



NO. VLC-S-B-220120  
ESTATE NO. 11-2805687  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
VES-ARTEX SYSTEMS USA, LLC

**ORDER MADE AFTER APPLICATION**

BEFORE THE HONOURABLE )  
MADAM JUSTICE FORTH ) TUESDAY, THE 10<sup>th</sup> DAY  
 ) DAY OF MAY, 2022  
 )

**UPON THE APPLICATION** of MNP Ltd. (“MNP”), in its capacity as Trustee under the Notice of Intention to make a Proposal (in such capacity, the “**Proposal Trustee**”) of VES-Artex Systems USA, LLC (“**VES-Artex USA**”); **AND UPON READING** the materials filed; **AND UPON READING** the Amended Joint Proposal dated April 13, 2022 (the “**Amended Proposal**”) attached hereto as **Schedule “A”**; **AND UPON** being satisfied that the Amended Proposal is made in good faith, and that its terms are reasonable and calculated to benefit the general body of creditors; **AND UPON HEARING** from counsel for the Proposal Trustee;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**Definitions and Service**

1. All capitalized terms not otherwise defined in this Order shall have the meaning given to them in the Proposal or the Notice of Application for this Order, as applicable.
2. With respect to service of notice of this application and all accompanying materials, the dissemination of the Amended Proposal to VES-Artex USA’s creditors, as well as the Proposal Trustee’s service of notice of the Creditors’ Meeting, and all other matters of technical compliance under the *BIA*:
  - (a) Service of notice of this application and all supporting materials is abridged and is hereby deemed to be good and sufficient;

- (b) Proper notice of the Creditors' Meeting was given to the creditors of VES-Artex USA in accordance with the provisions of the *BIA*;
- (c) The Creditors' Meeting was convened and held pursuant to the provisions of the *BIA*; and
- (d) The Creditor Package, the Proposal Trustee's Form 40 Report, and all other materials required by the *BIA* to be sent to VES-Artex USA's creditors and the Office of the Superintendent of Bankruptcy were duly sent by the Proposal Trustee in accordance with the provisions of the *BIA*.

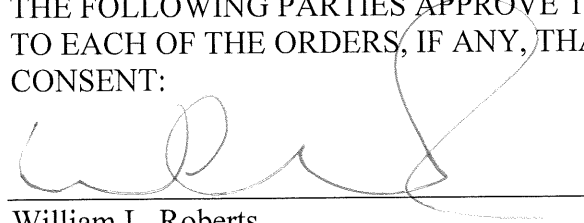
### **Approval of the Amended Proposal**

3. The Amended Proposal is made in good faith and its terms are fair and reasonable and are calculated to benefit the general body of Creditors.
4. The Amended Proposal has been agreed to and approved by a majority in number and two-thirds in value of VES-Artex USA's Proven Creditors present and voting either in person or by proxy at the Creditors' Meeting, as required by the *BIA*.
5. The Amended Proposal attached hereto is hereby approved and sanctioned, is effective in accordance with its terms and is binding upon and enures to the benefit of VES-Artex USA, the Affected Creditors, and all other Persons and parties named or referred to in, affected by, or subject to the Amended Proposal, including their respective heirs, administrators, executors, legal representatives, successors and assigns, as provided in the Amended Proposal, and in this Order.
6. VES-Artex USA and the Proposal Trustee are hereby authorized and directed to take all further actions or steps necessary or appropriate to implement and complete the Amended Proposal, and such steps and actions taken are hereby approved.
7. From and after the date of the Amended Proposal, each Affected Creditor of VES-Artex USA and any other Person affected by the Amended Proposal shall hereby be deemed to have consented and agreed to all of the provisions of the Proposal.

**General**

- 8. VES-Artex USA and the Proposal Trustee are hereby granted leave to apply to this Court for such further advice and direction or assistance as may be necessary to give effect to the terms of this Order and the Amended Proposal.
- 9. Pursuant to the *BIA*, this Order shall have full force and effect in all provinces and territories of Canada against all persons, firms, corporations, governmental, municipal and regulatory authorities against whom it may be enforceable.
- 10. This Court requests the aid and recognition of any court or any judicial, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and the Proposal, and to assist VES-Artex USA, 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 the Proposal Trustee as an officer of this Court, as may be necessary or desirable to give effect to this Order and the Amended Proposal or to assist VES-Artex USA, the Proposal Trustee, and their respective agents in carrying out the terms of this Order or the Amended Proposal.
- 11. Service of this Order shall be deemed good and sufficient by serving the same to the email address or other contact information provided by Affected Creditors on their respective Proof of Claim, and service on any other person is hereby dispensed with.

