COURT FILE NUMBER:	2601-03446
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF RDFN FUM NATURAL PRODUCTS LTD. and RDFN FUM NATURAL PRODUCTS INC.
APPLICANT	RDFN FUM NATURAL PRODUCTS LTD. and RDFN FUM NATURAL PRODUCTS INC.
DOCUMENT:	**BOOK 2 - BOOK OF AUTHORITIES TO BENCH BRIEF OF THE APPLICANTS (SANCTION ORDER)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP 2100, 222 - 3rd Ave SW Calgary, AB T2P 0B4 Telephone: 403.693.5420/403.693.4311 Attention: Ryan Zahara/Chris Nyberg Email: rzahara@mltaikins.com / cnyberg@mltaikins.com File: 0185373.00001

JUDICIAL CENTRE OF CALGARY
FILED DIGITALLY
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Oct 5, 2026
1:43 PM
CLERK OF THE COURT

APPLICATION BEFORE THE HONOURABLE JUSTICE C.D. SIMARD

TO BE HELD ON OCTOBER 7, 2026 AT 10:00 A.M. ON THE COMMERCIAL LIST

LIST OF AUTHORITIES

A. Legislation

1. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36

B. Case Law

1. *Laurentian University of Sudbury*, 2022 ONSC 5645
2. *Imperial Tobacco Canada Limited,* 2025 ONSC 1358
3. *Canadian Airlines Corp., Re*, 2000 ABQB 442
4. *Canwest Global Communication Corp, Re*, 2010 ONSC 4209
5. *Re AbitibiBowater Inc,* 2010 QCCS 4450
6. *Metcalfe & Mansfield Alternative Investments II Corp, Re*, 2008 ONCA 587
7. *Lydian International Limited (Re)*, 2020 ONSC 4006
8. *Target Canada Co, Re,* 2016 ONSC 3651
9. *Sino-Forest Corp, Re,* 2012 ONSC 7050
10. *Nordstrom Canada Retail, Inc,* 2024 ONSC 1622
11. *Green Relief Inc. Re*, 2020 ONSC 6837
12. *Tacora Resources Inc, Re*, 2024 ONSC 4436
13. *Harte Gold Corp (Re),* 2022 ONSC 653

C. Court Orders

1. *Target Canada Co et al*, CV-15-10832-00CL, Sanction and Vesting Order, granted on June 2, 2016

2. *Sino-Forest Corporation, Re,* CV-12-9667-00CL, Plan Sanction Order, granted December 10, 2012

3. *Nordstrom Canada Retail, Inc et al,* CV-23-00695619-00CL, Sanction and Vesting Order, granted on March 19, 2024

4. *Laurentian University of Sudbury, Re,* CV-21-00656040-00CL, Plan Sanction Order, granted on October 5, 2022

5. *Lydian International Limited et al*, CV-19-00633392-00CL, Order re: Plan Sanction and Implementation, granted on June 29, 2020

6. *Green Relief Inc, Re*, CV-20-00639217-00CL, Approval and Vesting Order, granted on November 9, 2020

7. *Tacora Resources Inc, Re*, CV-23-00707394-00CL, Approval and Reverse Vesting Order, granted on July 26, 2024

8. *Harte Gold Corp, Re,* CV-21-00673304-00CL, Approval and Reverse Vesting Order, granted on January 28, 2022

Court File No. CV-15-10832-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 2ND
REGIONAL SENIOR JUSTICE	)	DAY OF JUNE, 2016
MORAWETZ	)	

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 TARGET CANADA CO., TARGET CANADA HEALTH CO., TARGET CANADA MOBILE GP CO., TARGET CANADA PHARMACY (BC) CORP., TARGET CANADA PHARMACY (ONTARIO) CORP., TARGET CANADA PHARMACY CORP., TARGET CANADA PHARMACY (SK) CORP., and TARGET CANADA PROPERTY LLC (collectively the "**Applicants**")

SANCTION AND VESTING ORDER

THIS MOTION, made by the Applicants and the partnerships listed on Schedule "A" hereto (together with the Applicants, the "**Target Canada Entities**") for an order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), *inter alia*: (a) sanctioning the Second Amended and Restated Joint Plan of Compromise and Arrangement dated May 19, 2016 (as amended, varied or supplemented from time to time in accordance with the terms thereof, and together with all schedules thereto, the "**Plan**"), which Plan is attached as Schedule "B" hereto; and (b) vesting all of the Target Canada Entities' right, title and interest in and to the IP Assets (as defined in the Plan) was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Mark J. Wong sworn May 26, 2016 (the "**Wong Affidavit**"), the Twenty-Seventh Report of Alvarez & Marsal Canada Inc. in its capacity as monitor of the Target Canada Entities (the "**Monitor**") dated May 11, 2016, the

Twenty-Eighth Report of the Monitor dated May 27, 2016, and on hearing the submissions of respective counsel for the Target Canada Entities, the Monitor, and such other counsel as were present, and on being advised that the Service List was served with the Motion Record herein:

DEFINED TERMS

1. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Order shall have the meanings ascribed to such terms in the Plan.

SERVICE, NOTICE AND MEETINGS

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and that service thereof upon any interested party other than the persons served with the Motion Record is hereby dispensed with.

3. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient notice, service and delivery of the Meeting Materials (as defined in the Meeting Order granted by this Court on April 13, 2016 (the "**Meeting Order**")) and that the Creditors' Meeting was duly called, convened, held and conducted, all in conformity with the CCAA and the Orders of this Court made in the CCAA Proceedings, including, without limitation, the Meeting Order.

SANCTION OF THE PLAN

4. **THIS COURT ORDERS AND DECLARES** that:

(a) the Plan has been approved by the Required Majority of Affected Creditors with Proven Claims as required by the Meeting Order, and in conformity with the CCAA;

(b) the Target Canada Entities have complied with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceedings in all respects;

(c) the Court is satisfied that the Target Canada Entities have not done or purported to do anything that is not authorized by the CCAA; and

(d) the Target Canada Entities have acted in good faith and with due diligence, and the Plan and the Plan Transaction Steps contemplated therein are fair and reasonable.

5. **THIS COURT ORDERS** that the Plan is hereby sanctioned and approved pursuant to Section 6 of the CCAA.

PLAN IMPLEMENTATION

6. **THIS COURT ORDERS** that each of the Target Canada Entities, their respective directors and officers, and the Monitor is authorized and directed to take all steps and actions (including, without limitation, the Plan Transaction Steps), and to do all things, necessary or appropriate to implement the Plan in accordance with its terms and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, disbursements, payments, deliveries, allocations, instruments and agreements contemplated pursuant to the Plan, and such steps and actions are hereby authorized, ratified and approved. None of the Target Canada Entities, their respective directors and officers or the Monitor shall incur any liability as a result of acting in accordance with the terms of the Plan and this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of such parties.

7. **THIS COURT ORDERS AND DECLARES** that the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby (including, without limitation, the Plan Transaction Steps) are hereby approved, shall be deemed to be implemented and shall be binding and effective as of the Effective Time in accordance with the terms of the Plan or at such other time, times or manner as may be set forth in the Plan in the sequence provided therein, and shall enure to the benefit of and be binding and effective upon the Target Canada Entities, the Plan Sponsor, all Affected Creditors, the Released Parties and all other Persons and parties named or referred to in, affected by, or subject to the Plan.

8. **THIS COURT ORDERS** that upon delivery to the Monitor of written notice from the Target Canada Entities and the Plan Sponsor of the fulfilment or waiver of the conditions precedent to implementation of the Plan as set out in section 8.3 of the Plan, the Monitor shall deliver to the Target Canada Entities a certificate signed by the Monitor substantially in the form attached as Schedule "C" hereto confirming that all of the conditions precedent set out in section 8.3 of the Plan have been satisfied or waived, as applicable, in accordance with the terms of the Plan and that the Plan Implementation Date has occurred and the Plan is effective in accordance with its terms and the terms of this Order (the "**Monitor's Plan Implementation Date**

Certificate"). The Monitor is hereby directed to file the Monitor's Plan Implementation Date Certificate with the Court as soon as reasonably practicable on or forthwith following the Plan Implementation Date after delivery thereof and shall post a copy of same, once filed, on the Website and provide a copy to the Service List.

COMPROMISE OF CLAIMS AND EFFECT OF PLAN

9. **THIS COURT ORDERS** that, pursuant to and in accordance with the terms of the Plan, on the Plan Implementation Date, all Affected Claims shall be fully, finally, irrevocably and forever compromised, discharged and released with prejudice, and the ability of any Person to proceed against the Released Parties in respect of or relating to any such Affected Claims shall be and shall be deemed forever discharged, extinguished, released and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims shall permanently be stayed against the Released Parties, subject only to the right of Affected Creditors to receive the distributions pursuant to the Plan and this Order in respect of their Affected Claims, in the manner and to the extent provided for in the Plan.

10. **THIS COURT ORDERS** that the determination of Proven Claims in accordance with the Claims Procedure Order and Plan shall be final and binding on the Target Canada Entities and all Affected Creditors.

11. **THIS COURT ORDERS** that an Affected Creditor holding a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Claim becomes a Proven Claim in accordance with the Claims Procedure Order and Plan.

12. **THIS COURT ORDERS** that nothing in the Plan extends to or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order. Any Affected Claim, any Propco Unaffected Claim and any Property LP Unaffected Claim for which a Proof of Claim has not been filed by the Claims Bar Date in accordance with the Claims Procedure Order, whether or not the holder of such Affected Claim, Propco Unaffected Claim or Property LP Unaffected Claim has received personal notification of

the claims process established by the Claims Procedure Order, shall be and are hereby forever barred, extinguished and released with prejudice.

13. **THIS COURT ORDERS** that each Person named or referred to in, or subject to, the Plan shall be and is hereby deemed to have consented and agreed to all of the provisions in the Plan, in its entirety, and each Person named or referred to in, or subject to, the Plan shall be and is hereby deemed to have executed and delivered to the Target Group Entities all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

14. **THIS COURT ORDERS AND DECLARES** that all distributions or payments by TCC, in each case on behalf of the Target Canada Entities, to Affected Creditors with Proven Claims, to Propco Unaffected Creditors and to Property LP Unaffected Creditors under the Plan are for the account of the Target Canada Entities and the fulfillment of their respective obligations under the Plan.

15. **THIS COURT ORDERS** that sections 95 to 101 of the BIA and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to the Plan or to any transactions, distributions or settlement payments implemented pursuant to the Plan.

16. **THIS COURT ORDERS AND DECLARES** that TCC shall be authorized, in connection with the making of any payment or distribution, and in connection with the taking of any step or transaction or performance of any function under or in connection with the Plan, to apply to any Governmental Authority for any consent, authorization, certificate or approval in connection therewith.

17. **THIS COURT ORDERS** that the Target Canada Entities are authorized to take any and all such actions as may be necessary or appropriate to comply with applicable Tax withholding and reporting requirements. All amounts withheld on account of Taxes shall be treated for all purposes as having been paid to the Affected Creditors, Propco Unaffected Creditors or Property LP Unaffected Creditors in respect of which such withholding was made, provided such withheld amounts be remitted to the appropriate Governmental Authority.

18. **THIS COURT ORDERS AND DECLARES** that any distributions, disbursements or payments made under the Plan or this Order (including without limitation distributions made to or for the benefit of the Affected Creditors, Propco Unaffected Creditors or Property LP Unaffected Creditors) shall not constitute a "distribution" by any person for the purposes of section 107 of the *Corporations Tax Act* (Ontario), section 22 of the *Retail Sales Tax Act* (Ontario), section 117 of the *Taxation Act*, 2007 (Ontario), section 34 of the *Income Tax Act* (British Columbia), section 104 of the *Social Service Tax Act* (British Columbia), section 49 of the *Alberta Corporate Tax Act*, section 22 of the *Income Tax Act* (Manitoba), section 73 of *The Tax Administration and Miscellaneous Taxes Act* (Manitoba), section 14 of *An Act respecting the Ministere du Revenu* (Quebec), section 85 of *The Income Tax Act*, 2000 (Saskatchewan), section 48 *of The Revenue and Financial Services Act* (Saskatchewan), section 56 of the *Income Tax Act* (Nova Scotia), section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada), section 46 of the *Employment Insurance Act* (Canada), or any other similar federal, provincial or territorial tax legislation (collectively, the "**Tax Statutes**"), and TCC, in making any such distributions, disbursements or payments, as applicable, is merely a disbursing agent under the Plan and is not exercising any discretion in making payments under the Plan and no person is "distributing" such funds for the purpose of the Tax Statutes, and TCC and any other person shall not incur any liability under the Tax Statutes in respect of distributions, disbursements or payments made by it and TCC and any other person is hereby forever released, remised and discharged from any claims against it under or pursuant to the Tax Statutes or otherwise at law, arising in respect of or as a result of distributions, disbursements or payments made by it in accordance with the Plan and this Order and any claims of this nature are hereby forever barred.

ESTABLISHMENT OF CASH RESERVES

19. **THIS COURT ORDERS** that on the Plan Implementation Date, TCC shall be and is hereby authorized and directed to fund the Administrative Reserve out of the TCC Cash Pool in an aggregate amount to be agreed upon by TCC, the Monitor and the Plan Sponsor three (3) Business Days prior to the Plan Implementation Date.

20. **THIS COURT ORDERS** that, pursuant to and in accordance with the Plan, TCC is hereby authorized to establish the Propco Disputed Claims Reserve on the Plan

Implementation Date from the Propco Cash Pool for the benefit of Propco in an amount equal to the face value of disputed Claims of the Propco Creditors and the Property LP Creditors (excluding Landlord Restructuring Period Claims but not excluding any disputed Property LP Unaffected Claims held by Landlords).

21. **THIS COURT ORDERS** that, pursuant to and in accordance with the Plan, TCC is hereby authorized to establish the TCC Disputed Claims Reserve on the Plan Implementation Date from the TCC Cash Pool in an amount equal to the expected distributions to be made to all Creditors with Disputed Claims (based on the face value of each Disputed Claim) as such amount is agreed to between TCC, the Monitor and the Plan Sponsor three (3) Business Days prior to the Plan Implementation Date.

VESTING

22. **THIS COURT ORDERS** that on the Plan Implementation Date, all of the Target Canada Entities' right, title and interest in and to the IP Assets listed on Schedule "D" shall vest absolutely in 3293849 Nova Scotia Company and all of the Target Canada Entities' right, title and interest in and to the IP Assets listed on Schedule "E" shall vest absolutely in Target Brands Inc., in each case free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, Claims (as defined in the Plan), or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**IP Asset Claims**"), including, without limiting the generality of the foregoing:

(a) the Administration Charge, the KERP Charge, the Directors' Charge, the Financial Advisor Subordinated Charge, the DIP Lender's Charge, and the Agent's Charge and Security Interest (as defined in the Approval Order - Agency Agreement dated February 4, 2015); and

(b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system;

(all of which are collectively referred to as the "**Encumbrances**")

and, for greater certainty, this Court orders that all of the IP Asset Claims and Encumbrances affecting or relating to the IP Assets are hereby expunged and discharged as against the IP Assets.

23. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the Target Canada Entities and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of any of the Target Canada Entities;

the vesting of the IP Assets in 3293849 Nova Scotia Company and Target Brands Inc. pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Target Canada Entities and shall not be void or voidable by creditors of the Target Canada Entities, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

24. **THIS COURT ORDERS** that the transfer of the IP Assets is exempt from the application of the *Bulk Sales Act* (Ontario).

EMPLOYEE TRUST

25. **THIS COURT ORDERS** that the form of Employee Trust Termination Certificate attached as Schedule "F" to the Plan and Employee Trust Property Joint Direction attached as Schedule "G" to the Plan are each hereby approved.

26. **THIS COURT ORDERS** that the Employee Trust Trustee and the Employee Trust Administrator shall be and are hereby authorized and directed to perform their functions and fulfill their obligations under the Plan without liability to facilitate the implementation and administration of the Plan, as necessary, pursuant to and in accordance with the terms of the

Plan, including without limitation to remit the balance of the Employee Trust Property, net of the payments set out in Sections 6.3(v)(ii) and 6.3(v)(iii) and any applicable Withholding Obligations, to the Plan Sponsor or its designee upon delivery by the Employee Trust Trustee and the Employee Trust Administrator of an Employee Trust Property Joint Direction to The Royal Bank of Canada, and such performance of their functions and fulfillment of their obligations are hereby authorized, ratified and approved.

27. **THIS COURT ORDERS** that upon the delivery of the Employee Trust Termination Certificate from the Employee Trust Trustee to the Monitor:

(a) any remaining Trustee Fees, Trustee Expenses, Administrator Fees and Administrator Expenses (each as defined in the Employee Trust Agreement) shall be paid from any remaining Employee Trust Property to the Employee Trust Trustee and the Employee Trust Administrator, as applicable;

(b) the Employee Trust Trustee shall satisfy any commitments to pay Eligible Employee Claims (as defined in the Employee Trust Agreement) made under Article 2 of the Employee Trust Agreement with the assistance of the Employee Trust Administrator;

(c) the Employee Trust Trustee and the Employee Trust Administrator shall deliver the Employee Trust Property Joint Direction to The Royal Bank of Canada in accordance with Section 6.3(v)(iv) of the Plan;

(d) the Employee Trust Trustee and the Employee Trust Administrator shall be and shall be deemed to be fully and finally released and discharged from all of their respective obligations under the Employee Trust Agreement and from all claims relating to their activities as Employee Trust Trustee and Employee Trust Administrator, respectively; and

(e) the Employee Trust shall be and shall be deemed to be wound-up and terminated.

28. **THIS COURT ORDERS** that the Monitor is hereby directed to file the Employee Trust Termination Certificate with the Court as soon as reasonably practicable after delivery thereof and shall post a copy of same, once filed, on the Website and provide a copy to the Service List.

RELEASES

29. **THIS COURT ORDERS AND DECLARES** that the compromises and releases set out in Article 7 of the Plan are approved and shall be binding and effective as at the Plan Implementation Date, provided that the releases in favour of an Employee Trust Released Party shall be effective immediately upon delivery of the Employee Trust Termination Certificate to the Monitor in accordance with the Plan.

30. **THIS COURT ORDERS** that from and after the Plan Implementation Date (and in respect of an Employee Trust Released Party, from and after the delivery of the Employee Trust Termination Certificate to the Monitor) any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims, Propco Unaffected Claims, Property LP Unaffected Claims and matters which are released pursuant to paragraph 29 of this Order and Article 7 of the Plan or discharged, compromised or terminated pursuant to the Plan.

DIRECTORS AND OFFICERS

31. **THIS COURT ORDERS** that the remaining Directors and Officers of the Target Canada Entities (other than the current Directors of TCC or Target Canada Pharmacy (Ontario) Corp.) shall be deemed to have resigned without replacement at the Effective Time on the Plan Implementation Date, unless such Persons affirmatively elect to remain as a Director or Officer in order to facilitate any Plan Transaction Steps in connection with the wind-down of any of the Target Canada Entities.

32. **THIS COURT ORDERS** that the Directors of Target Canada Pharmacy (Ontario) Corp. shall be deemed to have resigned in accordance with Section 6.3(r) of the Plan.

PLAN CHARGES

33. **THIS COURT ORDERS** that each of the Financial Advisor Subordinated Charge, the DIP Lender's Charge, the Liquidation Agent's Charge and Security Interest and the KERP

Charge is hereby terminated, released and discharged on the Plan Implementation Date and each of the Administration Charge and the Directors' Charge shall continue and shall attach solely against the Propco Cash Pool and the TCC Cash Pool and the Cash Reserves from and after the Plan Implementation Date.

THE MONITOR

34. **THIS COURT ORDERS** that in addition to its prescribed rights and obligations under the CCAA and the Orders of the Court made in these CCAA Proceedings, the Monitor is granted the powers, duties and protections contemplated by and required under the Plan and that the Monitor be and is hereby authorized, entitled and empowered to perform its duties and fulfil its obligations under the Plan to facilitate the implementation thereof, including without limitation:

(a) to take all such actions to market and sell any remaining assets and pursue any outstanding accounts receivable owing to any of the Target Canada Entities, or to assist the Target Canada Entities with respect thereto;

(b) to act, if required, as trustee in bankruptcy, liquidator, receiver or a similar official of the Target Canada Entities; and

(c) apply to this Court for any orders necessary or advisable to carry out its powers and obligations under any other Order granted by this Court including for advice and directions with respect to any matter arising from or under the Plan.

35. **THIS COURT ORDERS** that, without limiting the provisions of the Initial Order or the provisions of any other Order granted in the CCAA Proceeding, including this Order, the Target Canada Entities shall remain in possession and control of the Property (each as defined in the Initial Order) and that the Monitor shall not take possession or be deemed to be in possession and/or control of the Property.

36. **THIS COURT ORDERS AND DECLARES** that the Monitor shall be authorized, in connection with the taking of any step or transaction or performance of any function under or in connection with the Plan, to apply to any Governmental Authority for any consent, authorization, certificate or approval in connection therewith.

37. **THIS COURT ORDERS** that the Plan Sponsor shall be and is hereby directed to maintain the books and records of the Target Canada Entities for purposes of assisting the Monitor in the completion of the resolution of the Disputed Claims and Claims of the Propco Creditors and the Property LP Creditors and the orderly wind-down of the Target Canada Entities.

38. **THIS COURT ORDERS AND DECLARES** that: (i) in carrying out the terms of this Order and the Plan, the Monitor shall have all the protections given to it by the CCAA, the Initial Order, and as an officer of the Court, including the Stay of Proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Order and/or the Plan, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of the Monitor; (iii) the Monitor shall be entitled to rely on the books and records of the Target Canada Entities and any information provided by the Target Canada Entities without independent investigation; and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

39. **THIS COURT ORDERS AND DECLARES** that in no circumstance will the Monitor have any liability for any of the Target Canada Entities' tax liabilities regardless of how or when such liability may have arisen.

40. **THIS COURT ORDERS** that the Monitor shall publish a notice to Affected Creditors, substantially in the form attached as Schedule "F" hereto (the "**Notice of Final Distribution**"), at least thirty (30) days in advance of the Final Distribution Date in *The Globe and Mail* (National Edition), *La Presse* and *The Wall Street Journal* notifying Affected Creditors of the Final Distribution Date.

41. **THIS COURT ORDERS** that the form of Monitor's Plan Completion Certificate attached as Schedule "G" hereto is hereby approved and declares that the Monitor, in its capacity as Monitor, following receipt of a written notice from TCC pursuant to section 5.12(d) of the Plan that TCC has completed its duties to effect distributions, disbursements and payments in accordance with the Plan, shall file the Monitor's Plan Completion Certificate with this Court stating that all of its duties and the Target Canada Entities' duties under the Plan and the Orders have been completed, and thereafter the Monitor shall seek an Order, *inter alia*, (a) approving its

final fees and disbursements and those of its counsel; (b) discharging the Monitor from its duties as Monitor in the CCAA Proceedings, (c) terminating, releasing and discharging the Administration Charge (subject to payment of final fees and disbursements) and the Directors' Charge, and (d) releasing the Target Canada Entities, the Monitor and any Directors and Officers holding such office following the Plan Implementation Date and their advisors, from all claims relating to the implementation of the Plan.

42. **THIS COURT ORDERS** that the Monitor is hereby directed to post a copy of the Monitor's Plan Completion Certificate, once filed, on the Website and provide a copy to the Service List.

STAY EXTENSION

43. **THIS COURT ORDERS** that the Stay Period in the Initial Order be and is hereby extended until and including September 26, 2016, or such later date as this Court may order.

EXTENSION OF NOTICE OF OBJECTION BAR DATE

44. **THIS COURT ORDERS** that the definition of "Notice of Objection Bar Date" set out in paragraph 3(aa) of the Claims Procedure Order (issued by Regional Senior Justice Morawetz on June 11, 2015, as amended) is hereby amended to extend the Notice of Objection Bar Date to the Plan Implementation Date and that the Notice of Objection Bar Date will expire on the Plan Implementation Date.

DISCHARGE OF THE CONSULTATIVE COMMITTEE

45. **THIS COURT ORDERS** that, effective immediately upon delivery of the Monitor's Plan Implementation Date Certificate, the Consultative Committee and each Member thereof shall be and is hereby discharged and the Members shall no longer be entitled to payments of $5,000 plus HST per month, and such payments shall cease, subject to payment by the Target Canada Entities of any such monthly amounts then outstanding to Members.

GENERAL

46. **THIS COURT ORDERS** that the Target Canada Entities and the Monitor may apply to this Court from time to time for advice and direction with respect to any matter arising from or under the Plan or this Order.

47. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories of Canada and abroad as against all persons and parties against whom it may otherwise be enforced.

48. **THIS COURT ORDERS** that the Target Canada Entities (at their sole election) are hereby authorized to seek an order of any court of competent jurisdiction to recognize the Plan and this Order, to confirm the Plan and this Order as binding and effective in any appropriate foreign jurisdiction, and to assist the Target Canada Entities, the Monitor and their respective agents in carrying out the terms of the Plan and this Order.

49. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body having jurisdiction in Canada, the United States, or in any other foreign jurisdiction, to recognize and give effect to the Plan and this Order, to confirm the Plan and this Order as binding and effective in any appropriate foreign jurisdiction, and to assist the Target Canada Entities, the Monitor and their respective agents in carrying out the terms of the Plan and this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Target Canada Entities and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Target Canada Entities and the Monitor and their respective agents in carrying out the terms of this Order.

RSJ

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUN 0 2 2016

PER / PAR: RW

0316

SCHEDULE "A"
PARTNERSHIPS

Target Canada Pharmacy Franchising LP
Target Canada Mobile LP
Target Canada Property LP

SCHEDULE "B"
SECOND AMENDED AND RESTATED PLAN

Court File No. CV-15-10832-00CL

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 TARGET CANADA CO., TARGET CANADA HEALTH CO., TARGET CANADA MOBILE GP CO., TARGET CANADA PHARMACY (BC) CORP., TARGET CANADA PHARMACY (ONTARIO) CORP., TARGET CANADA PHARMACY CORP., TARGET CANADA PHARMACY (SK) CORP., and TARGET CANADA PROPERTY LLC (collectively the "**Applicants**")

SECOND AMENDED AND RESTATED JOINT PLAN OF COMPROMISE AND ARRANGEMENT

pursuant to the *Companies' Creditors Arrangement Act*

May 19, 2016

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SECOND AMENDED AND RESTATED JOINT PLAN OF COMPROMISE AND ARRANGEMENT

WHEREAS:

A. Target Canada Co., Target Canada Health Co., Target Canada Mobile GP Co., Target Canada Pharmacy (BC) Corp., Target Canada Pharmacy (Ontario) Corp., Target Canada Pharmacy Corp., Target Canada Pharmacy (SK) Corp. and Target Canada Property LLC (collectively, the "**Applicants**") are insolvent;

B. The Applicants filed for and obtained protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) on January 15, 2015, as amended and restated on February 11, 2015 (and as further amended, restated or varied from time to time, the "**Initial Order**");

C. The Initial Order declared that, although not Applicants, each of Target Canada Pharmacy Franchising LP, Target Canada Mobile LP and Target Canada Property LP shall enjoy the protections and authorizations provided by the Initial Order (together with the Applicants, the "**Target Canada Entities**");

D. Pursuant to the Initial Order, the Applicants have the authority to file with the Court, individually or collectively, a plan of compromise or arrangement, which plan will provide, among other things, a method of distribution to Creditors with Proven Claims and the framework for the completion of the orderly wind-down of the Target Canada Entities' Business;

E. The Target Canada Entities brought a motion before the Court heard on December 21 and 22, 2015 for an Order, *inter alia*, accepting the filing of a Joint Plan of Compromise and Arrangement dated November 27, 2015 (the "**Original Plan**") and authorizing the Target Canada Entities to hold a meeting of Affected Creditors to consider and vote on a resolution to approve the Original Plan;

F. The Court declined to grant the relief for the reasons set out in the Endorsement of Regional Senior Justice Morawetz dated January 15, 2016 (the "**January 15 Endorsement**"); and

G. The Target Canada Entities amended and restated the Original Plan in the form of an Amended and Restated Joint Plan of Compromise and Arrangement under and pursuant to the CCAA dated April 6, 2016 to, among other things, comply with the January 15 Endorsement (the "**Amended Plan**").

H. On April 13, 2016, the Court issued an Order (the "**April 13 Order**"), *inter alia*, accepting the filing of the Amended Plan and authorizing the Target Canada Entities to hold a meeting of Affected Creditors to consider and vote on a resolution to approve the Amended Plan.

I. Pursuant to and in accordance with the April 13 Order, the Target Canada Entities hereby propose and present this Second Amended and Restated Joint Plan of Compromise and Arrangement under and pursuant to the CCAA, which includes certain administrative

amendments to the Amended Plan, that have been consented to by the Plan Sponsor and the Monitor, to better give effect to the implementation of the Amended Plan.

ARTICLE 1
INTERPRETATION

1.1 Definitions

In the Plan, unless otherwise stated or unless the subject matter or context otherwise requires:

"**A&M**" means Alvarez & Marsal Canada Inc. and its affiliates;

"**Administration Charge**" means the charge over the Property created by paragraph 54 of the Initial Order, and having the priority provided in paragraphs 63 and 65 of such Order;

"**Administrative Reserve**" means a Cash reserve from the TCC Cash Pool approved by the Court pursuant to the Sanction and Vesting Order, in an amount to be agreed by the Monitor, the Target Canada Entities and the Plan Sponsor three (3) Business Days prior to the Plan Implementation Date, to be deposited by TCC into the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs, which Administrative Reserve shall be subject to the Administrative Reserve Adjustment;

"**Administrative Reserve Account**" means a segregated interest-bearing trust account established by TCC to hold the Administrative Reserve;

"**Administrative Reserve Adjustment**" means, on or after the Plan Implementation Date, an increase in the Administrative Reserve in such amount as the Monitor may determine to be necessary or desirable, in consultation with the Target Canada Entities and the Plan Sponsor, which increase shall be funded from the TCC Cash Pool Account;

"**Administrative Reserve Costs**" means costs incurred and payments to be made on or after the Plan Implementation Date (including costs incurred prior to the Plan Implementation Date which remain outstanding as of the Plan Implementation Date) in respect of (a) the Monitor's fees and disbursements (including of its legal counsel and other consultants and advisors) in connection with the performance of its duties under the Plan and in the CCAA Proceedings, including without limitation all costs associated with resolving Disputed Claims; (b) the Plan Sponsor's fees and disbursements (including of its legal counsel and other consultants and advisors) in connection with maintaining the books and records of the Target Canada Entities for purposes of assisting the Monitor in the completion of the resolution of the Disputed Claims and Claims of the Propco Creditors and the Property LP Creditors and the wind-down of the Target Canada Entities; (c) costs of any shared services (including in connection with the performance of TCC's duties under the Plan, including without limitation administering distributions, disbursements and payments under the Plan) and employee-related expenses of the Target Canada Entities, including retention payments due to its employees; (d) any third-party fees incurred in connection with the administration of distributions, disbursements and payments under the Plan (including, without limitation, Bank of America); (e) any fees incurred in connection with the dissolution under corporate law or otherwise of a Target Canada Entity; (f) Post-Filing Trade Payables; (g) the lawyer, consultant and advisor fees and disbursements of the

Target Canada Entities (including the fees and disbursements of Northwest); (h) the fees and disbursements of Employee Representative Counsel; (i) the fees and disbursements of any claims officer appointed under the Claims Procedure Order or the Employee Trust Claims Resolution Order; (j) Excluded Claims, Government Priority Claims, Employee Priority Claims, to the extent such amounts have not been satisfied from the Employee Trust, and TCC Secured Construction Lien Claims; and (k) any other reasonable amounts in respect of any other determinable contingency as the Monitor may determine in its sole discretion;

"**Affected Claim**" means all Claims other than Unaffected Claims;

"**Affected Creditor**" means a Creditor who has an Affected Claim;

"**Applicable Law**" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"**Applicants**" has the meaning ascribed thereto in the Recitals;

"**Assessments**" means Claims of Her Majesty the Queen in Right of Canada or of Her Majesty the Queen in Right of any province or territory or of any municipality or of any other Taxing Authority in any Canadian or other jurisdictions, including without limitation amounts which may arise or have arisen under any notice of assessment, notice of objection, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any Taxing Authority;

"**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

"**Business**" means the direct and indirect operations and activities formerly carried on by the Target Canada Entities;

"**Business Day**" means a day on which banks are open for business in the City of Toronto, Ontario, Canada, but does not include a Saturday, Sunday or a statutory holiday in the Province of Ontario;

"**Cash**" means cash, certificates of deposit, bank deposits, commercial paper, treasury bills and other cash equivalents;

"**Cash Elected Amount**" means **$25,000**;

"**Cash Management Lender Claim**" means any claim of Royal Bank of Canada, The Toronto-Dominion Bank, Bank of America and JPMorgan Chase Bank, National Association in connection with the provision of cash management services to any of the Target Canada Entities and for greater certainty shall include any such claims which have been assigned to the Plan Sponsor or in respect of which the Plan Sponsor has a subrogated claim;

"**Cash Reserves**" means the Administrative Reserve, the TCC Disputed Claims Reserve and the Propco Disputed Claims Reserve;

"**CCAA**" has the meaning ascribed thereto in the Recitals;

"**CCAA Charges**" means the Administration Charge, the KERP Charge, the Directors' Charge, the Financial Advisor Subordinated Charge, the DIP Lender's Charge and the Liquidation Agent's Charge and Security Interest;

"**CCAA Proceedings**" means the CCAA proceedings in respect of the Target Canada Entities commenced pursuant to the Initial Order;

"**Claim**" means a Pre-filing Claim, a Restructuring Period Claim, a Landlord Restructuring Period Claim and a D&O Claim, provided however that "**Claim**" shall not include a Landlord Guarantee Claim or an Excluded Claim, but for greater certainty, shall include any Claim arising through subrogation or assignment against any Target Canada Entity or Director or Officer;

