaging in discussions with counsel to Teamsters Chemical, Energy and Allied Workers (Local Union NO. 1979) (the “**Union**”), the Monitor is seeking the proposed Representative Counsel Order to appoint Ursel Phillips as Representative Counsel for both the members of the Hourly DB Plan and members of the Salaried DB Plan for purposes of representing the members of those plans in any such motion and in any negotiations regarding surplus entitlement in order to achieve the members’ consent to such motion.
- 3.7 The Monitor is of the view that this is the most efficient method of advancing the surplus entitlements in the Hourly DB Plan and the Salaried DB Plan, and notes that any recovery to the Applicant on account of such entitlements may increase the recoveries available to the Applicant’s unsecured creditors pursuant to the Claims Procedure in the CCAA Proceedings, as described further below.

Amounts Received by the Monitor on Closing

- 3.8 As described in the Sixth, Seventh and Eighth Reports, the Monitor received the following amounts from Pigments upon the closing of the Transaction:
- (i) the Canadian Designated Amount Portion of USD\$575,000 (\$753,000);

- (ii) the CCAA Cash Pool of USD\$750,000; and
- (iii) USD\$1,442,134.50 in respect of the amount of HST potentially exigible on the Transaction, to be held by the Monitor in trust.⁵

Canadian Designated Amount Portion

- 3.9 The Canadian Designated Amount Portion was established to pay all remaining costs, professional fees and other amounts in connection with the completion of the CCAA Proceedings and the wind-down of the Applicant.
- 3.10 In addition to the original Canadian Designated Amount Portion paid to the Monitor, (i) amounts from HST refunds and accrued interest, together with (ii) an amount transferred from the CCAA Cash Pool to cover fees in connection with the Claims Procedure, have been used to pay professional fees and costs. As of the date of this Ninth Report, approximately \$963,200 of professional fees and costs have been paid to the Applicant's counsel (approximately \$425,000), the Monitor (approximately \$255,000), the Monitor's counsel (approximately \$220,000) and tax advisors (approximately \$60,000) in connection with the completion of the CCAA Proceedings, the Claims Procedure (discussed below) and the wind-down of the Applicant.
- 3.11 As set out in the Eighth Report, the Monitor notes that these balances do not include: (i) deferred fees of the Applicant's Canadian counsel of approximately USD\$360,000 incurred prior to closing of the Transaction, which were deferred by counsel to accommodate the closing of the Transaction and the Applicant's cash flow constraints; and

⁵ As further described in the Seventh and Eighth Reports, such amount was returned by the Monitor to Pigments following the parties agreeing on arrangements satisfactory to the Monitor to allow for same.

(ii) unpaid fees of the Applicant's Canadian counsel of approximately \$50,000 incurred after the closing of the Transaction. It is contemplated that the above deferred and unpaid fees will be paid from any recoveries obtained by the Applicant in connection with the Hourly DB Plan and Salaried DB Plan surplus entitlements, and any available funds in the Canadian Designated Amount Portion.

3.12 As set out in the following table, approximately \$6,900 remains in the Monitor's trust account, which is currently reserved to fund remaining professional fees anticipated to be incurred for final tax related and pension related work by the Monitor, the Monitor's legal counsel, and the Applicant's legal counsel (the "**Remaining Canadian Designated Amount Portion**").

Canadian Designated Amount Portion CAD \$000's	
Initial funded amount	\$ 753.0
Add: HST refund ⁶	134.1
Add: Interest and other receipts	34.6
Add: Funds transferred from the CCAA Cash Pool	48.4
Less: Restructuring professional & tax advisory fees	(963.2)
Remaining Canadian Designated Amount Portion	\$ 6.9

It is contemplated that any professional fees incurred for final tax related and pension related work by the Monitor, the Monitor's legal counsel, and the Applicant's legal counsel, including in connection with the distribution of the surplus entitlements from the pension plans, will be paid from any recoveries obtained by the Applicant in connection

⁶ As described in the Seventh and Eighth Reports, the Canada Revenue Agency (the "CRA") performed an audit of the Applicant's HST account relating to the post-filing period, which was completed in January 2024. The refund that was being held by the CRA in the amount of approximately \$134,100 was subsequently released to the Applicant.

with the Hourly DB Plan and Salaried DB Plan surplus entitlements, and any available funds remaining in the Canadian Designated Amount Portion.

CCAA Cash Pool

- 3.13 As of the date of this Ninth Report, the Monitor is holding approximately USD \$767,000 in the CCAA Cash Pool (including accrued interest, net of the \$48,400 transferred to the Canadian Designated Amount Portion described above) for the benefit of the Applicant's estate in the CCAA Proceedings, including any costs to administer the CCAA Proceedings. A small portion of this balance will be used to administer and complete the Claims Procedure. The Monitor does not anticipate these costs to be greater than an additional \$50,000.