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



William L. Roberts  
Counsel for MNP Ltd., in its capacity as  
Proposal Trustee

BY THE COURT

---

REGISTRAR *IN BANKRUPTCY*

**SCHEDULE "A"**  
**Proposal**

**EXECUTION COPY**

District of British Columbia  
Division No: 03-Vancouver  
Court No: 11-2805687  
Estate No: 11-2805687

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
VES-ARTEX SYSTEMS USA, LLC**

District of British Columbia  
Division No: 03-Vancouver  
Court No: 11-2805685  
Estate No: 11-2805685

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL  
OF VES-ARTEX SYSTEMS CANADA, ULC**

**AMENDED JOINT PROPOSAL OF VES-ARTEX SYSTEMS USA, LLC  
AND VES-ARTEX SYSTEMS CANADA, ULC**

VES-Artex Systems USA, LLC and VES-Artex Systems Canada, ULC hereby submit the following Proposal to their Unsecured Creditors pursuant to Part III of the BIA.

**ARTICLE 1**

**DEFINITIONS**

**1.1 Definitions**

In this Proposal:

- (a) **“Administrative Fees and Expenses”** include the proper fees and expenses, including legal fees and disbursements, of the Trustee and the Debtor, the fees and disbursements of Gowling, on and incidental to the negotiation, preparation, presentation, consideration and implementation of the Proposal, and all proceedings and matters relating to or arising out of the Proposal;
- (b) **“Approval Order”** means an Order of the Court approving the Proposal;

- (c) “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and in force as at the Proposal Date;
- (d) “**Business Day**” means a day, other than a Saturday or Sunday, on which banks are generally open for business in Vancouver, British Columbia;
- (e) “**Canada Pension Plan**” means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
- (f) “**Certificates**” have the meaning ascribed by **Article [5.1]**;
- (g) “**Claim**” means any right of any Person against the Debtor or a Director in connection with any indebtedness, liability or obligation of any kind of the Debtor which indebtedness, liability or obligation is in existence at the Proposal Date **but, for greater certainty: (i) shall not, except in the case of NewAg include any contingent or unliquidated claims, liabilities or obligations, which claims, liabilities and obligations shall not be compromised by this Proposal; and (ii) in the case of NewAg shall include any and all claims, demands, actions, causes of actions, judgments, rights, fees, damages, debts, obligations, liabilities and expenses (inclusive of attorneys' fees) of any kind whatsoever, whether known or unknown, and under the Share Purchase Agreement, and any other claims that NewAg may have or have ever had against the Debtor, VES Environmental and Turntide, or any of them, arising out of, or by reason of any actual or alleged act, omission, transaction, practice, conduct, occurrence, or other matter agreement or the transaction up to and including 12 April 2022;**
- (h) “**Consulting Agreement**” means **the Consulting Agreement between NewAg and VES Environmental effective the 2 April 2021 as amended or supplemented;**
- (i) “**Court**” means the British Columbia Supreme Court (in Bankruptcy and Insolvency);
- (j) “**Creditor**” means any Person, having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (k) “**Creditors' Meeting**” means the meeting of the Unsecured Creditors called for the purpose of considering and voting upon the Proposal;
- (l) “**Creditors' Meeting Date**” means the date and time as may be called by the Trustee for **the Creditors' Meeting;**
- (m) “**Debtor**” means VES-Artex Systems USA, LLC and VES-Artex Systems Canada, ULC;