"**Claims Bar Date**" means: (a) in respect of a Pre-filing Claim or a D&O Claim, 5:00 p.m. on August 31, 2015; and (b) in respect of a Restructuring Period Claim (which for purposes of the "**Claims Bar Date**" includes a Landlord Restructuring Period Claim), the later of (i) 45 days after the date on which the Monitor sends a Claims Package (as defined in the Claims Procedure Order) with respect to such Claim, and (ii) 5:00 p.m. on August 31, 2015;

"**Claims Procedure Order**" means the Order of the Court made June 11, 2015 (including all schedules and appendices thereto) approving and implementing the claims procedure in respect of the Target Canada Entities and the Directors and Officers, as amended on September 21, 2015, October 30, 2015, December 8, 2015, February 1, 2016 and March 14, 2016 and as may be further amended, restated or varied from time to time;

"**Conditions Precedent**" means the conditions precedent to Plan implementation set out in Section 8.3;

"**Consultative Committee Members**" means the "Members" as defined in the Revised Consultative Committee Protocol approved by Order of the Court made November 18, 2015;

"**Contributed Claim Amount**" means that amount of the Property LP (Propco) Intercompany Claim equal to the amount of the Property LP Unaffected Claims;

"**Convenience Class Claim**" excludes a Disputed Claim and means: (a) an Affected Creditor with one or more Proven Claims that are less than or equal to **$25,000** in the aggregate; and (b) an Affected Creditor with one or more Proven Claims in an amount in excess of **$25,000** in the aggregate that such Affected Creditor has validly elected to value at **$25,000** for purposes of the Plan by filing a Convenience Class Claim Election by the Election/Proxy Deadline;

"**Convenience Class Claim Election**" means an election pursuant to which an Affected Creditor with one or more Proven Claims that are in an amount in excess of **$25,000** in the aggregate has elected by the Election/Proxy Deadline to receive only the Cash Elected Amount and is thereby deemed to vote in favour of the Plan in respect of such Proven Claims and to receive no other entitlements under the Plan;

"**Convenience Class Creditor**" means a Person having a Convenience Class Claim;

"**Court**" means the Ontario Superior Court of Justice (Commercial List) or any appellate court seized with jurisdiction in the CCAA Proceedings, as the case may be;

"**Creditor**" means any Person asserting an Affected Claim or an Unaffected Claim and may, where the context requires, include the assignee of such Claim or a personal representative, agent, litigation guardian, mandatary, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

"**Creditors' Meeting**" means the meeting of Affected Creditors to be called and held pursuant to the Meeting Order for the purpose of considering and voting upon the Plan, and includes any adjournment, postponement or rescheduling of such meeting;

"**D&O Claim**" means any right or claim of any Person against one or more of the Directors and/or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer;

"**DIP Lender's Charge**" means the charge over the DIP Property created by paragraph 60 of the Initial Order, and having the priority provided in paragraphs 63 and 65 of such Order;

"**DIP Property**" means the Property of the Target Canada Entities (other than Propco and Property LP) described in paragraph 7 of the Initial Order;

"**Director**" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Target Canada Entities, in such capacity;

"**Directors' Charge**" means the charge over the Property created by paragraph 40 of the Initial Order, and having the priority provided in paragraphs 63 and 65 of such Order;

"**Disputed Claim**" means that portion of an Affected Claim of an Affected Creditor in respect of which a Proof of Claim has been filed in accordance with the Claims Procedure Order that has not been finally determined to be a Proven Claim in whole or in part in accordance with the Claims Procedure Order, the Meeting Order, or any other Order made in the CCAA Proceedings;

"**Distribution Date**" means the day on which a distribution to Creditors of the Target Canada Entities is made, other than the Initial Distribution Date or the Final Distribution Date;

"**Effective Time**" means 12:01 a.m. on the Plan Implementation Date or such other time on such date as the Target Canada Entities, the Plan Sponsor and the Monitor shall determine or as otherwise ordered by the Court;

"**Election/Proxy Deadline**" means the deadline for making a Convenience Class Claim Election and for submitting Proxies in accordance with the Meeting Order;

"**Employee Priority Claims**" means the following claims of Employees:

(a) claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Target Canada Entities had become bankrupt on the Filing Date; and

(b) claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the Plan Implementation Date together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Business during the same period;

"**Employee Representative Counsel**" means Koskie Minsky LLP, appointed pursuant to paragraph 31 of the Initial Order as counsel for all Employees in the CCAA Proceedings, any proceeding under the BIA or in any other proceeding respecting the insolvency of the Applicants which may be brought before the Court;

"**Employee Representatives**" means the Employees appointed by the Court pursuant to an Order of the Court dated February 11, 2015 to represent all Employees in the CCAA Proceedings;

"**Employee Trust**" means the Employee Trust approved pursuant to paragraph 26 of the Initial Order and governed by the Employee Trust Agreement;

"**Employee Trust Administrator**" means the Monitor, in its capacity as administrator of the Employee Trust;

"**Employee Trust Agreement**" means the Trust Agreement between the Plan Sponsor, the Monitor and the Employee Trust Trustee dated January 14, 2015, as amended, restated, supplemented or varied from time to time;

"**Employee Trust Claims Resolution Order**" means the Order of the Court dated October 21, 2015, as amended, restated or varied from time to time, establishing the procedure for resolving disputes by claimants in respect of their entitlement under the Employee Trust;

"**Employee Trust Property**" means the aggregate amount contributed by the Plan Sponsor (in its capacity as Settlor) to the Employee Trust to be held under the terms of the Employee Trust Agreement together with interest and other revenues generated thereby and any property into which all of the foregoing may be converted less amounts which have been paid or distributed pursuant to the terms of the Employee Trust Agreement (including Trustee Fees (as defined in the Employee Trust Agreement));

"**Employee Trust Property Joint Direction**" has the meaning ascribed thereto in Section 6.3(v);

"**Employee Trust Released Party**" has the meaning ascribed thereto in Section 7.1(d);

"**Employee Trust Termination Certificate**" has the meaning ascribed thereto in Section 6.3(v);

"**Employee Trust Trustee**" means the Hon. John D. Ground, in his capacity as trustee of the Employee Trust;

"**Employees**" means all current and former employees of the Target Canada Entities other than Directors and Officers;

"**Encumbrance**" means any charge, mortgage, lien, pledge, claim, restriction, security interest, security agreement, hypothecation, assignment, deposit arrangement, hypothec, lease, rights of others including without limitation Transfer Restrictions, deed of trust, trust or deemed trust, lien, financing statement, preferential arrangement of any kind or nature whatsoever, including any title retention agreement, or any other arrangement or condition which in substance secures payment or performance of any obligations, action, claim, demand or equity of any nature whatsoever, execution, levy, charge or other financial or monetary claim, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, or other encumbrance, whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights and shall be construed in the widest possible terms and principles known under law applicable to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under Applicable Law, including without limiting the generality of the foregoing, the CCAA Charges;

"**Equity Claim**" has the meaning ascribed thereto in section 2 of the CCAA;

"**Excluded Claim**" means any:

(a) Claim secured by any of the CCAA Charges;

(b) Claim enumerated in sections 5.1(2) and 19(2) of the CCAA; and

(c) Cash Management Lender Claim;

"**Filing Date**" means January 15, 2015;

"**Final Distribution Date**" means such date, after all of the Disputed Claims and disputed Claims against Propco and Property LP have been finally resolved, that the Monitor, in consultation with TCC, shall determine or the Court shall otherwise order;

"**Final Order**" means a final Order of the Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal and as to which Order any appeal periods relating thereto shall have expired;

"**Financial Advisor Subordinated Charge**" means the charge over the Property created by paragraph 55 of the Initial Order, and having the priority provided in paragraphs 63 and 65 of such Order;

"**Government Priority Claims**" means all Claims of Governmental Authorities that are enumerated in section 38(3) of the CCAA in respect of amounts that are outstanding and that are of a kind that could be subject to a demand on or before the Final Distribution Date;

"**Governmental Authority**" means any government, including any federal, provincial, territorial or municipal government, and any government department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government including without limitation any Taxing Authority;

"**GST/HST**" means the goods and services tax and harmonized sales tax imposed under the *Excise Tax Act* (Canada), and any equivalent or corresponding tax imposed under any applicable provincial or territorial legislation imposing a similar value added or multi-staged tax;

"**Guarantee**" means any guarantee, indemnity, surety or similar agreement by a Person to guarantee, indemnify or otherwise hold harmless any Person from or against any Indebtedness, losses, Liabilities or damages of that Person, and excludes all Plan Sponsor Guarantees;

"**HBC Entities**" means Zellers Inc. and Hudson's Bay Company and their respective successors and assigns and any predecessors in interest to such Persons;

"**Indebtedness**" means, without duplication:

(a) all debts and liabilities of a Person for borrowed money;

(b) all debts and liabilities of a Person representing the deferred acquisition cost of property and services; and

(c) all Guarantees given by a Person;

"**Initial Distribution Date**" means a date no more than five (5) Business Days after the Plan Implementation Date or such other date as the Target Canada Entities, the Plan Sponsor and the Monitor may agree;

"**Initial Order**" has the meaning ascribed thereto in the Recitals;

"**Input Tax Credit**" means an input tax credit receivable under the *Excise Tax Act* (Canada) or any equivalent or corresponding amount receivable under any applicable provincial or territorial legislation imposing a similar value-added or multi-staged tax, on account of GST/HST paid or payable;

"**Intercompany Claim**" means any Claim filed by any of the Target Canada Entities, or any of their affiliated companies, partnerships, or other corporate entities, including the

Plan Sponsor or any of the Plan Sponsor Subsidiaries in accordance with the terms of the Claims Procedure Order, including the Claims set out on Schedule "A" but excluding any Claim arising through subrogation or assignment;

"**Intercompany Claims Report**" means the Twentieth Report of the Monitor dated August 31, 2015 providing the Monitor's review of the Intercompany Claims pursuant to and in accordance with paragraph 35 of the Claims Procedure Order;

"**IP Assets**" means all rights, title and interest of the Target Canada Entities in intellectual property of any type, including the domain names set out in Schedule "B";

"**ITA**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.), as amended, and any regulations thereunder;

"**KERP**" means the Key Employees Retention Plan approved by paragraph 24 of the Initial Order;

"**KERP Charge**" means the charge over the Property created by paragraph 25 of the Initial Order, and having the priority provided in paragraphs 63 and 65 of such Order;

"**KERP Claim**" means a claim of any Person under the KERP;

"**Landlord**" means any Person (excluding Propco and Property LP) who in its capacity as lessor was a party to a real property lease with TCC;

"**Landlord Guarantee Claim**" means the rights, remedies and claims of a Landlord against the Plan Sponsor or the HBC Entities arising under a lease, guarantee or indemnity, solely in respect of leases listed on Schedule "D", but excluding however, amounts owing by the Target Canada Entities to the Landlord in respect of its Pre-filing Claim, if any, which amount forms part of a Landlord Guarantee Creditor's Landlord Guarantee Creditor Base Claim Amount;

"**Landlord Guarantee Creditor**" means a Person holding a Landlord Guarantee Claim solely in respect of leases listed on Schedule "D";

"**Landlord Guarantee Creditor Base Claim Amount**" means the amount payable to an individual Landlord Guarantee Creditor on account of its Landlord Restructuring Period Claim and its Pre-filing Claim, if any, as consensually agreed to between such Landlord Guarantee Creditor and TCC in accordance with the Claims Procedure Order, payment of which is dealt with in the Landlord Guarantee Creditor Settlement Agreement;

"**Landlord Guarantee Creditor Base Claim Cash Pool**" means the Cash pool in the aggregate amount equal to the total of the Landlord Guarantee Creditor Base Claim Amounts, being approximately **$140.7 million**;

"**Landlord Guarantee Creditor Base Claim Cash Pool Account**" means a segregated, interest-bearing trust account established by TCC to hold the Landlord Guarantee Creditor Base Claim Cash Pool on behalf of the Target Canada Entities;

"Landlord Guarantee Creditor Settlement Agreement" means an agreement between the Plan Sponsor and all Landlord Guarantee Creditors to settle and release the Landlord Guarantee Claims on a consensual basis and to support the Plan;

"**Landlord Guarantee Enhancement Amount**" means the amount payable to an individual Landlord Guarantee Creditor as consensually agreed between the Plan Sponsor and such Landlord Guarantee Creditor pursuant to the Landlord Guarantee Creditor Settlement Agreement;

"**Landlord Guarantee Enhancement Cash Pool**" means the Cash pool mandated by the Landlord Guarantee Creditor Settlement Agreement in the aggregate amount of **$59.532 million**;

"**Landlord Guarantee Enhancement Cash Pool Account**" means a segregated, interest-bearing trust account established to hold the Landlord Guarantee Enhancement Cash Pool on behalf of the Plan Sponsor as mandated by the Landlord Guarantee Creditor Settlement Agreement;

"**Landlord Non-Guarantee Creditor**" means a Person holding a Landlord Restructuring Period Claim other than a Landlord Guarantee Creditor solely in respect of leases listed on Schedule "E";

"**Landlord Non-Guarantee Creditor Consent and Support Agreement**" means an agreement between TCC and a Landlord Non-Guarantee Creditor to settle the amount of such Landlord's Landlord Restructuring Period Claim and Pre-filing Claim, if any, on a consensual basis in accordance with the Claims Procedure Order and to support the Plan;

"Landlord Non-Guarantee Creditor Equalization Amount" means the amount payable to an individual Landlord Non-Guarantee Creditor as consensually agreed to between such Landlord Non-Guarantee Creditor and TCC in a Landlord Non-Guarantee Creditor Consent and Support Agreement, which in the aggregate shall equal the Landlord Non-Guarantee Creditor Equalization Cash Pool;

"Landlord Non-Guarantee Creditor Equalization Cash Pool" means the Cash pool in the aggregate amount of all of the Landlord Non-Guarantee Creditor Equalization Amounts;

"Landlord Non-Guarantee Creditor Equalization Cash Pool Account" means a segregated, interest-bearing trust account established by TCC to hold the Landlord Non-Guarantee Creditor Equalization Cash Pool;

"Landlord Restructuring Period Claim" means any right or claim of any Landlord against TCC in connection with any Indebtedness, Liability or obligation of any kind whatsoever owed by TCC to such Landlord arising out of the disclaimer, resiliation, termination or breach by TCC, on or after the Filing Date, of any real property lease or other contract or agreement in respect of any real property lease, including a shopping centre lease, whether written or oral, provided that any Landlord whose real property lease was assigned to a Person or returned (subject to any prior settlement agreement to the

contrary) to such Landlord in the CCAA Proceedings shall not have a Landlord Restructuring Period Claim;

"**Lazard**" means Lazard Frères and Co. LLC, Court-appointed financial advisor to TCC in connection with the Real Property Portfolio Sales Process;

"**Liabilities**" means all Indebtedness, obligations and other liabilities of a Person whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due;

"**Liquidation Agent**" means the contractual joint venture composed of Merchant Retail Solutions ULC, Gordon Brothers Canada ULC and GA Retail Canada, ULC, in its capacity as agent pursuant to the Agency Agreement between the agent and TCC, Target Canada Pharmacy Corp. and Target Canada Pharmacy (Ontario) Corp. dated January 29, 2015, as amended, restated or varied from time to time, in connection with the Liquidation Sale;

"**Liquidation Agent's Charge and Security Interest**" means the charge over a portion of the Property created by, and as more particularly described in, paragraph 19 of the Approval Order – Agency Agreement dated February 4, 2015, and having the priority provided in paragraphs 20 and 22 of such Order;

"**Liquidation Sale**" means the sale of the Target Canada Entities' inventory, furniture, fixtures and equipment that was approved by the Court pursuant to an Order dated February 4, 2015;

"**LPA**" means the Ontario *Limited Partnerships Act*, R.S.O. 1990, c. L. 16, as amended;

"**Meeting Materials**" has the meaning ascribed thereto in the Meeting Order;

"**Meeting Order**" means the Order, substantially in the form set out in Schedule "C" (including all schedules and appendices thereto), to be made by the Court under the CCAA that, among other things, sets the date for the Creditors' Meeting and approves the Meeting Materials, as same may be amended, restated or varied from time to time;

"**Monitor**" means A&M, in its capacity as Court-appointed monitor of the Target Canada Entities and not in its personal capacity;

"**Monitor's Plan Completion Certificate**" means the certificate substantially in the form to be attached to the Sanction and Vesting Order to be filed by the Monitor with the Court upon completion of its duties under the Plan;

"**Monitor's Plan Implementation Date Certificate**" means the certificate substantially in the form to be attached to the Sanction and Vesting Order to be filed by the Monitor with the Court, declaring that all of the Conditions Precedent to implementation of the Plan have been satisfied or waived;

"**NE1**" means Nicollet Enterprise 1 S.à.r.l., a company formed under Luxembourg law and the sole shareholder of TCC;

"**NE1 Intercompany Claim**" means the Intercompany Claim 1 filed by NE1 pursuant to the Claims Procedure Order against TCC in an amount of **$3,068,729,438** and not adjusted

by the Monitor in the Intercompany Claims Report as set out in Schedule "A" and which Intercompany Claim was subordinated pursuant to a subordination and postponement agreement as of January 12, 2015, which subordination and postponement was confirmed in the terms of the Initial Order;

"**Northwest**" means Northwest Atlantic (Canada) Inc., real estate advisor to TCC in connection with the Real Property Portfolio Sales Process;

"**Notice of Final Distribution**" means a notice to Affected Creditors to be published by the Monitor at least 30 days in advance of the Final Distribution Date in The Globe and Mail (National Edition), La Presse and The Wall Street Journal notifying Affected Creditors of the Final Distribution Date, substantially in the form to be attached to the Sanction and Vesting Order;

"**NSCA**" means the Nova Scotia *Companies Act*, R.S.N. 1989, c. 81, as amended;

"**Officer**" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of any of the Target Canada Entities, in such capacity;

"**Order**" means any order of the Court, or any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;

"**Person**" means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust (including a real estate investment trust), unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity;

"**Pharmacists' Representative Counsel**" means Sutts, Strosberg LLP, appointed pursuant to an Endorsement of the Court dated February 18, 2015, as clarified by Order of the Court dated February 12, 2016, as representative counsel in the CCAA Proceedings for the pharmacist franchisees who operated Target-branded retail pharmacies in TCC stores across Canada;

"**Pharmacy Purchaser**" means the Person who shall have been selected by the Target Canada Entities, in consultation with the Monitor, as the successful bidder for the Pharmacy Shares;

"**Pharmacy Shares**" means all of the issued and outstanding shares of Target Canada Pharmacy (Ontario) Corp.;

"**Pharmacy Share Sale Agreement**" means the binding share sale agreement between the Pharmacy Purchaser and TCC providing for the sale of the Pharmacy Shares to the Pharmacy Purchaser free and clear of all Encumbrances conditional on, *inter alia*, the issuance of the Pharmacy Share Sale Approval and Vesting Order, the Sanction and Vesting Order and the implementation of this Plan;

"**Pharmacy Share Sale Approval and Vesting Order**" means the Order to be sought by the Applicants approving the Pharmacy Share Sale Agreement and vesting all of TCC's

right, title and interest in and to the Pharmacy Shares absolutely in the Pharmacy Purchaser free and clear of all Encumbrances;

"**Plan**" means this amended and restated joint plan of compromise and arrangement under the CCAA, including the Schedules hereto, as amended, supplemented or replaced from time to time;

"**Plan Implementation Date**" means the Business Day or Business Days on which all of the Conditions Precedent to the implementation of the Plan have been fulfilled or, to the extent permitted pursuant to the terms and conditions of the Plan, waived, as evidenced by the Monitor's Plan Implementation Date Certificate to be filed with the Court;

"**Plan Sanction Date**" means the date that the Sanction and Vesting Order issued by the Court becomes a Final Order;

"**Plan Sponsor**" means Target Corporation, a corporation incorporated under Minnesota law;

"**Plan Sponsor GST/HST Contribution Amounts**" has the meaning ascribed thereto in Section 5.17;

"**Plan Sponsor Guarantee**" means any guarantee, indemnity, covenant or surety granted by the Plan Sponsor or the HBC Entities in favour of a Landlord Guarantee Creditor as set out on Schedule "D", and for greater certainty including the Plan Sponsor's or the HBC Entities' guarantee in respect of the real property leases identified in Schedule "D";

"**Plan Sponsor (Propco) Intercompany Claim**" means the Intercompany Claim 4A filed by the Plan Sponsor pursuant to the Claims Procedure Order against Propco in an amount of **US$89,079,107** and not adjusted by the Monitor in the Intercompany Claims Report as set out in Schedule "A";

"**Plan Sponsor Propco Recovery Limit**" means an amount equal to **$23,427,369**;

"**Plan Sponsor Propco Recovery Limit Reserve**" means a Cash reserve in an amount equal to the Plan Sponsor Propco Recovery Limit to be established by TCC for the benefit of Plan Sponsor from the Propco Cash Pool for distribution to the Plan Sponsor in accordance with the Plan;

"**Plan Sponsor Propco Recovery Limit Reserve Account**" means a segregated interest-bearing trust account established by TCC to hold the Plan Sponsor Propco Recovery Limit Reserve on behalf of Plan Sponsor;

"**Plan Sponsor Released Party**" has the meaning ascribed thereto in Section 7.1(c);

"**Plan Sponsor Subrogated Claim**" means any direct or indirect Claim of the Plan Sponsor against any of the Target Canada Entities arising from subrogation or assignment, but for greater certainty excluding any Plan Sponsor subrogated Claims arising as a result of payments to Landlord Guarantee Creditors of their respective Landlord Guarantee Enhancement Amounts, payments to Landlord Non-Guarantee Creditors of their respective Landlord Non-Guarantee Creditor Equalization Amounts and any Cash Management

Lender Claim assigned to the Plan Sponsor or in respect of which the Plan Sponsor has a subrogated claim;

"**Plan Sponsor Subsidiaries**" means all Plan Sponsor subsidiary entities, including corporations and partnerships, other than the Target Canada Entities;

"**Plan Transactions**" has the meaning ascribed thereto in Section 6.3;

"**Plan Transaction Steps**" means the steps or transactions considered necessary or desirable to give effect to the transactions contemplated in the Plan, including those set out in Sections 6.2 and 6.3, and "**Plan Transaction Step**" means any individual transaction step;

"**Post-Filing Trade Payables**" means post-Filing Date trade payables (excluding for greater certainty any Tax Claims) that were incurred by the Target Canada Entities (a) after the Filing Date and before the Plan Implementation Date; (b) in the ordinary course of business; and (c) in compliance with the Initial Order and other Orders issued in connection with the CCAA Proceedings;

"**Pre-filing Claim**" means any right or claim of any Person against any of the Target Canada Entities, whether or not asserted, in connection with any Indebtedness, Liability or obligation of any kind whatsoever of any such Target Canada Entity in existence on the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Target Canada Entities with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which Indebtedness, Liability or obligation is based in whole or in part on facts that existed prior to the Filing Date, including for greater certainty any claim against any of the Target Canada Entities for indemnification by any Director or Officer in respect of a D&O Claim (but excluding any such claim for indemnification that is covered by the Directors' Charge);

"**Principal Claim**" has the meaning ascribed thereto in Section 3.9;

"**Pro Rata Share**" means the fraction that is equal to (a) the amount of the Proven Claim of an Affected Creditor who is not a Convenience Class Creditor or a Landlord Guarantee Creditor, divided by (b) the aggregate amount of all Proven Claims held by Affected Creditors who are not Convenience Class Creditors or Landlord Guarantee Creditors;

"**Proof of Claim**" means the form that was to be completed by a Creditor setting forth its applicable Claim and filed by the Claims Bar Date or such later date as the Monitor may have agreed to in its sole discretion, pursuant to the Claims Procedure Order;

"**Propco**" means Target Canada Property LLC, a limited liability company incorporated under Minnesota law;

"**Propco Cash**" means all Cash of Propco as at the Plan Implementation Date;

"**Propco Cash Pool**" means the Cash pool comprised of the Propco Cash;

"**Propco Cash Pool Account**" means a segregated interest-bearing trust account established by TCC to hold the Propco Cash Pool on behalf of Propco;

"**Propco Creditor**" means a Creditor asserting a Claim against Propco;

"**Propco Disputed Claims Reserve**" means the Cash Reserve to be established on the Plan Implementation Date by TCC for the benefit of Propco in an amount equal to the face value of disputed Claims of the Propco Creditors and the Property LP Creditors (excluding Landlord Restructuring Period Claims but not excluding any disputed Property LP Unaffected Claims held by Landlords) and as approved by the Court under the Sanction and Vesting Order, which Cash Reserve shall be held by TCC in the Propco Disputed Claims Reserve Account on behalf of Propco for distribution in accordance with the Plan;

"**Propco Disputed Claims Reserve Account**" means a segregated interest-bearing trust account established by TCC to hold the Propco Disputed Claims Reserve;

"**Propco Intercompany Claim**" means the Intercompany Claim 6B filed by Propco pursuant to the Claims Procedure Order against TCC in an amount of **$1,911,494,242** and adjusted downwards by the Monitor in the Intercompany Claims Report to an amount of **$1,356,756,051** as set out in Schedule "A";

"**Propco (Post-filing TCC) Intercompany Claim**" means the Intercompany Claim 6C filed by Propco pursuant to the Claims Procedure Order against TCC in a gross amount of **$43,651,173** and adjusted downwards by the Monitor in the Intercompany Claims Report to a gross amount of **$43,526,186** as set out in Schedule "A";

"**Propco (Pre-filing TCC) Intercompany Claim**" means the Intercompany Claim 6A filed by Propco pursuant to the Claims Procedure Order against TCC in a gross amount of **$46,873,620** and adjusted downwards by the Monitor in the Intercompany Claims Report to a gross amount of **$45,852,897** as set out in Schedule "A";

"**Propco Unaffected Claim**" means a proven Claim of a Propco Creditor but excluding the balance of the Property LP (Propco) Intercompany Claim in excess of the Contributed Claim Amount, the TCC (Pre-filing Propco) Intercompany Claim, the TCC (Post-filing Propco) Intercompany Claim and the Plan Sponsor (Propco) Intercompany Claim;

"**Propco Unaffected Creditor**" means a Creditor who has a Propco Unaffected Claim;

"**Property**" means all current and future assets, undertakings and properties of the Target Canada Entities, of every nature and kind whatsoever, and wherever situate, including all Cash or other proceeds thereof;

"**Property LP**" means Target Canada Property LP, a limited partnership formed under the LPA;

"**Property LP (Propco) Intercompany Claim**" means the Intercompany Claim 5A filed by Property LP pursuant to the Claims Procedure Order against Propco in an amount of **$1,449,577,927** and not adjusted by the Monitor in the Intercompany Claims Report as set out in Schedule "A";

"**Property LP Creditor**" means a Creditor asserting a Claim against Property LP;

"**Property LP Unaffected Claim**" means a proven Claim of a Property LP Creditor;

"**Property LP Unaffected Creditor**" means a Creditor who has a Property LP Unaffected Claim;

"**Proven Claim**" means a Claim of an Affected Creditor finally determined for distribution purposes in accordance with the Claims Procedure Order and the Plan;

"**Proxy**" means the proxy form enclosed with the Meeting Materials to be delivered to or otherwise made available to the Affected Creditors in accordance with the Meeting Order;

"**Real Property Portfolio Sales Process**" means the sales process conducted in respect of the Target Canada Entities' leased and owned real property assets, which sales process was approved by the Court pursuant to an Order dated February 11, 2015;

"**Released Parties**" means those Persons who are released pursuant to Section 7.1, including the Target Canada Released Parties, the Plan Sponsor Released Parties, the Third Party Released Parties and the Employee Trust Released Parties;

"**Required Majority**" means a majority in number of Affected Creditors who represent at least two-thirds in value of the Voting Claims of such Affected Creditors who actually vote on the Resolution (in person or by Proxy) at the Creditors' Meeting or who were deemed to vote on the Resolution in accordance with the Plan and the Meeting Order;

"**Resolution**" means the resolution approving the Plan presented to the Affected Creditors for consideration at the Creditors' Meeting;

"**Restructuring Period Claim**" means any right or claim of any Person against any of the Target Canada Entities in connection with any Indebtedness, Liability or obligation of any kind whatsoever owed by any such Target Canada Entity to such Person arising out of the restructuring, assignment, disclaimer, resiliation, termination or breach by such Target Canada Entity, on or after the Filing Date, of any contract, lease or other agreement, whether written or oral, excluding a Landlord Restructuring Period Claim;

"**Sanction and Vesting Order**" means the Order to be sought by the Applicants from the Court as contemplated under the Plan which, *inter alia*, approves and sanctions the Plan and the transactions contemplated thereunder;

"**Stay of Proceedings**" means the stay of proceedings created by the Initial Order as amended and extended by further Orders of the Court from time to time;

"**Subordinated Intercompany Claims**" means only the NE1 Intercompany Claim, the Propco Intercompany Claim, the Propco (Pre-filing TCC) Intercompany Claim and the Propco (Post-filing TCC) Intercompany Claim;

"**Target Canada Entities**" has the meaning ascribed thereto in the Recitals;

"**Target Canada Released Party**" has the meaning ascribed thereto in Section 7.1(a);

"**Tax**" means any and all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property, and personal property taxes and other taxes, customs, duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers' compensation premiums, together with any instalments with respect thereto, and any interest, penalties, fines, fees, other charges and additions with respect thereto;

"**Tax Claims**" means any claims of any Taxing Authorities against the Target Canada Entities arising on and after the Plan Implementation Date;

"**Tax Obligation**" means any amount of Tax owing by a Person to a Taxing Authority;

"**Taxing Authorities**" means Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation making entity exercising taxing authority or power, and "**Taxing Authority**" means any one of the Taxing Authorities;

"**TCC**" means Target Canada Co., an unlimited liability company incorporated under the NSCA;

"**TCC Cash Pool**" means the Cash pool comprised of all Cash of the Target Canada Entities (excluding Propco) and including the net proceeds of the liquidation of TCC's Property;

"**TCC Cash Pool Account**" means a segregated interest-bearing trust account established by TCC to hold the TCC Cash Pool on behalf of the Target Canada Entities;

"**TCC Disputed Claims Reserve**" means the Cash Reserve to be established on the Plan Implementation Date by TCC from the TCC Cash Pool in an amount equal to the expected distributions to be made to all Creditors with Disputed Claims (based on the face value of each Disputed Claim), and as approved by the Court under the Sanction and Vesting Order, which Cash Reserve shall be held by TCC in the TCC Disputed Claims Reserve Account for distribution in accordance with the Plan;

"**TCC Disputed Claims Reserve Account**" means a segregated interest-bearing trust account established by TCC to hold the TCC Disputed Claims Reserve;

"**TCC (Post-filing Propco) Intercompany Claim**" means the Intercompany Claim 7B filed by TCC pursuant to the Claims Procedure Order against Propco in an amount of **$6,303,621** and adjusted upwards by the Monitor in the Intercompany Claims Report to an amount of **$6,966,363** as set out in Schedule "A";

"**TCC (Pre-filing Propco) Intercompany Claim**" means the Intercompany Claim 7A filed by TCC pursuant to the Claims Procedure Order against Propco in an amount of **$19,619,511** and adjusted downwards by the Monitor in the Intercompany Claims Report to an amount of **$11,620,369** as set out in Schedule "A";

"**TCC Secured Construction Lien Claim**" means a proven Claim against TCC in respect of amounts secured by a perfected construction lien pursuant to Applicable Law against a leasehold interest of TCC that was assigned pursuant to the Real Property Portfolio Sales Process;

"**Third Party Released Party**" has the meaning ascribed thereto in Section 7.1(b);

"**Transfer Restrictions**" means any and all restrictions on the transfer of shares, limited partnership or other units or interests in real property including rights of first refusal, rights of first offer, shotgun rights, purchase options, change of control consent rights, puts or forced sales provisions or similar rights of shareholders or lenders in respect of such interests;

"**Unaffected Claim**" means: (a) an Excluded Claim; (b) a claim in respect of the Administrative Reserve Costs; (c) a Propco Unaffected Claim; (d) a Property LP Unaffected Claim; (e) a claim in respect of a Plan Sponsor Guarantee, including a Landlord Guarantee Claim; and (f) a TCC Secured Construction Lien Claim;

"**Unaffected Creditor**" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"**Unsecured Creditors' Class**" has the meaning ascribed thereto in Section 3.1;

"**Voting Claim**" means the amount of the Affected Claim of an Affected Creditor as finally determined for voting purposes in accordance with the Claims Procedure Order and the Meeting Order entitling such Affected Creditor to vote at the Creditors' Meeting in accordance with the provisions of the Meeting Order, the Plan and the CCAA, and includes, for greater certainty, a Proven Claim;

"**Website**" means www.alvarezandmarsal.com/targetcanada; and

"**Withholding Obligation**" has the meaning ascribed thereto in Section 5.16(c).

1.2 Certain Rules of Interpretation

For the purposes of the Plan:

(a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;

(b) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, restated or varied from time to time;

(c) unless otherwise specified, all references to currency and to "$" or "Cdn$" are to Canadian dollars;

(d) the division of the Plan into "Articles" and "Sections" and the insertion of a Table of Contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "Articles" and "Sections" otherwise intended as complete or accurate descriptions of the content thereof;

(e) references in the Plan to "Articles", "Sections", "Subsections" and "Schedules" are references to Articles, Sections, Subsections and Schedules of or to the Plan;

(f) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a Schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;

(g) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;

(h) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;

(i) the terms "the Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to the Plan and not to any particular "Article", "Section" or other portion of the Plan and include any documents supplemental hereto; and

(j) the word "or" is not exclusive.

1.3 Time

For purposes of the Plan, unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean prevailing local time in Toronto, Ontario, Canada, unless otherwise stipulated.

1.4 Date and Time for any Action

For purposes of the Plan:

(a) In the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and

(b) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

1.5 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, liquidators, receivers, trustees in bankruptcy, and successors and assigns of any Person or party named or referred to in the Plan.