4.0 UPDATE ON THE CLAIMS PROCEDURE

Overview

- 4.1 Capitalized terms used but not defined in this section of the Ninth Report have the meaning ascribed to them in the Claims Procedure Order.
- 4.2 On June 20, 2023, the Court granted the Claims Procedure Order approving the Claims Procedure for the identification, quantification, and resolution of claims of certain creditors of the Applicant and the Applicant's current and former Directors and Officers as at the date of the Initial Order.
- 4.3 Pursuant to the Claims Procedure Order, the deadline for the filing of:
- (i) Pre-filing Claims and Director / Officer Claims was August 18, 2023 (the "**Claims Bar Date**"); and

- (ii) Restructuring Period Claims was the later of: (a) 30 days after the date on which the Monitor sends a Claims Package with respect to a Restructuring Period Claim; and (b) the Claims Bar Date.

Status of Review and Assessment of Claims against the Applicant

- 4.4 A summary of filed Claims as of the applicable deadlines is included in the Seventh and Eighth Reports.
- 4.5 On August 9, 2024, the CRA filed a proof of claim with the Monitor for a total of \$2,648.44 for an unsecured claim related to penalties and interest in respect to the Applicant's failure to file an Annual Information Return for the 2022 period, which has been reviewed and accepted by the Monitor.
- 4.6 As described in the Eighth Report, one (1) Pre-filing Claim, in the amount of approximately \$3.75 million for wrongful termination filed by a former employee, was subject to a NORD which was issued by the Monitor on December 20, 2023. The Monitor subsequently received a Notice of Dispute of Revision or Disallowance from the respective Claimant on January 3, 2024. The Monitor and the Claimant have continued to engage in ongoing discussions to resolve the claim and the Monitor anticipates a settlement will be reached in the near term (the "**Unresolved Claim**").

Illustrative Estimated Creditor Recoveries

- 4.7 The Monitor has prepared an illustrative estimated recoveries analysis based on information available as at the date of this Ninth Report (the "**Illustrative Recoveries Analysis**"):

Illustrative Recoveries Analysis	
CAD \$000's	
CCAA Cash Pool (USD\$750,000) ⁷	\$1,083
Add: Deposit interest earned as of January 2025 (USD\$38,000)	76
Less: Funds transferred to the Canadian Designated Amount Portion (USD\$35,000)	(48.4)
Less: Estimated Cost to Complete Claims Procedure	(50)
Remaining CCAA Cash Pool for Distribution	\$1,060.6
Resolved Claim Amount	\$30,796
Unresolved Claim Amount per Proposed Revision	280
Total Claim Amount	\$31,076
Illustrative Recovery	3.4%

4.8 As per the Illustrative Recoveries Analysis above, the Monitor continues to hold the balance of the CCAA Cash Pool, which has been reduced by an estimated \$50,000 on account of remaining costs to administer and complete the Claims Procedure. Based on the Illustrative Recoveries Analysis, the Monitor estimates that each Claimant with an accepted claim will receive a recovery of approximately 3.4% of their accepted claim amount. The Monitor cautions that the estimated illustrative recovery may change depending on the final settlement amount of the Unresolved Claim.

4.9 As described herein, the Applicant and the Monitor continue to pursue a potential recovery to the Applicant from the surplus balances remaining after the wind-down of the Hourly DB Plan and Salaried DB Plan. Any recovery from this process, net of accrued unpaid professional fees, would be incremental to the above Illustrative Recoveries Analysis and may potentially increase the recovery to the Applicant's unsecured creditors in the CCAA Proceedings.

⁷ Based on Bank of Canada exchange rate (USD to CAD) as of January 17, 2025.

5.0 REPRESENTATIVE COUNSEL ORDER

- 5.1 The Monitor proposes that this Court grant the Representative Counsel Order, appointing Ursel Phillips as Representative Counsel for all members of both the Hourly DB Plan and the Salaried DB Plan (save and except those that opt-out of such representation) (the “**Represented Parties**”) for purposes of representing the Represented Parties’ rights in any entitlement to surplus under the Hourly DB Plan and the Salaried DB Plan. The proposed Representative Counsel Order provides for the appointment of up to three representatives to, among other things, instruct Representative Counsel on behalf of the members of the Salaried DB Plan (the “**Salaried Plan Representatives**”) and one representative, being a representative of the Union (collectively with the Salaried Plan Representatives, the “**Representatives**”) to, among other things, instruct Representative Counsel on behalf of the members of the Hourly DB Plan.
- 5.2 As described above, the Monitor intends to bring a motion to request the Court to adjudicate the entitlement to the pension surplus in the Salaried DB Plan and the Hourly DB Plan, with the distribution of such pension surplus remaining subject to the oversight and consent of FSRA.
- 5.3 It is the Monitor’s view that the appointment of Representative Counsel pursuant to the proposed Representative Counsel Order will facilitate and streamline negotiations with respect to entitlement to the surplus balances in the Hourly DB Plan and Salaried DB Plan. Representative Counsel will represent the Represented Parties in such negotiations and at the proposed surplus pension entitlement motion and protect the interests of the Represented Parties in the CCAA Proceedings. It is intended that Representative Counsel’s involvement will assist in simplifying the surplus distribution process for the benefit of the

Applicant and the Represented Parties and allow this key outstanding matter in the CCAA Proceedings to progress efficiently and expeditiously to resolution. To the extent that this process undertaken with the involvement of Representative Counsel results in a recovery to the Applicant from the surplus balances, such recovery may potentially increase the recovery available to the Applicant's unsecured creditors in the CCAA Proceedings.