- (n) “**Directors**” mean the Debtor’s current directors;
- (o) “**Employee Creditors**” mean employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph [136(l)(d)] of the BIA if the Debtor became bankrupt on the Proposal Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor’s business during the same period;
- (p) “**Employment Insurance Act**” means the *Employment Insurance Act*, S.C. 1996 c. 23, as amended;
- (q) “**Gowling**” means Gowling WLG (Canada) LLP;
- (r) “**Implementation Date**” means the date upon which the conditions set forth in Article [7.4] have been satisfied;
- (s) “**Income Tax Act**” means the *Income Tax Act*, R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.), as amended;
- (t) “**Inspectors**” mean one or more inspectors appointed pursuant to the BIA as provided for in the Proposal;
- (u) “**NewAg**” means NewAg Holding Ltd. and, for greater certainty, includes John de Jonge;
- (v) “**NewAg Settlement Documents**” means (i) a mutual release, non-disclosure and non-disparagement agreement pursuant to which the parties agree to release each other from any and all claims arising from, under or pursuant to the Share Purchase Agreement or by reason of any actual or alleged act, omission, transaction, practice, conduct, occurrence, or other matter from the beginning of time up to and including the 12 April 2022; and (ii) a termination of the Consulting Agreement and mutual release pursuant to which the parties agree to release each other from any and all claims arising from, under or pursuant to the Consulting Agreement;
- (w) “**Official Receiver**” shall have the meaning ascribed thereto in the BIA;
- (x) “**Person**” means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (y) “**Preferred Creditors**” mean Creditors with Proven Claims that are required by the BIA to be paid in priority to all other Claims under the Proposal made by the

Debtor save and except for the Employee Creditors and Source Deduction Creditors;

- (z) **“Proof of Claim”** means the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors’ Meeting;
- (aa) **“Proposal”** means this joint proposal together with any amendments or additions thereto;
- (bb) **“Proposal Date”** means 17 February 2022;
- (cc) **“Proven Claim”** of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the BIA;
- (dd) **“Secured Creditor”** means any Person, holding a valid and perfected mortgage, hypothec, pledge, charge or lien on or against the property or assets of the Debtor as security for a debt due or accruing due to the Person from the Debtor and whose security is of a value sufficient to satisfy that Person’s Proven Claim, but shall not include NewAg whose security is valued at \$0 for the purposes of this Proposal;
- (ee) **[Deleted]**
- (ff) **“Share Purchase Agreement” means the Amended and Restated Agreement for Purchase and Sale of Shares made as of 2 April 2021 among VES-Artex Systems Canada ULC, NewAg and John de Jonge as such agreement may be amended or supplemented, as well as any and all related or ancillary agreements;**
- (gg) **“Source Deduction Creditors”** mean Her Majesty in Right of Canada or a Province for all amounts that were outstanding on the Proposal Date and are of a kind that could be subject to a demand under,
  - (i) subsection [224(1.2)] of the *Income Tax Act*;
  - (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection [224(1.2)] of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee’s premium, or employer’s premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
  - (iii) any provision of provincial legislation that has a similar purpose to subsection [224(1.2)] of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum;



- (A) has been withheld or deducted by a Person from a payment to another Person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
- (B) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a Province providing a comprehensive pension plan as defined in subsection [3(1)] of the *Canada Pension Plan* and the Provincial legislation establishes a “provincial pension plan” as defined in that subsection;
- (hh) **“Superintendent” means the Office of the Superintendent of Bankruptcy;**
- (ii) **“Trustee”** means MNP Ltd. or its duly appointed successor or successors;
- (jj) **“Turntide” means Turntide Technologies, Inc.;**
- (kk) **“Unsecured Creditors”** means the Preferred Creditors and any Creditor who is not a Secured Creditor and, for greater certainty, includes NewAg;
- (ll) **“VES Environmental” means VES Environmental Solutions, Inc.; and**
- (mm) **“Voting Letter”** means the voting letter required by subsection [51(1)] of the BIA to be mailed to each known Creditor prior to the Unsecured Creditors’ Meeting.

## 1.2 Other Defined Terms

Any term not specifically defined in this Proposal that is defined in the BIA shall have the meaning assigned to that term by the BIA

## 1.3 Articles of Reference

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

## 1.4 Interpretation Not Affected by Headings

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

### **1.5 Date for Any Action**

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

### **1.6 Time**

All times expressed herein are local time in Vancouver, British Columbia unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 17:00 local time in Vancouver, British Columbia.

### **1.7 Numbers**

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

### **1.8 Currency**

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

### **1.9 Statutory References**

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

### **1.10 Successors and Assigns**

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

## **ARTICLE 2**

### **CLASSIFICATION AND TREATMENT OF CREDITORS**

#### **2.1 Classes of Creditors**

For the purposes of voting on the Proposal, only the Unsecured Creditors will be entitled to vote on the Proposal. There shall be one (1) class of Unsecured Creditors.