1.6 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

1.7 Currency

Unless specifically provided for in the Plan or the Sanction and Vesting Order, for the purposes of voting or distribution under the Plan, a Claim shall be denominated in Canadian dollars and all payments and distributions to Affected Creditors on account of their Proven Claims, to Propco Unaffected Creditors on account of their Propco Unaffected Claims, to Property LP Unaffected Creditors on account of their Property LP Unaffected Claims and to Landlord Guarantee Creditors on account of their Landlord Guarantee Enhancement Amounts shall be made in Canadian dollars. In accordance with paragraph 6 of the Claims Procedure Order, any Claim in a currency other than Canadian dollars must be converted to Canadian dollars, and any such amount shall be regarded as having been converted at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian dollars as at the Filing Date, which rate is US**$1**:Cdn**$1.1932**.

1.8 Schedules

The following are the Schedules to the Plan, which are incorporated by reference into the Plan and form a part of it:

Schedule "A"	Intercompany Claims
Schedule "B"	Domain Names
Schedule "C"	Meeting Order
Schedule "D"	Landlord Guarantee Creditors
Schedule "E"	Landlord Non-Guarantee Creditors
Schedule "F"	Employee Trust Termination Certificate
Schedule "G"	Employee Trust Property Joint Direction
Schedule "H"	Co-Tenancy Stay Schedule

ARTICLE 2
PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose of Plan

The purpose of the Plan is to:

(a) complete the controlled, orderly and timely wind down of certain of the Target Canada Entities;

(b) effect a compromise, settlement and payment of all Proven Claims as finally determined for voting and distribution purposes pursuant to the Claims Procedure Order and the Meeting Order;

(c) obtain third party releases of the Plan Sponsor and Plan Sponsor Subsidiaries, among others, other than in respect of the Landlord Guarantee Claims; and

(d) comply with the January 15 Endorsement, avoid protracted litigation and effect a global resolution of the CCAA Proceedings,

in the expectation that all Persons with an economic interest in the Business will derive a greater benefit from the implementation of the Plan than would result from a bankruptcy of the Target Canada Entities.

2.2 Persons Affected

The Plan provides for a wind down of certain of the Target Canada Entities and a compromise of the Affected Claims. The Plan will become effective at the Effective Time on the Plan Implementation Date. On the Plan Implementation Date, the Affected Claims will be fully and

finally compromised, released, settled and discharged to the extent provided for under the Plan. The Plan shall be binding on and shall enure to the benefit of the Target Canada Entities, the Affected Creditors, the Released Parties and all other Persons named or referred to in, receiving the benefit of or subject to, the Plan.

2.3 Persons Not Affected

For greater certainty, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims, including for greater certainty the Landlord Guarantee Creditors with respect to and to the extent of their Landlord Guarantee Claims. Nothing in the Plan shall affect any Target Canada Entity's rights and defences, both legal and equitable, with respect to any Unaffected Claims including, but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

2.4 Subordinated Intercompany Claims

Notwithstanding anything to the contrary in the Plan, no Person shall be entitled to any distributions under the Plan in respect of its Subordinated Intercompany Claim unless and until all of the Affected Creditors (including Affected Creditors that are holders of non-subordinated Intercompany Claims and holders of Plan Sponsor Subrogated Claims) have received aggregate distributions under the Plan totalling the full amount of their respective Proven Claims.

2.5 Plan Sponsor Agreement

Plan Sponsor shall enter into an agreement with the Target Canada Entities to be bound by the Plan and the Landlord Guarantee Creditor Settlement Agreement and to perform all of its obligations hereunder and thereunder, conditional on the occurrence of the Plan Implementation Date, including without limitation delivering **$25.451 million** to TCC to be deposited to the Landlord Guarantee Enhancement Cash Pool pursuant to Section 4.3 and contributing **$7.521** million to TCC for purposes of TCC establishing the Landlord Non-Guarantee Creditor Equalization Cash Pool pursuant to Section 4.8. For greater certainty, these payments do not give rise to a subrogated claim by the Plan Sponsor.

2.6 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote at or attend the Creditors' Meeting, and shall not receive any distributions under the Plan or otherwise receive any other compensation in respect of their Equity Claims.

ARTICLE 3
CLASSIFICATION OF CREDITORS, VOTING CLAIMS AND RELATED MATTERS

3.1 Classification of Creditors

For the purposes of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, the "**Unsecured Creditors' Class**".

3.2 Claims of Affected Creditors/Convenience Class Creditors

(a) Affected Creditors with Proven Claims that are less than or equal to **$25,000** in the aggregate shall be deemed to vote in favour of the Plan and shall be entitled to receive cash distributions equivalent to the amount of their Proven Claims and no further distributions under the Plan.

(b) Affected Creditors with Proven Claims in excess of **$25,000** who deliver a duly completed and executed Convenience Class Claim Election to the Monitor by the Election/Proxy Deadline, shall be treated for all purposes as Convenience Class Creditors and shall be deemed to vote in favour of the Plan and shall be entitled to receive only the Cash Elected Amount and no further distributions under the Plan.

(c) Affected Creditors who are not Convenience Class Creditors (including Affected Creditors with Disputed Claims which have become Proven Claims) shall be entitled to vote their Voting Claims at the Creditors' Meeting in respect of the Plan and shall be entitled to receive distributions on their Proven Claims pursuant to the Plan.

3.3 Unaffected Claims

Unaffected Claims shall not be compromised under the Plan. No holder of an Unaffected Claim shall:

(a) be treated as a Convenience Class Creditor;

(b) be entitled to vote on the Plan or attend at any Creditors' Meeting in respect of such Unaffected Claim; or

(c) be entitled to or receive any distributions pursuant to the Plan in respect of such Unaffected Claim, unless specifically provided for under and pursuant to the Plan.

3.4 Priority Claims

The Employee Priority Claims and the Government Priority Claims, if any, shall be paid on or after the Plan Implementation Date from the Administrative Reserve Account pursuant to and in accordance with Section 6.3 of the Plan, the Sanction and Vesting Order and the CCAA.

3.5 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Plan, the Claims Procedure Order, the Meeting Order and any further Order of the Court. The only Persons entitled to attend the Creditors' Meeting shall be representatives of the Target Canada Entities and the Plan Sponsor and their respective legal counsel and advisors, the Monitor and its legal counsel and advisors, the Pharmacists' Representative Counsel, the Employee Representative Counsel, the Employee Trust Trustee and his legal counsel and all other Persons, including the holders of Proxies, entitled to vote at the Creditors' Meeting and their respective legal counsel and advisors.

3.6 Voting

(a) Each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim.

(b) Convenience Class Creditors shall be deemed to vote in favour of the Plan.

(c) Holders of Intercompany Claims shall not be entitled to vote on the Plan.

(d) The Plan Sponsor shall not be entitled to vote on the Plan in respect of its Plan Sponsor Subrogated Claims.

(e) The Plan Sponsor shall not be entitled to vote on the Plan in respect of any amounts contributed to the Landlord Guarantee Enhancement Cash Pool and to the Landlord Non-Guarantee Creditor Equalization Cash Pool.

(f) The Plan Sponsor shall not be entitled to vote on the Plan in respect of any Cash Management Lender Claims (which constitute Unaffected Claims).

3.7 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order, the Plan and the CCAA. The Monitor, in consultation with the Target Canada Entities, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.8 Approval by Creditors

In order to be approved, the Plan must receive the affirmative vote of the Required Majority of the Unsecured Creditors' Class.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under a Guarantee in respect of any Claim which is compromised under the Plan (such compromised Claim being the "**Principal Claim**"), or who has any right to or claim over in respect of or to be subrogated to the rights of any Person in respect of the Principal Claim, shall:

(a) be entitled to any greater rights as against the Target Canada Entities than the Person holding the Principal Claim;

(b) be entitled to vote on the Plan to the extent that the Person holding the Principal Claim is voting on the Plan; or

(c) be entitled to receive any distribution under the Plan to the extent that the Person holding the Principal Claim is receiving a distribution.

ARTICLE 4
PROPCO CASH POOL, TCC CASH POOL, CASH RESERVES, AND LANDLORD CASH POOLS

4.1 Creation of the Propco Cash Pool

On the Plan Implementation Date, Propco shall deliver to TCC by way of wire transfer to the Propco Cash Pool Account (in accordance with the wire transfer instructions provided by TCC at least three (3) Business Days prior to the Plan Implementation Date) the aggregate of all of its Cash, which Cash shall be held by TCC on behalf of Propco as the Propco Cash Pool.

TCC shall hold the Propco Cash Pool in the Propco Cash Pool Account and shall distribute such Cash in the Propco Cash Pool Account, net of the Propco Disputed Claims Reserve, in accordance with Sections 5.2, 5.3, 5.4 and 5.5 of the Plan.

4.2 The Propco Disputed Claims Reserve

On the Plan Implementation Date, TCC shall transfer from the Propco Cash Pool Account the Cash necessary to establish the Propco Disputed Claims Reserve for the benefit of Propco. TCC shall hold the Propco Disputed Claims Reserve in the Propco Disputed Claims Reserve Account on behalf of Propco for the purpose of paying amounts to Propco Creditors and Property LP Creditors in respect of their disputed Claims against Propco or Property LP which have become Propco Unaffected Claims or Property LP Unaffected Claims, in whole or in part, in accordance with the Plan.

TCC shall distribute such Cash in the Propco Disputed Claims Reserve Account in accordance with Sections 5.4 and 5.5 of the Plan.

4.3 Creation of the Landlord Guarantee Enhancement Cash Pool

Two (2) Business Day prior to the Plan Implementation Date, the Plan Sponsor shall deliver **$25.451 million** to TCC by way of wire transfer (in accordance with the wire transfer instructions provided by TCC at least five (5) Business Days prior to the Plan Implementation Date), which amount TCC shall hold in trust for the Plan Sponsor and shall deposit into the Landlord Guarantee Enhancement Cash Pool Account for the benefit of the Plan Sponsor on the Plan Implementation Date. On the Initial Distribution Date, the Plan Sponsor shall direct and shall be deemed to direct TCC to deposit for the benefit of the Plan Sponsor **$34.081 million** from the distributions payable under Section 5.3 of the Plan into the Landlord Guarantee Enhancement Cash Pool Account in accordance with Section 5.3 of the Plan.

TCC shall hold the Landlord Guarantee Enhancement Cash Pool in the Landlord Guarantee Enhancement Cash Pool Account on behalf of the Plan Sponsor in accordance with Section 5.10 of the Plan for the purpose of satisfying the Plan Sponsor's obligations to pay the Landlord Guarantee Enhancement Amounts in accordance with Section 2.5 of the Plan.

4.4 The Plan Sponsor Propco Recovery Limit Reserve

The Plan Sponsor Propco Recovery Limit Reserve shall be funded in accordance with Section 5.3 up to a maximum amount equal to the Plan Sponsor Propco Recovery Limit.

TCC shall distribute such Cash in the Plan Sponsor Propco Recovery Limit Reserve Account for the account of Propco in accordance with Section 5.6 of the Plan.

4.5 Creation of the TCC Cash Pool

On the Plan Implementation Date, the Target Canada Entities (other than TCC and Propco) shall deliver to TCC by way of wire transfer (in accordance with the wire transfer instructions provided by TCC at least three (3) Business Days prior to the Plan Implementation Date) the aggregate of all of their Cash, if any, which Cash, together with TCC's Cash, shall be held by TCC on behalf of the Target Canada Entities as the TCC Cash Pool.

TCC shall hold the TCC Cash Pool in the TCC Cash Pool Account and shall distribute such Cash in the TCC Cash Pool Account, net of the Administrative Reserve, the TCC Disputed Claims Reserve, the Landlord Guarantee Creditor Base Claim Cash Pool and the Landlord Non-Guarantee Creditor Equalization Cash Pool, in accordance with Sections 5.7, 5.11 and 5.12 of the Plan.

4.6 The Administrative Reserve

On the Plan Implementation Date, TCC shall transfer from the TCC Cash Pool Account the Cash necessary to establish the Administrative Reserve.

TCC shall hold the Administrative Reserve in the Administrative Reserve Account for the purpose of paying the Administrative Reserve Costs in accordance with the Plan and shall distribute any remaining balance in the Administrative Reserve Account in accordance with Section 5.12 of the Plan.

4.7 The TCC Disputed Claims Reserve

On the Plan Implementation Date, TCC shall transfer from the TCC Cash Pool Account the Cash necessary to establish the TCC Disputed Claims Reserve. TCC shall hold the TCC Disputed Claims Reserve in the TCC Disputed Claims Reserve Account for the purpose of paying amounts to Affected Creditors in respect of their Disputed Claims which have become Proven Claims, in whole or in part, in accordance with the Claims Procedure Order and the Plan.

As Disputed Claims are resolved by the Monitor, TCC shall at the direction of the Monitor transfer amounts from the TCC Disputed Claims Reserve Account to the TCC Cash Pool Account, with any final balance remaining in the TCC Disputed Claims Reserve Account (once all Disputed Claims have been finally determined), including any interest thereon, to be contributed by TCC to the TCC Cash Pool Account for distribution to Affected Creditors with Proven Claims pursuant to and in accordance with Section 5.12 the Plan.

4.8 Landlord Non-Guarantee Creditor Equalization Cash Pool

Two (2) Business Days prior to the Plan Implementation Date, the Plan Sponsor shall deliver **$7.521 million** to TCC by way of wire transfer (in accordance with the wire transfer instructions provided by TCC at least five (5) Business Days prior to the Plan Implementation Date), which amount TCC shall hold in trust for the benefit of the Plan Sponsor, and which shall on the Plan Implementation Date be deemed to be contributed by the Plan Sponsor to TCC, and which shall then be deposited by TCC into the Landlord Non-Guarantee Creditor Equalization Cash Pool.

TCC shall hold the Landlord Non-Guarantee Creditor Equalization Cash Pool in the Landlord Non-Guarantee Creditor Equalization Cash Pool Account in accordance with Section 5.8 of the Plan for the purpose of paying the Landlord Non-Guarantee Creditor Equalization Amounts in accordance with Section 5.8 of the Plan.

4.9 Landlord Guarantee Creditor Base Claim Cash Pool

On the Plan Implementation Date, TCC shall transfer from the TCC Cash Pool Account the Cash necessary to establish the Landlord Guarantee Creditor Base Claim Cash Pool. TCC shall hold the Landlord Guarantee Creditor Base Claim Cash Pool in the Landlord Guarantee Creditor Base Claim Cash Pool Account for the purpose of paying the Landlord Guarantee Creditor Base Claim Amounts in accordance with Section 5.9 of the Plan.

ARTICLE 5
PROVISIONS REGARDING DISTRIBUTIONS AND DISBURSEMENTS

All distributions and disbursements to be effected pursuant to the Plan shall be made pursuant to this Article 5 and shall occur in the manner set out below under the supervision of the Monitor.

Notwithstanding any other provisions of the Plan, no distributions or transfers of Cash shall be made by TCC with respect to all or any portion of a Disputed Claim, all or any portion of a disputed Claim against Propco or Property LP or all or any portion of a disputed TCC Secured Construction Lien Claim unless and only to the extent that such Disputed Claim has become a Proven Claim, or such disputed Claim against Propco or Property LP has become a Propco Unaffected Claim or Property LP Unaffected Claim, as applicable, or such disputed TCC Secured Construction Lien Claim has become a proven Unaffected Claim, in whole or in part.

5.1 Subordination in respect of Propco and Property LP

On the Plan Implementation Date in order to provide for the payment in full of the Propco Unaffected Claims and the Property LP Unaffected Claims:

(a) Property LP shall subordinate that amount of the Property LP (Propco) Intercompany Claim that is in excess of the Contributed Claim Amount, in favour of the proven Claims of all Propco Creditors;

(b) the Plan Sponsor shall subordinate the Plan Sponsor (Propco) Intercompany Claim in favour of (i) the proven Claims of the Propco Unaffected Creditors and (ii) the Contributed Claim Amount; and

(c) TCC shall subordinate the TCC (Pre-filing Propco) Intercompany Claim and the TCC (Post-filing Propco) Intercompany Claim in favour of (i) the proven Claims of the Propco Unaffected Creditors and (ii) the Contributed Claim Amount.

5.2 Distributions to Propco Unaffected Creditors

Forthwith after giving effect to the subordinations set out in Section 5.1, TCC shall create the Propco Disputed Claims Reserve, and thereafter TCC shall on behalf of and for the account of Propco, pay Propco Unaffected Creditors (other than Property LP) with Propco Unaffected Claims in full solely from the Propco Cash Pool Account, by cheque sent by pre-paid ordinary mail to the

address for such Propco Unaffected Creditor as set out in its Proof of Claim. For greater certainty, Claims of Creditors who are Landlords (excluding a Landlord holding a Property LP Unaffected Claim) shall not receive a distribution from the Propco Cash Pool Account.

If a Propco Unaffected Creditor has submitted a Proof of Claim against the Target Canada Entities (in addition to its Proof of Claim against Propco) in respect of its Propco Unaffected Claim, such Propco Unaffected Creditor shall not be entitled to and shall not receive any distributions from the TCC Cash Pool Account in respect of such Claim.

5.3 Re-contribution by Plan Sponsor in respect of Property LP (Propco) Intercompany Claim

(a) On the Initial Distribution Date, following the payments to Propco Unaffected Creditors set out in Section 5.2:

(i) TCC, on behalf of and for the account of Property LP, shall first pay the Property LP Unaffected Claims at the direction of Property LP in accordance with Section 5.4; and

(ii) TCC, on behalf of and for the account of Propco, shall then distribute the remaining Cash in the Propco Cash Pool Account to the following Persons on a pro rata basis:

(A) TCC, on account of the TCC (Pre-filing Propco) Intercompany Claim and the TCC (Post-filing Propco) Intercompany Claim in partial satisfaction of such Intercompany Claims;

(B) the Plan Sponsor, on account of the Plan Sponsor (Propco) Intercompany Claim in partial satisfaction of such Intercompany Claim; and

(C) Property LP, on account of that amount of the Property LP (Propco) Intercompany Claim that is in excess of the Contributed Claim Amount in partial satisfaction of such Intercompany Claim.

(b) On the Initial Distribution Date:

(i) First, Property LP shall direct and shall be deemed to direct TCC to pay to the Plan Sponsor any amounts payable to Property LP on account of the distributions set out in Section 5.3(a)(ii)(C);

(ii) Second, Plan Sponsor shall direct and shall be deemed to direct TCC to deposit an amount of **$34.081 million** into the Landlord Guarantee Enhancement Cash Pool Account on account of the distributions set out in Sections 5.3(a)(ii)(B) and amounts payable to the Plan Sponsor as set out in Section 5.3(b)(i);

(iii) Third, Plan Sponsor shall and shall be deemed to direct TCC to deposit any remaining balance of the distributions set out in Sections 5.3(a)(ii)(B) and amounts payable to the Plan Sponsor as set out in Section 5.3(b)(i) into the

Plan Sponsor Propco Recovery Limit Reserve Account up to a maximum amount equal to the Plan Sponsor Propco Recovery Limit; and

(iv) Fourth, TCC shall deposit its distribution set out in Section 5.3(a)(ii)(A) into the TCC Cash Pool Account, and the Plan Sponsor shall and shall be deemed to direct TCC to deposit any ultimate balance of the distributions set out in Sections 5.3(a)(ii)(B) and amounts payable to the Plan Sponsor as set out in Section 5.3(b)(i) into the TCC Cash Pool Account as a contribution by Plan Sponsor to TCC.

(c) After disputed Claims of Propco Creditors and Property LP Creditors are resolved by the Monitor, TCC shall, at the direction of the Monitor distribute the balance of the Cash in the Propco Disputed Claims Reserve to TCC, the Plan Sponsor and Property LP on a pro rata basis on account of the remaining balance, if any, of those Intercompany Claims set out in Section 5.3(a)(ii) in full and final satisfaction of such Intercompany Claims and such amounts shall and shall be deemed to have been treated by the applicable parties in the same manner as provided for in Section 5.3(b).

5.4 Distributions on Account of Property LP Unaffected Claims

Property LP shall be obligated to satisfy all Property LP Unaffected Claims.

For purposes of facilitating the payment of all such Property LP Unaffected Claims, Property LP directs and shall be deemed to direct that Propco shall pay such Property LP Unaffected Claims on behalf of and for the account of Property LP in payment and satisfaction by Propco of that portion of the Property LP (Propco) Intercompany Claim that is equal to the Contributed Claim Amount.

For ease and convenience, a disputed Claim against Property LP shall be resolved pursuant to Section 5.5 as if it were a disputed Claim against Propco, and the payment of any such Claim shall be deemed to be treated by the applicable parties in the same manner as provided for in Section 5.2 and Section 5.3.

5.5 Resolution of Disputed Propco Creditor Claims and Disputed Property LP Creditor Claims

From and after the Plan Implementation Date, as frequently as the Monitor may determine in its sole and unfettered discretion, TCC on behalf of Propco shall pay to each Propco Creditor or Property LP Creditor with a disputed Claim that has become a Propco Unaffected Claim or a Property LP Unaffected Claim, respectively, in whole or in part, on or before the third Business Day prior to a Distribution Date (other than the Final Distribution Date), an amount of Cash from the Propco Disputed Claims Reserve Account equal to such Propco Unaffected Claim or Property LP Unaffected Claim, and any balance remaining in the Propco Disputed Claims Reserve Account relating to such Propco Creditor's or Property LP Creditor's disputed Claim shall be deposited into the Plan Sponsor Propco Recovery Limit Reserve Account or the TCC Cash Pool Account, as the case may be, in accordance with Section 5.3(c).

5.6 Distributions from Plan Sponsor Propco Recovery Limit Reserve Account

(a) On the Initial Distribution Date, TCC, on behalf of Propco, shall pay to the Plan Sponsor in respect of the Plan Sponsor (Propco) Intercompany Claim an amount of Cash from the Plan Sponsor Propco Recovery Limit Reserve Account equal to the product of (a) the Plan Sponsor Propco Recovery Limit multiplied by (b) the percentage recovery to Affected Creditors (other than a Convenience Class Creditor or a Landlord Guarantee Creditor in respect of its Landlord Guarantee Creditor Base Claim Amount) from the TCC Cash Pool on the Initial Distribution Date in accordance with Section 5.7(b) below.

(b) On each subsequent date on which TCC makes distributions to Affected Creditors pursuant to Section 5.11, TCC:

(i) with the assistance of the Monitor, shall determine the aggregate percentage recovery to Affected Creditors (other than a Convenience Class Creditor or a Landlord Guarantee Creditor in respect of its Landlord Guarantee Creditor Base Claim Amount) from the TCC Cash Pool up to and including such distribution (and taking into account prior distributions) on such date (the "**Aggregate Recovery Percentage**"); and

(ii) shall pay to the Plan Sponsor an amount of Cash from the Plan Sponsor Propco Recovery Limit Reserve Account equal to (i) the product of (1) the Plan Sponsor Propco Recovery Limit multiplied by (2) the Aggregate Recovery Percentage, less (ii) the amount of distributions already made to the Plan Sponsor from the Plan Sponsor Propco Recovery Limit Reserve Account.

(c) On the Final Distribution Date, TCC:

(i) with the assistance of the Monitor, shall determine the final aggregate percentage recovery to Affected Creditors (other than a Convenience Class Creditor or a Landlord Guarantee Creditor in respect of its Landlord Guarantee Creditor Base Claim Amount) from the TCC Cash Pool up to and including the final distribution (and taking into account prior distributions) (the "**Final Aggregate Recovery Percentage**");

(ii) shall pay to the Plan Sponsor an amount of Cash from the Plan Sponsor Propco Recovery Limit Reserve Account equal to (i) the product of (1) the Plan Sponsor Propco Recovery Limit multiplied by (2) the Final Aggregate Recovery Percentage, less (ii) the amount of distributions already made to the Plan Sponsor from the Plan Sponsor Propco Recovery Limit Reserve Account; and

(iii) thereafter, shall deposit into the TCC Cash Pool Account on behalf of Plan Sponsor as a contribution to TCC any remaining balance in the Plan Sponsor Propco Recovery Limit Reserve Account.

5.7 Initial Distributions from TCC Cash Pool Account to Affected Creditors with Proven Claims

On the Initial Distribution Date, the Cash in the TCC Cash Pool Account shall be distributed by TCC, on behalf and for the account of the Target Canada Entities, as follows:

(a) each Convenience Class Creditor shall receive a distribution in the amount of its Convenience Class Claim, by cheque sent by prepaid ordinary mail to the address for such Convenience Class Creditor as set out in its Proof of Claim; and

(b) each Affected Creditor (other than a Convenience Class Creditor or a Landlord Guarantee Creditor in respect of its Landlord Guarantee Creditor Base Claim Amount) with a Proven Claim shall receive a distribution in an amount equal to its Pro Rata Share of the Cash in the TCC Cash Pool Account (after effecting the payments in Section 5.7(a)) by cheque sent by prepaid ordinary mail to the address for such Affected Creditor as set out in its Proof of Claim (or, at the election of TCC, by wire transfer in accordance with the wire transfer instructions provided by the applicable Affected Creditor).

5.8 Disbursements of Landlord Non-Guarantee Creditor Equalization Amounts

On the Initial Distribution Date, TCC, on behalf and for the account of the Target Canada Entities, shall disburse to each Landlord Non-Guarantee Creditor with a Proven Claim that is a Landlord Restructuring Period Claim, each Landlord Non-Guarantee Creditor's Landlord Non-Guarantee Creditor Equalization Amount from the Landlord Non-Guarantee Creditor Equalization Cash Pool Account by cheque sent by prepaid ordinary mail to the address for such Landlord in accordance with such Landlord's Proof of Claim (or, at the election of TCC, by wire transfer in accordance with the wire transfer instructions provided by the applicable Landlord Non-Guarantee Creditor).

5.9 Disbursements of Landlord Guarantee Creditor Base Claim Amounts

On the Initial Distribution Date, TCC, on behalf and for the account of the Target Canada Entities, shall disburse to each Landlord Guarantee Creditor with a Proven Claim that is a Landlord Restructuring Period Claim, each Landlord Guarantee Creditor's Landlord Guarantee Creditor Base Claim Amount from the Landlord Guarantee Creditor Base Claim Cash Pool Account by cheque sent by prepaid ordinary mail to the address for such Landlord in accordance with such Landlord's Proof of Claim (or, at the election of TCC, by wire transfer in accordance with the wire transfer instructions provided by the applicable Landlord Guarantee Creditor).

5.10 Disbursements of Landlord Guarantee Enhancement Amount

On the Initial Distribution Date, TCC, on behalf and for the account of the Plan Sponsor in satisfaction of the Plan Sponsor's obligations under the Landlord Guarantee Creditor Settlement Agreement, shall disburse, in accordance with the Landlord Guarantee Creditor Settlement Agreement, to each Landlord Guarantee Creditor each Landlord Guarantee Creditor's Landlord Guarantee Enhancement Amount from the Landlord Guarantee Enhancement Cash Pool Account by cheque sent by prepaid ordinary mail to the address for such Landlord in accordance with such Landlord's Proof of Claim (or, at the election of TCC, by wire transfer in accordance with the wire transfer instructions provided by the applicable Landlord Guarantee Creditor).

5.11 Resolution of Disputed TCC Creditor Claims and Subsequent Distributions

Subject to Section 5.7, from and after the Initial Distribution Date, as frequently as the Monitor may determine in its sole and unfettered discretion, TCC, on behalf of the Target Canada Entities, shall distribute to:

(a) each Affected Creditor (other than a Convenience Class Creditor or a Landlord Guarantee Creditor in respect of its Landlord Guarantee Creditor Base Claim Amount) with a Disputed Claim that has become a Proven Claim in whole or in part, on or before the third (3rd) Business Day prior to a Distribution Date (other than the Final Distribution Date), an amount of Cash from the TCC Disputed Claims Reserve Account equal to the aggregate amount of all distributions such Affected Creditor would have otherwise already received pursuant to the Plan had its Disputed Claim been a Proven Claim on and as of the Initial Distribution Date, and any remaining balance in the TCC Disputed Claims Reserve Account relating to such Affected Creditor's Disputed Claim shall be deposited into the TCC Cash Pool Account; and

(b) each Affected Creditor (other than a Convenience Class Creditor or a Landlord Guarantee Creditor in respect of its Landlord Guarantee Creditor Base Claim Amount) with a Proven Claim an amount equal to such Affected Creditor's respective Pro Rata Share of the Cash in the TCC Cash Pool Account (subsequent to effecting the payments in Section 5.11(a)) by cheque sent by prepaid ordinary mail to the address for such Affected Creditor as set out in its Proof of Claim (or, at the election of TCC, by wire transfer in accordance with the wire transfer instructions provided by the applicable Affected Creditor).

5.12 Final Distribution

On the Final Distribution Date, once TCC has effected all distributions pursuant to Section 5.11 and there are no remaining Disputed Claims, and following the deposits into the TCC Cash Pool Account set out in Sections 5.3(b)(iv), 5.3(c), and 5.6(c)(iii):

(a) TCC, on behalf of the Target Canada Entities, shall pay any final Administrative Reserve Costs;

(b) thereafter, TCC shall contribute any balance remaining in the Administrative Reserve Account and the TCC Disputed Claims Reserve Account to the TCC Cash Pool Account;

(c) thereafter, TCC shall distribute to the Affected Creditors (other than Convenience Class Creditors and Landlord Guarantee Creditors in respect of their Landlord Guarantee Creditor Base Claim Amounts) with Proven Claims an amount equal to such Affected Creditor's respective Pro Rata Share of any Cash in the TCC Cash Pool Account; and

(d) thereafter, TCC shall provide written notice to the Monitor that it has completed its duties to effect all distributions, disbursements and payments in accordance with the Plan.

5.13 Treatment of Undeliverable Distributions

If any Affected Creditor's, Propco Unaffected Creditor's or Property LP Unaffected Creditor's distribution is returned as undeliverable or is not cashed, no further distributions to such Creditor shall be made unless and until the Monitor is notified by such Creditor of its current address or wire particulars, at which time all such distributions shall be made to such Creditor without interest. All claims for undeliverable or un-cashed distributions in respect of Proven Claims, Propco Unaffected Claims or Property LP Unaffected Claims must be made on or before the deadline specified in the Notice of Final Distribution, after which date the Claims of such Creditor or successor or assign of such Creditor with respect to such unclaimed or un-cashed distributions shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any Applicable Law to the contrary, at which time the Cash amount held by TCC in relation to such Claim shall be returned to the TCC Cash Pool Account or the Propco Cash Pool Account. Nothing in the Plan or Sanction and Vesting Order shall require the Monitor or TCC to attempt to locate the holder of any Proven Claim, Propco Unaffected Claim or Property LP Unaffected Claim.

If any Landlord Guarantee Creditor's distribution from the Landlord Guarantee Enhancement Cash Pool or any Landlord Non-Guarantee Creditor's distribution from the Landlord Non-Guarantee Creditor Equalization Cash Pool is returned as undeliverable or is not cashed, no further distributions to such Landlord shall be made unless and until the Monitor is notified by such Landlord of its current address or wire particulars, at which time all such distributions shall be made to such Landlord without interest. All claims for undeliverable or un-cashed distributions in respect of Landlord Guarantee Enhancement Amounts and Landlord Non-Guarantee Creditor Equalization Amounts must be made on or before the deadline specified in the Notice of Final Distribution, after which date the claims of such Landlord or successor or assign of such Landlord with respect to such unclaimed or un-cashed distributions shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any Applicable Law to the contrary, at which time: (a) in the case of a Landlord Guarantee Enhancement Amount, (i) the percentage of the Cash amount held by TCC in relation to such Landlord Guarantee Enhancement Amount equal to **$25.451** million divided by the total amount of the Landlord Guarantee Enhancement Cash Pool as at the Plan Implementation Date shall be returned to the Plan Sponsor in accordance with the wire transfer instructions to be provided by the Plan Sponsor to TCC, and (ii) the balance of the Cash amount held by TCC in relation to such Landlord Guarantee Enhancement Amount shall be returned to the TCC Cash Pool Account, and (b) in the case of a Landlord Non-Guarantee Equalization Amount, the Cash amount held by TCC in relation to such Landlord Non-Guarantee Creditor Equalization Amount shall be returned to the Plan Sponsor in accordance with the wire transfer instructions to be provided by the Plan Sponsor to TCC.

5.14 Assignment of Claims for Voting and Distribution Purposes Prior to the Creditors' Meeting

An Affected Creditor, a Propco Unaffected Creditor or a Property LP Unaffected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Target Canada Entities nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor, a Propco Unaffected Creditor or a Property LP Unaffected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has

been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor, a Propco Unaffected Creditor or a Property LP Unaffected Creditor, as applicable, and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

Where a Claim has been transferred or assigned in part, the transferor or assignor shall retain the right to vote at the Creditors' Meeting in respect of the full amount of the Claim, and the transferee or assignee shall have no voting rights at the Creditors Meeting in respect of such Claim.

For greater certainty, after the execution of the Landlord Guarantee Creditor Settlement Agreement or a Landlord Non-Guarantee Creditor Consent and Support Agreement, as applicable, a Landlord Guarantee Creditor or a Landlord Non-Guarantee Creditor may only assign any Claim in accordance with the terms of the Landlord Guarantee Creditor Settlement Agreement or a Landlord Non-Guarantee Creditor Consent and Support Agreement, as applicable.

5.15 Assignment of Claims for Distribution Purposes After the Creditors' Meeting

An Affected Creditor (other than a Convenience Class Creditor), a Propco Unaffected Creditor or a Property LP Unaffected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that TCC shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor, a Propco Unaffected Creditor or a Property LP Unaffected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor, a Propco Unaffected Creditor or a Property LP Unaffected Creditor, as applicable, and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

For greater certainty, after the execution of the Landlord Guarantee Creditor Settlement Agreement or a Landlord Non-Guarantee Creditor Consent and Support Agreement, as applicable, a Landlord Guarantee Creditor or a Landlord Non-Guarantee Creditor may only assign any Claim for distribution purposes in accordance with the terms of the Landlord Guarantee Creditor Settlement Agreement or a Landlord Non-Guarantee Creditor Consent and Support Agreement, as applicable.