- 5.4 Ursel Phillips has extensive experience acting as representative counsel for employees and retirees of major Canadian companies seeking to preserve their pensions, benefits and severance entitlements during CCAA proceedings, including Air Canada, Sears Canada and Essar Steel Algoma and, most recently, was appointed as employee representative counsel in the CCAA proceedings of Nordstrom Canada.
- 5.5 The proposed Representative Counsel Order provides that Representative Counsel's fees and disbursements will be paid in accordance with the terms of the engagement letter entered into between Ursel Phillips and the Monitor, on behalf of the Applicant (the "**Representative Counsel Letter**"). Among other things, the Representative Counsel Letter provides that Representative Counsel will issue monthly invoices to the Applicant and the Monitor, subject to a global cap of no more than 5% of the gross pension surplus amount (the "**Global Fee Cap**"), to be paid out of the pension surplus, on a *pro rata* basis between the pension surplus amounts for each of the Salaried DB Plan and Hourly DB Plan, following the Court's determination of the Monitor's intended motion regarding pension surplus entitlement and approval for such distribution by FSRA. Professional time for services rendered by the Representative Counsel will be invoiced at Ursel Phillips' customary hourly rates. Representative Counsel is also permitted to engage local counsel, advisors and assistants as determined by Representative Counsel with the written approval

of the Applicant and the Monitor. The Applicant and the Monitor shall have no liability whatsoever for the fees and disbursements incurred by Representative Counsel.

5.6 Further, the proposed Representative Counsel Order requires that (i) notice of the Representative Counsel Order, if granted, will be provided to all Represented Parties; and (ii) any individual Represented Party who does not wish to be represented by Representative Counsel may opt out of representation by delivering an opt-out notice in the form attached as Schedule “A” to the proposed Representative Counsel Order.

5.7 As discussed above, if the proposed Representative Counsel Order is granted by this Court and the parties reach agreement regarding surplus entitlement under the Hourly DB Plan and the Salaried DB Plan, the Monitor intends to seek orders and/or declarations from the Court regarding pension surplus entitlement, with the support of Representative Counsel, which will then be submitted to FSRA, in accordance with the *Pension Benefits Act* (Ontario).

5.8 Counsel for the Monitor is engaged in discussions with Representative Counsel to set out a reasonable timetable for appointment of the Representatives, completion of the negotiations regarding pension surplus entitlement, and the subsequent proposed pension surplus entitlement motion.

6.0 EXTENSION OF THE STAY PERIOD

6.1 The Stay Period currently expires on January 31, 2025.

6.2 The Monitor proposes that this Court extend the Stay Period to August 29, 2025 for the following reasons:

- (i) the stay of proceedings should provide the time necessary for the Monitor to reach a settlement of the Unresolved Claim and to administer the CCAA Cash Pool and for the Monitor and Applicant to continue to pursue the surplus balance from the Hourly DB Plan and Salaried DB Plan;
- (ii) the stay of proceedings is required to provide the necessary stability and certainty to enable the Monitor to facilitate the wind-down of the CCAA Proceedings;
- (iii) the Remaining Canadian Designated Amount Portion and approximately \$50,000 of the CCAA Cash Pool, together with any funds received by the Applicant in respect of the Hourly DB Plan and/or Salaried DB Plan surplus funds, are expected to provide sufficient liquidity to fund the remaining costs anticipated to be incurred to complete the wind-down of the CCAA Proceedings (and any related wind-down proceedings such as formal bankruptcies); and
- (iv) the Applicant, with the assistance and oversight of the Monitor, continues to act in good faith and with due diligence.

7.0 ACTIVITIES OF THE MONITOR SINCE THE DATE OF THE EIGHTH REPORT

7.1 Since the date of the Eighth Report, the activities of the Monitor have included the following:

- (i) administering the Claims Procedure, including working to resolve the Unresolved Claim;

- (ii) engaging in discussions with the Applicant's former management, as well as the Applicant's and the Monitor's legal counsel regarding the CCAA Proceedings, including certain limited wind-down activities;
- (iii) engaging in discussions with the Applicant's legal counsel, appointed administrators of the Hourly DB Plan and Salaried DB Plan, Union counsel regarding the Hourly DB Plan, and Ursel Phillips regarding its engagement and the Salaried DB Plan and the Hourly DB Plan;
- (iv) corresponding with the CRA regarding various tax matters;
- (v) engaging with the Applicant's tax advisor regarding the preparation of the Applicant's 2024 income tax returns for the period ending March 31, 2024, sales tax returns, and the preparation of various tax election forms;
- (vi) responding to inquiries from stakeholders, including addressing questions or concerns of parties who contacted the Monitor on the hotline number or email account established by the Monitor for the CCAA Proceedings;
- (vii) posting non-confidential materials filed with this Court to the Case Website; and
- (viii) with the assistance of its legal counsel, preparing this Ninth Report.