## 2.2 Proposed Assessed Value

For the purposes of this Proposal, the security held by NewAg shall be valued at \$0 such that NewAg shall be included in the class of Unsecured Creditors for the purposes of voting on and receiving a distribution under this Proposal. NewAg's Claim against the Debtor shall be allowed at USD\$6 million.

## 2.3 Administrative Fees and Expenses

The Administrative Fees and Expenses will be paid in full by the Debtor in the ordinary course.

## 2.4 Preferred Creditors

The Proven Claims of the Preferred Creditors are to be paid in full in priority to the Proven Claims of the Unsecured Creditors in accordance with the BIA and the Proposal.

## 2.5 Unsecured Creditors

The Proven Claims of the Unsecured Creditors, other than Preferred Creditors, will be satisfied or paid as provided by Article [6.4].

## 2.6 Creditors with Equity Claims

Creditors with equity claims shall not be entitled to vote those equity claims and shall not be entitled to receive a distribution in respect of those equity claims unless and until the Proven Claims that are not equity claims are paid in full.

## 2.7 Secured Creditors

Secured Creditors will not be affected by the Proposal and will be paid in the ordinary course by the Debtor in accordance with the current arrangement between the Secured Creditor and the Debtor or as the parties may otherwise agree.

## ARTICLE 3

### PROCEDURE FOR VALIDATION OF CLAIMS

#### 3.1 Filing of Proof of Claim

Each Creditor must file a Proof of Claim as required by the BIA.

#### 3.2 Allowance or Disallowance of Claims by the Trustee

Subject to Article [2.2], upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Proof of Claim in accordance with the provisions of

the BIA. The procedure for valuing Claims of the Creditors and resolving disputes with respect to such Claims will be as set forth in the BIA.

### **3.3 Section [149(1)] Notice**

**Within twenty (20) days of the Implementation Date, the Trustee shall deliver to each Unsecured Creditor who has not filed a Proof of Claim the notice contemplated by section [149(1)] of the BIA.**

## **ARTICLE 4**

### **MEETING OF CREDITORS**

#### **4.1 Creditors' Meeting**

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

#### **4.2 Time and Place of Meeting**

Unless otherwise ordered by the Court, the Creditors' Meeting shall be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in the notice of Creditors' Meeting to be mailed to the Creditors pursuant to the BIA.

#### **4.3 Conduct of Meetings**

The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only Persons entitled to attend the Creditors' Meeting are those Persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, the Secured Creditors and their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Unsecured Creditors.

#### **4.4 Adjournment of Meetings**

The Creditors' Meeting may be adjourned in accordance with section [52] of the BIA.

#### **4.5 Voting by Creditors**

To the extent provided herein, each Unsecured Creditor will be entitled to vote to the extent of the amount that is equal to that of the Creditor's Claim. Any Proof of Claim in respect of a

Claim that is not a Proven Claim as at the Creditors' Meeting Date will be marked as objected to in accordance with subsection [108(3)] of the BIA.

Creditors with equity claims will not be entitled to vote those equity claims at the Creditors' Meeting.

#### 4.6 Approval by Creditors

The Proposal will be binding on all of the Unsecured Creditors of the Debtor in accordance with the BIA if it is first accepted by the class of Unsecured Creditors by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (in-person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Unsecured Creditors in each class who actually vote upon the Proposal (whether in-person or by proxy) at the Creditors' Meeting or by a Voting Letter.

#### 4.7 Appointment of Inspectors

At the Creditors' Meeting, the Unsecured Creditors may appoint up to five (5) Inspectors whose powers will be limited to:

- (a) advising the Trustee concerning any dispute which may arise as to the validity of the Claims; and
- (b) advising the Trustee, from time to time, with respect to any other matter that the Trustee may refer to them.

### ARTICLE 5

#### CREDITOR CERTIFICATES

##### 5.1 Certificates

On the Implementation Date, each Unsecured Creditor will receive from the Trustee, in full and final satisfaction of their Proven Claims, certificates (the "**Certificates**") with a face value equal to that of the Creditor's Claim as set forth in the Creditor's Proof of Claim or the Statement of Affairs, whichever is greater, subject to that Creditor's Claim being determined in accordance with **Article [3]**. Once a Creditor's Claim becomes a Proven Claim, a new Certificate shall be issued to that Creditor with a face value equal to that of the Creditor's Proven Claim, if that Proven Claim is different from the amount set out on the Certificate originally issued to the Creditor.