5.16 Tax Matters

(a) Any terms and conditions of any Affected Claims, any Propco Unaffected Claims or any Property LP Unaffected Claims which purport to deal with the ordering of or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.

(b) Notwithstanding any provisions of the Plan, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations

imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.

(c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required (a "**Withholding Obligation**") to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded. For greater certainty, no distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and TCC such documentation prescribed by Applicable Law or otherwise reasonably required by TCC as will enable TCC to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.

(d) All distributions made by TCC on behalf of the Target Canada Entities pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims, Propco Unaffected Claims or Property LP Unaffected Claims, as the case may be, that are not subject to any Withholding Obligation.

(e) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.

(f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including Cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

5.17 Input Tax Credits

If the Plan Sponsor (or a subsidiary thereof other than the Target Canada Entities) has paid or pays GST/HST on amounts in respect of a Landlord Guarantee Claim for which only the Target Canada Entities will receive Input Tax Credits ("**Plan Sponsor GST/HST Contribution Amounts**"), then in order to reimburse the Plan Sponsor (or a subsidiary thereof other than the Target Canada Entities) for the Plan Sponsor GST/HST Contribution Amounts:

(a) The Plan Sponsor shall provide TCC and the Monitor with satisfactory evidence of the Plan Sponsor GST/HST Contribution Amounts;

(b) All Input Tax Credits (whether or not in respect of payments made by the Plan Sponsor or a subsidiary thereof other than the Target Canada Entities) actually paid to TCC shall be held by TCC in trust in a segregated interest-bearing account for the benefit of Plan Sponsor, and shall be paid to the Plan Sponsor from time to time, until such time as the Plan Sponsor has been fully reimbursed for all Plan Sponsor GST/HST Contribution Amounts; and

(c) Once the Plan Sponsor GST/HST Contribution Amounts have been paid in full, subsequent Input Tax Credits actually paid to TCC shall be contributed by TCC to the TCC Cash Pool Account.

ARTICLE 6
PLAN IMPLEMENTATION

6.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving any corporate action of any of the Target Canada Entities will occur and be effective as of the Plan Implementation Date as set out in Section 6.3, and will be authorized and approved under the Plan and by the Court, where appropriate, as part of the Sanction and Vesting Order, in all respects and for all purposes without any requirement of further action by shareholders, partners, Directors or Officers of such Target Canada Entity. All necessary approvals to take actions shall be deemed to have been obtained from the Directors or shareholders or partners of the Target Canada Entity, as applicable.

6.2 Pre-Plan Implementation Date Transactions

The following transactions shall be effected prior to the implementation of the Plan:

(a) Landlord Guarantee Creditor Enhancement Amounts: The Plan Sponsor shall deliver **$25.451 million** to TCC in accordance with Section 4.3; and

(b) Landlord Non-Guarantee Creditor Equalization Amounts: The Plan Sponsor shall deliver **$7.521 million** to TCC in accordance with Section 4.8.

6.3 Plan Implementation Date Transactions

The following transactions, steps, offsets, distributions, payments, disbursements, compromises, releases, discharges to be effected in the implementation of the Plan (the "**Plan Transactions**") shall occur on or after the Plan Implementation Date:

(a) Delivery of Cash to TCC: The Target Canada Entities (other than TCC) shall deliver to TCC the aggregate of all of their Cash in accordance with Article 4;

(b) Establishment of Accounts and Reserves: TCC, with the supervision of the Monitor, shall establish the accounts and reserves in accordance with Article 4;

(c) Subordinations of Intercompany Claims:

(i) In addition to the prior subordination of the NE1 Intercompany Claim, the Subordinated Intercompany Claims shall be and shall be deemed to be subordinated as against all Creditors, in accordance with Section 2.4;

(ii) The amount of the Property LP (Propco) Intercompany Claim equal to the Contributed Claim Amount shall be and shall be deemed to be subordinated as against and in favour of the proven Claims of all Propco Creditors, in accordance with Section 5.1;

(iii) The Plan Sponsor (Propco) Intercompany Claim shall be and shall be deemed to be subordinated as against and in favour of all Propco Unaffected Creditors and the Contributed Claim Amount, in accordance with Section 5.1;

(iv) The TCC (Pre-filing Propco) Intercompany Claim and the TCC (Post-filing Propco) Intercompany Claim shall be and shall be deemed to be subordinated as against and in favour of the Claims of all Propco Unaffected Creditors and the Contributed Claim Amount, in accordance with Section 5.1;

(v) For greater certainty, no other Intercompany Claims (other than those identified in clauses (i) to (iv) above) shall be deemed to be subordinated;

(d) Landlord Guarantee Creditor Enhancement Amount: TCC shall deposit the Landlord Guarantee Enhancement Amount received from the Plan Sponsor into the Landlord Guarantee Enhancement Cash Pool Account in accordance with Section 4.3;

(e) Landlord Non-Guarantee Creditor Equalization Amounts: TCC shall deposit the Landlord Non-Guarantee Creditor Equalization Amounts received from the Plan Sponsor into the Landlord Non-Guarantee Creditor Equalization Cash Pool Account in accordance with Section 4.8;

(f) Payments by TCC: TCC, on behalf of the Target Canada Entities, shall pay the following Administrative Reserve Costs from the Administrative Reserve Account on or after the Plan Implementation Date pursuant to the Sanction and Vesting Order and the CCAA:

(i) all fees and disbursements owing as at the Plan Implementation Date to counsel to the Target Canada Entities, the Monitor, counsel to the Monitor, counsel to the Directors and the Employee Representative Counsel;

(ii) all fees and disbursements owing as at the Plan Implementation Date to Northwest;

(iii) all amounts on account of Government Priority Claims;

(iv) all amounts on account of Employee Priority Claims, to the extent such amounts have not been satisfied from the Employee Trust;

(v) all amounts on account of proven TCC Secured Construction Lien Claims;

(vi) all amounts on account of Cash Management Lender Claims;

(vii) all amounts on account of the Post-Filing Trade Payables;

(viii) all amounts owing to Persons on account of their KERP Claims;

(ix) all fees owing to third-parties on account of the administration of distributions, disbursements and payments under the Plan, including without limitation Bank of America; and

(x) such amounts as may be necessary to fund any final minor adjustments to the Cash pools after establishment thereof in accordance with Section 6.3(b);

(g) Release of CCAA Charges; Continuation of Administration Charge: The Financial Advisor Subordinated Charge, the DIP Lender's Charge, the Liquidation Agent's Charge and Security Interest and the KERP Charge shall be discharged and the Administration Charge and the Directors' Charge shall continue and shall attach solely against the Propco Cash Pool, the TCC Cash Pool, and the Cash Reserves from and after the Plan Implementation Date pursuant to and in accordance with the Sanction and Vesting Order;

(h) Directors and Officers: On the Plan Implementation Date, the Directors and Officers of the Target Canada Entities (other than the current Directors of TCC and Target Canada Pharmacy (Ontario) Corp.) shall and shall be deemed to resign without the requirement of further action on the part of such Directors and Officers, unless any one of them affirmatively elects to remain as a Director or Officer, as applicable, in order to facilitate any Plan Transaction Steps in connection with the wind-down of the Target Canada Entities; for the avoidance of doubt, any deemed resignation pursuant to this Section 6.3(h) or the Sanction and Vesting Order will not disentitle, or otherwise negatively affect, the entitlements of any Directors and Officers pursuant to the terms of any existing employment or retention agreements, which agreements shall continue subject to the terms and conditions thereof;

(i) Distributions from the Propco Cash Pool and the Propco Disputed Claims Reserve: Once TCC, in consultation with the Monitor, has determined that all requisite consents, declarations, certificates or approvals of or by any Governmental Authority as may be considered necessary by TCC or the Monitor in respect of any such distribution have been obtained, TCC shall make distributions from the Propco Cash Pool Account and the Propco Disputed Claims Reserve Account in accordance with Sections 5.2, 5.3, 5.4 and 5.5;

(j) Intercompany Distributions from the Propco Cash Pool: TCC shall deposit, and each of Property LP and the Plan Sponsor shall and shall be deemed to direct that TCC shall deposit, any distributions to be received from TCC out of the Propco Cash Pool Account to the Landlord Guarantee Enhancement Cash Pool Account, the Plan Sponsor Propco Recovery Limit Reserve Account and the TCC Cash Pool Account in the order and in the amounts set out in Section 5.3;

(k) Distributions from the Plan Sponsor Propco Recovery Limit Reserve: TCC shall make distributions from the Plan Sponsor Propco Recovery Limit Reserve Account to the Plan Sponsor in accordance with Section 5.6;

(l) Distributions from the TCC Cash Pool and the TCC Disputed Claims Reserve: Once TCC, in consultation with the Monitor, has determined that all requisite

consents, declarations, certificates or approvals of or by any Governmental Authority as may be considered necessary by TCC or the Monitor in respect of any such distribution have been obtained, TCC shall make distributions from the TCC Cash Pool Account and the TCC Disputed Claims Reserve Account in accordance with Sections 5.7, 5.11 and 5.12;

(m) Disbursement of Landlord Non-Guarantee Creditor Equalization Amounts: On the Initial Distribution Date, TCC, on behalf of the Plan Sponsor, shall fully and finally disburse the Landlord Non-Guarantee Creditor Equalization Amounts in accordance with Section 5.8;

(n) Disbursement of Landlord Guarantee Creditor Base Claim Amounts: On the Initial Distribution Date, TCC, on behalf of the Target Canada Entities, shall fully and finally disburse the Landlord Guarantee Creditor Base Claim Amounts in accordance with Section 5.9;

(o) Disbursement of Landlord Guarantee Enhancement Amounts: On the Initial Distribution Date, TCC, on behalf of the Plan Sponsor, shall fully and finally disburse the Landlord Guarantee Enhancement Amounts in accordance with Section 5.10;

(p) Compromise, Satisfaction and Release: The compromises with the Affected Creditors, the full and final satisfaction of the Propco Unaffected Claims and the Property LP Unaffected Claims and the release of the Released Parties referred to herein shall become effective in accordance with Article 7 of the Plan, and Propco and Property LP shall be deemed to have no claims against the Landlords, including without limitation arising out of the Plan Sponsor Guarantees;

(q) IP Assets: On the Plan Implementation Date, in partial consideration for the Plan Sponsor contributing to the Landlord Guarantee Enhancement Cash Pool and the Plan Sponsor's subordination of the Subordinated Intercompany Claims and the re-contribution of the Property LP (Propco) Intercompany Claim in excess of the Contributed Claim Amount, the IP Assets shall be transferred and shall vest absolutely in the Plan Sponsor (or its designee) free and clear of all Encumbrances pursuant to and in accordance with the Sanction and Vesting Order;

(r) Pharmacy Shares: On the Plan Implementation Date, upon the delivery of the Monitor's certificate as set out in the Pharmacy Share Sale Approval and Vesting Order, the Pharmacy Shares shall be transferred and shall vest absolutely in the Pharmacy Purchaser free and clear of all Encumbrances pursuant to and in accordance with the Pharmacy Share Sale Approval and Vesting Order and the Directors of Target Canada Pharmacy (Ontario) Corp. shall and shall be deemed to resign immediately prior to the closing of such transaction without the requirement of further action;

(s) Disposition of Remaining Assets and Collection of Receivables: The Monitor shall be authorized to collect any outstanding receivables and to market and sell any remaining assets of the Target Canada Entities, and if the sale price for such assets is greater than **$250,000**, such sale shall be approved pursuant to Court Order.

Subject to Section 5.17, the proceeds of any such sales or receivables shall be deposited to the TCC Cash Pool Account;

(t) Maintenance of Target Canada Entities: If necessary to effect the sale of the shares of one or more of the Target Canada Entities, the Monitor shall file all necessary annual information forms or returns under Applicable Law in order to maintain such Target Canada Entities in good standing;

(u) Dissolutions: Immediately prior to the delivery by the Monitor of the Monitor's Plan Completion Certificate, and with the Target Canada Entities' and the Plan Sponsor's consent, steps shall be taken to dissolve any remaining Target Canada Entities in a tax efficient and orderly manner;

(v) Termination of the Employee Trust: Upon delivery of a certificate from the Employee Trust Trustee to the Monitor in the form attached as Schedule "F" (the "**Employee Trust Termination Certificate**") certifying that all outstanding disputes by employee claimants in respect of their entitlements, if any, under the Employee Trust have been fully and finally resolved pursuant to and in accordance with the Employee Trust Claims Resolution Order:

(i) the Employee Trust shall be and shall be deemed to be terminated;

(ii) any remaining Trustee Fees, Trustee Expenses, Administrator Fees and Administrator Expenses (each as defined in the Employee Trust Agreement) shall be paid from any remaining Employee Trust Property to the Employee Trust Trustee and the Employee Trust Administrator, as applicable;

(iii) the Employee Trust Trustee shall satisfy any commitments to pay Eligible Employee Claims (as defined in the Employee Trust Agreement) made under Article 2 of the Employee Trust Agreement with the assistance of the Employee Trust Administrator;

(iv) the Employee Trust Trustee and the Employee Trust Administrator shall deliver an irrevocable joint direction to The Royal Bank of Canada in the form attached as Schedule "G" (the "**Employee Trust Property Joint Direction**") to remit the balance of the Employee Trust Property, net of the payments set out in Sections 6.3(v)(ii) and 6.3(v)(iii), in each case net of any applicable Withholding Obligations, to the Plan Sponsor or its designee in accordance with the written directions to be delivered by the Plan Sponsor to the Employee Trust Trustee and the Employee Trust Administrator one (1) Business Day prior to the date of delivery of the Employee Trust Property Joint Direction, provided however that the Employee Trust Trustee and the Employee Trust Administrator shall not be required to deliver such direction until all requisite consents, declarations, certificates or approvals of or by any Governmental Authority as may be considered necessary by the Employee Trust Trustee and the Employee Trust Administrator have been obtained; and

(v) the Employee Trust Trustee and the Employee Trust Administrator shall be and shall be deemed to be fully and finally released and discharged from all of their respective obligations under the Employee Trust Agreement.

ARTICLE 7
RELEASES

7.1 Plan Releases

(a) On the Plan Implementation Date, each of the Target Canada Entities, NE1 and their respective Directors, Officers, current and former employees, advisors, legal counsel and agents, including the Liquidation Agent, Lazard and Northwest (being referred to individually as a "**Target Canada Released Party**") shall be released and discharged from any and all demands, claims, actions, applications, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor, Propco Unaffected Creditor, Property LP Unaffected Creditor or other Person may be entitled to assert, including any and all Claims in respect of the payment and receipt of proceeds, statutory liabilities of the Directors, Officers and employees of the Target Canada Released Parties and any alleged fiduciary or other duty (whether such employees are acting as a Director, Officer or employee), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Procedure Order and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Target Canada Entities' obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge (i) any Target Canada Released Party if such Target Canada Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct or (ii) the Directors with respect to matters set out in section 5.1(2) of the CCAA.

(b) On the Plan Implementation Date, the Monitor, A&M, and their respective current and former directors, officers and employees, counsel to the Directors, Pharmacists' Representative Counsel, the Consultative Committee Members and all of their respective advisors, legal counsel and agents (being referred to individually as a "**Third Party Released Party**") shall be released and discharged from any and all demands, claims, actions, applications, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on

account of any liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor, Propco Unaffected Creditor, Property LP Unaffected Creditor or other 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 omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Procedure Order and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Monitor's obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge any Third Party Released Party if such Third Party Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct.

(c) On the Plan Implementation Date, the Plan Sponsor, the Plan Sponsor Subsidiaries, the HBC Entities and their current and former directors, officers and employees and their respective advisors, legal counsel and agents (being referred to individually as a "**Plan Sponsor Released Party**"):

(i) shall not be released hereunder from Landlord Guarantee Claims; and

(ii) shall be released and discharged from any and all demands, claims, actions, applications, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor, Propco Unaffected Creditor, Property LP Unaffected Creditor or other Person (excluding a Landlord Guarantee Creditor in respect of its Landlord Guarantee Claim) 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 omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Procedure Order and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Sponsor's obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge any Plan Sponsor Released Party if such Plan Sponsor Released Party is judged by the expressed terms of a

judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct.

For greater certainty, the Plan Sponsor shall not be released from any indemnity or guarantee provided by the Plan Sponsor in favour of any Director, Officer or employee.

(d) Immediately upon the delivery of the Employee Trust Termination Certificate, the Employee Trust Administrator and its current and former directors, officers and employees, the Employee Trust Trustee, Employee Representative Counsel, the Employee Representatives and all of their respective advisors, legal counsel and agents (being referred to individually as an "**Employee Trust Released Party**", and collectively together with each of the Target Canada Released Parties, the Third Party Released Parties and the Plan Sponsor Released Parties, the "**Released Parties**") shall be released and discharged from any and all demands, claims, actions, applications, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor, Propco Unaffected Creditor, Property LP Unaffected Creditor or other 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 omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Procedure Order or the Employee Trust Claims Resolution Order and all Claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Employee Trust Trustee's and the Employee Trust Administrator's obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge any Employee Trust Released Party if such Employee Trust Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct.

(e) The Sanction and Vesting Order will enjoin the prosecution, whether directly, derivatively or otherwise, of any Claim, Propco Unaffected Claim, Property LP Unaffected Claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged, compromised or terminated pursuant to the Plan.

(f) Nothing in the Plan shall be interpreted as restricting the application of Section 21 of the CCAA.

ARTICLE 8
COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION

8.1 Application for Sanction and Vesting Order

If the Required Majority of the Affected Creditors approves the Plan, the Target Canada Entities shall apply for the Sanction and Vesting Order on or before the date set in the Meeting Order for the hearing of the Sanction and Vesting Order or such later date as the Court may set.

8.2 Sanction and Vesting Order

The Sanction and Vesting Order will have effect from and after the Effective Time on the Plan Implementation Date, and shall, among other things:

(a) declare that (i) the Plan has been approved by the Required Majority of Affected Creditors with Proven Claims in conformity with the CCAA; (ii) the Target Canada Entities have complied with the provisions of the CCAA and the Orders of the Court made in these CCAA Proceedings in all respects; (iii) the Court is satisfied that the Target Canada Entities have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the Plan Transaction Steps contemplated thereby are fair and reasonable;

(b) declare that the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved, binding and effective on the Target Canada Entities, the Plan Sponsor, all Affected Creditors, the Released Parties and all other Persons and parties affected by the Plan as of the Effective Time;

(c) authorize and direct the Employee Trust Trustee and the Employee Trust Administrator to remit the balance of the Employee Trust Property, net of the payments set out in Sections 6.3(v)(ii) and 6.3(v)(iii) and any applicable Withholding Obligations, to the Plan Sponsor or its designee upon delivery by the Employee Trust Trustee and the Employee Trust Administrator of the Employee Trust Property Joint Direction to The Royal Bank of Canada pursuant to and in accordance with the Plan;

(d) grant to the Monitor, in addition to its rights and obligations under the CCAA, the powers, duties and protections contemplated by and required under the Plan and authorize and direct the Monitor to perform its duties and fulfil its obligations under the Plan to facilitate the implementation thereof;

(e) authorize the Monitor to take all such actions to market and sell any remaining assets and pursue any outstanding accounts receivable owing to any of the Target Canada Entities, or to assist the Target Canada Entities with respect thereto;

(f) declare that all right, title and interest in and to the IP Assets have vested absolutely in the Plan Sponsor (or its designee), free and clear of all Encumbrances;

(g) direct the Plan Sponsor to maintain the books and records of the Target Canada Entities for purposes of assisting the Monitor in the completion of the resolution of Disputed Claims and Claims of the Propco Creditors and the Property LP Creditors and the orderly wind-down of the Target Canada Entities;

(h) confirm the releases of the Released Parties as set out in Section 7.1;

(i) declare that any Affected Claim, any Propco Unaffected Claim and any Property LP Unaffected Claim for which a Proof of Claim has not been filed by the Claims Bar Date in accordance with the Claims Procedure Order shall be forever barred and extinguished;

(j) declare that the stays of proceedings in favour of the Landlords pursuant to the Orders of the Court set out in Schedule "H" (the "**Co-Tenancy Stay Schedule**") shall have terminated on the dates set out in the Co-Tenancy Stay Schedule;

(k) deem the remaining Directors and Officers of the Target Canada Entities (other than the current Directors of TCC or Target Canada Pharmacy (Ontario) Corp.) to have resigned without replacement on the Effective Time on the Plan Implementation Date, unless such Persons affirmatively elect to remain as a Director or Officer in order to facilitate any Plan Transaction Steps in connection with the wind-down of any of the Target Canada Entities;

(l) deem the Directors of Target Canada Pharmacy (Ontario) Corp. to have resigned in accordance with Section 6.3(r);

(m) declare that all distributions or payments by TCC, in each case on behalf of the Target Canada Entities, to the Affected Creditors with Proven Claims, to Propco Unaffected Creditors and to the Property LP Unaffected Creditors under the Plan are for the account of the Target Canada Entities and the fulfillment of their respective obligations under the Plan;

(n) declare that in no circumstance will the Monitor have any liability for any of the Target Canada Entities' tax liabilities regardless of how or when such liability may have arisen;

(o) declare that TCC shall be authorized, in connection with the making of any payment or distribution, and TCC and the Monitor shall be authorized, in connection with the taking of any step or transaction or performance of any function under or in connection with the Plan, to apply to any Governmental Authority for any consent, authorization, certificate or approval in connection therewith;

(p) declare that, in carrying out the terms of the Sanction and Vesting Order and the Plan, (i) the Monitor shall benefit from all the protections given to it by the CCAA, the Initial Order and any other Order in the CCAA Proceedings, and as an officer of the Court, including the Stay of Proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of the Sanction and Vesting Order and/or the Plan; and (iii) the Monitor shall be entitled to rely on the books and records of the Target Canada Entities and any information

provided by any of the Target Canada Entities without independent investigation and shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information;

(q) provide for discharge of the CCAA Charges (other than the Administration Charge and the Directors' Charge) and the continuation of the Administration Charge and the Directors' Charge which shall survive the Plan Implementation Date;

(r) approve the Monitor's form of Notice of Final Distribution;

(s) authorize the Target Canada Entities (at their sole election) to seek an order of any court of competent jurisdiction to recognize the Plan and the Sanction and Vesting Order and to confirm the Plan and the Sanction and Vesting Order as binding and effective in any appropriate foreign jurisdiction;

(t) declare that the Target Canada Entities and the Monitor may apply to the Court from time to time for advice and direction in respect of any matters arising from or under the Plan;

(u) approve the form of the Employee Trust Termination Certificate, and declare that upon the delivery thereof, the Monitor shall file the Employee Trust Termination Certificate with the Court and, immediately upon such filing:

(i) the Employee Trust Trustee shall be deemed to be discharged from its duties as Employee Trust Trustee and released of all claims relating to its activities as Employee Trust Trustee; and

(ii) the Employee Trust Administrator shall be deemed to be discharged from its duties as Employee Trust Administrator and released of all claims relating to its activities as Employee Trust Trustee; and

(v) approve the form of the Monitor's Plan Completion Certificate, and declare that the Monitor, in its capacity as Monitor, following written notice from TCC pursuant to Section 5.12(d) that TCC has completed its duties to effect distributions, disbursements and payments in accordance with the Plan, shall file with the Court the Monitor's Plan Completion Certificate stating that all of its duties and the Target Canada Entities' duties under the Plan and the Orders have been completed, and thereafter the Monitor shall seek an Order, *inter alia*, discharging and releasing the Monitor from its duties as Monitor in the CCAA Proceedings, releasing the Target Canada Entities and any Directors and Officers holding such office following the Plan Implementation Date and their advisors, from all claims relating to the implementation of the Plan and releasing the Administration Charge and the Directors' Charge.

8.3 Conditions Precedent to Implementation of the Plan

The implementation of the Plan shall be conditional upon the fulfilment or waiver, where applicable, of the following conditions precedent by the date specified therefor, provided however

that any waiver of any such conditions precedent shall require the consent of the Plan Sponsor and the Monitor acting reasonably:

(a) each of the Landlord Guarantee Creditors and the Plan Sponsor shall have executed and delivered the Landlord Guarantee Creditor Settlement Agreement and each of the Landlord Non-Guarantee Creditors and TCC shall have executed and delivered a Landlord Non-Guarantee Creditor Consent and Support Agreement(s), which agreements shall be in full force and effect;

(b) the Meeting Order shall have been granted by the Court on or before April 21, 2016, or such later date as shall be acceptable to TCC in consultation with the Monitor, and shall have become a Final Order;

(c) the Creditors' Meeting to consider and vote on the Plan shall have been convened by the date set by the Meeting Order or such later date and shall be acceptable to TCC in consultation with the Monitor;

(d) the Target Canada Entities shall have satisfied their respective Post-Filing Trade Payables in the ordinary course or provision shall have been made in respect thereof in the Administrative Reserve to the satisfaction of the Monitor;

(e) all material consents, declarations, rulings, certificates or approvals of or by any Governmental Authority as may be considered necessary by the Target Canada Entities, the Plan Sponsor and the Monitor in respect of the Plan Transaction Steps shall have been obtained;

(f) the Plan shall have been approved by the Required Majority of the Affected Creditors forming the Unsecured Creditors' Class at the Creditors' Meeting;

(g) the Sanction and Vesting Order shall have been granted by the Court by June 6, 2016, or such later date as shall be acceptable to TCC, in consultation with the Monitor, in form satisfactory to the Target Canada Entities, the Plan Sponsor and the Monitor, and shall have become a Final Order; and

(h) the Plan Implementation Date shall have occurred by the date that is seven (7) days from the date on which the Sanction and Vesting Order becomes a Final Order, which in no event shall be later than July 29, 2016.

8.4 Monitor's Certificate

Upon delivery of written notice from the Target Canada Entities and the Plan Sponsor of the fulfilment or waiver of the conditions precedent to implementation of the Plan as set out in Section 8.3 of the Plan, the Monitor shall deliver the Monitor's Plan Implementation Certificate to the Target Canada Entities. Following the Plan Implementation Date, the Monitor shall file such certificate with the Court and shall post a copy of same on the Website.

ARTICLE 9
GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

(a) the Plan will become effective at the Effective Time and the Plan Transaction Steps will be implemented;

(b) the treatment of Affected Claims, Propco Unaffected Claims, Property LP Unaffected Claims and the TCC Secured Construction Lien Claims under the Plan shall be final and binding for all purposes and enure to the benefit of the Target Canada Entities, the Plan Sponsor, all Affected Creditors, the Propco Unaffected Creditors, the Property LP Unaffected Creditors, the holders of TCC Secured Construction Lien Claims, the Released Parties and all other Persons and parties named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

(c) all Affected Claims shall be and shall be deemed to be forever discharged and released, and all Propco Unaffected Claims, Property LP Unaffected Claims and TCC Secured Construction Lien Claims shall be and shall be deemed to be fully satisfied, discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims, Propco Unaffected Claims, Property LP Unaffected Claims and TCC Secured Construction Lien Claims in the manner and to the extent provided for in the Plan; provided, however, that the Subordinated Intercompany Claims shall be discharged and released in a manner determined by the Plan Sponsor and the Target Canada Entities on or prior to the Plan Implementation Date;

(d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;

(e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Target Canada Entities and the Plan Sponsor all consents, releases, directions, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and

(f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Target Canada Entities and the Plan Sponsor all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in this Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

9.3 Deeming Provisions

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

9.4 Interest and Fees

Interest shall not accrue or be paid on Affected Claims after the Filing Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Filing Date and any Claims in respect of interest accruing or fees and expenses incurred on or after the Filing Date shall be deemed to be forever extinguished and released. For greater certainty, interest (if any) shall continue to accrue on Propco Unaffected Claims and Property LP Unaffected Claims in accordance with the terms of the applicable contract.

9.5 Non-Consummation

The Target Canada Entities reserve the right to revoke or withdraw the Plan at any time prior to the Plan Sanction Date with the consent of the Plan Sponsor. If the Target Canada Entities revoke or withdraw the Plan, or if the Sanction and Vesting Order is not issued or if the Plan Implementation Date does not occur, (a) the Plan (including all Plan Transaction Steps) shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the subordinations and/or re-contributions of any Intercompany Claims set out herein), or any document or agreement executed pursuant to or in connection with the Plan shall be deemed to be null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims, Propco Unaffected Claims or Property LP Unaffected Claims by or against any of the Target Canada Entities or any other Person, (ii) prejudice in any manner the rights of the Target Canada Entities, the Plan Sponsor or any other Person in any further proceedings involving any of the Target Canada Entities or Intercompany Claims or (iii) constitute an admission of any sort by any of the Target Canada Entities, the Plan Sponsor or any other Person.

9.6 Modification of the Plan

(a) The Target Canada Entities reserve the right, at any time and from time to time, with the consent of the Monitor and the Plan Sponsor, both prior to and during the Creditors' Meeting or after the Creditors' Meeting, to amend, restate, modify and/or supplement the Plan; provided (i) if made prior to or at the Creditors' Meeting, such amendment, restatement, modification or supplement shall be communicated to Affected Creditors in the manner required by the Meeting Order and (ii) if made following the Creditors' Meeting, such amendment, restatement, modification or supplement shall be approved by the Court following notice to the Affected Creditors.

(b) Notwithstanding Section 9.6(a), any amendment, restatement, modification or supplement to the Plan may be made by the Target Canada Entities, with the consent of the Monitor and the Plan Sponsor or pursuant to an Order of the Court, at any time and from time to time, provided that it concerns a matter which (i) is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction and Vesting Order or (ii) to cure any errors, omissions or

ambiguities, and in either case is not materially adverse to the financial or economic interests of the Affected Creditors.

(c) Any amended, restated, modified or supplementary Plan or Plans filed with the Court and, if required by this Section, approved by the Court shall, for all purposes, be and be deemed to be a part of, and incorporated in, the Plan.

9.7 Paramountcy

Except with respect to the Unaffected Claims, from and after the Effective Time on the Plan Implementation Date, any conflict between:

(a) the Plan; and

(b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, bylaws of the Target Canada Entities, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Person and the Target Canada Entities as at the Plan Implementation Date;

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction and Vesting Order, which shall take precedence and priority.

9.8 Severability of Plan Provisions

If, prior to the Plan Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Target Canada Entities and with the consent of the Monitor and the Plan Sponsor, shall have the power to either (a) sever such term or provision from the balance of the Plan and provide the Target Canada Entities with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applied as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Target Canada Entities proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

9.9 Responsibilities of the Monitor

The Monitor is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceedings with respect to the Target Canada Entities and not in its personal or corporate capacity, including without limitation supervising the establishment and administration of the TCC Cash Pool, the Propco Cash Pool, the Landlord Guarantee Creditor Base Claim Cash Pool, the Landlord Guarantee Enhancement Cash Pool, the Landlord Non-Guarantee Creditor Equalization Cash Pool, the Plan Sponsor Propco Recovery Limit Reserve and the Cash Reserves (including any adjustments with respect to same) and establishing any of the Distribution Dates, Effective Time or the timing or sequence of the Plan Transaction Steps. The Monitor will not be responsible or

liable whatsoever for any obligations of the Target Canada Entities or the Plan Sponsor. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Meeting Order, the Sanction and Vesting Order and any other Order made in the CCAA Proceedings.

9.10 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by a Person in writing or unless its Claims overlap or are otherwise duplicative.

9.11 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by email addressed to the respective Parties as follows:

(a) If to the Target Canada Entities:

Target Canada Co.
c/o Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
100 King Street West
Toronto, ON M5X 1B8

Attention: Aaron Alt
Email: aaron.alt@target.com

with a copy to:

Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
100 King Street West
Toronto, ON M5X 1B8

Attention: Tracy C. Sandler
Email: tsandler@osler.com

(b) If to the Plan Sponsor:

Target Corporation
1000 Nicollet Mall
TPS-3155
Minneapolis, MN 55403

Attention: Corey Haaland
Email: corey.haaland@target.com

with a copy to:

Faegre Baker Daniels LLP
2200 Wells Fargo Center
90 S. Seventh Street
Minneapolis, MN 55402

Attention: Dennis M. Ryan
Email: dennis.ryan@faegrebd.com

with a copy to:

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, ON M5V 3J7

Attention: Jay A. Swartz
Email: jswartz@dwpv.com

(c) If to the Monitor or the Employee Trust Administrator:

Alvarez & Marsal Canada Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
PO Box 22
Toronto, ON M5J 2J1

Attention: Douglas R. McIntosh / Alan J. Hutchens
Email: dmcintosh@alvarezandmarsal.com / ahutchens@alvarezandmarsal.com

with a copy to:

Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attention: Jay A. Carfagnini / Melaney Wagner
Email: jcarfagnini@goodmans.ca / mwagner@goodmans.ca

(d) If to the Employee Trust Trustee:

Hon. John D. Ground
Amicus Chambers
141 Adelaide Street West
11th Floor
Toronto, ON M5H 3L5

Email: jground@NeesonChambers.com

with a copy to:

Lax O'Sullivan Lisus Gottlieb LLP
145 King Street West, Suite 2750
Toronto, ON M5H 1J8

Attention: Terrence O'Sullivan
Email: tosullivan@counsel-toronto.com

or to such other address as any party may from time to time notify the others in accordance with this Section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of sending by means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

9.12 Further Assurances

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

DATED as of the 19th day of May, 2016.