8.0 CONCLUSIONS AND RECOMMENDATIONS

- 8.1 For the reasons set out in this Ninth Report, the Monitor respectfully recommends that this Court grant the proposed Stay Extension Order and Representative Counsel Order.

All of which is respectfully submitted to this Court this 21st day of January, 2025.

**ALVAREZ & MARSAL CANADA INC.,
solely in its capacity as Monitor of
1000156489 Ontario Inc. (f/k/a DCL Corporation)
and not in its personal or corporate capacity**

Per:



Josh Nevsky
Senior Vice-President

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

Court File No.: CV-22-00691990-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
1000156489 ONTARIO INC.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

NINTH REPORT OF THE MONITOR

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capacity as Monitor of 1000156489 Ontario Inc. (f/k/a DCL
Corporation) and not in its personal or corporate capacity

APPENDIX “B”

**ADMINISTRATOR ESTIMATE FOR HOURLY
DB PLAN DATED MAY 21, 2025**

Memorandum



To: Jason Vary
From: Dean Newell
Date: May 21, 2025

Re: DCL Corporation Hourly Pension Plan – Remaining Surplus Estimate as at April 30, 2025

Purpose & Background

As requested, we have prepared an estimate of the remaining surplus for the DCL Corporation Hourly Pension Plan (the “Plan”) as at April 30, 2025. This estimate considers the settlement of the base benefits in the Plan, along with an estimate for future expenses.

As you will recall, the Plan was wound up on April 14, 2023, and the financial position of the Plan at that date was outlined in the wind-up report. The funded status of the Plan was also analyzed on October 28, 2024, in our memo of the same date, reflecting the final settlement costs for the base benefits in the Plan.

For clarity, the final settlement of the base benefits in the Plan included:

- the payout for the members who elected commuted values in November 2024;
- the annuity purchase, from Brookfield Annuity, for all other members paid in November 2024; and
- the monthly pension payments payable to the retired members until Brookfield Annuity assumed responsibility for the pension payments on February 1, 2025.

We can confirm that as at April 30, 2025, all base benefits in the Plan have been fully settled, as outlined above.

In preparing the estimate of the remaining surplus at April 30, 2025, we have simply taken the market value of assets in the pension fund for the Plan at that date, and reduced this by an estimate for future expenses of \$85,000.

Estimated Financial Position of the Plan

The following table provides a summary of the financial position of the Plan at:

- April 14, 2023 - the wind-up date;
- October 28, 2024 - reflecting the final settlement costs; and
- April 30, 2025 - reflecting the remaining surplus after all base benefits have been settled.

Estimated Financial Position of the Plan			
	April 14, 2023 – Wind-up Date	October 28, 2024 – Final Settlement Costs	April 30, 2025 – Remaining Surplus
Net Wind-up Assets			
Market Value of Assets	\$16,523,200	\$16,331,027	\$1,893,144
Contributions Receivable	0	0	0
Benefits Payable	(0)	(0)	(0)
Commuted Value Payments	n/a	(4,922,657)	(0)
Annuity Purchase Payment	n/a	(9,395,345)	(0)
Pension Payments Payable	n/a	(142,596)	(0)
Estimated Expense Provision	<u>(365,000)</u>	<u>(100,000)</u>	<u>(85,000)</u>
Net Wind-up Assets	\$16,158,200	\$1,770,429	\$1,808,144
Hypothetical Wind-up Liabilities	\$14,577,900	\$0	\$0
Wind-up Excess/(Deficiency)	\$1,580,300	\$1,770,429	\$1,808,144
Wind-up Funded Ratio	110.8%	n/a	n/a

Next Steps

I would be pleased to discuss this memo with you at your convenience.



APPENDIX “C”

**ADMINISTRATOR ESTIMATE FOR SALARIED DB PLAN
DATED MAY 21, 2025**

Memorandum



To: Jason Vary
From: Dean Newell
Date: May 21, 2025

Re: DCL Corporation Salaried Pension Plan – Remaining Surplus Estimate as at April 30, 2025

Purpose & Background

As requested, we have prepared an estimate of the remaining surplus for the DCL Corporation Salaried Pension Plan (the “Plan”) as at April 30, 2025. This estimate considers the settlement of the base benefits in the Plan, along with an estimate for future expenses.