To the extent that the Claim of an Unsecured Creditor as set forth in the Statement of Affairs has been otherwise paid by the Debtor, that Unsecured Creditor shall not be entitled to receive a Certificate.

The Superintendent will receive a single Certificate with a face value of \$62,500. In the event that the amount of the levy payable by an Unsecured Creditors changes such that the amount of the levy payable by the Unsecured Creditors changes, a new Certificate will be issued to the Superintendent.

## ARTICLE 6

### DISTRIBUTION

#### 6.1 Payment of Employee Creditors

The Claims, if any, of the Employee Creditors shall be paid immediately after the making of the Approval Order in the ordinary course using proceeds from the operation of the Debtor's business.

#### 6.2 Payment of Source Deduction Creditors

Unless Her Majesty in Right of Canada agrees otherwise, the Proven Claims, if any, of the Source Deduction Creditors shall be paid within six (6) months after the making of the Approval Order.

#### 6.3 Payment of Preferred Creditors

The Debtor shall pay each Preferred Creditor in respect of its Proven Claim in the priority established by the BIA in the ordinary course.

#### 6.4 Payment of Certificates

6.4.1 Payment to Unsecured Creditors other than NewAg. On or before 30 September 2022, the Debtor shall pay to each of the Unsecured Creditors, except NewAg, and the Superintendent 100% of the amount set out on the Certificate issued to that Unsecured Creditor or the Superintendent. In the event that the Claim of an Unsecured Creditor has not become a Proven Claim by 30 September 2022: (a) the amount paid to the Superintendent shall, if necessary, be reduced by the levy payable in respect of that Claim; and (b) the Unsecured Creditor and the Superintendent shall be paid within thirty (30) days of the Unsecured Creditors Claim becoming a Proven Claim.

6.4.2 Payments to NewAg. The Debtor shall pay a total of USD\$6 million to NewAg as set out in the attached Schedule A. The obligation of the Debtor to make the payments to NewAg is hereby guaranteed by VES Environmental and Turntide.

6.4.3 Satisfaction of Certificates. The Certificates will be fully paid and satisfied by the distribution of the amounts contemplated by this Article [6.4.1] and [6.4.2].

**6.4.4 Maximum Payment. No Unsecured Creditor will be entitled to receive more than 100% of that Unsecured Creditor's Proven Claim.**

**6.5 Equity Claims**

Notwithstanding any other provisions of the Proposal, Proven Claims in respect of equity claims shall be fully subordinated to the Proven Claims that are not equity claims and Creditors with equity claims shall not be entitled to receive a distribution in respect of those equity claims unless and until the Proven Claims that are not equity claims are paid in full.

**6.6 Levy**

**As described in Article [5.1]**, the Superintendent will receive a Certificate in respect of the amount payable in respect of levy.

**ARTICLE 7**

**MISCELLANEOUS**

**7.1 Compromise Effective for all Purposes**

The provisions of this Proposal will be binding upon each Unsecured Creditor, and **their subsidiaries and affiliates, shareholders, directors and officers**, heirs, executors, administrators, successors and assigns, for all purposes. Subject to the limitations in section [50(14)] of the BIA, the Claims against the Directors that arose before the Proposal Date and that relate to the obligations of the Debtor where the Directors are, by law, liable in their capacity as Directors for the payment of such obligations will be satisfied and released.

**7.2 Modification of Proposal**

The Debtor may propose an alteration or modification to the Proposal prior to the vote taking place on the Proposal.

**7.3 Consents, Waivers and Agreements**

**On payment of the amounts contemplated by Articles [6.4.1] and [6.4.2]**, each Unsecured Creditor and **their subsidiaries and affiliates, shareholders, directors and officers, heirs, executors, administrators, successors and assigns shall** be deemed:

- (a) to have executed and delivered to the Debtor **or, in the case of NewAg VES Environmental and Turntide**, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;

- (b) to have waived any default by the Debtor or VES Environmental of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor or VES Environmental that has occurred on or prior to the Implementation Date, including, in the case of NewAg, the Share Purchase Agreement;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor or VES Environmental as at the Implementation Date (other than those entered into by the Debtor on, or with the effect from, the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority, and the provisions of such agreement or other arrangement shall be amended accordingly;
- (d) to have released the Debtor, VES Environmental, Turntide, the Trustee and all of their respective direct and indirect parents, affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein including, for greater certainty, debts, claims or obligations contemplated by or related to the Share Purchase Agreement, provided that nothing herein shall release the Debtor of its obligation to make the distributions to the Unsecured Creditors contemplated in this Proposal or VES Environmental and Turntide of their guarantee of the payments required to be made by Article [6.4.2]; and
- (e) in the case of NewAg, shall have released and discharged VES Environmental from any and all claims, liabilities or obligations relating to or arising under the Share Purchase Agreement, including, without limitation, the Consulting Agreement, and the Consulting Agreement shall be terminated and be of no further force and effect.