SCHEDULE "A"
INTERCOMPANY CLAIMS[1]

Claim #	Original Claimant	Debtor Company	Currency	Claim ($)	Proposed Adjustment	Recalculated Claim	Contingent Claim	Defined Plan Term	Plan Treatment
Intercompany Claim									
Claim #1	NE1	TCC	CAD	3,068,729,438	-	3,068,729,438		NE1 Intercompany Claim	Fully subordinated
Claim #2									
2A	TBI	TCC	USD	23,573,542	(4,786,473)	18,787,069		N/A	Distribution from TCC Cash Pool as Affected Creditor
2B	TBI	TCC	USD	37,502,539	(37,502,539)	-		N/A	N/A
Claim #3	TCSI	TCC	USD	2,778,278	(613,869)	2,164,409		N/A	Distribution from TCC Cash Pool as Affected Creditor
Claim #4									
4A	TC	Prop LLC	USD	89,079,107	-	89,079,107		Plan Sponsor (Propco) Intercompany Claim	Recovery limited (distribution up to Plan Sponsor Propco Recovery Limit in accordance with Section 5.6)
4B	TC	TCC	USD	541,404	(36,585)	504,818		N/A	Distribution from TCC Cash Pool as Affected Creditor

[1] Intercompany Claims information is derived from the Intercompany Claims Report. Amounts set out herein are exclusive of applicable GST/HST or provincial sales tax.

Claim #	Original Claimant	Debtor Company	Currency	Claim ($)	Proposed Adjustment	Recalculated Claim	Contingent Claim	Defined Plan Term	Plan Treatment
4C	TC	TCC	USD	559,373	(559,373)	-		N/A	N/A
Leasehold Arrangements Claims									
Claim #5									
5A	Prop LP	Prop LLC	CAD	1,449,577,927	-	1,449,577,927		Property LP (Propco) Intercompany Claim	Partially subordinated (see Section 5.3 of the Plan)
5B	Prop LP	TCC	CAD	87,748,817	(4,886,996)	82,861,821		Property LP (TCC) Intercompany Claim	Distribution from TCC Cash Pool as Affected Creditor
5C	Prop LP	Prop LLC					Contingent	N/A	N/A
5D	Prop LP	TCC					Contingent	N/A	N/A
Claim #6									
6A	Prop LLC	TCC	CAD	27,254,109 (after netting claim 7A, being 46,873,620 on a gross basis)	6,978,418	34,232,528 (after netting claim 7A, being 45, 852,897 on a gross basis)		Propco (Pre-filing TCC) Intercompany Claim	Fully subordinated
6B	Prop LLC	TCC	CAD	1,911,494,242	(554,738,191)	1,356,756,051		Propco Intercompany Claim	Fully subordinated
6C	Prop LLC	TCC	CAD	37,347,552 (after netting claim 7B, being 43,651,173 on a gross basis)	(787,729)	36,559,823 (after netting claim 7B, being 43,526,186 on a gross basis)		Propco (Post-filing TCC) Intercompany Claim	Fully subordinated

Claim #	Original Claimant	Debtor Company	Currency	Claim ($)	Proposed Adjustment	Recalculated Claim	Contingent Claim	Defined Plan Term	Plan Treatment
Claim #7									
7A	TCC	Prop LLC	CAD	19,619,511	(7,999,142)	11,620,369	Contingent	TCC (Pre-filing Propco) Intercompany Claim	Partially subordinated (see Section 5.3 of the Plan)
7B	TCC	Prop LLC	CAD	6,303,621	662,742	6,966,363	Contingent	TCC (Post-filing Propco) Intercompany Claim	Partially subordinated (see Section 5.3 of the Plan)
7C	TCC	Prop LP	CAD	528,730	-	528,730	Contingent	N/A	Netted against Intercompany Claim 5B

SCHEDULE "B"

Domain Names

alliesforconsumerdigitalsafety.ca
avaandviv.ca
avaviv.ca
brightspotmobile.ca
brightspotphone.ca
bullseyemobilesolutions.ca
bullseyepharmacy.ca
bullseyeshoprequests.ca
bullseyespecialrequests.ca
bullseyesubscription.ca
bullseyesubscriptions.ca
bullseyeticket.ca
bullseyetickets.ca
canadapartnersonline.ca
consumerdigitalsafetyallies.ca
consumerdigitalsafetyconsortium.ca
digitalsafetyallies.ca
dites-le-nous-target.ca
domaniedelarcher.ca
expectmorepayless.ca
garde-marche.ca
hopethop.ca
larchermaraicher.ca
marchefute.ca
moretaylor.ca
mybrightspot.ca
partenairescanadiensenligne.ca
partnersonlinecanada.ca
pharmacyevents.ca
redperk.ca
redperks.ca
reellementessentiel.ca
savoreveryday.ca
savoureveryday.ca
smith-hawken.ca
smithhawken.ca
smithnhawken.ca
suttonanddodge.ca

takechargeofeducation.ca
target-ceo.ca
targetcartwheel.ca
targetceo.ca
targetexpress.ca
targetget.ca
targetlocation.ca
targetspoton.ca
targetsubscription.ca
targetsubscriptions.ca
tellbullseye.ca
telltarget.ca
telltgt.ca
tevolio.ca
trouvezmieuxpayezmoins.ca
upandup.ca
upandupbrand.ca
upup.ca
upupbrand.ca
wellbeingdreams.ca
winecube.ca
yourtarget.ca

SCHEDULE "C"

Meeting Order

Court File No. CV-15-10832-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	WEDNESDAY, THE 13TH
	)	
REGIONAL SENIOR JUSTICE	)	DAY OF APRIL, 2016
	)	
MORAWETZ	)	

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 TARGET CANADA CO., TARGET CANADA HEALTH CO., TARGET CANADA MOBILE GP CO., TARGET CANADA PHARMACY (BC) CORP., TARGET CANADA PHARMACY (ONTARIO) CORP., TARGET CANADA PHARMACY CORP., TARGET CANADA PHARMACY (SK) CORP., and TARGET CANADA PROPERTY LLC (collectively the "**Applicants**")

MEETING ORDER

THIS MOTION, made by the Applicants and the partnerships listed on Schedule "A" hereto (together with the Applicants, the "**Target Canada Entities**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the "**CCAA**") for an order, *inter alia*, (a) accepting the filing of an Amended and Restated Joint Plan of Compromise and Arrangement pursuant to the CCAA filed by the Target Canada Entities dated April 6, 2016 (the "**Plan**"), (b) authorizing the Target Canada Entities to establish one class of Affected Creditors for the purpose of considering and voting on the Plan, (c) authorizing the Target Canada Entities to

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call, hold and conduct a meeting of the Affected Creditors (the "**Creditors' Meeting**") to consider and vote on a resolution to approve the Plan; (d) approving the procedures to be followed with respect to the calling and conduct of the Creditors' Meeting; and (e) setting the date for the hearing of the Target Canada Entities' motion seeking sanction of the Plan, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Mark J. Wong sworn April 6, 2016 (the "**Wong Affidavit**"), and the exhibits thereto and the Twenty-Sixth Report of the Monitor, and on hearing the submissions of respective counsel for the Target Canada Entities, the Monitor, and such other counsel as were present, and on being advised that the Service List was served with the Motion Record herein:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and that service thereof upon any interested party other than the persons served with the Motion Record is hereby dispensed with.

2. THIS COURT ORDERS that any capitalized terms not otherwise defined in this Meeting Order shall have the meanings ascribed to them in the Plan.

AMENDED AND RESTATED JOINT PLAN OF COMPROMISE AND ARRANGEMENT

3. THIS COURT ORDERS that the Plan is hereby accepted for filing, and the Target Canada Entities are hereby authorized to seek approval of the Plan from the Affected Creditors in the manner set forth herein.

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4. THIS COURT ORDERS that the Target Canada Entities, with the consent of the Plan Sponsor and the Monitor, be and they are hereby authorized to make and to file a modification or restatement of, or amendment or supplement to, the Plan (each a "**Plan Modification**") prior to or at the Creditors' Meeting, in which case any such Plan Modification shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Target Canada Entities shall give notice of any such Plan Modification at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Target Canada Entities may give notice of any such Plan Modification at or before the Creditors' Meeting by notice which shall be sufficient if, in the case of notice at the Creditors' Meeting, given to those Affected Creditors present at such meeting in person or by Proxy and, in the case of notice before the Creditors' Meeting, provided to those Persons listed on the service list posted on the Website (as amended from time to time, the "**Service List**"). The Monitor shall forthwith post on the Website any such Plan Modification, with notice of such posting forthwith provided to the Service List.

5. THIS COURT ORDERS that after the Creditors' Meeting (and both prior to and subsequent to the obtaining of any Sanction and Vesting Order), the Target Canada Entities may at any time and from time to time, with the consent of the Plan Sponsor and the Monitor effect a Plan Modification (a) pursuant to an Order of the Court or (b) where such Plan Modification concerns a matter which, in the opinion of the Target Canada Entities and the Monitor, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction and Vesting Order or to cure any errors, omissions or ambiguities, and in either circumstance is not materially adverse to the financial or economic interests of the Affected Creditors. The Monitor shall forthwith post on the Website any such Plan Modification, with notice of such posting forthwith provided to the Service List.

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FORMS OF DOCUMENTS

6. THIS COURT ORDERS that the Notice of Creditors' Meeting substantially in the form attached hereto as Schedule "B" (the "**Notice of Creditors' Meeting**"), the Proxy substantially in the form attached hereto as Schedule "C" (the "**Proxy**"), the Convenience Class Claim Election substantially in the form attached hereto as Schedule "D" (the "**Convenience Class Claim Election**") and the form of Resolution substantially in the form attached as Schedule "E" (the "**Resolution**") are each hereby approved and the Target Canada Entities with the consent of the Monitor are authorized and directed to make such changes to such forms of documents as they consider necessary or desirable to conform the content thereof to the terms of the Plan or this Meeting Order.

CLASSIFICATION OF CREDITORS

7. THIS COURT ORDERS that for the purposes of considering and voting on the Plan, the Affected Creditors shall constitute a single class, the "Unsecured Creditors' Class".

NOTICE OF CREDITORS' MEETING

8. THIS COURT ORDERS that the Monitor shall cause to be sent by regular pre-paid mail, courier, fax or e-mail copies of the Notice of Creditors' Meeting, the Proxy, the Convenience Class Claim Election, the Resolution, the Plan, the Letter to Creditors attached as Exhibit "B" to the Wong Affidavit and a copy of this Meeting Order (collectively, the "**Meeting Materials**") as soon as practicable after the granting of this Meeting Order and, in any event, no later than April 21, 2016 to each Affected Creditor at the address for such Affected Creditor set out in such Affected Creditor's Proof of Claim or to such other address subsequently provided to the Monitor by such Affected Creditor.

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9. THIS COURT ORDERS that the Monitor shall forthwith post an electronic copy of the Meeting Materials on the Website, send a copy of the Meeting Materials to the Service List and shall provide a written copy to any Affected Creditor upon request by such Affected Creditor.

10. THIS COURT ORDERS that on or before April 27, 2016 the Monitor shall cause the Notice of Creditors' Meeting to be published for a period of two (2) Business Days in *The Globe and Mail* (National Edition), *La Presse* and *The Wall Street Journal*.

11. THIS COURT ORDERS that the delivery of the Meeting Materials in the manner set out in paragraph 8 hereof, posting of the Meeting Materials on the Website in accordance with paragraph 8 hereof, and the publication of the Notice of Creditors' Meeting in accordance with paragraph 9 hereof shall constitute good and sufficient service of this Meeting Order and of the Plan, and good and sufficient notice of the Creditors' Meeting on all Persons who may be entitled to receive notice thereof of these proceedings or who may wish to be present in person or by Proxy at the Creditors' Meeting or who may wish to appear in these proceedings, and no other form of notice or service need be made on such Persons.

12. THIS COURT ORDERS that on or before May 11, 2016, the Monitor shall serve a report regarding the Plan on the Service List and promptly thereafter post such report on the Website.

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CONDUCT AT THE CREDITORS' MEETING

13. THIS COURT ORDERS that the Target Canada Entities are hereby authorized to call, hold and conduct the Creditors' Meeting on May 25, 2016 at 10:00 a.m. at the Toronto Region Board of Trade, 77 Adelaide Street West in Toronto, Ontario for the purpose of considering, and if deemed advisable by the Unsecured Creditors' Class, voting in favour of, with or without variation, the Resolution to approve the Plan.

14. THIS COURT ORDERS that a representative of the Monitor, designated by the Monitor, shall preside as the chair of the Creditors' Meeting (the "**Chair**") and, subject to any further Order of this Court, shall decide all matters relating to the conduct of the Creditors' Meeting.

15. THIS COURT ORDERS that the Chair is authorized to accept and rely upon Proxies or such other forms as may be acceptable to the Chair.

16. THIS COURT ORDERS that the quorum required at the Creditors' Meeting shall be one (1) Affected Creditor with a Voting Claim present at such meeting in person or by Proxy.

17. THIS COURT ORDERS that the Monitor may appoint scrutineers for the supervision and tabulation of the attendance at, quorum at and votes cast at the Creditors' Meeting. A Person designated by the Monitor shall act as secretary at the Creditors' Meeting.

18. THIS COURT ORDERS that if (a) the requisite quorum is not present at the Creditors' Meeting, or (b) the Creditors' Meeting is postponed by the vote of the majority in value of Affected Creditors holding Voting Claims in person or by Proxy at the Creditors' Meeting, then the Creditors' Meeting shall be adjourned by the Chair to such time and place as the Chair deems necessary or desirable.

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19. THIS COURT ORDERS that the Chair be, and he or she is hereby, authorized to adjourn, postpone or otherwise reschedule the Creditors' Meeting on one or more occasions to such time(s), date(s) and place(s) as the Chair deems necessary or desirable (without the need to first convene such Creditors' Meeting for the purpose of any adjournment, postponement or other rescheduling thereof). None of the Target Canada Entities, the Chair or the Monitor shall be required to deliver any notice of the adjournment of the Creditors' Meeting or adjourned Creditors' Meeting, provided that the Monitor shall: (a) announce the adjournment of the Creditors' Meeting or adjourned

Creditors' Meeting, as applicable; (b) post notice of the adjournment at the originally designated time and location of the Creditors' Meeting or adjourned Creditors' Meeting, as applicable; (c) forthwith post notice of the adjournment on the Website; and (d) provide notice of the adjournment to the Service List forthwith. Any Proxies validly delivered in connection with the Creditors' Meeting shall be accepted as Proxies in respect of any adjourned Creditors' Meeting.

20. THIS COURT ORDERS that the only Persons entitled to attend and speak at the Creditors' Meeting are representatives of the Target Canada Entities and the Plan Sponsor and their respective legal counsel and advisors, the Monitor and its legal counsel and advisors, Pharmacists' Representative Counsel, Employee Representative Counsel, the Employee Trust Trustee and his legal counsel and all other Persons, including the holders of Proxies, entitled to vote at the Creditors' Meeting and their respective legal counsel and advisors. Any other Person may be admitted to the Creditors' Meeting on invitation of the Chair.

VOTING PROCEDURE AT THE CREDITORS' MEETING

21. THIS COURT ORDERS that the Chair shall direct a vote on the Resolution to approve the Plan and any amendments or variations thereto made in accordance with the Plan and this Meeting Order.

22. THIS COURT ORDERS that any Proxy in respect of the Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) must be (a) received by the Monitor by 10:00 a.m. on May 24, 2016, or 24 hours (excluding Saturdays, Sundays and statutory holidays) prior to any adjourned, postponed or rescheduled Creditors' Meeting, or (b) deposited with the Chair at the Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) immediately prior to the vote at the time specified by the Chair (the "**Election/Proxy Deadline**").

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23. THIS COURT ORDERS that, in the absence of instruction to vote for or against the approval of the Resolution in a duly signed and returned Proxy, the Proxy shall be deemed to include instructions to vote for the approval of the Resolution, provided the Proxy holder does not otherwise exercise its right to vote at the Creditors' Meeting.

24. THIS COURT ORDERS that each Affected Creditor with a Voting Claim shall be entitled to one vote equal to the dollar value of its Affected Claim determined as a Voting Claim in accordance with the Claims Procedure Order and paragraph(s) 30 and 30 of this Meeting Order.

25. THIS COURT ORDERS that each Convenience Class Creditor shall be deemed to have voted in favour of the Plan.

26. THIS COURT ORDERS that (a) holders of Intercompany Claims shall not be entitled to vote on the Plan and (b) the Plan Sponsor shall not be entitled to vote on the Plan in respect of (i) its Plan Sponsor Subrogated Claims, (ii) any amounts to be contributed to the Landlord Guarantee Enhancement Cash Pool and to the Landlord Non-Guarantee Creditor Equalization Cash Pool under the Plan, or (iii) any Cash Management Lender Claims.

27. THIS COURT ORDERS that an Affected Creditor's Voting Claim shall not include fractional numbers and Voting Claims shall be rounded down to the nearest whole Canadian Dollar amount.

28. THIS COURT ORDERS that an Affected Creditor, a Propco Unaffected Creditor or a Property LP Unaffected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Target Canada Entities nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor, a Propco Unaffected Creditor or a Property LP Unaffected Creditor in respect

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thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and this Meeting Order, constitute an Affected Creditor, a Propco Unaffected Creditor or a Property LP Unaffected Creditor, as applicable, and shall be bound by any and all notices previously given to the transferor or assignor and steps taken in respect of such Claim. Such transferee or assignee shall not be entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such transferee or assignee to any of the Target Canada Entities. Where a Claim has been transferred or assigned in part, the transferor or assignor shall retain the right to vote at the Creditors' Meeting in respect of the full amount of the Claim as determined for voting purposes in accordance with this Meeting Order, and the transferee or assignee shall have no voting rights at the Creditors' Meeting in respect of such Claim.

29. THIS COURT ORDERS that an Affected Creditor (other than a Convenience Class Creditor), a Propco Unaffected Creditor or a Property LP Unaffected Creditor may transfer or assign the whole of its Claim after the Creditors' Meeting provided that the Target Canada Entities shall not be obligated to make any distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor, a Propco Unaffected Creditor or a Property LP Unaffected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing. Thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, this Meeting Order and the Plan,

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constitute an Affected Creditor, a Propco Unaffected Creditor or a Property LP Unaffected Creditor, as applicable, and shall be bound by any and all notices previously given to the transferor or assignor and steps taken in respect of such Claim.

DISPUTED CLAIMS

30. THIS COURT ORDERS that the Canada Revenue Agency shall have one vote in respect of its Disputed Claims, the dollar value of which shall be equal to $1, without prejudice to the determination of the dollar value of such Disputed Claims for distribution purposes in accordance with the Claims Procedure Order.

31. THIS COURT ORDERS that the dollar value of a Disputed Claim of an Affected Creditor (other than the Disputed Claims of the Canada Revenue Agency) for voting purposes at the Creditors' Meeting shall be the dollar value of such Disputed Claim as set out in such Affected Creditor's Notice of Revision or Disallowance previously delivered by the Monitor pursuant to the Claims Procedure Order, without prejudice to the determination of the dollar value of such Affected Creditor's Disputed Claim for distribution purposes in accordance with the Claims Procedure Order.

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32. THIS COURT ORDERS that the Monitor shall keep a separate record of votes cast by Affected Creditors holding Disputed Claims and shall report to the Court with respect thereto at the Sanction Motion.

CONVENIENCE CLASS CLAIM ELECTION

33. THIS COURT ORDERS that any Affected Creditor with one or more Proven Claims in an amount in excess of Cdn$25,000 shall be entitled to elect to receive only the Cash Elected Amount and be deemed to vote in favour of the Plan in accordance with paragraph 24 hereof by returning

an executed Convenience Class Claim Election to the Monitor prior to the Election/Proxy Deadline.

APPROVAL OF THE PLAN

34. THIS COURT ORDERS that in order to be approved, the Plan must receive an affirmative vote by the Required Majority.

35. THIS COURT ORDERS that following the vote at the Creditors' Meeting, the Monitor shall tally the votes and determine whether the Plan has been approved by the Required Majority.

36. THIS COURT ORDERS that the results of and all votes provided at the Creditors' Meeting shall be binding on all Affected Creditors, whether or not any such Affected Creditor is present or voting at the Creditors' Meeting.

SANCTION HEARING

37. THIS COURT ORDERS that the Monitor shall provide a report to the Court as soon as practicable after the Creditors' Meeting (the "**Monitor's Report Regarding the Creditors' Meeting**") with respect to:

(a) the results of voting at the Creditors' Meeting on the Resolution;

(b) whether the Required Majority has approved the Plan;

(c) the separate tabulation for Disputed Claims required by paragraph 32 herein; and

(d) in its discretion, any other matter relating to the Target Canada Entities' motion seeking sanction of the Plan.

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38. THIS COURT ORDERS that an electronic copy of the Monitor's Report Regarding the Creditors' Meeting, the Plan, including any Plan Modifications, and a copy of the motion seeking the Sanction and Vesting Order in respect of the Plan (the "**Sanction Motion**") shall be posted on the Website prior to the Sanction Motion.

39. THIS COURT ORDERS that in the event the Plan has been approved by the Required Majority, the Target Canada Entities may bring the Sanction Motion before this Court on June 2, 2016, or such later date as shall be acceptable to the Target Canada Entities, the Plan Sponsor and the Monitor as set by this Court upon motion by the Target Canada Entities, seeking the Sanction and Vesting Order.

40. THIS COURT ORDERS that service of this Meeting Order by the Target Canada Entities to the parties on the Service List, the delivery of the Meeting Materials in accordance with paragraph 8 hereof, posting of the Meeting Materials on the Website in accordance with paragraph 8 hereof, and the publication of the Notice of Creditors' Meeting in accordance with paragraph 9 hereof shall constitute good and sufficient service and notice of the Sanction Motion.

41. THIS COURT ORDERS that any Person intending to oppose the Sanction Motion shall (i) file or have filed with the Court a Notice of Appearance and serve such Notice of Appearance on the Service List at least seven (7) days before the date set for the Sanction Motion; and (ii) serve on the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the Sanction Motion that are available by at least seven (7) days before the date set for the Sanction Motion, or such shorter time as the Court, by Order, may allow.

42. THIS COURT ORDERS that in the event that the Sanction Motion is adjourned, only those Persons appearing on the Service List as of the date of service shall be served with notice of the adjourned date.

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43. THIS COURT ORDERS that, subject to any further Order of the Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Meeting Order, the terms, conditions and provisions of the Plan shall govern and be paramount, and any such provision of this Meeting Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

EXTENSION OF STAY PERIOD

44. THIS COURT ORDERS that the Stay Period (as defined in paragraph 17 of the Initial Order) is hereby extended until and including June 6, 2016.

EXTENSION OF NOTICE OF OBJECTION BAR DATE

45. THIS COURT ORDERS that the definition of "Notice of Objection Bar Date" set out at paragraph 3(aa) of the Claims Procedure Order (issued by Regional Senior Justice Morawetz on June 11, 2015, as amended) is hereby amended to extend the Notice of Objection Bar Date to 28 days following June 6, 2016 or such later date as this Court may Order.

GENERAL PROVISIONS

46. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA and the Initial Order, shall assist the Target Canada Entities in connection with the matters described herein, and is hereby authorized and directed to take such other actions and fulfill such other roles as are contemplated by this Meeting Order.

47. THIS COURT ORDERS that the Target Canada Entities and the Monitor shall use reasonable discretion as to the adequacy of compliance with respect to the manner in which any forms hereunder are completed and executed and the time in which they are submitted and may

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waive strict compliance with the requirements of this Meeting Order including with respect to the completion, execution and time of delivery of required forms.

48. THIS COURT ORDERS that the Monitor may, if necessary, apply to this Court for directions regarding its obligations under this Meeting Order.

49. THIS COURT ORDERS that any notice or other communication to be given under this Meeting Order by a Creditor to the Monitor or the Target Canada Entities shall be in writing in the substantially the form, if any, provided for in this Meeting Order and will be sufficiently given only if given by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile transmission or e-mail addressed to:

Target Canada Entities' Counsel:	Osler, Hoskin & Harcourt LLP P.O. Box 50, 1 First Canadian Place 100 King Street West Toronto, ON M5X 1B8
	Attention: Tracy C. Sandler / Jeremy E. Dacks E-mail: tsandler@osler.com / jdacks@osler.com Fax: (416) 862-6666
The Monitor:	Alvarez & Marsal Canada Inc., Target Canada Monitor 200 Bay Street, Suite 2900 P.O. Box 22 Toronto, ON M5J 2J1
	Attention: Alan J. Hutchens E-mail: ahutchens@alvarezandmarsal.com Fax: (416) 847-5201
With a copy to Monitor's Counsel:	Goodmans LLP Bay Adelaide Centre 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7
	Attention: Jay A. Carfagnini / Melaney J. Wagner E-mail: jcarfagnini@goodmans.ca / mwagner@goodmans.ca Fax: (416) 979-1234

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50. THIS COURT ORDERS that any such notice or other communication shall be deemed to have been received: (a) if sent by prepaid ordinary mail or registered mail, on the third Business Day after mailing in Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (b) if sent by courier or personal delivery, on the next Business Day following dispatch; and (c) if delivered by facsimile transmission or e-mail by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

51. THIS COURT ORDERS that, in the event that the day on which any notice or communication required to be delivered pursuant to this Meeting Order is not a Business Day, then such notice or communication shall be required to be delivered on the next Business Day.

52. THIS COURT ORDERS that if, during any period during which notices or other communications are being given pursuant to this Meeting Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary or registered mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or e-mail in accordance with this Order.

53. THIS COURT ORDERS that all references to time in this Meeting Order shall mean prevailing local time in Toronto, Ontario and any references to an event occurring on a Business Day shall mean prior to 5:00 p.m. on the Business Day unless otherwise indicated.

54. THIS COURT ORDERS that references to the singular shall include the plural, references to the plural shall include the singular and to any gender shall include the other gender.

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

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SCHEDULE "A"
PARTNERSHIPS

Target Canada Pharmacy Franchising LP
Target Canada Mobile LP
Target Canada Property LP

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SCHEDULE "B"
NOTICE OF CREDITORS' MEETING

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 THE TARGET CANADA ENTITIES

AMENDED AND RESTATED JOINT PLAN OF COMPROMISE AND ARRANGEMENT

NOTICE OF CREDITORS' MEETING

TO: The Affected Creditors of Target Canada Co., Target Canada Health Co., Target Canada Mobile GP Co., Target Canada Pharmacy (BC) Corp., Target Canada Pharmacy (Ontario) Corp., Target Canada Pharmacy Corp., Target Canada Pharmacy (SK) Corp., Target Canada Property LLC, Target Canada Pharmacy Franchising LP, Target Canada Mobile LP and Target Canada Property LP (collectively, the "**Target Canada Entities**")

NOTICE IS HEREBY GIVEN that a meeting of the Affected Creditors of the Target Canada Entities will be held on May 25, 2016 at 10:00 a.m. at the Toronto Region Board of Trade, 77 Adelaide Street West, Toronto, ON M5X 1C1 (the "**Creditors' Meeting**") for the following purposes:

1. to consider and, if deemed advisable, to pass, with or without variation, a resolution (the "**Resolution**") approving the Amended and Restated Joint Plan of Compromise and Arrangement of the Target Canada Entities pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") dated April ●, 2016 (as amended, restated, modified and/or supplemented from time to time in accordance with the terms thereof, the "**Plan**"); and

2. to transact such other business as may properly come before the Creditors' Meeting or any adjournment or postponement thereof.

The Creditors' Meeting is being held pursuant to an order (the "**Meeting Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on April **[13]**, 2016.

Capitalized terms used and not otherwise defined in this Notice have the respective meanings given to them in the Plan.

The Plan contemplates the compromise of Claims of the Affected Creditors. Quorum for the Creditors' Meeting has been set by the Meeting Order as the presence, in person or by Proxy, at the Creditors' Meeting of one Affected Creditor with a Voting Claim.

In order for the Plan to be approved and binding in accordance with the CCAA, the Resolution must be approved by that number of Affected Creditors representing at least a majority in number of Voting Claims, whose Affected Claims represent at least two-thirds in value of the Voting Claims of Affected Creditors who validly vote (in person or by Proxy) on the Resolution at the Creditors' Meeting or were deemed to vote on the Resolution as provided for in the Meeting Order (the "**Required Majority**"). Each Affected Creditor will be entitled to one vote at the Creditors' Meeting, which vote will have the value of such person's Voting Claim as determined in accordance with the Claims Procedure Order and the Meeting Order. If approved by the Required Majority, the Plan must also be sanctioned by the Court under the CCAA. Subject to the satisfaction of the other conditions precedent to implementation of the Plan, all Affected Creditors will then receive the treatment set forth in the Plan.

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Deemed Voting in Favour of the Plan

Convenience Class Creditors will be deemed to vote in favour of the Plan.

Forms and Proxies

Convenience Class Claim Election

Affected Creditors with one or more Proven Claims in an amount in excess of Cdn$25,000 may file with the Monitor a Convenience Class Claim Election, pursuant to which such Affected Creditor may elect to be treated as a Convenience Class Creditor and receive only the Cash Elected Amount of Cdn$25,000 and shall be deemed thereby to vote in favour of the Plan, prior to 10:00 a.m. (Toronto Time) on May 24, 2016, or 24 hours (excluding Saturdays, Sundays and statutory holidays) prior to any adjourned, postponed or rescheduled Creditors' Meeting, or deposit such Convenience Class Claim Election with the Chair at the Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) immediately prior to the vote at the time specified by the Chair (the "**Election/Proxy Deadline**").

Proxy Form

An Affected Creditor may attend at the Creditors' Meeting in person or may appoint another person as its proxyholder by inserting the name of such person in the space provided in the form of Proxy provided to Affected Creditors by the Monitor, or by completing another valid form of Proxy. Persons appointed as proxyholders need not be Affected Creditors.

In order to be effective, proxies must be received by the Monitor at Alvarez & Marsal Canada Inc., 200 Bay Street, Suite 2900, P.O. Box 22, Toronto, ON M5J 2J1 (Attention: Steven Glustein), facsimile: (416) 847-5201, e-mail: targetcanadamonitor@alvarezandmarsal.com, prior to the Election/Proxy Deadline.

If an Affected Creditor (other than those who are deemed to vote in favour of the Plan as set out above) specifies a choice with respect to voting on the Resolution on a Proxy, the Proxy will be voted in accordance with the specification so made. **In absence of such specification, a Proxy will be voted FOR the Resolution provided that the proxyholder does not otherwise exercise its right to vote at the Creditors' Meeting.**

NOTICE IS ALSO HEREBY GIVEN that if the Plan is approved by the Required Majority at the Creditors' Meeting, the Target Canada Entities intend to bring a motion before the Court on June 2, 2016 at 9:30 a.m. (Toronto time) at the Court located at 330 University Avenue, Toronto, Ontario M5G 1R8. The motion will be seeking the granting of the Sanction and Vesting Order sanctioning the Plan under the CCAA and for ancillary relief consequent upon such sanction. Any Affected Creditor that wishes to appear or be represented, and to present evidence or arguments, at such Court hearing must file with the Court a Notice of Appearance and serve such Notice of Appearance on the Service List at least seven (7) days before such Court hearing. Any Affected Creditor that wishes to oppose the relief sought at such Court hearing shall serve on the Service List a notice setting out the basis for such opposition and a copy of the materials to be used at such hearing at least seven (7) days before the date set for such hearing, or such shorter time as the Court, by Order, may allow. A copy of the Service List may be obtained by contacting the Monitor at the particulars set out above or from the Monitor's website set out below.

This Notice is given by the Target Canada Entities pursuant to the Meeting Order.

You may view copies of the documents relating to this process on the Monitor's website at www.alvarezandmarsal.com/targetcanada.

DATED this ● day of ●, ●.

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SCHEDULE "C"
FORM OF PROXY

PROXY AND INSTRUCTIONS
FOR AFFECTED CREDITORS IN THE MATTER OF THE PROPOSED AMENDED AND RESTATED JOINT PLAN OF COMPROMISE AND ARRANGEMENT OF
THE TARGET CANADA ENTITIES

MEETING OF AFFECTED CREDITORS

to be held pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on April **[13]**, 2016 (the "**Meeting Order**") in connection with the Amended and Restated Joint Plan of Compromise and Arrangement of the Target Canada Entities dated April ●, 2016 (as amended, restated, modified and/or supplemented from time to time, the "**Plan**")

on May 25, 2016 at 10:00 a.m. (Toronto time) at

Toronto Region Board of Trade
77 Adelaide Street West
Toronto, ON M5X 1C1

and at any adjournment, postponement or other rescheduling thereof (the "**Creditors' Meeting**")

PLEASE COMPLETE, SIGN AND DATE THIS PROXY AND (I) RETURN IT TO ALVAREZ & MARSAL CANADA INC. BY 10:00 A.M. (TORONTO TIME) ON MAY 24, 2016, OR 24 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND STATUTORY HOLIDAYS) PRIOR TO ANY ADJOURNED, POSTPONED OR RESCHEDULED CREDITORS' MEETING, OR (II) DEPOSIT THIS PROXY WITH THE CHAIR AT THE CREDITORS' MEETING (OR ANY ADJOURNMENT, POSTPONEMENT OR OTHER RESCHEDULING THEREOF) IMMEDIATELY PRIOR TO THE VOTE AT THE TIME SPECIFIED BY THE CHAIR (THE "**ELECTION/PROXY DEADLINE**"). PLEASE RETURN OR DEPOSIT YOUR ORIGINAL PROXY SO THAT IT IS ACTUALLY RECEIVED BY THE MONITOR OR THE CHAIR ON OR BEFORE THE ELECTION/PROXY DEADLINE.

Please use this Proxy form if you do not wish to attend the Creditors' Meeting to vote in person but wish to appoint a proxyholder to attend the Creditors' Meeting, vote your Voting Claim to accept or reject the Plan and otherwise act for and on your behalf at the Creditors' Meeting and any adjournment(s), postponement(s) or rescheduling(s) thereof.

The Plan is included in the Meeting Materials delivered by the Monitor to all Affected Creditors, copies of which you have received. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Plan.

You should review the Plan before you vote. In addition, on April **[13]**, 2016, the Court issued the Meeting Order establishing certain procedures for the conduct of the Creditors' Meeting, a copy of which is included in the Meeting Materials. The Meeting Order contains important information regarding the voting process. Please read the Meeting Order and the instructions sent with this Proxy prior to submitting this Proxy.

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If the Plan is approved by the Required Majority and is sanctioned by the Court, it will be binding on you whether or not you vote.