As you will recall, the Plan was wound up on April 14, 2023, and the financial position of the Plan at that date was outlined in the wind-up report. The funded status of the Plan was also analyzed on October 28, 2024, in our memo of the same date, reflecting the final settlement costs for the base benefits in the Plan.

For clarity, the final settlement of the base benefits in the Plan included:

- the payout for the members who elected commuted values in November 2024;
- the annuity purchase, from Brookfield Annuity, for all other members paid in November 2024; and
- the monthly pension payments payable to the retired members until Brookfield Annuity assumed responsibility for the pension payments on February 1, 2025.

We can confirm that as at April 30, 2025, all base benefits in the Plan have been fully settled, as outlined above.

In preparing the estimate of the remaining surplus at April 30, 2025, we have simply taken the market value of assets in the pension fund for the Plan at that date, and reduced this by an estimate for future expenses of \$135,000.

Estimated Financial Position of the Plan

The following table provides a summary of the financial position of the Plan at:

- April 14, 2023 - the wind-up date;
- October 28, 2024 - reflecting the final settlement costs; and
- April 30, 2025 - reflecting the remaining surplus after all base benefits have been settled.

Estimated Financial Position of the Plan

	April 14, 2023 – Wind-up Date	October 28, 2024 – Final Settlement Costs	April 30, 2025 – Remaining Surplus
Net Wind-up Assets			
Market Value of Assets	\$41,245,700	\$40,720,949	\$2,886,020
Contributions Receivable	0	0	0
Benefits Payable	(0)	(117,513)	(0)
Commuted Value Payments	n/a	(8,167,972)	(0)
Annuity Purchase Payment	n/a	(29,139,759)	(0)
Pension Payments Payable	n/a	(543,770)	(0)
Estimated Expense Provision	<u>(450,000)</u>	<u>(100,000)</u>	<u>(135,000)</u>
Net Wind-up Assets	\$40,795,700	\$2,651,935	\$2,751,020
Hypothetical Wind-up Liabilities	\$38,024,800	\$0	\$0
Wind-up Excess/(Deficiency)	\$2,770,900	\$2,651,935	\$2,751,020
Wind-up Funded Ratio	107.3%	n/a	n/a

Next Steps

I would be pleased to discuss this memo with you at your convenience.



APPENDIX “D”

SETTLEMENT AGREEMENT DATED AUGUST 18, 2025

SURPLUS SHARING AGREEMENT

DCL CORPORATION HOURLY PENSION PLAN AND DCL CORPORATION SALARIED PENSION PLAN

THIS AGREEMENT (the “**Agreement**”) made as of the 18th day of August, 2025.

BETWEEN:

1000156489 ONTARIO INC. (F/K/A DCL CORPORATION),
a corporation governed by the province of Ontario
(the “**Company**”)

- and -

URSEL PHILLIPS FELLOWS HOPKINSON LLP, in its
capacity as Representative Counsel on behalf of the Represented
Parties (each as herein defined)

RECITALS:

- A.** The Company is the sponsor of the DCL Corporation Hourly Pension Plan (the “**Hourly Plan**”) and the DCL Corporation Salaried Pension Plan (the “**Salaried Plan**”) (collectively, the “**Plans**”). The Plans are registered in Ontario with the Financial Services Regulatory Authority of Ontario (“**FSRA**”).
- B.** On December 20, 2022, the Company obtained an initial order from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) under the *Companies Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended. The proceedings commenced thereby are referred to herein as the “**CCAA Proceedings**”. Among other things, the initial order appointed Alvarez & Marsal Canada Inc. as monitor in the CCAA Proceedings (in such capacity, the “**Monitor**”).
- C.** The Company conducted a sales process in the CCAA Proceedings that culminated in a transaction (the “**Transaction**”), whereby substantially all of the Company’s assets and business were sold. The Court issued an order approving the Transaction on March 29, 2023. The Transaction closed on April 14, 2023. The Plans were not assumed by the purchaser as part of the Transaction.

- D. On April 14, 2023, an order was issued by the Chief Executive Officer (“CEO”) of FSRA to appoint Actuarial Solutions Inc. as the administrator of the Plans (the “**Administrator**”).
- E. On October 18, 2023, the CEO issued an order to wind-up the Plans, effective April 14, 2023.
- F. As of November 2024, the Hourly Plan and Salaried Plan benefit liabilities had been fully paid to beneficiaries or secured via a purchase of annuities. Surplus assets remain in the Plans’ funds. As of April 30, 2025, the Administrator estimated the surplus before expenses (the “**Gross Surplus**”) to be \$1,893,144 in the Hourly Plan and \$2,886,020 in the Salaried Plan.
- G. Pursuant to an order dated January 28, 2025, the Court issued an order appointing Ursel Phillips Fellows Hopkinson LLP as representative counsel (in such capacity, “**Representative Counsel**”) to represent all persons entitled to benefits under both the Hourly Plan and the Salaried Plan (save and except those that opt out of such representation) (collectively, the “**Represented Parties**”) for purposes of representing the Represented Parties’ rights in any entitlement to surplus under the Plans (the “**Representative Counsel Order**”).
- H. Pursuant to the Representative Counsel Order, the Representative Counsel was entitled to form a committee, consisting of no more than three members of the Salaried Plan to advise Representative Counsel with respect to the surplus in the Salaried Plan, and no more than one union representative, to advise Representative Counsel with respect to the surplus in the Hourly Plan (collectively, the “**Representatives**”). The Representative Counsel subsequently appointed one member of the Salaried Plan and one union representative to serve as the Representatives of the Salaried Plan and Hourly Plan, respectively. Representative Counsel worked with the Representatives throughout this process to arrive at the resolution described herein. The Representatives have, in their advisory and representative capacities, approved this resolution.
- I. Pursuant to an order dated May 8, 2025, the Court granted the Monitor certain expanded powers, which included the authority to, on behalf of the Company or on its own behalf,