#### 7.4 Conditions to Proposal Implementation

The implementation of the Proposal by the Debtor, VES Environmental and Turntide will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) the acceptance of the Proposal by the Unsecured Creditors;



- (b) the making of the Approval Order and the expiry of all appeal periods; and
- (c) the execution and delivery of the NewAg Settlement Documents.

#### 7.5 Full Implementation

This Proposal will be fully implemented by the Debtor on delivery of the Certificates as provided by **Article [5.1] and the making of the payments or satisfaction fo the obligations, if any, as contemplated by Articles [6.1], [6.2] and [6.3].**

#### 7.6 Effect of Proposal Generally

As at 12:01 on the date of the Approval Order becomes final and binding:

- (a) the treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Unsecured Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns); and
- (b) the Proposal shall constitute:
  - (i) a full, final and absolute settlement of all rights of the holders of the Claims and other Persons affected by the Proposal; and
  - (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor and other Persons of or in respect of the Claims or other obligations affected by the Proposal.

#### 7.7 Conduct of Debtor's Business

Subject to any Order made by the Court, the Debtor shall remain in possession and control of their property and assets at all times, both before and after the implementation of this Proposal.

### ARTICLE 8

#### AVOIDANCE OF TRANSACTION

##### 8.1 Proceedings Pursuant to Sections [95 to 101] of the BIA

Sections [95 to 101] of the BIA will not apply in respect of the Debtor and this Proposal.

## ARTICLE 9

### FOREIGN RECOGNITION

#### 9.1 Recognition Proceedings

The Debtor or, up until the Proposal is fully implemented, the Trustee may, in their sole discretion, initiate proceedings, in the United States of America or elsewhere, to: (a) have the proceedings commenced by the Debtor pursuant to Part III of the BIA recognized; and (b) obtain any order or orders that may be necessary or advisable in connection with this Proposal.

#### 9.2 Designation of Representative

For the purpose of **Article [9.1]**, the Approval Order shall designate each of the Trustee and the Debtor as the representative of the Debtor pursuant to section **[279]** of the BIA.

#### 9.3 Funding of Recognition Proceedings

Notwithstanding **Article [9.1]**, neither the Trustee or the Debtor is **not** obliged to initiate proceedings or take any steps to have these proceedings commenced by the Debtor pursuant to Part III of the BIA recognized unless there are provisions in place that are satisfactory to the Debtor and/or Trustee, in its sole discretion, with respect to the payment of the professional fees and other expenses that will be incurred by the Trustee or the Debtor in connection with such proceedings.

## ARTICLE 10

### GENERAL

#### 10.1 Notices

Any notices or communications to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by telecopier (except for Proof of Claim which may only be sent by personal delivery, telecopier or registered mail) addressed to the respective parties as follows:

- (a) if to the Debtor:

**c/o Gowling WLG (Canada) LLP**  
Suite 1600, 100 King St. W.  
Toronto ON M5X 1G5

**Attention: E. Patrick Shea, LSM, CS**  
Telecopier: 416-862-7661  
E-mail: [patrick.shea@gowlingwlg.com](mailto:patrick.shea@gowlingwlg.com)

- (b) if to an Unsecured Creditor, to the address or telecopier number for such Unsecured Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no Proof of Claim has been filed, to such other address or telecopier number at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted; and
- (c) if to the Trustee:

**MNP Ltd.**  
 1021 West Hastings Street  
 Suite 1600 - MNP Tower  
 Vancouver BC V6E 0C3

**Attention: Julie Kennedy, CIRP, LIT**  
 Telecopier: 604-904-8628  
 E-mail : julie-kennedy@mnp.ca

or to such other address, e-mail address or telecopier number as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery, by e-mail or telecopier, and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by e-mail or telecopier, or by delivery prior to 17:00 (local time) on a Business Day, when received or if received after 17:00 (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5<sup>th</sup>) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

### **10.2 Foreign Currency Obligations**

For purposes of this Proposal, the Claims denominated in a currency other than Canadian funds will be converted to Canadian dollars at the closing spot rate of exchange of the Bank of Canada on the Proposal Date.