Convenience Class Creditors do not need to complete or return a Proxy as they are deemed to vote in favour of the Plan pursuant to the Meeting Order and the Plan.

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APPOINTMENT OF PROXYHOLDER AND VOTE

By checking one of the two boxes below, the undersigned Affected Creditor hereby revokes all proxies previously given and nominates, constitutes and appoints either (*if no box is checked, the Monitor will act as your proxyholder*):

☐ _____, or

☐ a representative of Alvarez & Marsal Canada Inc. in its capacity as Monitor of the Target Canada Entities

as proxyholder, with full power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned at the Creditors' Meeting and at adjournment(s), postponement(s) and rescheduling(s) thereof, and to vote the amount of the Affected Creditors' Voting Claim. Without limiting the generality of the power hereby conferred, the person named as proxyholder is specifically directed to vote as shown below. The person named as proxyholder is also directed to vote at the proxyholder's discretion and otherwise act for and on behalf of the undersigned with respect to any amendments or variations to the Plan and to any matters that may come before the Creditors' Meeting or at any adjournment, postponement or rescheduling thereof and to vote the amount of the Affected Creditor's Voting Claim as follows (*mark only one*):

☐ Vote **FOR** the approval of the Plan, or

☐ Vote **AGAINST** the approval of the Plan

Please note that if no specification is made above, the Affected Creditor will be deemed to have voted FOR approval of the Plan at the Creditors' Meeting provided the Affected Creditor does not otherwise exercise its right to vote at the Creditors' Meeting.

DATED at _____ this _____ day of _____, 20__.

AFFECTED CREDITOR'S SIGNATURE:

_____
(Print Legal Name of Affected Creditor)

_____
(Print Legal Name of Assignee, if applicable)

_____
(Signature of the Affected Creditor/Assignee or an Authorized Signing Officer of the Affected Creditor/Assignee)

_____
(Print Name and Title of Authorized Signing Officer of the Affected Creditor/Assignee, if applicable)

_____
(Mailing Address of the Affected Creditor/Assignee)

_____
(Telephone Number and E-mail of the Affected Creditor/Assignee or Authorized Signing Officer of the Affected Creditor/Assignee)

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YOUR PROXY MUST BE RECEIVED (I) BY THE MONITOR AT THE ADDRESS LISTED BELOW OR (II) BY THE CHAIR AT THE CREDITORS' MEETING BEFORE THE ELECTION/PROXY DEADLINE.

ALVAREZ & MARSAL CANADA INC.
MONITOR OF THE TARGET CANADA ENTITIES

200 Bay Street
Suite 2900
P.O. Box 22
Toronto, ON
M5J 2J1

Attention: Steven Glustein
Facsimile: (416) 847-5201
E-mail: targetcanadamonitor@alvarezandmarsal.com

IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS, PLEASE CONTACT THE MONITOR AT targetcanadamonitor@alvarezandmarsal.com OR VISIT THE MONITOR'S WEBSITE AT www.alvarezandmarsal.com/targetcanada

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INSTRUCTIONS FOR COMPLETION OF PROXY

1. All capitalized terms used but not defined in this Proxy shall have the meanings ascribed to such terms in the Amended and Restated Joint Plan of Compromise and Arrangement of the Target Canada Entities dated April ●, 2016 (the "**Plan**"), a copy of which you have received.

2. Please read and follow these instructions carefully. Your Proxy must actually be received (i) by the Monitor at Alvarez & Marsal Canada Inc., Monitor of the Target Canada Entities, 200 Bay Street, Suite 2900, P.O. Box 22, Toronto, ON M5J 2J1 (Attention: Steven Glustein), facsimile: (416) 847-5201, e-mail: targetcanadamonitor@alvarezandmarsal.com prior to 10:00 a.m. (Toronto time) on May 24, 2016 or 24 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time of any adjournment, postponement or rescheduling of the Creditors' Meeting or (ii) by the Chair at the Creditors' Meeting (or any adjournment, postponement or rescheduling thereof) immediately prior to the vote at the time specified by the Chair (the "**Election/Proxy Deadline**"). If your Proxy is not received by the Election/Proxy Deadline, unless such time is extended, your Proxy will not be counted.

3. The aggregate amount of your Claim in respect of which you are entitled to vote (your "**Voting Claim**") shall be your Proven Claim, or with respect to a Disputed Claim, the amount as determined by the Monitor to be your Voting Claim in accordance the Claims Procedure Order and the Meeting Order.

4. Each Affected Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a person (who need not be an Affected Creditor) to attend, act and vote for and on behalf of the Affected Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed, or to select a representative of the Monitor as its proxyholder. If no proxyholder is selected, the Affected Creditor will be deemed to have appointed any officer of Alvarez & Marsal Canada Inc., in its capacity as Monitor, or such other person as Alvarez & Marsal Canada Inc. may designate, as proxyholder of the Affected Creditor, with power of substitution, to attend on behalf of and act for the Affected Creditor at the Creditors' Meeting to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling thereof.

5. Check the appropriate box to vote for or against the Plan. If you do not check either box, you will be deemed to have voted FOR approval of the Plan provided you do not otherwise exercise your right to vote at the Creditors' Meeting.

6. Sign the Proxy – your original signature is required on the Proxy to appoint a proxyholder and vote at the Creditors' Meeting. If you are completing the proxy as a duly authorized representative of a corporation or other entity, indicate your relationship with such corporation or other entity and the capacity in which you are signing, and if subsequently requested, provide proof of your authorization to so sign. In addition, please provide your name, mailing address, telephone number and e-mail address.

7. Return the completed Proxy to the Monitor at Alvarez & Marsal Canada Inc., Monitor of the Target Canada Entities, 200 Bay Street, Suite 2900, P.O. Box 22, Toronto, ON M5J

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2J1 (Attention: Steven Glustein), facsimile: (416) 847-5201, e-mail: targetcanadamonitor@alvarezandmarsal.com, so that it is actually received by no later than the Election/Proxy Deadline.

8. If you need additional Proxies, please immediately contact the Monitor.

9. If multiple Proxies are received from the same person with respect to the same Claims prior to the Election/Proxy Deadline, the latest dated, validly executed Proxy timely received will supersede and revoke any earlier received Proxy. However, if a holder of Claims casts Proxies received by the Monitor dated with the same date, but which are voted inconsistently, such Proxies will not be counted. If a Proxy is not dated in the space provided, it shall be deemed dated as of the date it is received by the Monitor.

10. If an Affected Creditor (other than a Convenience Class Creditor) validly submits a Proxy to the Monitor and subsequently attends the Creditors' Meeting and votes in person inconsistently, such Affected Creditor's vote at the Creditors' Meeting will supersede and revoke the earlier received Proxy.

11. Proxies may be accepted for purposes of an adjourned, postponed or other rescheduled Creditors' Meeting if received by the Monitor by the Election/Proxy Deadline.

12. Any Proxy that is illegible or contains insufficient information to permit the identification of the claimant will not be counted.

13. After the Election/Proxy Deadline, no Proxy may be withdrawn or modified, except by an Affected Creditor voting in person at the Creditors' Meeting, without the prior consent of the Monitor and the Target Canada Entities.

14. If you are an Affected Creditor with one or more Proven Claims in an amount in excess of Cdn$25,000, you may elect to receive the Cash Elected Amount in full and final satisfaction of your Affected Claims by completing the Convenience Class Claim Election contained in the Meeting Materials you received from the Monitor. If you elect to receive the Cash Elected Amount, you will be deemed to have voted in favour of the Plan and do not need to complete this Proxy.

IF YOU HAVE ANY QUESTIONS REGARDING THIS PROXY OR THE VOTING PROCEDURES, OR IF YOU NEED AN ADDITIONAL COPY OR ADDITIONAL COPIES OF THE ENCLOSED MATERIALS, PLEASE CONTACT THE MONITOR AT targetcanadamonitor@alvarezandmarsal.com OR VISIT THE MONITOR'S WEBSITE AT www.alvarezandmarsal.com/targetcanada

SCHEDULE "D"
FORM OF CONVENIENCE CLASS CLAIM ELECTION

TO: ALVAREZ & MARSAL CANADA INC., in its capacity as Monitor of the Target Canada Entities

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In connection with the Amended and Restated Joint Plan of Compromise and Arrangement of the Target Canada Entities pursuant to the *Companies' Creditors Arrangement Act* (Canada) dated April ●, 2016 (as amended, restated, modified and/or supplemented from time to time, the "**Plan**"), the undersigned hereby elects to be treated as a Convenience Class Creditor and thereby to receive the Cash Elected Amount of Cdn$25,000 in full and final satisfaction of the Proven Claim(s) of the undersigned, and hereby acknowledges that the undersigned shall be deemed to vote its Voting Claim(s) in favour of the Plan at the Creditors' Meeting.

For the purposes of this election, terms not defined herein shall have the meanings ascribed thereto in the Plan.

DATED at _____ this _____ day of _____, 20__.

AFFECTED CREDITOR'S SIGNATURE:

_____
(Print Legal Name of Affected Creditor)

_____
(Print Legal Name of Assignee, if applicable)

_____
(Signature of the Affected Creditor/Assignee or an Authorized Signing Officer of the Affected Creditor/Assignee)

_____
(Print Name and Title of Authorized Signing Officer of the Affected Creditor/Assignee, if applicable)

_____
(Mailing Address of the Affected Creditor/Assignee)

_____
(Telephone Number and E-mail of the Affected Creditor/Assignee or Authorized Signing Officer of the Affected Creditor/Assignee)

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SCHEDULE "E"
FORM OF RESOLUTION

BE IT RESOLVED THAT:

1. The Amended and Restated Joint Plan of Compromise and Arrangement of Target Canada Co., Target Canada Health Co., Target Canada Mobile GP Co., Target Canada Pharmacy (BC) Corp., Target Canada Pharmacy (Ontario) Corp., Target Canada Pharmacy Corp., Target Canada Pharmacy (SK) Corp., Target Canada Property LLC, Target Canada Pharmacy Franchising LP, Target Canada Mobile LP, and Target Canada Property LP (collectively, the "**Target Canada Entities**") pursuant to the *Companies' Creditors Arrangement Act* (Canada) dated April ●, 2016 (the "**Plan**"), which Plan has been presented to this meeting and which is substantially in the form attached as Exhibit "●" to the Affidavit of Mark J. Wong sworn ●, 2016 (as such Plan may be amended, restated, supplemented and/or modified as provided for in the Plan) be and it is hereby accepted, approved, agreed to and authorized; and

2. any director or officer of each of the Target Canada Entities be and is hereby authorized and directed, for and on behalf of each of the Target Canada Entities, respectively (whether under its respective corporate seal or otherwise), to execute and deliver, or cause to be executed and delivered, any and all documents and instruments and to take or cause to be taken such other actions as he or she may deem necessary or desirable to implement this resolution and the matters authorized hereby, including the transactions required by the Plan, such determination to be conclusively evidenced by the execution and delivery of such documents or other instruments or the taking of any such actions.

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SCHEDULE "D"

Landlord Guarantee Creditors

NO.	LANDLORD GROUP	LANDLORD/ CLAIMANT	STORE #	LOCATION
1.	20 Vic Management Inc. (manager)	HOOPP Realty Inc.	3708	Devonshire Mall
2.	ADMNS Meadowlands Investment Corporation	ADMNS Meadowlands Investment Corporation	3628	Meadowlands Shopping Center
3.	Bentall Kennedy	Penretail Management Ltd.	3510	Westmount Shopping Centre
4.	Bentall Kennedy	Hazeldean Mall LP	3511	Hazeldean Mall
5.	Bentall Kennedy (manager)	bcIMC Realty Corporation	3624	Bower Place
6.	Bentall Kennedy	2725312 Canada Inc. and 2973758 Canada Inc.	3690	Willowbrook Shopping Centre
7.	Bentall Kennedy (manager)	bcIMC Realty Corporation	3715	Cloverdale Mall
8.	Bentall Kennedy	PCM Sheridan Inc.	3669	Sheridan Mall
9.	Calloway REIT	Calloway REIT (Laurentian) Inc.	3642	Laurentian Power Centre
10.	Calloway REIT	Calloway Reit (Hopedale) Inc.	3670	Hopedale Mall
11.	Centrecorp Management Services Ltd.	Faubourg Boisbriand Shopping Centre Holdings Inc.	3765	Faubourg Boisbriand
12.	Cominar Real Estate Investment Trust	9130-1093 Quebec Inc. as nominee for Cominar Real Estate Investment Trust	3576	Carrefour St Georges
13.	Cominar Real Estate Investment Trust	Cominar Real Estate Investment Trust	3592	Les Rivieres Shopping Centre
14.	Crombie Real Estate Investment Trust	Crombie Property Holdings Limited	3630	1899 Algonquin Avenue

NO.	LANDLORD GROUP	LANDLORD/ CLAIMANT	STORE #	LOCATION
15.	Davpart Inc.	Lindsay Square Mall Inc.	3560	Lindsay Square Mall
16.	Doral Holdings Limited	Doral Holdings Limited and 430635 Ontario Inc.	3645	Seaway Mall
17.	Kingsett	Place Vertu Holdings Inc.	3769	Place Vertu
18.	Mcintosh Properties Ltd.	Mcintosh Properties Ltd.	3698	Orchard Park Plaza
19.	Montez Corporation	Montez (Corner Brook) Inc.	3650	Corner Brook
20.	Morguard Investments Limited	Revenue Properties Company Limited and Morguard Real Estate Investment Trust	3574	Prairie Mall
21.	Morguard Investments Limited	2046459 Ontario Inc.	3575	Cottonwood Mall
22.	Morguard Investments Limited	3934390 Canada Inc.	3577	The Mall at Lawson Heights
23.	Morguard Investments Limited	Morguard Real Estate Investment Trust	3608	Cambridge Centre
24.	Morguard Investments Limited	Morguard Corporation and Bramalea City Centre Equities Inc.	3623	Bramalea City Centre
25.	Morguard Investments Limited	Bonnie Doon Shopping Centre (Holdings) Ltd.	3710	Bonnie Doon
26.	Morguard Investments Limited	Revenue Properties Company Limited	3742	East York Town Centre
27.	Morguard Investments Limited	Morguard Real Estate Investment Trust	3763	Shoppers Mall
28.	Primaris	Kildonan Place Ltd.	3644	Kildonan Place Shopping Centre
29.	Primaris	McAllister Place Holdings Inc.	3655	McAllister Place
30.	Primaris	St. Albert Centre Holdings Inc.	3694	St. Albert Centre

NO.	LANDLORD GROUP	LANDLORD/ CLAIMANT	STORE #	LOCATION
31.	SunLife Assurance Company of Canada	Sun Life Assurance Company of Canada	3538	Forest Lawn Shopping Centre
32.	Triovest Realty Advisors Inc. (manager)	Barton Centre LP	3753	Centre Mall
33.	Triovest Realty Advisors Inc. (manager)	7902484 Canada Inc.	3767	Taunton Road Power Centre
34.	Valiant Rental Properties Ltd	Valiant Rental Inc.	3757	Clarington Town Centre
35.	Westcliff Management Ltd. (manager)	Carrefour Richelieu Realties Ltd.	3657	Carrefour Du Nord
36.	Westcliff Management Ltd. (manager)	Carrefour Richelieu Realties Ltd.	3516	Carrefour Richelieu
37.	Westcliff Management Ltd. (manager)	Carrefour Richelieu Realties Ltd.	3595	Carrefour Angrignon

SCHEDULE "E"

Landlord Non-Guarantee Creditors

NO.	LANDLORD GROUP	LANDLORD/CLAIMANT	STORE #	LOCATION
1.	20 Vic Management, Inc.	OPB Realty Inc.	3663	Pickering Town Centre
2.	Beauward Shopping Centre, Ltd.	Beauwood Shopping Centre, Ltd.	3693	Carrefour St-Eustache
3.	Beauward Shopping Centre, Ltd.	Beauwood Shopping Centre, Ltd.	3718	Les Galeries Joliette
4.	Bridlewood Mall Management	Bridlewood Mall Management Inc.	3667	Bridlewood Mall
5.	Cogir Management Corporation	Halifax 1658 Bedford Highway Inc.	3731	Bedford Place
6.	Cominar Real Estate Investment Trust	9090-7155 Quebec Inc.	3702	Place Longueuil
7.	Cominar Real Estate Investment Trust	Cominar NF Real Estate Holdings Inc.	3732	Cabot Square
8.	Cominar Real Estate Investment Trust	2226009 Ontario Inc.	7000	Centre Laval
9.	Crombie Developments Limited	Crombie Developments Ltd	3530	Sydney Shopping Centre
10.	Crombie Developments Limited	Crombie Developments Ltd	3550	Uptown Centre
11.	Effort Trust Company	60 Martindale Crescent (Hamilton) Limited	3671	Meadowland Power centre
12.	First Capital Corporation	First Capital (Stoney Creek) Corporation	3524	Zellers Plaza – Stoney Creek
13.	First Capital Corporation	Corporation FCHT Holdings (Quebec) Inc.	3634	Place Portobello
14.	Fishman Holdings North America, Inc.	2058790 Ontario Ltd.	3707	Woodbine Centre

NO.	LANDLORD GROUP	LANDLORD/CLAIMANT	STORE #	LOCATION
15.	Northwest Realty, Inc.	Discovery Harbour Shopping Centre Ltd.	3508	Discovery Harbour Shopping Centre
16.	Primaris	Sherwood Park Portfolio Inc.	3564	Sherwood Park Mall
17.	Primaris	Medicine Hat Mall Inc.	3614	Medicine Hat Mall
18.	Primaris	Sunridge Mall Holdings Inc.	3713	Sunridge Mall
19.	Primaris	Place D'Orleans Holdings Inc.	3764	Place D'Orleans
20.	RioCan	RioCan Holdings Inc.	3519	South Hamilton Square
21.	RioCan	RioCan Holdings Inc.	3522	County Fair Mall
22.	RioCan	RioCan Holdings Inc.	3526	Lawrence Square
23.	RioCan	RioCan Holdings (Five Points) Inc.	3559	Five Points Mall
24.	RioCan	RioKim Holdings (PEI) Inc.	3637	Charlottetown Mall
25.	RioCan	151516 Canada Inc.	3639	Durham Centre
26.	RioCan	RioCan Holdings Inc.	3665	Orillia Square
27.	RioCan	1388688 Ontario Limited	3668	Shoppers World Brampton
28.	RioCan	RioKim Holdings (Quebec II) Inc.	3695	Mega Centre Autoroute 13
29.	RioCan	RioCan Holdings Inc.	3699	Stratford Mall
30.	RioCan	RK (Burlington Mall) Inc.	3738	Burlington Mall
31.	RioCan	RioKim Holdings (Ontario II) Inc.	3751	Gates of Fergus
32.	RioCan	RioCan Holdings Inc. & Canada Mortgage and Housing Corp.	3761	Millcroft Centre

NO.	LANDLORD GROUP	LANDLORD/CLAIMANT	STORE #	LOCATION
33.	RioCan	RioCan PS Inc.	3762	Flamborough Power Centre
34.	RioCan	2076031 Ontario Limited	3768	Eglinton and Warden
35.	RioCan	MillWoods Centre Inc.	3770	Mill Woods Town Centre
36.	RioCan	RioTrin Properties (Brampton) Inc.	3773	Trinity Common
37.	RioCan	RioTrin Properties (Weston) Inc. & 2176905 Ontario Ltd.	7002	Stockyards
38.	RioCan	RioCan Holdings Inc.	7001	RioCan Niagara Falls
39.	46th Avenue Investments	46th Avenue Investments Limited	7327	Warehouse Space
40.	Bentall Kennedy	bcIMC Realty Corporation	7417	Ottawa Office
41.	Triovest	Big Bend Equities Inc.	7328	Warehouse Space
42.	Complexe Lebourgneuf 2	Complexe Lebourgneuf Phase II Inc.	7416	Quebec City Office
43.	CREIT Management LP	Canadian Property Holdings (Alberta) Inc.	7326	Warehouse Space
44.	Cominar Real Estate Investment Trust	Cominar REIT	7413	Montreal Office
45.	HOOPP Realty Inc.	Menkes Property Management Services Ltd. as agent for HOOPP Realty Inc.	7400	Mississauga Office
46.	HOOPP Realty Inc.	Menkes Property Management Services Ltd. as agent for HOOPP Realty Inc.	9730	Headquarters
47.	HOOPP Realty Inc.	Menkes Property Management Services Ltd. as agent for HOOPP Realty Inc.	9731	Headquarters

NO.	LANDLORD GROUP	LANDLORD/CLAIMANT	STORE #	LOCATION
48.	Ivanhoe Cambridge	Oshawa Centre Holdings Inc.	7403	Oshawa Office
49.	Redstone Equities	Park Place IV Limited	7418	Dartmouth Office
50.	Morguard Investments Limited	Pensionfund Realty Limited	7412	Winnipeg Office
51.	Strategic Group	Macleod Place Ltd.	7411	Calgary Office
52.	Bentall Kennedy	391102 B.C. Ltd.	7407	Burnaby Office

SCHEDULE "F"

Employee Trust Termination Certificate

TO: **ALVAREZ & MARSAL CANADA INC.**, in its capacity as the Court-appointed Monitor of the Target Canada Entities and not in its personal capacity

RE: Termination of the Trust Agreement between Target Corporation, Alvarez & Marsal Canada Inc., in its capacity as the Court-appointed Monitor of Target Canada Co. and certain of its subsidiaries and not in its personal capacity, and the Hon. John D. Ground dated January 15, 2015 (as amended, restated, supplemented and/or modified from time to time, the "**Employee Trust Agreement**")

The undersigned, in his capacity as the Trustee under the Employee Trust Agreement, does hereby certify that all outstanding disputes by employee claimants in respect of their entitlements, if any, under the Employee Trust Agreement have been fully and finally resolved pursuant to and in accordance with the Employee Trust Claims Procedure Order issued by the Ontario Superior Court of Justice (Commercial List) dated October 21, 2015 (Court File No. CV-15-10832-00CL).

[Remainder of Page Intentionally Left Blank]

DATED _____, **[2016]**.

HON. JOHN D. GROUND, in his capacity as Trustee under the Employee Trust Agreement and not in his personal capacity

_____

SCHEDULE "G"

Employee Trust Property Joint Direction

TO: **THE ROYAL BANK OF CANADA ("RBC")**

RE: Trust Agreement between Target Corporation (the "Plan Sponsor"), Alvarez & Marsal Canada Inc., in its capacity as the Court-appointed Monitor of Target Canada Co. and certain of its subsidiaries and not in its personal capacity, and the Hon. John D. Ground dated January 15, 2015 (as amended, restated, supplemented and/or modified from time to time, the "**Employee Trust Agreement**")

AND RE: Account Number [●] (the "**Account**")

The undersigned hereby direct RBC to remit all funds on deposit in the Account, which amount totals $●, to the **[Plan Sponsor/or [Insert designee]]** in accordance with the payment instructions contained on Schedule "A" hereto.

And for so doing this shall be your good, sufficient and irrevocable authority.

[Remainder of Page Intentionally Left Blank]

DATED _____, **[2016]**.

HON. JOHN D. GROUND, in his capacity as Trustee under the Employee Trust Agreement and not in his personal capacity

_____

ALVAREZ & MARSAL CANADA INC., in its capacity as the Administrator under the Employee Trust Agreement and not in its personal capacity

By: _____
Name:
Title:

SCHEDULE "H"

Co-Tenancy Stays

This schedule sets out the outside dates for the expiry of the co-tenancy stays that have been ordered in this proceeding:

Order	Para.	Date Granted	Length	Date Stay Expires
Initial Order	18	January 15, 2015	During the Stay Period	With the Stay Period
Canadian Tire	11	May 19, 2015	6 months	November 19, 2015
Cadillac Fairview	9	May 19, 2015	6 months	November 19, 2015
Lowe's	11	May 20, 2015	6 months	November 20, 2015
Wal-Mart	12	May 21, 2015	8 months	January 21, 2016
Erin Mills	11	July 17, 2015	8 months	March 17, 2016

SCHEDULE "C"
FORM OF MONITOR'S PLAN IMPLEMENTATION DATE CERTIFICATE

Court File No. CV-15-10832-00CL

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 TARGET CANADA CO., TARGET CANADA HEALTH CO., TARGET CANADA MOBILE GP CO., TARGET CANADA PHARMACY (BC) CORP., TARGET CANADA PHARMACY (ONTARIO) CORP., TARGET CANADA PHARMACY CORP., TARGET CANADA PHARMACY (SK) CORP., and TARGET CANADA PROPERTY LLC (collectively the "**Applicants**")

MONITOR'S CERTIFICATE
(Plan Implementation)

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Order of the Honourable Regional Senior Justice Morawetz made in these proceedings on June 2, 2016 (the "**Sanction and Vesting Order**").

Pursuant to paragraph 8 of the Sanction and Vesting Order, Alvarez & Marsal Canada Inc. in its capacity as Court-appointed Monitor of the Target Canada Entities (the "**Monitor**") delivers to the Target Canada Entities this certificate and hereby certifies that it has been informed in writing by the Target Canada Entities and the Plan Sponsor that all of the conditions precedent set out in section 8.3 of the Plan have been satisfied or waived, as applicable, in accordance with the terms of the Plan and that the Plan Implementation Date has occurred and the Plan is effective in accordance with its terms and the terms of the Sanction and Vesting Order. This Certificate will be filed with the Court and posted on the Website.

DATED at the City of Toronto, in the Province of Ontario, this ● day of ●, 2016 at ● **[a.m. / p.m]**.

ALVAREZ & MARSAL CANADA INC., in its capacity as Court-appointed Monitor of Target Canada Co., *et al.* and not in its personal or corporate capacity

By: _____
Name:
Title:

SCHEDULE "D"

IP ASSETS VESTED IN 3293849 NOVA SCOTIA COMPANY

alliesforconsumerdigitalsafety.ca
avaandviv.ca
avaviv.ca
brightspotmobile.ca
brightspotphone.ca
bullseyemobilesolutions.ca
bullseyepharmacy.ca
bullseyeshoprequests.ca
bullseyespecialrequests.ca
bullseyesubscription.ca
bullseyesubscriptions.ca
bullseyeticket.ca
bullseyetickets.ca
canadapartnersonline.ca
consumerdigitalsafetyallies.ca
consumerdigitalsafetyconsortium.ca
digitalsafetyallies.ca
dites-le-nous-target.ca
domaniedelarcher.ca
garde-marche.ca
hopethop.ca
larchermaraicher.ca
marchefute.ca
moretaylor.ca
mybrightspot.ca
partenairescanadiensenligne.ca
partnersonlinecanada.ca
pharmacyevents.ca
redperk.ca
redperks.ca
reellementessentiel.ca
savoreveryday.ca
savoureveryday.ca
tellbullseye.ca
telltgt.ca
tevolio.ca
wellbeingdreams.ca

SCHEDULE "E"

IP ASSETS VESTED IN TARGET BRANDS INC.

expectmorepayless.ca
smith-hawken.ca
smithhawken.ca
smithnhawken.ca
suttonanddodge.ca
takechargeofeducation.ca
target-ceo.ca
targetcartwheel.ca
targetceo.ca
targetexpress.ca
targetget.ca
targetlocation.ca
targetspoton.ca
targetsubscription.ca
targetsubscriptions.ca
telltarget.ca
trouvezmieuxpayezmoins.ca
upandup.ca
upandupbrand.ca
upup.ca
upupbrand.ca
winecube.ca
yourtarget.ca

SCHEDULE "F"
FORM OF MONITOR'S NOTICE OF FINAL DISTRIBUTION

Court File No. CV-15-10832-00CL

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 TARGET CANADA CO., TARGET CANADA HEALTH CO., TARGET CANADA MOBILE GP CO., TARGET CANADA PHARMACY (BC) CORP., TARGET CANADA PHARMACY (ONTARIO) CORP., TARGET CANADA PHARMACY CORP., TARGET CANADA PHARMACY (SK) CORP., and TARGET CANADA PROPERTY LLC (collectively the "**Applicants**")

NOTICE OF FINAL DISTRIBUTION

All capitalized terms not otherwise defined in this Notice shall have the meanings ascribed thereto in the Second Amended and Restated Joint Plan of Compromise and Arrangement of the Applicants pursuant to the *Companies' Creditors Arrangement Act* dated May 19, 2016 (as further amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**"), a copy of which is available at www.alvarezandmarsal.com/targetcanada.

TAKE NOTICE THAT Target Canada Co. shall effect a final distribution under the Plan on [●] (the "**Final Distribution Date**") pursuant to and in accordance with the terms of the Plan and the Sanction and Vesting Order issued by the Ontario Superior Court of Justice (Commercial List) on June 2, 2016.

AND TAKE NOTICE THAT the Plan provides that if any Affected Creditor's, Propco Unaffected Creditor's, Property LP Unaffected Creditor's, Landlord Guarantee Creditor's or Landlord Non-Guarantee Creditor's distribution is returned as undeliverable or is not cashed, no further distributions to such Creditor or Landlord shall be made unless and until the Monitor is notified by such creditor of its current address or wire particulars, at which time all distributions shall be made to such Creditor or Landlord without interest.

AND TAKE NOTICE THAT all Affected Creditors, Propco Unaffected Creditors, Property LP Unaffected Creditors, Landlord Guarantee Creditors and Landlord Non-Guarantee Creditors who have not received a distribution in respect of their Proven Claims, Propco Unaffected Claims, Property LP Unaffected Claims, Landlord Guarantee Enhancement Amounts or Landlord Guarantee Non-Creditor Equalization Amounts, as applicable, must contact the Monitor, Alvarez & Marsal Canada Inc., at 200 Bay Street, Suite 2900, P.O. Box 22, Toronto, ON M5J 2J1 (Attention: Steven Glustein), facsimile number: (416) 847-5201 or email: targetcanadamonitor@alvarezandmarsal.com on or before 5:00 p.m. (Toronto time) on ● (the "**Distribution Deadline**").

AND TAKE NOTICE THAT, after the Distribution Deadline:

(a) all claims for undeliverable or un-cashed distributions in respect of Proven Claims, Propco Unaffected Claims and Property LP Unaffected Claims of any Affected Creditor, Propco Unaffected Creditor or Property LP Unaffected Creditor, as applicable, or the successor or assign of such Affected Creditor, Propco Unaffected Creditor or Property LP Unaffected Creditor, as applicable, shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any Applicable Laws to the contrary, at which time the Cash amount held by TCC in relation to such Proven Claim, Propco Unaffected Claim or Property LP Unaffected Claim shall be returned to the TCC Cash Pool Account or the Propco Cash Pool Account, as applicable, pursuant to and in accordance with the Plan; and

(b) all claims for undeliverable or un-cashed distributions in respect of Landlord Guarantee Enhancement Amounts and Landlord Non-Guarantee Creditor Equalization Amounts of any Landlord, or the successor or assign of such Landlord, shall be forever discharged and forever barred, without any compensation therefor and shall be dealt with in accordance with the Plan.

DATED at the City of Toronto in the Province of Ontario this ● day of ●, ●.

SCHEDULE "G"
FORM OF MONITOR'S PLAN COMPLETION CERTIFICATE

Court File No. CV-15-10832-00CL

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 TARGET CANADA CO., TARGET CANADA HEALTH CO., TARGET CANADA MOBILE GP CO., TARGET CANADA PHARMACY (BC) CORP., TARGET CANADA PHARMACY (ONTARIO) CORP., TARGET CANADA PHARMACY CORP., TARGET CANADA PHARMACY (SK) CORP., and TARGET CANADA PROPERTY LLC (collectively the "**Applicants**")

MONITOR'S CERTIFICATE
(Plan Completion)

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Order of the Honourable Regional Senior Justice Morawetz made in these proceedings on June 2, 2016 (the "**Sanction and Vesting Order**").

Pursuant to paragraph 41 of the Sanction and Vesting Order, Alvarez & Marsal Canada Inc. in its capacity as Court-appointed Monitor of the Target Canada Entities (the "**Monitor**") delivers to the Target Canada Entities this certificate and hereby certifies that it has been informed in writing by TCC that TCC has completed its duties to effect distributions, disbursements and payments in accordance with the Plan and that all of the Monitor's duties and the Target Canada Entities' duties under the Plan and the Orders have been completed.

DATED at the City of Toronto, in the Province of Ontario, this ● day of ●, 2016 at ● **[a.m. / p.m.]**.

ALVAREZ & MARSAL CANADA INC., in its capacity as Court-appointed Monitor of Target Canada Co., *et al.* and not in its personal or corporate capacity

By: _____
Name:
Title:

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 TARGET CANADA CO., *et al.*

Applicants

Court File No. CV-15-10832-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

SANCTION AND VESTING ORDER

OSLER, HOSKIN & HARCOURT LLP
Box 50, 1 First Canadian Place
Toronto, Canada M5X 1B8

Tracy Sandler (LSUC #: 32443N)
Jeremy Dacks (LSUC #: 41851R)
Shawn Irving (LSUC #: 50035U)
Robert Carson (LSUC #: 57364H)

Tel: (416) 362-2111
Fax: (416) 862-6666

Lawyers for the Applicants

Matter No: 1159785

Court File No. CV-12-9667-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	MONDAY, THE 10th DAY
	)	
JUSTICE MORAWETZ	)	OF DECEMBER, 2012

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 SINO-FOREST CORPORATION

PLAN SANCTION ORDER

THIS MOTION, made by Sino-Forest Corporation ("**SFC**"), for an order (i) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), sanctioning the plan of compromise and reorganization dated December 3, 2012 (including all schedules thereto), which Plan is attached as Schedule "**A**" hereto, as supplemented by the plan supplement dated November 21, 2012 previously filed with the Court, as the Plan may be further amended, varied or supplemented from time to time in accordance with the terms thereof (the "**Plan**"), and (ii) pursuant to the section 191 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**"), approving the Plan and amending the articles of SFC and giving effect to the changes and transactions arising therefrom, was heard on December 7, 2012 at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of W. Judson Martin sworn November 29, 2012 (the "**Martin Affidavit**"), the Thirteenth Report of FTI Consulting Canada Inc. in its capacity as monitor of SFC (the "**Monitor**") dated November 22, 2012 (the "**Monitor's Thirteenth Report**"), the supplemental report to the Monitor's Thirteenth Report (the "**Supplemental Report**"), and the second supplemental report to the Monitor's Thirteenth Report (the "**Second Supplemental Report**") and on hearing the submissions of counsel for

SFC, the Monitor, the *ad hoc* committee of Noteholders (the "**Ad Hoc Noteholders**"), and such other counsel as were present, no one else appearing for any other party, although duly served with the Motion Record as appears from the Affidavit of Service, filed.