instruct and engage with any person regarding the Plans, and to the extent of any surplus assets held in connection with any of the Plans, to apply for such assets to be allocated in accordance with each of the Plans governing documents or as may otherwise be agreed with the applicable Plan members or as ordered by the Court.

- J.** The Monitor, on behalf of the Company, intends to seek a declaration that the Company is entitled to the surplus on wind-up of the Plans and an order approving this Agreement. Subject to the terms and conditions outlined herein, Representative Counsel, on behalf of the Represented Parties, hereby agrees to support the Monitor's request for such relief. This Agreement sets forth the formal conditions that will govern the terms of such support and the allocation and distribution of the Gross Surplus, less the fees of the Administrator, from the Plans to the Company and the Represented Parties, subject to the court and regulatory approvals contemplated herein.

THEREFORE, the parties agree as follows:

ARTICLE 1

EXECUTION

1.1 Parties to Be Bound

The execution of this Agreement by Representative Counsel on behalf of the Represented Parties shall, upon a copy of such signed Agreement being delivered to the Monitor on behalf of the Company, constitute the agreement of each of the Represented Parties to be bound by this Agreement and thereby evidence of his or her irrevocable consent to the terms and conditions herein. Representative Counsel is signing this Agreement on behalf of the Represented Parties, and not on its own behalf. For greater certainty, any subsequent action, consent or agreement by Representative Counsel pursuant to this Agreement shall likewise be binding on the Represented Parties.

ARTICLE 2

EXPENSES

2.1 Expenses

The parties have agreed that the following amounts shall be deducted from the Gross Surplus prior to the distribution contemplated in Section 5.1:

- (a) The fees and expenses incurred by the Administrator and approved for payment by FSRA in the amounts set out in the Tenth Report of the Monitor, to be filed (**“Administrator Expenses”**);
- (b) Subject to the limits set out in the Representative Counsel Order, the reasonable fees and expenses incurred by Representative Counsel in connection with the matters contemplated herein in the amounts set out in the Tenth Report of the Monitor, to be filed (**“Representative Counsel Expenses”**); and
- (c) The reasonable fees and expenses incurred by the Monitor and its counsel in connection with assessing and managing the Company’s entitlement to surplus from the Plans, negotiating with Representative Counsel, and bringing the court and regulatory proceedings contemplated herein in the amounts set out in the Tenth Report of the Monitor, to be filed (**“Monitor Expenses”**, and together with the Representative Counsel Expenses, the **“Agreed Expenses”**).

It is understood and agreed that Administrator Expenses and Agreed Expenses may include a reasonable estimate of the fees and expenses to be incurred for work to be completed after the Distribution Date (as defined herein).

2.2 Allocation of Expenses

Administrator Expenses shall be allocated to the Plans in such manner as is determined by the Administrator, subject to the approval of FSRA. Agreed Expenses shall be divided between the Plans on a pro rata basis based on the value of Gross Surplus in each Plan, relative to the total Gross Surplus in both Plans. Administrator Expenses and Agreed Expenses shall be deducted from the Gross Surplus prior to the determination of the Net Surplus as contemplated in Section 3.1.

2.3 Approval of Expenses

Representative Counsel shall be entitled to review and approve the Monitor’s determination of the Monitor Expenses, and the Monitor shall be entitled to review and approve the Representative Counsel Expenses. These approval rights shall be exercised in good faith and in a timely manner and prior to the Distribution Date.

ARTICLE 3

NET SURPLUS

3.1 Method for Determining Net Surplus

For each Plan, the assets available for distribution to the Company and the Represented Parties is equal to the Gross Surplus less the Administrator Expenses and the Agreed Expenses (each as allocated to such Plan as contemplated in Section 2.2), all as determined as at the Distribution Date (“**Net Surplus**”). Appendix “A” contains a sample calculation of the Net Surplus.

ARTICLE 4

SHARING OF THE NET SURPLUS

4.1 Surplus Split

The Net Surplus for each Plan shall be divided between the Represented Parties and the Company, with 45% of the Net Surplus being paid to the Represented Parties (the “**Represented Parties Share**”) and 55% of the Net Surplus being paid to the Monitor on behalf of the Company (the “**Company Share**”).

