

Headnote

Securities Act s. 114(2) - Exemption from the formal take-over bid requirements in National Instrument 62-104 Take-Over Bids and Issuer Bids - An issuer wants to complete a take-over bid that meets some, but not all, of the conditions of the exemption set out in s. 4.3 of NI 62-104 (the non-reporting issuer exemption) - the target company has more than 50 shareholders; the bid will satisfy all other conditions required for an exempt takeover bid under the non-reporting issuer exemption; most of the shareholders are employees, former employees, consultants or former consultants of another entity which is technically not an affiliate of the issuer

Applicable Legislative Provisions

Securities Act, R.S.B.C. 1996, c. 418, s.114(2)

National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and section 6.1.

September 23, 2025

Exemption Order

Cascadia Acquisition Company Inc. (the Filer)

Section 114(2) of the *Securities Act*, R.S.B.C. 1996, c. 418

Section 6.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids*

Background

- ¶ 1 The Filer has applied to the British Columbia Securities Commission (the Commission) under section 114(2) of the *Securities Act* (British Columbia) for an exemption from the take-over bid requirements of Part 2 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (NI 62-104), in connection with a take-over bid proposed to be made by the Filer for all of the issued and outstanding Class A Voting Common Shares (collectively, the Shares) of Cascadia Windows Holdings Ltd. (CWHL) (the Exemption Sought) as part of the Proposed Acquisition (defined below).

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* and NI 62-104 have the same meaning if used in this decision, unless otherwise defined.

Representations

- ¶ 3 The Filer represented that:
1. CWHL is a corporation incorporated under the *Business Corporations Act* (British Columbia) on June 25, 2010; the registered and records office of CWHL is located in Vancouver, British Columbia;
 2. CWHL is not a reporting issuer in any jurisdiction in Canada nor are any of CWHL's securities listed or posted for trading on any exchange or market place;
 3. CWHL is not in default of securities legislation in any jurisdiction;

4. CWHL has 451,353 Shares issued and outstanding;
5. the Filer is a special purpose vehicle formed by institutional investors for the purposes of acquiring, among other things, CWHL;
6. the Filer is a corporation incorporated under the *Business Corporations Act* (British Columbia) on July 17, 2025; the registered and records office of the Filer is located in Vancouver, British Columbia;
7. the Filer is not a reporting issuer in any jurisdiction in Canada and is not in default of securities legislation in any jurisdiction in Canada;
8. Cascadia Fiberglass Inc. (CFI), through its operating subsidiaries Cascadia Windows Ltd., a British Columbia corporation (CWL), and Cascadia Windows US Inc., a Washington corporation (Cascadia US and, together with CFI and CWL, the Cascadia Group) is a manufacturer of high-performance fiberglass windows, door and cladding support systems;
9. the Cascadia Group began its operations with the formation of CWL in 2008 by three senior employees of RDH Building Science Consulting Inc., an engineering consulting firm based in Burnaby, British Columbia (RDH), who had identified an opportunity to develop a business related to fiberglass window and door products; over time, CWL grew to have over 70 shareholders, all but one of whom are or were employees of RDH, with the remaining shareholder being an employee of CWL;
10. notwithstanding the significant connection and common ownership between RDH and CWL, there has never been common control or affiliation between the two entities;
11. in order to streamline CWL's shareholder base and facilitate the entrance of additional investors, CWHL was formed in 2010 and was interposed as a holding company for the existing CWL shareholders, who agreed to exchange their common shares of CWL for shares of CWHL; CWHL also issued additional shares to its existing shareholders and a few new shareholders who were either employees of RDH or CWL, or their respective personal holding companies; in addition, certain existing shareholders of CWHL transferred shares to their respective spouses, personal holding companies, close family members or permitted related party transferees;
12. in 2016, a further reorganization was implemented under which each of the shareholders of CWL, including CWHL, transferred their shares of CWL to CFI in exchange for shares in CFI; accordingly, from that date, the sole asset of CWHL has been its shares of CFI;
13. as of September 1, 2025, CFI has three principal shareholders: Renewal Funds, an institutional investor (collectively, Renewal), which holds approximately 39.6%; Toro Western Holdings Inc., a wholly-owned subsidiary within the Toro Aluminum Group of Companies (Toro) which holds approximately 34.7%; and CWHL, which holds approximately 25.7%;
14. the Filer is proposing to directly or indirectly acquire all of the outstanding shares of CFI (the Proposed Acquisition); in the case of Toro and Renewal, the Filer will acquire their CFI shares directly; in the case of CWHL, the Filer has agreed, subject to obtaining the Exemption Sought, to acquire all of the outstanding Shares of CWHL (the Bid) rather than

directly acquiring CWHL's CFI shares; this alternative will achieve greater tax efficiency for CWHL shareholders by enabling them to receive more favourable capital gains treatment and, where applicable, access to lifetime capital gains exemptions;