DEFINED TERMS

1. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Plan Sanction Order shall have the meanings ascribed to such terms in the Plan and/or the Plan Filing and Meeting Order granted by the Court on August 31, 2012 (the "**Plan Filing and Meeting Order**"), as the case may be.

SERVICE, NOTICE AND MEETING

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record in support of this motion, the Monitor's Thirteenth Report, the Supplemental Report and the Second Supplemental Report be and are hereby abridged and validated so that the motion is properly returnable today and service upon any interested party other than those parties served is hereby dispensed with.

3. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient notice, service and delivery of the Plan Filing and Meeting Order and the Meeting Materials (including, without limitation, the Plan) to all Persons upon which notice, service and delivery was required.

4. **THIS COURT ORDERS AND DECLARES** that the Meeting was duly convened and held, all in conformity with the CCAA and the Orders of this Court made in the CCAA Proceeding, including, without limitation, the Plan Filing and Meeting Order.

5. **THIS COURT ORDERS AND DECLARES** that: (i) the hearing of the Plan Sanction Order was open to all of the Affected Creditors and all other Persons with an interest in SFC and that such Affected Creditors and other Persons were permitted to be heard at the hearing in respect of the Plan Sanction Order; and (ii) prior to the hearing, all of the Affected Creditors and all other Persons on the Service List in respect of the CCAA Proceeding were given adequate notice thereof.

SANCTION OF THE PLAN

6. **THIS COURT ORDERS** that the relevant class of Affected Creditors of SFC for the purposes of voting to approve the Plan is the Affected Creditors Class.

7. **THIS COURT ORDERS AND DECLARES** that the Plan, and all the terms and conditions thereof, and matters and transactions contemplated thereby, are fair and reasonable.

8. **THIS COURT ORDERS** that the Plan is hereby sanctioned and approved pursuant to section 6 of the CCAA.

PLAN IMPLEMENTATION

9. **THIS COURT ORDERS AND DECLARES** that the Plan and all associated steps, compromises, releases, discharges, cancellations, transactions, arrangements and reorganizations effected thereby are approved and shall be deemed to be implemented, binding and effective in accordance with the provisions of the Plan as of the Plan Implementation Date at the Effective Time, or at such other time, times or manner as may be set forth in the Plan, and shall enure to the benefit of and be binding upon SFC, the other Released Parties, the Affected Creditors and all other Persons and parties named or referred to in, affected by, or subject to the Plan, including, without limitation, their respective heirs, administrators, executors, legal representatives, successors, and assigns.

10. **THIS COURT ORDERS** that each of SFC and the Monitor are authorized and directed to take all steps and actions, and to do all things, necessary or appropriate to implement the Plan in accordance with its terms and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, deliveries, allocations, instruments and agreements contemplated pursuant to the Plan, and such steps and actions are hereby authorized, ratified and approved. Furthermore, neither SFC nor the Monitor shall incur any liability as a result of acting in accordance with terms of the Plan and the Plan Sanction Order.

11. **THIS COURT ORDERS** that SFC, the Monitor, Newco, the Litigation Trustee, the Trustees, DTC, the Unresolved Claims Escrow Agent, all Transfer Agents and any other Person required to make any distributions, deliveries or allocations or take any steps or actions related

thereto pursuant to the Plan are hereby directed to complete such distributions, deliveries or allocations and to take any such related steps and/or actions in accordance with the terms of the Plan, and such distributions, deliveries and allocations, and steps and actions related thereto, are hereby approved.

12. **THIS COURT ORDERS** that upon the satisfaction or waiver, as applicable, of the conditions precedent set out in section 9.1 of the Plan in accordance with the terms of the Plan, as confirmed by SFC and Goodmans LLP to the Monitor in writing, the Monitor is authorized and directed to deliver to SFC and Goodmans LLP a certificate substantially in the form attached hereto as Schedule "**B**" (the "**Monitor's Certificate**") signed by the Monitor, certifying that the Plan Implementation Date has occurred and that the Plan and this Plan Sanction Order are effective in accordance with their terms. Following the Plan Implementation Date, the Monitor shall file the Monitor's Certificate with this Court.

13. **THIS COURT ORDERS AND DECLARES** that the steps, compromises, releases, discharges, cancellations, transactions, arrangements and reorganizations to be effected on the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated in the Plan, without any further act or formality, beginning at the Effective Time.

14. **THIS COURT ORDERS** that SFC, the Monitor and the Initial Consenting Noteholders are hereby authorized and empowered to exercise all such consent and approval rights in the manner set forth in the Plan, whether prior to or after implementation of the Plan.

15. **THIS COURT ORDERS** that from and after the Plan Implementation Date, and for the purposes of the Plan only, (i) if SFC does not have the ability or the capacity pursuant to Applicable Law to provide its agreement, waiver, consent or approval to any matter requiring SFC's agreement, waiver, consent or approval under this Plan, such agreement, waiver consent or approval may be provided by the Monitor; and (ii) if SFC does not have the ability or the capacity pursuant to Applicable Law to provide its agreement, waiver, consent or approval to any matter requiring SFC's agreement, waiver, consent or approval under this Plan, and the Monitor has been discharged pursuant to an Order, such agreement, waiver consent or approval shall be deemed not to be necessary.

COMPROMISE OF CLAIMS AND EFFECT OF PLAN

16. **THIS COURT ORDERS AND DECLARES** that, pursuant to and in accordance with the terms of the Plan, on the Plan Implementation Date, any and all Affected Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred, subject only to the right of the applicable Persons to receive the distributions and interests to which they are entitled pursuant to the Plan.

17. **THIS COURT ORDERS AND DECLARES** that, pursuant to and in accordance with the terms of the Plan, on the Plan Implementation Date and at the time specified in Section 6.4 of the Plan, all accrued and unpaid interest owing on, or in respect of, or as part of, Affected Creditor Claims (including any Accrued Interest on the Notes and any interest accruing on the Notes or any Ordinary Affected Creditor Claim after the Filing Date) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred for no consideration and no Person shall have any entitlement to any such accrued and unpaid interest.

18. **THIS COURT ORDERS AND DECLARES** that, on the Plan Implementation Date, the ability of any Person to proceed against SFC or the Subsidiaries in respect of any Released Claims shall be forever discharged, barred and restrained, and all proceedings with respect to, in connection with, or relating to any such matter shall be permanently stayed.

19. **THIS COURT ORDERS** that each Affected Creditor is hereby deemed to have consented to all of the provisions of the Plan, in its entirety, and each Affected Creditor is hereby deemed to have executed and delivered to SFC all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

20. **THIS COURT ORDERS** that, on the Plan Implementation Date and at the time specified in Section 6.4 of the Plan, the SFC Assets (including for greater certainty the Direct Subsidiary Shares, the SFC Intercompany Claims and all other SFC Assets assigned, transferred and conveyed to Newco and/or Newco II pursuant to section 6.4 of the Plan) shall vest in the Person to whom such assets are being assigned, transferred and conveyed, in accordance with the terms of the Plan, free and clear of and from any and all Charges, Claims (including, notwithstanding anything to the contrary herein, any Unaffected Claims), D&O Claims, D&O Indemnity Claims, Section 5.1(2) D&O Claims, Conspiracy Claims, Continuing Other D&O

Claims, Non-Released D&O Claims, Affected Claims, Class Action Claims, Class Action Indemnity Claims, claims or rights of any kind in respect of the Notes or the Note Indentures, and any right or claim that is based in whole or in part on facts, underlying transactions, Causes of Action or events relating to the Restructuring Transaction, the CCAA Proceedings or any of the foregoing, and any guarantees or indemnities with respect to any of the foregoing. Any Encumbrances or claims affecting, attaching to or relating to the SFC Assets in respect of the foregoing are and shall be deemed to be irrevocably expunged and discharged as against the SFC Assets, and no such Encumbrances or claims shall be pursued or enforceable as against Newco, Newco II or any other Person.

21. **THIS COURT ORDERS** that any securities, interests, rights or claims pursuant to the Plan, including the Newco Shares, the Newco Notes and the Litigation Trust Interests, issued, assigned, transferred or conveyed pursuant to the Plan will be free and clear of and from any and all Charges, Claims (including, notwithstanding anything to the contrary herein, any Unaffected Claims), D&O Claims, D&O Indemnity Claims, Affected Claims, Section 5.1(2) D&O Claims, Conspiracy Claims, Continuing Other D&O Claims, Non-Released D&O Claims, Class Action Claims, Class Action Indemnity Claims, claims or rights of any kind in respect of the Notes or the Note Indentures, and any right or claim that is based in whole or in part on facts, underlying transactions, causes of action or events relating to the Restructuring Transaction, the CCAA Proceedings or any of the foregoing, and any guarantees or indemnities with respect to any of the foregoing.

22. **THIS COURT ORDERS** that the Litigation Trust Agreement is hereby approved and deemed effective as of the Plan Implementation Date, including with respect to the transfer, assignment and delivery of the Litigation Trust Claims to the Litigation Trustee which shall, and are hereby deemed to, occur on and as of the Plan Implementation Date. For greater certainty, the Litigation Trust Claims transferred, assigned and delivered to the Litigation Trustee shall not include any Excluded Litigation Trust Claims and all Affected Creditors shall be deemed to have consented to the release of any such Excluded Litigation Trust Claims pursuant to the Plan.

23. **THIS COURT ORDERS** that section 36.1 of the CCAA, sections 95 to 101 of the BIA and any other federal or provincial Law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to the Plan or to any payments, distributions, transfers,

allocations or transactions made or completed in connection with the restructuring and recapitalization of SFC, whether before or after the Filing Date, including, without limitation, to any and all of the payments, distributions, transfers, allocations or transactions contemplated by and to be implemented pursuant to the Plan.

24. **THIS COURT ORDERS** that the articles of reorganization to be filed by SFC pursuant to section 191 of the CBCA, substantially in the form attached as Schedule "C" hereto, are hereby approved, and SFC is hereby authorized to file the articles of reorganization with the Director (as defined in the CBCA).

25. **THIS COURT ORDERS** that on the Equity Cancellation Date, or such other date as agreed to by the Monitor, SFC and the Initial Consenting Noteholders, all Existing Shares and other Equity Interests shall be fully, finally and irrevocably cancelled.

26. **THIS COURT ORDERS AND DECLARES** that the Newco Shares shall be and are hereby deemed to have been validly authorized, created, issued and outstanding as fully-paid and non-assessable shares in the capital of Newco as of the Effective Time.

27. **THIS COURT ORDERS AND DECLARES** that upon the Plan Implementation Date the initial Newco Share in the capital of Newco held by the Initial Newco Shareholder shall be deemed to have been redeemed and cancelled for no consideration.

28. **THIS COURT ORDERS AND DECLARES** that it was advised prior to the hearing in respect of the Plan Sanction Order that the Plan Sanction Order will be relied upon by SFC and Newco as an approval of the Plan for the purpose of relying on the exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, pursuant to section 3(a)(10) thereof for the issuance of the Newco Shares, Newco Notes and, to the extent they may be deemed to be securities, the Litigation Trust Interests, and any other securities to be issued pursuant to the Plan.

STAY OF PROCEEDINGS

29. **THIS COURT ORDERS** that all obligations, agreements or leases to which (i) SFC remains a party on the Plan Implementation Date, or (ii) Newco and/or Newco II becomes a party as a result of the conveyance of the SFC Assets to Newco and the further conveyance of

the SFC Assets to Newco II on the Plan Implementation Date, shall be and remain in full force and effect, unamended, as at the Plan Implementation Date and no party to any such obligation, agreement or lease shall on or following the Plan Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation, agreement or lease, (including any right of set-off, dilution or other remedy), or make any demand against SFC, Newco, Newco II, any Subsidiary or any other Person under or in respect of any such agreement with Newco, Newco II or any Subsidiary, by reason:

(a) of any event which occurred prior to, and not continuing after, the Plan Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies;

(b) that SFC sought or obtained relief under the CCAA or by reason of any steps or actions taken as part of the CCAA Proceeding or this Plan Sanction Order or prior orders of this Court;

(c) of any default or event of default arising as a result of the financial condition or insolvency of SFC;

(d) of the completion of any of the steps, actions or transactions contemplated under the Plan, including, without limitation, the transfer, conveyance and assignment of the SFC Assets to Newco and the further transfer, conveyance and assignment of the SFC Assets by Newco to Newco II; or

(e) of any steps, compromises, releases, discharges, cancellations, transactions, arrangements or reorganizations effected pursuant to the Plan.

30. **THIS COURT ORDERS** that from and after the Plan Implementation Date, any and all Persons shall be and are hereby stayed from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceed with to advance any Released Claims.

31. **THIS COURT ORDERS** that between (i) the Plan Implementation Date and (ii) the earlier of the Ernst & Young Settlement Date or such other date as may be ordered by the Court on a motion to the Court on reasonable notice to Ernst & Young, any and all Persons shall be and are hereby stayed from commencing, taking, applying for or issuing or continuing any and all steps or proceedings against Ernst & Young (other than all steps or proceedings to implement the Ernst & Young Settlement) pursuant to the terms of the Order of the Honourable Justice Morawetz dated May 8, 2012, provided that no steps or proceedings against Ernst & Young by the Ontario Securities Commission or by staff of the Ontario Securities Commission under the *Securities Act* (Ontario) shall be stayed by this Order.

RELEASES

32. **THIS COURT ORDERS** that, subject to section 7.2 of the Plan, all of the following shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date at the time or times and in the manner set forth in section 6.4 of the Plan:

(a) all Affected Claims, including, without limitation, all Affected Creditor Claims, Equity Claims, D&O Claims (other than Section 5.1(2) D&O Claims, Conspiracy Claims, Continuing Other D&O Claims and Non-Released D&O Claims), D&O Indemnity Claims (except as set forth in section 7.1(d) of the Plan) and Noteholder Class Action Claims (other than the Continuing Noteholder Class Action Claims);

(b) all Claims of the Ontario Securities Commission or any other Governmental Entity that have or could give rise to a monetary liability, including, without limitation, fines, awards, penalties, costs, claims for reimbursement or other claims having a monetary value;

(c) all Class Action Claims (including, without limitation, the Noteholder Class Action Claims) against SFC, the Subsidiaries or the Named Directors or Officers of SFC or the Subsidiaries (other than Class Action Claims that are Section 5.1(2) D&O Claims, Conspiracy Claims or Non-Released D&O Claims);

(d) all Class Action Indemnity Claims (including, without limitation, related D&O Indemnity Claims), other than any Class Action Indemnity Claim by the Third Party

Defendants against SFC in respect of the Indemnified Noteholder Class Action Claims (including, without limitation, any D&O Indemnity Claim in that respect), which shall be limited to the Indemnified Noteholder Class Action Limit pursuant to the releases set out in section 7.1(f) of the Plan and the injunctions set out in section 7.3 of the Plan;

(e) any portion or amount of liability of the Third Party Defendants for the Indemnified Noteholder Class Action Claims (on a collective, aggregate basis in reference to all Indemnified Noteholder Class Action Claims together) that exceeds the Indemnified Noteholder Class Action Limit;

(f) any portion or amount of liability of the Underwriters for the Noteholder Class Action Claims (other than any Noteholder Class Action Claims against the Underwriters for fraud or criminal conduct) (on a collective, aggregate basis in reference to all such Noteholder Class Action Claims together) that exceeds the Indemnified Noteholder Class Action Limit;

(g) any portion or amount of, or liability of SFC for, any Class Action Indemnity Claims by the Third Party Defendants against SFC in respect of the Indemnified Noteholder Class Action Claims (on a collective, aggregate basis in reference to all such Noteholder Class Action Claims together) to the extent that such Class Action Indemnity Claims exceed the Indemnified Noteholder Class Action Limit;

(h) any and all Excluded Litigation Trust Claims;

(i) any and all Causes of Action against Newco, Newco II, the directors and officers of Newco, the directors and officers of Newco II, the Noteholders, members of the *ad hoc* committee of Noteholders, the Trustees, the Transfer Agent, the Monitor, FTI Consulting Canada Inc., FTI HK, counsel for the current Directors of SFC, counsel for the Monitor, counsel for the Trustees, the SFC Advisors, the Noteholder Advisors, and each and every member (including, without limitation, members of any committee or governance council), partner or employee of any of the foregoing, for or in connection with or in any way relating to: any Claims (including, without limitation, notwithstanding anything to the contrary herein, any Unaffected Claims);

Affected Claims; Section 5.1(2) D&O Claims; Conspiracy Claims; Continuing Other D&O Claims; Non-Released D&O Claims; Class Action Claims; Class Action Indemnity Claims; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, claims for contribution, share pledges or Encumbrances related to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares, Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries;

(j) any and all Causes of Action against Newco, Newco II, the directors and officers of Newco, the directors and officers of Newco II, the Noteholders, members of the *ad hoc* committee of Noteholders, the Trustees, the Transfer Agent, the Monitor, FTI Consulting Canada Inc., FTI HK, the Named Directors and Officers, counsel for the current Directors of SFC, counsel for the Monitor, counsel for the Trustees, the SFC Advisors, the Noteholder Advisors, and each and every member (including, without limitation, members of any committee or governance council), partner or employee of any of the foregoing, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date (or, with respect to actions taken pursuant to the Plan after the Plan Implementation Date, the date of such actions) in any way relating to, arising out of, leading up to, for, or in connection with the CCAA Proceeding, RSA, the Restructuring Transaction, the Plan, any proceedings commenced with respect to or in connection with the Plan, or the transactions contemplated by the RSA and the Plan, including, without limitation, the creation of Newco and/or Newco II and the creation, issuance or distribution of the Newco Shares, the Newco Notes, the Litigation Trust or the Litigation Trust Interests, provided that nothing in this paragraph shall release or discharge any of the Persons listed in this paragraph from or in respect of any obligations any of them may have under or in respect of the RSA, the Plan or under or in respect of any of Newco, Newco II, the Newco Shares, the Newco Notes, the Litigation Trust or the Litigation Trust Interests, as the case may be;

(k) any and all Causes of Action against the Subsidiaries for or in connection with any Claim (including, without limitation, notwithstanding anything to the contrary herein, any Unaffected Claim); any Affected Claim (including, without limitation, any Affected Creditor Claim, Equity Claim, D&O Claim, D&O Indemnity Claim and Noteholder Class Action Claim); any Section 5.1(2) D&O Claim; any Conspiracy Claim; any Continuing Other D&O Claim; any Non-Released D&O Claim; any Class Action Claim; any Class Action Indemnity Claim; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, share pledges or Encumbrances relating to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares, Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries; any right or claim in connection with or liability for the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC and the Subsidiaries (whenever or however conducted), the administration and/or management of SFC and the Subsidiaries, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any indemnification obligation to Directors or Officers of SFC or the Subsidiaries pertaining to SFC, the Notes, the Note Indentures, the Existing Shares, the Equity Interests, any other securities of SFC or any other right, claim or liability for or in connection with the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC (whenever or however conducted), the administration and/or management of SFC, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any guaranty, indemnity or claim for contribution in respect of any of the foregoing; and any Encumbrance in respect of the foregoing;

(l) all Subsidiary Intercompany Claims as against SFC (which are assumed by Newco and then Newco II pursuant to the Plan);

(m) any entitlements of Ernst & Young to receive distributions of any kind (including, without limitation, Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan;

(n) any entitlements of the Underwriters to receive distributions of any kind (including, without limitation, Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan; and

(o) any entitlements of the Named Third Party Defendants to receive distributions of any kind (including, without limitation, Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan.

33. **THIS COURT ORDERS** that nothing in the Plan nor in this Plan Sanction Order shall waive, compromise, release, discharge, cancel or bar any of the claims listed in section 7.2 of the Plan.

34. **THIS COURT ORDERS** that, for greater certainty, nothing in the Plan nor in this Plan Sanction Order shall release any obligations of the Subsidiaries owed to (i) any employees, directors or officers of those Subsidiaries in respect of any wages or other compensation related arrangements, or (ii) to suppliers and trade creditors of the Subsidiaries in respect of goods or services supplied to the Subsidiaries.

35. **THIS COURT ORDERS** that any guarantees, indemnities, Encumbrances or other obligations owing by or in respect of SFC relating to the Notes or the Note Indentures shall be and are hereby deemed to be released, discharged and cancelled.

36. **THIS COURT ORDERS** that the Trustees are hereby authorized and directed to release, discharge and cancel any guarantees, indemnities, Encumbrances or other obligations owing by or in respect of any Subsidiary relating to the Notes or the Note Indentures.

37. **THIS COURT ORDERS** that any claims against the Named Directors and Officers in respect of Section 5.1(2) D&O Claims or Conspiracy Claims shall be limited to recovery from any insurance proceeds payable in respect of such Section 5.1(2) D&O Claims or Conspiracy Claims, as applicable, pursuant to the Insurance Policies, and Persons with any such Section 5.1(2) D&O Claims against Named Directors and Officers or Conspiracy Claims against Named Directors and Officers shall have no right to, and shall not, make any claim or seek any recoveries from any Person, (including SFC, any of the Subsidiaries, Newco or Newco II), other than enforcing such Persons' rights to be paid from the proceeds of an Insurance Policy by the applicable insurer(s).

38. **THIS COURT ORDERS** that all Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of this Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan.

39. **THIS COURT ORDERS AND DECLARES** that from and after the Plan Implementation Date, (i) subject to the prior consent of the Initial Consenting Noteholders and the terms of the Litigation Trust Agreement, each of the Litigation Trustee and the Monitor shall have the right to seek and obtain an order from any court of competent jurisdiction, including an Order of the Court in the CCAA or otherwise, that gives effect to any releases of any Litigation Trust Claims agreed to by the Litigation Trustee in accordance with the Litigation Trust Agreement, and (ii) all Affected Creditors shall be deemed to consent to any such treatment of any Litigation Trust Claims.

40. **THIS COURT ORDERS** that the Ernst & Young Settlement and the release of the Ernst & Young Claims pursuant to section 11.1 of the Plan shall become effective upon the satisfaction of the following conditions precedent:

(a) approval by this Honourable Court of the terms of the Ernst & Young Settlement, including the terms and scope of the Ernst & Young Release and the Settlement Trust Order;

(b) issuance by this Honourable Court of the Settlement Trust Order;

(c) the granting of orders under Chapter 15 of the United States *Bankruptcy Code* recognizing and enforcing the Sanction Order and the Settlement Trust Order and any court orders necessary in the United States to approve the Ernst & Young Settlement and any other necessary ancillary order;

(d) any other order necessary to give effect to the Ernst & Young Settlement (the orders referenced in (c) and (d) being collectively the "**Ernst & Young Orders**");

(e) the fulfillment of all conditions precedent in the Ernst & Young Settlement and the fulfillment by the Ontario Class Action Plaintiffs of all of their obligations thereunder;

(f) the Sanction Order, the Settlement Trust Order and all Ernst & Young Orders being final orders and not subject to further appeal or challenge; and

(g) the payment by Ernst & Young of the settlement amount as provided in the Ernst & Young Settlement to the trust established pursuant to the Settlement Trust Order,

Upon the foregoing conditions precedent having been satisfied and upon receipt of a certificate from Ernst & Young confirming it has paid the settlement amount to the Settlement Trust in accordance with the Ernst & Young Settlement and the trustee of the Settlement Trust confirming receipt of such settlement amount, the Monitor shall be authorized and directed to deliver to Ernst & Young the Monitor's Ernst & Young Settlement Certificate and the Monitor shall file the Monitor's Ernst & Young Settlement Certificate with this Honourable Court after delivery of such certificate to Ernst & Young, all as provided for in section 11.1 of the Plan.

41. **THIS COURT ORDERS** that any Named Third Party Defendant Settlement, Named Third Party Defendant Settlement Order and Named Third Party Defendant Release, the terms

and scope of which remain in each case subject to future court approval in accordance with the Plan, shall only become effective after the Plan Implementation Date and upon the satisfaction of the conditions precedent to the applicable Named Third Party Defendant Settlement and the delivery of the applicable Monitor's Named Third Party Settlement Certificate to the applicable Named Third Party Defendant, all as set forth in section 11.2 of the Plan.

THE MONITOR

42. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA and the powers provided to the Monitor herein and in the Plan, shall be and is hereby authorized, directed and empowered to perform its functions and fulfill its obligations under the Plan to facilitate the implementation of the Plan.

43. **THIS COURT ORDERS** that the Monitor shall not make any payment from the Monitor's Post-Implementation Reserve to any third party professional services provider (other than its counsel) that exceeds $250,000 (alone or in a series of related payments) without the prior consent of the Initial Consenting Noteholders or an Order of this Court.

44. **THIS COURT ORDERS** that: (i) in carrying out the terms of this Plan Sanction Order and the Plan, the Monitor shall have all the protections given to it by the CCAA, the Initial Order, the Order of this Court dated April 20, 2012 expanding the powers of the Monitor, and as an officer of the Court, including the stay of proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Plan Sanction Order and/or the Plan, save and except for any gross negligence or wilful misconduct on its part; (iii) the Monitor shall be entitled to rely on the books and records of SFC and any information provided by SFC without independent investigation; and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

45. **THIS COURT ORDERS** that upon completion by the Monitor of its duties in respect of SFC pursuant to the CCAA, the Plan and the Orders, the Monitor may file with the Court a certificate stating that all of its duties in respect of SFC pursuant to the CCAA, the Plan and the Orders have been completed and thereupon, FTI Consulting Canada Inc. shall be deemed to be

discharged from its duties as Monitor and released of all claims relating to its activities as Monitor.

46. **THIS COURT ORDERS** that in no circumstances will the Monitor have any liability for any of SFC's tax liabilities, if any, regardless of how or when such liabilities may have arisen.

47. **THIS COURT ORDERS** that, subject to the due performance of its obligations as set forth in the Plan and subject to its compliance with any written directions or instructions of the Monitor and/or directions of the Court in the manner set forth in the Plan, SFC Escrow Co. shall have no liabilities whatsoever arising from the performance of its obligations under the Plan.

RESERVES AND OTHER AMOUNTS

48. **THIS COURT ORDERS AND DECLARES** that the amount of each of the Indemnified Noteholder Class Action Limit, the Litigation Funding Amount, the Unaffected Claims Reserve, the Administration Charge Reserve, the Monitor's Post-Implementation Reserve and the Unresolved Claims Reserve, is as provided for in the Plan, the Plan Supplement or in Schedule "**D**" hereto, or such other amount as may be agreed by SFC, the Monitor and the Initial Consenting Noteholders, as applicable, in accordance with the terms of the Plan.

49. **THIS COURT ORDERS** that Goodmans LLP, in its capacity as counsel to the Initial Consenting Noteholders, shall be permitted to apply for an Order of the Court at any time directing the Monitor to make distributions from the Monitor's Post-Implementation Reserve.

50. **THIS COURT ORDERS AND DECLARES** that, on the Plan Implementation Date, at the time or times and in the manner set forth in section 6.4 of the Plan, each of the Charges shall be discharged, released and cancelled, and any obligations secured thereby shall be satisfied pursuant to section 4.2(b) of the Plan, and from and after the Plan Implementation Date the Administration Charge Reserve shall stand in place of the Administration Charge as security for the payment of any amounts secured by the Administration Charge.

51. **THIS COURT ORDERS AND DECLARES** that any Unresolved Claims that exceed $1 million shall not be accepted or resolved without further Order of the Court. All parties with Unresolved Claims shall have standing in any proceeding with respect to the determination or status of any other Unresolved Claim. Counsel to the Initial Consenting Noteholders, Goodmans

LLP, shall continue to have standing in any such proceeding on behalf of the Initial Consenting Noteholders, in their capacity as Affected Creditors with Proven Claims.

DOCUMENT PRESERVATION

52. **THIS COURT ORDERS AND DECLARES** that, prior to the Effective Time, SFC shall: (i) preserve or cause to be preserved copies of any documents (as such term is defined in the *Rules of Civil Procedure* (Ontario)) that are relevant to the issues raised in the Class Actions; and (ii) make arrangements acceptable to SFC, the Monitor, the Initial Consenting Noteholders, counsel to Ontario Class Action Plaintiffs, counsel to Ernst & Young, counsel to the Underwriters and counsel to the Named Third Party Defendants to provide the parties to the Class Actions with access thereto, subject to customary commercial confidentiality, privilege or other applicable restrictions, including lawyer-client privilege, work product privilege and other privileges or immunities, and to restrictions on disclosure arising from s. 16 of the *Securities Act* (Ontario) and comparable restrictions on disclosure in other relevant jurisdictions, for purposes of prosecuting and/or defending the Class Actions, as the case may be, provided that nothing in the foregoing reduces or otherwise limits the parties' rights to production and discovery in accordance with the *Rules of Civil Procedure* (Ontario) and the *Class Proceedings Act, 1992* (Ontario).

EFFECT, RECOGNITION AND ASSISTANCE

53. **THIS COURT ORDERS** that nothing in this Plan Sanction Order or as a result of the implementation of the Plan shall affect the standing any Person has at the date of this Plan Sanction Order in respect of the CCAA Proceeding or the Litigation Trust.

54. **THIS COURT ORDERS** that the transfer, assignment and delivery to the Litigation Trustee pursuant to the Litigation Trust of (i) rights, title and interests in and to the Litigation Trust Claims and (ii) all respective rights, title and interests in and to any lawyer-client privilege, work product privilege or other privilege or immunity attaching to any documents or communications (whether written or oral) associated with the Litigation Trust Claims, regardless of whether such documents or copies thereof have been requested by the Litigation Trustee pursuant to the Litigation Trust Agreement (collectively, the "**Privileges**") shall not constitute a waiver of any such Privileges, and that such Privileges are expressly maintained.

55. **THIS COURT ORDERS** that the current directors of SFC shall be deemed to have resigned on the Plan Implementation Date. The current directors of SFC shall have no liability in such capacity for any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including, without limitation, for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances 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, direct, indirect or derivative, foreseen or unforeseen, arising on or after the Plan Implementation Date.

56. **THIS COURT ORDERS** that SFC and the Monitor may apply to this Court for advice and direction with respect to any matter arising from or under the Plan or this Plan Sanction Order.

57. **THIS COURT ORDERS** that this Plan Sanction Order shall have full force and effect in all provinces and territories of Canada and abroad as against all persons and parties against whom it may otherwise be enforced.

58. **THIS COURT ORDERS** that, from and after the Plan Implementation Date, the Monitor is hereby authorized and appointed to act as the foreign representative in respect of the within proceedings for the purposes of having these proceedings recognized in the United States pursuant to chapter 15 of title 11 of the United States Code.

59. **THIS COURT ORDERS** that, as promptly as practicable following the Plan Implementation Date, but in no event later than the third Business Day following the Plan Implementation Date, the Monitor, as the foreign representative of SFC and of the within proceedings, is hereby authorized and directed to commence a proceeding in a court of competent jurisdiction in the United States seeking recognition of the Plan and this Plan Sanction Order and confirming that the Plan and this Plan Sanction Order are binding and effective in the United States.

60. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body having jurisdiction in Canada, the United States, Barbados, the British Virgin Islands, Cayman Islands, Hong Kong, the People's Republic of

China or in any other foreign jurisdiction, to give effect to this Plan Sanction Order and to assist SFC, the Monitor and their respective agents in carrying out the terms of this Plan Sanction Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to SFC and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Plan Sanction Order, to grant representative status to the Monitor in any foreign proceeding, or to assist SFC and the Monitor and their respective agents in carrying out the terms of this Plan Sanction Order.

61. **THIS COURT ORDERS** that each of SFC and the Monitor shall, following consultation with Goodmans LLP, be at liberty, and is hereby authorized and empowered, to make such further applications, motions or proceedings to or before such other courts and judicial, regulatory and administrative bodies, and take such steps in Canada, the United States of America, the British Virgin Islands, Cayman Islands, Hong Kong, the People's Republic of China or in any other foreign jurisdiction, as may be necessary or advisable to give effect to this Plan Sanction Order and any other Order granted by this Court, including for recognition of this Plan Sanction Order and for assistance in carrying out its terms.

62. **THIS COURT ORDERS** that this Plan Sanction Order shall be posted on the Monitor's Website at http://cfcanada.fticonsulting.com/sfc and only be required to be served upon the parties on the Service List and those parties who appeared at the hearing of the motion for this Plan Sanction Order.

63. **THIS COURT ORDERS AND DECLARES** that any conflict or inconsistency between the Plan and this Plan Sanction Order shall be governed by the terms, conditions and provisions of the Plan, which shall take precedence and priority.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

DEC 12 2012

Schedule "A"

Court File No. CV-12-9667-00CL

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 AND ARRANGEMENT OF SINO-FOREST CORPORATION

APPLICANT

PLAN OF COMPROMISE AND REORGANIZATION

pursuant to the *Companies' Creditors Arrangement Act*
and the *Canada Business Corporations Act*
concerning, affecting and involving

SINO-FOREST CORPORATION

December 3, 2012

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PLAN OF COMPROMISE AND REORGANIZATION

WHEREAS Sino-Forest Corporation ("**SFC**") is insolvent;

AND WHEREAS, on March 30, 2012 (the "**Filing Date**"), the Honourable Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted an initial Order in respect of SFC (as such Order may be amended, restated or varied from time to time, the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and the *Canada Business Corporation Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**");

AND WHEREAS, on August 31, 2012, the Court granted a Plan Filing and Meeting Order (as such Order may be amended, restated or varied from time to time, the "**Meeting Order**") pursuant to which, among other things, SFC was authorized to file this plan of compromise and reorganization and to convene a meeting of affected creditors to consider and vote on this plan of compromise and reorganization.