ARTICLE 5

ALLOCATION AND DISTRIBUTION

5.1 Allocation of the Represented Parties Share

The Representative Counsel shall be entitled to direct the Administrator to allocate to each Represented Party such proportion of the Represented Parties Share as Representative Counsel deems appropriate, as advised by the Representatives.

5.2 Distribution of Represented Parties Share

The Representative Counsel shall be entitled to direct the Administrator to distribute the Represented Parties Share to each Represented Party in accordance with Section 5.1, on or after the Distribution Date.

5.3 Method of Distribution to Represented Parties

Subject to the requirements of the *Pension Benefits Act* (Ontario) and the *Income Tax Act* (Canada), and conditional upon receipt of the Required Approvals (as defined herein), the Company shall take all commercially reasonable steps to amend the Plans to permit the distribution of the Represented Parties Share as follows:

- (a) Subject to Section 5.3(b), each Represented Party shall have the option of:
 - (i) receiving his or her individual allocation from the Net Surplus as a cash payment, less applicable tax deductions; or
 - (ii) as payment to a non-locked-in registered retirement savings plan, provided that the Represented Party certifies to the Representative Counsel or the Administrator that he or she has sufficient contribution room to allow such payment and that the payment to the Represented Party occurs before December 31 of the year he or she attains age 71.
- (b) The options described in Section 5.3(a) above are subject to and limited by applicable *Income Tax Act* (Canada) rules and any reasonable administrative limits imposed by the Representative Counsel or the Administrator acting reasonably and in consultation with Representative Counsel. The individual allocation of Net Surplus (or part of it) may be paid in the form of cash, less applicable withholdings, if the administrative limits are not complied with by the Represented Party or if the *Income Tax Act* (Canada) prevents the payment in the form elected by the Represented Party.
- (c) Neither the Company (or the Monitor on its behalf) nor Representative Counsel or the Representatives shall be under any obligation to provide any tax advice or other financial planning advice to Represented Parties in respect of the options described in Section 5.3(a).

5.4 Deceased Represented Parties

If a Represented Party dies after the wind up date applicable to the particular Represented Party but before the Distribution Date, the deceased Represented Party's individual

allocation from the Net Surplus shall be paid to his or her spouse, designated beneficiary or estate, as a cash payment, less applicable withholdings.

5.5 Payment in Respect of a Deceased Represented Party Not Otherwise Contemplated

Notwithstanding the foregoing, should any situation arise involving a deceased Represented Party or the death of any other person entitled to a payment pursuant to this Agreement that is not expressly contemplated in Section 5.4, then any affected individual Net Surplus allocation payable in respect of the deceased Represented Party shall be paid to the appropriate person in such amount as is reasonably and in good faith determined by the Representative Counsel to be within the spirit and intent of this Agreement.

5.6 Payment of Company Share and Monitor Expenses

The Company Share shall be paid to the Monitor on behalf of the Company as soon as practicable following receipt of the Required Approvals, but no later than the date of the first distribution of Net Surplus shares to the Represented Parties (the date of such first distribution, the “**Distribution Date**”).

ARTICLE 6

COURT AND REGULATORY PROCEEDINGS AND MUTUAL CO-OPERATION

6.1 Required Approvals

The Monitor, on behalf of the Company, shall (a) bring a motion before the Court in the CCAA Proceedings for a declaration that the Company is entitled to the surplus in the Plans for the purposes of paragraph 79(3)(b) of the *Pension Benefits Act* (Ontario) and for the approval of this Agreement; and (b) thereafter, seek regulatory approval by FSRA for the payment of the Company Share to the Monitor on behalf of the Company and for the payment of the Represented Parties Share to the Represented Parties (collectively, the “**Required Approvals**”). Representative Counsel, on behalf of the Represented Parties, shall support the Monitor in seeking and obtaining the Required Approvals.

6.2 Other Actions

In the event that the Monitor determines that further action is required to obtain any court or regulatory approval, the Monitor, in consultation with Representative Counsel, will

take such steps as the Monitor, acting reasonably and in good faith, deems appropriate in order to give effect to this Agreement.

6.3 Mutual Co-operation

The parties acknowledge that they will fully co-operate and will proceed expeditiously with all steps necessary to achieve the sharing of Net Surplus in accordance with the terms of this Agreement.

Each party agrees not to commence or continue any proceeding before FSRA or the Financial Services Tribunal of Ontario in connection with the settlement contemplated herein other than in accordance with this Agreement.

In the event that a Represented Party commences or threatens to commence any proceedings against the Company or the Monitor in respect of this Agreement and the settlement contemplated herein, Representative Counsel, on behalf of the Representatives, agrees to support the Monitor in opposing any such threatened or actual proceeding.