15. the Proposed Acquisition will be implemented pursuant to a share purchase agreement (SPA) by and among the Filer, Toro, Renewal and each of the shareholders of CWHL (the CWHL Shareholders); the cash consideration to be received by each of the CWHL Shareholders will be based on the same price per CFI share that would have been payable to CWHL in the event that the Filer was to acquire the CFI shares directly from CWHL, with the CWHL Shareholders collectively receiving total consideration equal to that that would have been payable in respect of the CFI shares held by CWHL if they were sold directly; all of the CWHL Shareholders will be subject to the same terms and conditions, on a pro-rata basis, under the SPA, provided that the CWHL Shareholders will provide additional representations, warranties and indemnities regarding CWHL given that the Filer will be acquiring that entity and assuming any liabilities associated with it;
16. all of the CWHL Shareholders are party to a shareholders' agreement pursuant to which they are subject to a drag-along provision providing that, where CWHL Shareholders holding at least two-thirds of CWHL's issued and outstanding Shares agree to sell their Shares to a third party, all remaining CWHL Shareholders will be required to sell their Shares to such third party on the same terms and conditions; the parties to the SPA do not intend to invoke this drag-along provision in connection with the Proposed Acquisition; rather, as described above, each CWHL Shareholder is expected to be a party to the SPA;
17. each of the CWHL Shareholders will be provided with background information regarding the Proposed Transaction and a summary of the terms and conditions of the SPA, as well as the opportunity to engage their own counsel and advisors, in advance of their execution of the SPA;
18. pursuant to section 4.3 of NI 62-104 (the NRI Exemption), a take-over bid is exempt from Part 2 of NI 62-104 if all of the following conditions are satisfied:
 - (a) the offeree issuer is not a reporting issuer;
 - (b) there is no published market for the securities that are the subject of the bid;
 - (c) the number of security holders of that class of securities at the commencement of the bid is not more than 50, exclusive of holders who:
 - (i) are in the employment of the offeree issuer or an affiliate of the offeree issuer, or
 - (ii) were formally in the employment of the offeree issuer or in the employment of an entity that was an affiliate of the offeree issuer at the time of that employment, and who while in that employment were, and have continued after that employment to be, security holders of the offeree issuer.
19. the Filer cannot rely on the NRI Exemption with respect to the Bid because CWHL has more than 50 shareholders, exclusive of current and former employees of CWHL and its affiliates.
20. as of September 1, 2025, CWHL has 91 shareholders who in aggregate hold 451,353 Shares and reside in the following jurisdictions:

- (a) 75 shareholders residing in the BC, holding 391,820 Shares or approximately 86.81% of the issued and outstanding Shares;
 - (b) 7 shareholders residing in Oregon, USA, holding 26,790 Shares or approximately 5.94% of the issued and outstanding Shares;
 - (c) 6 shareholders residing in Washington State, USA, holding 26,595 Shares or approximately 5.89% of the issued and outstanding Shares;
 - (d) 1 shareholder residing in Virginia, USA, holding 6,107 Shares or approximately 1.35% of the issued and outstanding Shares;
 - (e) 1 shareholder residing in Alberta, holding 37 Shares or approximately 0.01% of the issued and outstanding Shares; and
 - (f) 1 shareholder residing in Denmark, holding 4 Shares or approximately 0.0001% of the issued and outstanding Shares;
21. for the purchase of Shares of CWHL by the Filer from the Alberta resident, the Filer is relying on the exemption from Part 2 of NI 62-104 provided by section 4.5 of NI 62-104;
22. of the 91 CWHL Shareholders:
- (a) 64 shareholders are current or former employees of RDH;
 - (b) 9 shareholders are personal holding companies, spouses, other family members and permitted related party transferees of current or former employees of RDH;
 - (c) 13 shareholders are current or former employees of CWL;
 - (d) 3 shareholders who are personal holding companies, spouses, other family members and permitted related party transferees of current and/or former employees of CWL; and
 - (e) 2 shareholders who are current or former employees of both RDH and CWL;
23. of the 91 CWHL Shareholders, 61 shareholders hold less than 1% of CWHL, and 33 shareholders hold 0.10% or less of CWHL;
24. CWHL is fundamentally a closely-held issuer as the overwhelming majority of CWHL Shareholders – 79 out of 91 shareholders – are or were employees of RDH, CWL or both of them; the remaining 12 shareholders are personal holding companies, spouses, other family members and permitted related party transferees of current and/or former employees of CWL or RDH; and
25. although CWHL is not a private issuer as defined in National Instrument 45-106 *Prospectus Exemptions* (NI 45-106), all of the CWHL Shareholders are persons to whom a private issuer is permitted to distribute securities under the private issuer exemption in section 2.4 of NI 45-106.

Order

- ¶ 4 Considering that to do so would not be prejudicial to the public interest, the Commission orders under section 114(2) of the Act that the Proposed Acquisition is exempt from the requirements in Part 2 of NI 62-104.

John Hinze
Director, Corporate Finance
British Columbia Securities Commission