

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE ) TUESDAY, THE 3<sup>rd</sup>  
 )  
JUSTICE CAVANAGH ) DAY OF MAY, 2024

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
NATIONAL TRAFFIC SAFETY MANAGEMENT INC.,  
IN THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**ORDER**

**THIS MOTION**, made by National Traffic Safety Management Inc. (“**National**”), for an order,

- (a) approving the Amended and Restated DIP Term Sheet between the Company and J9 Investments Inc. dated April 30, 2024 (“**Amended DIP Term Sheet**”) and granting an increase to the DIP Charge to secure the DIP Loan;
- (b) granting the Administration Charge to secure the fees and disbursements of TDB Restructuring Limited (the “**Proposal Trustee**”), the Proposal Trustee’s counsel and the Company’s counsel (collectively, the “**Administrative Professionals**”);
- (c) granting the D&O Charge; and
- (d) extending the time required for the Company to file its proposal from May 5, 2024, the date the current stay expires, to June 19, 2024,

was heard this day at 330 University Avenue, Toronto, Ontario via videoconference.

**ON READING** the Notice of Motion, the Affidavit of Michael Spencley sworn on May 1, 2024 and the exhibits thereto (the “**Spencley Affidavit**”) and the Second Report of the Proposal Trustee dated May 2, 2024, and on hearing the submissions of counsel for National and other such parties in attendance, as shown on the Participant Information Form, filed.

#### **AMENDMENT OF DIP FACILITY**

1. **THIS COURT ORDERS** that the amendment of the debtor-in-possession facility on the terms set out in the Amended and Restated DIP Term Sheet dated April 30, 2024 is hereby approved.

#### **ADMINISTRATION CHARGE**

2. **THIS COURT ORDERS** that the Administrative Professionals shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by National as part of the costs of these proposal proceedings.

3. **THIS COURT ORDERS** that the Proposal Trustee and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Proposal Trustee and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

4. **THIS COURT ORDERS** that the Administrative Professionals shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on all of the Debtors’ present and future assets, undertakings and property of every nature and kind whatsoever and wherever situate, including all proceeds thereof (collectively, the “**Property**”), which charge shall not exceed an aggregate amount of \$100,000 (before HST), as security for payment of their

respective professional fees and disbursements incurred at their standard hourly rates, both before and after the making of this Order, in respect of this proceeding. The Administration Charge shall have the priority set out in paragraphs 8 and 10 hereof.

#### **D&O CHARGE**

5. **THIS COURT ORDERS** that the Debtors shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Debtors after the commencement of the Proposal Proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

6. **THIS COURT ORDERS** that the directors and officers of the Debtors shall be entitled to the benefit of and are hereby granted a charge (the "**D&O Charge**") on the Property in the amount of \$350,000, as security for the indemnity provided in paragraph 5 of this Order. The D&O charge shall have the priority set out in paragraph 8 and 10 **Error! Reference source not found.** herein.

7. **THIS COURT ORDERS** that notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim that benefit of the D&O Charge, and (b) the Debtors' directors and officers shall only be entitled to the benefit of the D&O Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 5 of this Order.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

8. **THIS COURT ORDERS** that the priorities of the Administration Charge, D&O Charge

and the DIP Charge (collectively, the “**Charges**”), as among them, shall be as follows with respect to the Property described below:

First – Administration Charge

Second – the D&O Charge to the extent of \$100,000

Third – DIP Charge

Fourth – the balance of the D&O Charge

9. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

10. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

11. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtors shall not grant any Encumbrances over any Property that rank in priority to, or pari passu with, any of the Charges, unless the Debtors also obtain the prior written consent of the Proposal Trustee, and the beneficiaries of the Administration Charge, the DIP Charge and the D&O Charge, or further Order of this Court.

12. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) the bankruptcy of the Debtors; (c) the provisions of any federal or provincial statutes; or (d) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds any of the Debtors, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Debtors of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

### **EXTENSION OF TIME TO FILE A PROPOSAL**

13. **THIS COURT ORDERS** that pursuant to Section 50.4(9) of the BIA, the time for the Debtors to file a proposal is hereby extended to June 19, 2024 (as that date may be extended by further order of the Court).

### **GENERAL**

14. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

15. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, to give effect to this Order and to assist National, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to National and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist National and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

16. **THIS COURT ORDERS** that National or the Proposal Trustee shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

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

18. **THIS COURT ORDERS** that this Order is effective from today's date and it is made and enforceable without any need for entry or filing.

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Court File No.: BK-24-03064916-0031

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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**ORDER**

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