ARTICLE 7

TERMINATION AND RELEASES

7.1 Implementation and Termination of Agreement

- (a) Notwithstanding any other provision of this Agreement, it is expressly understood and agreed that the implementation of this Agreement is subject to, and dependent upon, receipt of all Required Approvals.
- (b) This Agreement may be terminated:
 - (i) by written agreement between the Monitor on behalf of the Company and Representative Counsel;
 - (ii) by either the Monitor on behalf of the Company or Representative Counsel, if the other party is in material breach of this Agreement and such breach has not been cured within five business days following receipt

by such party of written notice of such breach, or such further additional time as the parties may mutually agree; or

- (iii) by either the Monitor on behalf of the Company or Representative Counsel, on written notice to the other, if, upon the completion of the process contemplated in Article 6, any Required Approval is not granted pursuant to a final, non-appealable decision, order or decree that prohibits or enjoins the settlement contemplated herein.

7.2 Release and Discharge

Following the distribution of Net Surplus assets in accordance with the requirements of this Agreement, the Represented Parties hereby release and discharge the Plans, the Monitor, the Company, Representative Counsel, and each of their respective affiliates, subsidiaries, predecessors and successors, and their respective directors, officers, employees and agents, and the Representatives, from all demands, actions, causes of action, proceedings and claims whatsoever arising out of the wind ups or the division and distribution of surplus assets pursuant to this Agreement.

ARTICLE 8

GENERAL

8.1 Successors and Assigns

This Agreement shall be binding on and shall enure to the benefit of the Company and its successors, assigns, officers, employees, agents and directors and the Represented Parties and their heirs, successors, executors, administrators, assigns and agents.

8.2 Amendment

This Agreement may be amended by written agreement of the Monitor on behalf of the Company and Representative Counsel.

8.3 Counterparts

This Agreement may be executed in counterparts, and signed counterparts may be transmitted by facsimile and each such facsimile shall be deemed to be an original.

8.4 Paragraphs and Headings for Convenience Only

The division of this Agreement into paragraphs and the inclusion of headings is for convenience of reference only and shall not affect the construction or interpretation hereof.

8.5 Governing Law

This Agreement shall be governed and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

8.6 Severability

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof, and any such invalid or unenforceable provisions shall be deemed to be severable.

8.7 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. There are no oral warranties or representations or other agreements between the parties in connection with the subject matter, except as specifically set forth or referred to herein. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

8.8 Canadian Currency

All amounts stated herein are in Canadian currency.

IN WITNESS OF WHICH the parties have duly executed this Agreement as of the date first written above.

By:



Susan Ursel

Ursel Phillips Fellows Hopkinson
LLP, in its capacity as
Representative Counsel on behalf
of the Represented Parties

By:

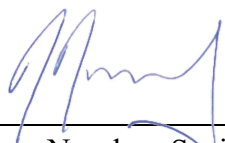
Joshua Nevsky, Senior Vice President,
Alvarez & Marsal Canada Inc., solely in
its capacity as Monitor of 1000156489
Ontario Inc. (f/k/a DCL Corporation) and
not in its personal or corporate capacity

1000156489 Ontario Inc. (f/k/a DCL
Corporation)

IN WITNESS OF WHICH the parties have duly executed this Agreement as of the date first written above.

By: _____
Susan Ursel

Ursel Phillips Fellows Hopkinson
LLP, in its capacity as
Representative Counsel on behalf
of the Represented Parties

By:  _____
Joshua Nevsky, Senior Vice President,
Alvarez & Marsal Canada Inc., solely in
its capacity as Monitor of 1000156489
Ontario Inc. (f/k/a DCL Corporation) and
not in its personal or corporate capacity

1000156489 Ontario Inc. (f/k/a DCL
Corporation)

APPENDIX A – Example Calculation

	Hourly Plan	Salaried Plan	Total
Gross Surplus (as at April 30, 2025)	1,893,144	2,886,020	4,779,164
Less: Administrator Expenses*	(85,000)	(135,000)	(220,000)
Less: Representative Counsel Expenses*	(54,000)	(82,000)	(136,000)
Less: Monitor Expenses*	(90,000)	(136,000)	(226,000)
Net Surplus	1,664,144	2,533,020	4,197,164
Surplus Split:			
Represented Parties Share (45%)	748,864.80	1,139,859.00	1,888,723.80
Company Share (55%)	915,279.20	1,393,161.00	2,308,440.20
Net Surplus	1,664,144.00	2,533,020.00	4,197,164.00

* Expenses set out above are illustrative only and will be calculated based on actual expenses as at the Distribution Date.

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

Court File No.: CV-22-00691990-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
1000156489 ONTARIO INC.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

TENTH REPORT OF THE MONITOR

OSLER, HOSKIN & HARCOURT LLP

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Counsel for Alvarez & Marsal Canada Inc., solely in its
capacity as Monitor of 1000156489 Ontario Inc. (f/k/a DCL
Corporation) and not in its personal or corporate capacity