### **10.3 Applicable Law**

This Proposal shall be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

**10.4 Non-Severability**

It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal, and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

**10.5 Deeming Provisions**

In this Proposal, the deeming provisions are not rebuttable and are conclusive and irrevocable.

**THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK**

**EXECUTION PAGE**

DATED this \_\_\_\_\_ day of April 2022.

**VES-ARTEX SYSTEMS USA, LLC**

Per: \_\_\_\_\_

Name:

Title:

I have authority to bind the corporation.

**VES-ARTEX SYSTEMS CANADA, ULC**

Per: \_\_\_\_\_

Name:

Title:

I have authority to bind the corporation.

**THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK**

**GUARANTEE OF DISTRIBUTIONS**

**EACH OF THE UNDERSIGNED hereby, jointly and severally, unconditionally guarantee the prompt and full payment to the Unsecured Creditors of all amounts payable by the Debtor to the Unsecured Creditors of the amount described in Article [6.4.1] and [6.4.2] above (the "Indebtedness"), whether present or future, mature or not, voluntary or involuntary, and whether recovery upon such Indebtedness may be or hereafter become barred or unenforceable.**

**YES ENVIRONMENTAL SOLUTIONS, INC.**

DocuSigned by:  
*Ed Paradowski*  
Per: 3A4582A6ABA420...  
Name: Ed Paradowski  
Title: CEO

I have authority to bind the corporation.

**TURNTIDE TECHNOLOGIES, INC.**

DocuSigned by:  
*Ryan Morris*  
Per: 7A12B9A3933C48D...  
Name: Ryan Morris  
Title: CEO

I have authority to bind the corporation.

**SCHEDULE A**

509244351

12/04/2022 SCHEDULE A

	MONTH NUMBER										
	1	2	3	4	5	6	7	8	9	10	
12-Apr-22	31-May-22	30-Jun-22	31-Jul-22	31-Aug-22	30-Sep-22	31-Oct-22	30-Nov-22	31-Dec-22	31-Jan-23	28-Feb-23	
Opening	6,000,000	5,500,000	5,463,333	5,426,666	5,389,999	5,353,332	5,316,665	5,280,000	5,104,000	4,928,000	4,752,000
Less: Payment	(500,000)	(36,667)	(36,667)	(36,667)	(36,667)	(36,667)	(36,665)	(176,000)	(176,000)	(176,000)	(176,000)
Equals: Closing	5,500,000	5,463,333	5,426,666	5,389,999	5,353,332	5,316,665	5,280,000	5,104,000	4,928,000	4,752,000	4,576,000



<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>	<u>20</u>	<u>21</u>	<u>22</u>	<u>23</u>
31-Mar-23	30-Apr-23	31-May-23	30-Jun-23	31-Jul-23	31-Aug-23	30-Sep-23	31-Oct-23	30-Nov-23	31-Dec-23	31-Jan-24	29-Feb-24	31-Mar-24
4,576,000	4,400,000	4,224,000	4,048,000	3,872,000	3,696,000	3,520,000	3,344,000	3,168,000	2,992,000	2,816,000	2,640,000	2,464,000
(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)
4,400,000	4,224,000	4,048,000	3,872,000	3,696,000	3,520,000	3,344,000	3,168,000	2,992,000	2,816,000	2,640,000	2,464,000	2,288,000

<u>24</u>	<u>25</u>	<u>26</u>	<u>27</u>	<u>28</u>	<u>29</u>	<u>30</u>	<u>31</u>	<u>32</u>	<u>33</u>	<u>34</u>	<u>35</u>	<u>36</u>
30-Apr-24	31-May-24	30-Jun-24	31-Jul-24	31-Aug-24	30-Sep-24	31-Oct-24	30-Nov-24	31-Dec-24	31-Jan-25	28-Feb-25	31-Mar-25	30-Apr-25
2,288,000	2,112,000	1,936,000	1,760,000	1,584,000	1,408,000	1,232,000	1,056,000	880,000	704,000	528,000	352,000	176,000
(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)
2,112,000	1,936,000	1,760,000	1,584,000	1,408,000	1,232,000	1,056,000	880,000	704,000	528,000	352,000	176,000	-