NOW THEREFORE, SFC hereby proposes this plan of compromise and reorganization pursuant to the CCAA and CBCA.

ARTICLE 1
INTERPRETATION

1.1 Definitions

In the Plan, unless otherwise stated or unless the subject matter or context otherwise requires:

"**2013 Note Indenture**" means the indenture dated as of July 23, 2008, by and between SFC, the entities listed as subsidiary guarantors therein, and The Bank of New York Mellon, as trustee, as amended, modified or supplemented.

"**2014 Note Indenture**" means the indenture dated as of July 27, 2009, by and between SFC, the entities listed as subsidiary guarantors therein, and Law Debenture Trust Company of New York, as trustee, as amended, modified or supplemented.

"**2016 Note Indenture**" means the indenture dated as of December 17, 2009, by and between SFC, the entities listed as subsidiary guarantors therein, and The Bank of New York Mellon, as trustee, as amended, modified or supplemented.

"**2017 Note Indenture**" means the indenture dated as of October 21, 2010, by and between SFC, the entities listed as subsidiary guarantors therein, and Law Debenture Trust Company of New York, as trustee, as amended, modified or supplemented.

"**2013 Notes**" means the aggregate principal amount of US$345,000,000 of 5.00% Convertible Senior Notes Due 2013 issued pursuant to the 2013 Note Indenture.

"**2014 Notes**" means the aggregate principal amount of US$399,517,000 of 10.25% Guaranteed Senior Notes Due 2014 issued pursuant to the 2014 Note Indenture.

"**2016 Notes**" means the aggregate principal amount of US$460,000,000 of 4.25% Convertible Senior Notes Due 2016 issued pursuant to the 2016 Note Indenture.

"**2017 Notes**" means the aggregate principal amount of US$600,000,000 of 6.25% Guaranteed Senior Notes Due 2017 issued pursuant to the 2017 Note Indenture.

"**Accrued Interest**" means, in respect of any series of Notes, all accrued and unpaid interest on such Notes, at the regular rates provided in the applicable Note Indentures, up to and including the Filing Date.

"**Administration Charge**" has the meaning ascribed thereto in the Initial Order.

"**Administration Charge Reserve**" means the cash reserve to be established by SFC on the Plan Implementation Date in the amount of $500,000 or such other amount as agreed to by the Monitor and the Initial Consenting Noteholders, which cash reserve: (i) shall be maintained and administered by the Monitor, in trust, for the purpose of paying any amounts secured by the Administration Charge; and (ii) upon the termination of the Administration Charge pursuant to the Plan, shall stand in place of the Administration Charge as security for the payment of any amounts secured by the Administration Charge.

"**Affected Claim**" means any Claim, D&O Claim or D&O Indemnity Claim that is not: an Unaffected Claim; a Section 5.1(2) D&O Claim; a Conspiracy Claim; a Continuing Other D&O Claim; a Non-Released D&O Claim; or a Subsidiary Intercompany Claim, and "Affected Claim" includes any Class Action Indemnity Claim. For greater certainty, all of the following are Affected Claims: Affected Creditor Claims; Equity Claims; Noteholder Class Action Claims (other than the Continuing Noteholder Class Action Claims); and Class Action Indemnity Claims.

"**Affected Creditor**" means a Person with an Affected Creditor Claim, but only with respect to and to the extent of such Affected Creditor Claim.

"**Affected Creditor Claim**" means any Ordinary Affected Creditor Claim or Noteholder Claim.

"**Affected Creditors Class**" has the meaning ascribed thereto in section 3.2(a) hereof.

"**Affected Creditors Equity Sub-Pool**" means an amount of Newco Shares representing 92.5% of the Newco Equity Pool.

"**Alternative Sale Transaction**" has the meaning ascribed thereto in section 10.1 hereof.

"**Alternative Sale Transaction Consideration**" has the meaning ascribed thereto in section 10.1 hereof.

"**Applicable Law**" means any applicable law, statute, order, decree, consent decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law whether in Canada,

the United States, Hong Kong, the PRC or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity.

"**Auditors**" means the former auditors of SFC that are named as defendants to the Class Actions Claims, including for greater certainty Ernst & Young LLP and BDO Limited.

"**Barbados Loans**" means the aggregate amount outstanding at the date hereof pursuant to three loans made by SFC Barbados to SFC in the amounts of US$65,997,468.10 on February 1, 2011, US$59,000,000 on June 7, 2011 and US$176,000,000 on June 7, 2011.

"**Barbados Property**" has the meaning ascribed thereto in section 6.4(j) hereof.

"**BIA**" means the *Bankruptcy and Insolvency Act*, R. S. C. 1985, c. B-3.

"**Business Day**" means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario.

"**Canadian Tax Act**" means the *Income Tax Act* (Canada) and the *Income Tax Regulations*, in each case as amended from time to time.

"**Causes of Action**" means any and all claims, actions, causes of action, demands, counterclaims, suits, rights, entitlements, litigation, arbitration, proceeding, hearing, complaint, debt, obligation, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries of whatever nature that any Person may be entitled to assert in law, equity or otherwise, whether known or unknown, foreseen or unforeseen, reduced to judgment or not reduced to judgment, liquidated or unliquidated, contingent or non-contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly, indirectly or derivatively, existing or hereafter arising and whether pertaining to events occurring before, on or after the Filing Date.

"**CBCA**" has the meaning ascribed thereto in the recitals.

"**CCAA**" has the meaning ascribed thereto in the recitals.

"**CCAA Proceeding**" means the proceeding commenced by SFC under the CCAA on the Filing Date in the Ontario Superior Court of Justice (Commercial List) under court file number CV-12-9667-00CL.

"**Charges**" means the Administration Charge and the Directors' Charge.

"**Claim**" means any right or claim of any Person that may be asserted or made against SFC, in whole or in part, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express,

implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person (including any Directors or Officers of SFC or any of the Subsidiaries) to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be a claim provable against SFC in bankruptcy within the meaning of the BIA had SFC become bankrupt on the Filing Date, or is an Equity Claim, a Noteholder Class Action Claim against SFC, a Class Action Indemnity Claim against SFC, a Restructuring Claim or a Lien Claim, provided, however, that "Claim" shall not include a D&O Claim or a D&O Indemnity Claim.

"**Claims Bar Date**" has the meaning ascribed thereto in the Claims Procedure Order.

"**Claims Procedure**" means the procedure established for determining the amount and status of Claims, D&O Claims and D&O Indemnity Claims, including in each case any such claims that are Unresolved Claims, pursuant to the Claims Procedure Order.

"**Claims Procedure Order**" means the Order under the CCAA of the Honourable Justice Morawetz dated May 14, 2012, establishing, among other things, a claims procedure in respect of SFC and calling for claims in respect of the Subsidiaries, as such Order may be amended, restated or varied from time to time.

"**Class Action Claims**" means, collectively, any rights or claims of any kind advanced or which may subsequently be advanced in the Class Actions or in any other similar proceeding, whether a class action proceeding or otherwise, and for greater certainty includes any Noteholder Class Action Claims.

"**Class Actions**" means, collectively, the following proceedings: (i) *Trustees of the Labourers' Pension Fund of Central and Eastern Canada et al v. Sino-Forest Corporation et al.* (Ontario Superior Court of Justice, Court File No. CV-11-431153-00CP); (ii) *Guining Liu v. Sino-Forest Corporation et al.* (Quebec Superior Court, Court File No. 200-06-000132-111); (iii) *Allan Haigh v. Sino-Forest Corporation et al.* (Saskatchewan Court of Queen's Bench, Court File No. 2288 of 2011); and (iv) *David Leapard et al. v. Allen T.Y. Chan et al.* (District Court of the Southern District of New York, Court File No. 650258/2012).

"**Class Action Court**" means, with respect to the Class Action Claims, the court of competent jurisdiction that is responsible for administering the applicable Class Action Claim.

"**Class Action Indemnity Claim**" means any right or claim of any Person that may be asserted or made in whole or in part against SFC and/or any Subsidiary for indemnity, contribution, reimbursement or otherwise from or in connection with any Class Action Claim asserted against

such Person. For greater certainty, Class Action Indemnity Claims are distinct from and do not include Class Action Claims.

"**Consent Date**" means May 15, 2012.

"**Conspiracy Claim**" means any D&O Claim alleging that the applicable Director or Officer committed the tort of civil conspiracy, as defined under Canadian common law.

"**Continuing Noteholder Class Action Claim**" means any Noteholder Class Action Claim that is: (i) a Section 5.1(2) D&O Claim; (ii) a Conspiracy Claim; (iii) a Non-Released D&O Claim; (iv) a Continuing Other D&O Claim; (v) a Noteholder Class Action Claim against one or more Third Party Defendants that is not an Indemnified Noteholder Class Action Claim; (vi) the portion of an Indemnified Noteholder Class Action Claim that is permitted to continue against the Third Party Defendants, subject to the Indemnified Noteholder Class Action Limit, pursuant to section 4.4(b)(i) hereof.

"**Continuing Other D&O Claims**" has the meaning ascribed thereto in section 4.9(b) hereof.

"**Court**" has the meaning ascribed thereto in the recitals.

"**D&O Claim**" means (i) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers of SFC that relates to a Claim for which such Directors or Officers are by law liable to pay in their capacity as Directors or Officers of SFC, or (ii) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers of SFC, in that capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty and including, for greater certainty, any monetary administrative or other monetary penalty or claim for costs asserted against any Officer or Director of SFC by any Government Entity) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof, is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity from any such Directors or Officers of SFC or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, or (B) relates to a time period prior to the Filing Date.

"**D&O Indemnity Claim**" means any existing or future right of any Director or Officer of SFC against SFC that arose or arises as a result of any Person filing a D&O Proof of Claim (as

defined in the Claims Procedure Order) in respect of such Director or Officer of SFC for which such Director or Officer of SFC is entitled to be indemnified by SFC.

"**Defence Costs**" has the meaning ascribed thereto in section 4.8 hereof.

"**Director**" means, with respect to SFC or any Subsidiary, anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of such SFC Company.

"**Directors' Charge**" has the meaning ascribed thereto in the Initial Order.

"**Direct Registration Account**" means, if applicable, a direct registration account administered by the Transfer Agent in which those Persons entitled to receive Newco Shares and/or Newco Notes pursuant to the Plan will hold such Newco Shares and/or Newco Notes in registered form.

"**Direct Registration Transaction Advice**" means, if applicable, a statement delivered by the Monitor, the Trustees, the Transfer Agent or any such Person's agent to any Person entitled to receive Newco Shares or Newco Notes pursuant to the Plan on the Initial Distribution Date and each subsequent Distribution Date, as applicable, indicating the number of Newco Shares and/or Newco Notes registered in the name of or as directed by the applicable Person in a Direct Registration Account.

"**Direct Subsidiaries**" means, collectively, Sino-Panel Holdings Limited, Sino-Global Holdings Inc., Sino-Panel Corporation, Sino-Capital Global Inc., SFC Barbados, Sino-Forest Resources Inc. Sino-Wood Partners, Limited.

"**Distribution Date**" means the date or dates from time to time set in accordance with the provisions of the Plan to effect distributions in respect of the Proven Claims, excluding the Initial Distribution Date.

"**Distribution Escrow Position**" has the meaning ascribed thereto in section 5.2(d) hereof.

"**Distribution Record Date**" means the Plan Implementation Date, or such other date as SFC, the Monitor and the Initial Consenting Noteholders may agree.

"**DTC**" means The Depository Trust Company, or any successor thereof.

"**Early Consent Equity Sub-Pool**" means an amount of Newco Shares representing 7.5% of the Newco Equity Pool.

"**Early Consent Noteholder**" means any Noteholder that:

(a) (i) as confirmed by the Monitor on June 12, 2012, executed the (A) RSA, (B) a support agreement with SFC and the Direct Subsidiaries in the form of the RSA or (C) a joinder agreement in the form attached as Schedule C to the RSA; (ii) provided evidence satisfactory to the Monitor in accordance with section 2(a) of the RSA of the Notes held by such Noteholder as at the Consent Date (the "**Early Consent Notes**"), as such list of Noteholders and Notes held has been verified

and is maintained by the Monitor on a confidential basis; and (iii) continues to hold such Early Consent Notes as at the Distribution Record Date; or

(b) (i) has acquired Early Consent Notes; (ii) has signed the necessary transfer and joinder documentation as required by the RSA and has otherwise acquired such Early Consent Notes in compliance with the RSA; and (iii) continues to hold such Early Consent Notes as at the Distribution Record Date.

"**Effective Time**" means 8:00 a.m. (Toronto time) on the Plan Implementation Date or such other time on such date as SFC, the Monitor and the Initial Consenting Noteholders may agree.

"**Eligible Third Party Defendant**" means any of the Underwriters, BDO Limited and Ernst & Young (in the event that the Ernst & Young Settlement is not completed), together with any of their respective present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns (but excluding any Director or Officer and successors, administrators, heirs and assigns of any Director or Officer in their capacity as such), and any Director or Officer together with their respective successors, administrators, heirs and assigns.

"**Employee Priority Claims**" means the following Claims of employees and former employees of SFC:

(a) Claims equal to the amounts that such employees and former employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if SFC had become bankrupt on the Filing Date; and

(b) Claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the Plan Implementation Date.

"**Encumbrance**" means any security interest (whether contractual, statutory, or otherwise), hypothec, mortgage, trust or deemed trust (whether contractual, statutory, or otherwise), lien, execution, levy, charge, demand, action, liability or other claim, action, demand or liability of any kind whatsoever, whether proprietary, financial or monetary, and whether or not it has attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including: (i) any of the Charges; and (ii) any charge, security interest or claim evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system.

"**Equity Cancellation Date**" means the date that is the first Business Day at least 31 days after the Plan Implementation Date, or such other date as may be agreed to by SFC, the Monitor and the Initial Consenting Noteholders.

"**Equity Claim**" means a Claim that meets the definition of "equity claim" in section 2(1) of the CCAA and, for greater certainty, includes any of the following:

(a) any claim against SFC resulting from the ownership, purchase or sale of an equity interest in SFC, including the claims by or on behalf of current or former shareholders asserted in the Class Actions;

(b) any indemnification claim against SFC related to or arising from the claims described in sub-paragraph (a), including any such indemnification claims against SFC by or on behalf of any and all of the Third Party Defendants (other than for Defence Costs, unless any such claims for Defence Costs have been determined to be Equity Claims subsequent to the date of the Equity Claims Order); and

(c) any other claim that has been determined to be an Equity Claim pursuant to an Order of the Court.

"**Equity Claimant**" means any Person having an Equity Claim, but only with respect to and to the extent of such Equity Claim.

"**Equity Claimant Class**" has the meaning ascribed thereto in section 3.2(b).

"**Equity Claims Order**" means the Order under the CCAA of the Honourable Justice Morawetz dated July 27, 2012, in respect of Shareholder Claims and Related Indemnity Claims against SFC, as such terms are defined therein.

"**Equity Interest**" has the meaning set forth in section 2(1) of the CCAA.

"**Ernst & Young**" means Ernst & Young LLP (Canada), Ernst & Young Global Limited and all other member firms thereof, and all present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns of each, but excludes any Director or Officer (in their capacity as such) and successors, administrators, heirs and assigns of any Director or Officer (in their capacity as such).

"**Ernst & Young Claim**" means any and all demands, claims, actions, Causes of Action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any claim, indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person, including any Person who may claim contribution or indemnification against or from them and also including for greater certainty the SFC Companies, the Directors (in their capacity as such), the Officers (in their capacity as such), the Third Party Defendants, Newco, Newco II, the directors and officers of Newco and Newco II, the Noteholders or any Noteholder, any past, present or future holder of a direct or indirect equity interest in the SFC Companies, any past, present or future direct or indirect investor or security holder of the SFC Companies, any direct or indirect security holder of Newco or Newco II, the Trustees, the Transfer Agent, the Monitor, and each and every member (including members of any committee or governance council), present and former affiliate, partner, associate, employee, servant, agent, contractor, director, officer, insurer and each and every successor, administrator, heir and assign of each of any of the foregoing may or could (at any time past present or future) be entitled to assert against Ernst & Young, including any and all claims in respect of statutory liabilities of Directors (in their capacity as such), Officers (in their capacity as such) and any alleged fiduciary (in any capacity) whether known or unknown, matured or unmatured, direct or derivative, foreseen or unforeseen, suspected or unsuspected, contingent or not contingent, 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, prior to or after the Ernst & Young Settlement Date relating to, arising out of or in connection with the SFC Companies, the SFC Business, any Director or Officer (in their capacity as such) and/or professional services performed by Ernst & Young or any other acts or omissions of Ernst & Young in relation to the SFC Companies, the SFC Business, any Director or Officer (in their capacity as such), including for greater certainty but not limited to any claim arising out of:

(a) all audit, tax, advisory and other professional services provided to the SFC Companies or related to the SFC Business up to the Ernst & Young Settlement Date, including for greater certainty all audit work performed, all auditors' opinions and all consents in respect of all offering of SFC securities and all regulatory compliance delivered in respect of all fiscal periods and all work related thereto up to and inclusing the Ernst & Young Settlement Date;

(b) all claims advanced or which could have been advanced in any or all of the Class Actions;

(c) all claims advanced or which could have been advanced in any or all actions commenced in all jurisdictions prior the Ernst & Young Settlement Date; or

(d) all Noteholder Claims, Litigation Trust Claims or any claim of the SFC Companies,

provided that "Ernst & Young Claim" does not include any proceedings or remedies that may be taken against Ernst & Young by the Ontario Securities Commission or by staff of the Ontario Securities Commission, and the jurisdiction of the Ontario Securities Commission and staff of the Ontario Securities Commission in relation to Ernst & Young under the Securities Act, R.S.O. 1990, c. S-5 is expressly preserved.

"**Ernst & Young Orders**" has the meaning ascribed thereto in section 11.1(a) hereof.

"**Ernst & Young Release**" means the release described in 11.1(b) hereof.

"**Ernst & Young Settlement**" means the settlement as reflected in the Minutes of Settlement executed on November 29, 2012 between Ernst & Young LLP, on behalf of itself and Ernst & Young Global Limited and all member firms thereof and the plaintiffs in Ontario Superior Court Action No. CV-11-4351153-00CP and in Quebec Superior Court No. 200-06-00132-111, and such other documents contemplated thereby.

"**Ernst & Young Settlement Date**" means the date that the Monitor's Ernst & Young Settlement Certificate is delivered to Ernst & Young.

"**Excluded Litigation Trust Claims**" has the meaning ascribed thereto in section 4.12(a) hereof.

"**Excluded SFC Assets**" means (i) the rights of SFC to be transferred to the Litigation Trust in accordance with section 6.4(o) hereof; (ii) any entitlement to insurance proceeds in respect of Insured Claims, Section 5.1(2) D&O Claims and/or Conspiracy Claims; (iii) any secured property of SFC that is to be returned in satisfaction of a Lien Claim pursuant to section 4.2(c)(i)

hereof; (iv) any input tax credits or other refunds received by SFC after the Effective Time; and (v) cash in the aggregate amount of (and for the purpose of): (A) the Litigation Funding Amount; (B) the Unaffected Claims Reserve; (C) the Administration Charge Reserve; (D) the Expense Reimbursement and the other payments to be made pursuant to section 6.4(d) hereof (having regard to the application of any outstanding retainers, as applicable); (E) any amounts in respect of Lien Claims to be paid in accordance with section 4.2(c)(ii) hereof; and (F) the Monitor's Post-Implementation Reserve; (vi) any office space, office furniture or other office equipment owned or leased by SFC in Canada; (vii) the SFC Escrow Co. Share; (viii) Newco Promissory Note 1; and (ix) Newco Promissory Note 2.

"Existing Shares" means all existing shares in the equity of SFC issued and outstanding immediately prior to the Effective Time and all warrants, options or other rights to acquire such shares, whether or not exercised as at the Effective Time.

"Expense Reimbursement" means the aggregate amount of (i) the reasonable and documented fees and expenses of the Noteholder Advisors, pursuant to their respective engagement letters with SFC, and other advisors as may be agreed to by SFC and the Initial Consenting Noteholders and (ii) the reasonable fees and expenses of the Initial Consenting Noteholders incurred in connection with the negotiation and development of the RSA and this Plan, including in each case an estimated amount for any such fees and expenses expected to be incurred in connection with the implementation of the Plan, including in the case of (ii) above, an aggregate work fee of up to $5 million (which work fee may, at the request of the Monitor, be paid by any of the Subsidiaries instead of SFC).

"Filing Date" has the meaning ascribed thereto in the recitals.

"Fractional Interests" has the meaning given in section 5.12 hereof.

"FTI HK" means FTI Consulting (Hong Kong) Limited.

"Governmental Entity" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"Government Priority Claims" means all Claims of Governmental Entities in respect of amounts that were outstanding as of the Plan Implementation Date and that are of a kind that could be subject to a demand under:

(a) subsections 224(1.2) of the Canadian Tax Act;

(b) any provision of the *Canada Pension Plan* or the *Employment Insurance Act* (Canada) that refers to subsection 224(1.2) of the Canadian Tax Act and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or employee's premium or employer's premium as defined in the *Employment*

Insurance Act (Canada), or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or

(c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Canadian 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:

(i) 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 Canadian Tax Act; or

(ii) 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.

"**Greenheart**" means Greenheart Group Limited, a company established under the laws of Bermuda.

"**Indemnified Noteholder Class Action Claims**" has the meaning ascribed thereto in section 4.4(b)(i) hereof.

"**Indemnified Noteholder Class Action Limit**" means $150 million or such lesser amount agreed to by SFC, the Monitor, the Initial Consenting Noteholders and counsel to the Ontario Class Action Plaintiffs prior to the Plan Implementation Date or agreed to by the Initial Consenting Noteholders and counsel to the Class Action Plaintiffs after the Plan Implementation Date.

"**Initial Consenting Noteholders**" means, subject to section 12.7 hereof, the Noteholders that executed the RSA on March 30, 2012.

"**Initial Distribution Date**" means a date no more than ten (10) Business Days after the Plan Implementation Date or such other date as SFC, the Monitor and the Initial Consenting Noteholders may agree.

"**Initial Newco Shareholder**" means a Person to be determined by the Initial Consenting Noteholders prior to the Effective Time, with the consent of SFC and the Monitor, to serve as the initial sole shareholder of Newco pursuant to section 6.2(a) hereof.

"**Initial Order**" has the meaning ascribed thereto in the recitals.

"**Insurance Policies**" means, collectively, the following insurance policies, as well as any other insurance policy pursuant to which SFC or any Director or Officer is insured: ACE INA Insurance Policy Number DO024464; Chubb Insurance Company of Canada Policy Number 8209-4449; Lloyds of London, England Policy Number XTFF0420; Lloyds of London, England

Policy Number XTFF0373; and Travelers Guarantee Company of Canada Policy Number 10181108, and "**Insurance Policy**" means any one of the Insurance Policies.

"**Insured Claim**" means all or that portion of any Claim for which SFC is insured and all or that portion of any D&O Claim for which the applicable Director or Officer is insured, in each case pursuant to any of the Insurance Policies.

"**Intellectual Property**" means: (i) patents, and applications for patents, including divisional and continuation patents; (ii) registered and unregistered trade-marks, logos and other indicia of origin, pending trade-mark registration applications, and proposed use application or similar reservations of marks, and all goodwill associated therewith; (iii) registered and unregistered copyrights, including all copyright in and to computer software programs, and applications for and registration of such copyright (including all copyright in and to the SFC Companies' websites); (iv) world wide web addresses and internet domain names, applications and reservations for world wide web addresses and internet domain names, uniform resource locators and the corresponding internet sites; (v) industrial designs; and (vi) trade secrets and proprietary information not otherwise listed in (i) through (v) above, including all inventions (whether or not patentable), invention disclosures, moral and economic rights of authors and inventors (however denominated), confidential information, technical data, customer lists, corporate and business names, trade names, trade dress, brand names, know-how, formulae, methods (whether or not patentable), designs, processes, procedures, technology, business methods, source codes, object codes, computer software programs (in either source code or object code form), databases, data collections and other proprietary information or material of any type, and all derivatives, improvements and refinements thereof, howsoever recorded, or unrecorded.

"**Letter of Instruction**" means a form, to be completed by each Ordinary Affected Creditor and each Early Consent Noteholder, and that is to be delivered to the Monitor in accordance with section 5.1 hereof, which form shall set out:

(a) the registration details for the Newco Shares and, if applicable, Newco Notes to be distributed to such Ordinary Affected Creditor or Early Consent Noteholder in accordance with the Plan; and

(b) the address to which such Ordinary Affected Creditor's or Early Consent Noteholder's Direct Registration Transaction Advice or its Newco Share Certificates and Newco Note Certificates, as applicable, are to be delivered.

"**Lien Claim**" means any Proven Claim of a Person indicated as a secured creditor in Schedule "B" to the Initial Order (other than the Trustees) that is secured by a lien or encumbrance on any property of SFC, which lien is valid, perfected and enforceable pursuant to Applicable Law, provided that the Charges and any Claims in respect of Notes shall not constitute "Lien Claims".

"**Lien Claimant**" means a Person having a Lien Claim, other than any Noteholder or Trustee in respect of any Noteholder Claim.

"**Litigation Funding Amount**" means the cash amount of $1,000,000 to be advanced by SFC to the Litigation Trustee for purposes of funding the Litigation Trust on the Plan Implementation Date in accordance with section 6.4(o) hereof.

"**Litigation Funding Receivable**" has the meaning ascribed thereto in section 6.4(o) hereof.

"**Litigation Trust**" means the trust to be established on the Plan Implementation Date at the time specified in section 6.4(p) in accordance with the Litigation Trust Agreement pursuant to the laws of a jurisdiction that is acceptable to SFC and the Initial Consenting Noteholders, which trust will acquire the Litigation Trust Claims and will be funded with the Litigation Funding Amount in accordance with the Plan and the Litigation Trust Agreement.

"**Litigation Trust Agreement**" means the trust agreement dated as of the Plan Implementation Date, between SFC and the Litigation Trustee, establishing the Litigation Trust.

"**Litigation Trust Claims**" means any Causes of Action that have been or may be asserted by or on behalf of: (a) SFC against any and all third parties; or (b) the Trustees (on behalf of the Noteholders) against any and all Persons in connection with the Notes issued by SFC; provided, however, that in no event shall the Litigation Trust Claims include any (i) claim, right or cause of action against any Person that is released pursuant to Article 7 hereof or (ii) any Excluded Litigation Trust Claim. For greater certainty: (x) the claims being advanced or that are subsequently advanced in the Class Actions are not being transferred to the Litigation Trust; and (y) the claims transferred to the Litigation Trust shall not be advanced in the Class Actions.

"**Litigation Trust Interests**" means the beneficial interests in the Litigation Trust to be created on the Plan Implementation Date.

"**Litigation Trustee**" means a Person to be determined by SFC and the Initial Consenting Noteholders prior to the Effective Time, with the consent of the Monitor, to serve as trustee of the Litigation Trust pursuant to and in accordance with the terms thereof.

"**Material**" means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the SFC Companies (taken as a whole).

"**Material Adverse Effect**" means a fact, event, change, occurrence, circumstance or condition that, individually or together with any other event, change or occurrence, has or would reasonably be expected to have a material adverse impact on the assets, condition (financial or otherwise), business, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or operations of the SFC Companies (taken as a whole); provided, however, that a Material Adverse Effect shall not include and shall be deemed to exclude the impact of any fact, event, change, occurrence, circumstance or condition resulting from or relating to: (A) changes in Applicable Laws of general applicability or interpretations thereof by courts or Governmental Entities or regulatory authorities, which changes do not have a Material disproportionate effect on the SFC Companies (taken as a whole), (B) any change in the forestry industry generally, which does not have a Material disproportionate effect on the SFC Companies (taken as a whole) (relative to other industry participants operating primarily in the PRC), (C) actions and omissions

of any of the SFC Companies required pursuant to the RSA or this Plan or taken with the prior written consent of the Initial Consenting Noteholders, (D) the effects of compliance with the RSA or this Plan, including on the operating performance of the SFC Companies, (E) the negotiation, execution, delivery, performance, consummation, potential consummation or public announcement of the RSA or this Plan or the transactions contemplated thereby or hereby, (F) any change in U.S. or Canadian interest rates or currency exchange rates unless such change has a Material disproportionate effect on the SFC Companies (taken as a whole), and (G) general political, economic or financial conditions in Canada, the United States, Hong Kong or the PRC, which changes do not have a Material disproportionate effect on the SFC Companies (taken as a whole).

"**Meeting**" means the meeting of Affected Creditors, and any adjournment or extension thereof, that is called and conducted in accordance with the Meeting Order for the purpose of considering and voting on the Plan.

"**Meeting Order**" has the meaning ascribed thereto in the recitals.

"**Monitor**" means FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of SFC in the CCAA Proceeding.

"**Monitor's Post-Implementation Reserve**" means the cash reserve to be established by SFC on the Plan Implementation Date in the amount of $5,000,000 or such other amount as may be agreed by SFC, the Monitor and the Initial Consenting Noteholders, which cash reserve shall be maintained and administered by the Monitor for the purpose of administering SFC and the Claims Procedure, as necessary, from and after the Plan Implementation Date.

"**Monitor's Ernst & Young Settlement Certificate**" has the meaning ascribed thereto in section 11.1(a) hereof.

"**Monitor's Named Third Party Settlement Certificate**" has the meaning ascribed thereto in section 11.2(b) hereof.

"**Named Directors and Officers**" means Andrew Agnew, William E. Ardell, James Bowland, Leslie Chan, Michael Cheng, Lawrence Hon, James M.E. Hyde, Richard M. Kimel, R. John (Jack) Lawrence, Jay A. Lefton, Edmund Mak, Tom Maradin, Judson Martin, Simon Murray, James F. O'Donnell, William P. Rosenfeld, Peter Donghong Wang, Garry West and Kee Y. Wong, in their respective capacities as Directors or Officers, and "**Named Director or Officer**" means any one of them.

"**Named Third Party Defendant Settlement**" means a binding settlement between any applicable Named Third Party Defendant and one or more of: (i) the plaintiffs in any of the Class Actions; and (ii) the Litigation Trustee (on behalf of the Litigation Trust) (if after the Plan Implementation Date), provided that, in each case, such settlement must be acceptable to SFC (if on or prior to the Plan Implementation Date), the Monitor, the Initial Consenting Noteholders (if on or prior to the Plan Implementation Date) and the Litigation Trustee (if after the Plan Implementation Date), and provided further that such settlement shall not affect the plaintiffs in the Class Actions without the consent of counsel to the Ontario Class Action Plaintiffs.

"**Named Third Party Defendant Settlement Order**" means a court order approving a Named Third Party Defendant Settlement in form and in substance satisfactory to the applicable Named Third Party Defendant, SFC (if occurring on or prior to the Plan Implementation Date), the Monitor, the Initial Consenting Noteholders (if on or prior to the Plan Implementation Date), the Litigation Trustee (if after the Plan Implementation Date) and counsel to the Ontario Class Action Plaintiffs (if the plaintiffs in any of the Class Actions are affected by the applicable Named Third Party Defendant Settlement).

"**Named Third Party Defendant Release**" means a release of any applicable Named Third Party Defendant agreed to pursuant to a Named Third Party Defendant Settlement and approved pursuant to a Named Third Party Defendant Settlement Order, provided that such release must be acceptable to SFC (if on or prior to the Plan Implementation Date), the Monitor, the Initial Consenting Noteholders (if on or prior to the Plan Implementation Date) and the Litigation Trustee (if after the Plan Implementation Date), and provided further that such release shall not affect the plaintiffs in the Class Actions without the consent of counsel to the Ontario Class Action Plaintiffs.

"**Named Third Party Defendants**" means the Third Party Defendants listed on Schedule "A" to the Plan in accordance with section 11.2(a) hereof, provided that only Eligible Third Party Defendants may become Named Third Party Defendants.

"**Newco**" means the new corporation to be incorporated pursuant to section 6.2(a) hereof under the laws of the Cayman Islands or such other jurisdiction as agreed to by SFC, the Monitor and the Initial Consenting Noteholders.

"**Newco II**" means the new corporation to be incorporated pursuant to section 6.2(b) hereof under the laws of the Cayman Islands or such other jurisdiction as agreed to by SFC, the Monitor and the Initial Consenting Noteholders.

"**Newco II Consideration**" has the meaning ascribed thereto in section 6.4(x) hereof.

"**Newco Equity Pool**" means all of the Newco Shares to be issued by Newco on the Plan Implementation Date. The number of Newco Shares to be issued on the Plan Implementation Date shall be agreed by SFC, the Monitor and the Initial Consenting Noteholders prior to the Plan Implementation Date.

"**Newco Note Certificate**" means a certificate evidencing Newco Notes.

"**Newco Notes**" means the new notes to be issued by Newco on the Plan Implementation Date in the aggregate principal amount of $300,000,000, on such terms and conditions as are satisfactory to the Initial Consenting Noteholders and SFC, acting reasonably.

"**Newco Promissory Note 1**", "**Newco Promissory Note 2**", "**Newco Promissory Note 3**" and "**Newco Promissory Notes**" have the meanings ascribed thereto in sections 6.4(k), 6.4(m), 6.4(n) and 6.4(q) hereof, respectively.

"**Newco Share Certificate**" means a certificate evidencing Newco Shares.

"**Newco Shares**" means common shares in the capital of Newco.

"**Non-Released D&O Claims**" has the meaning ascribed thereto in section 4.9(f) hereof.

"**Noteholder Advisors**" means Goodmans LLP, Hogan Lovells and Conyers, Dill & Pearman LLP in their capacity as legal advisors to the Initial Consenting Noteholders, and Moelis & Company LLC and Moelis and Company Asia Limited, in their capacity as the financial advisors to the Initial Consenting Noteholders.

"**Noteholder Claim**" means any Claim by a Noteholder (or a Trustee or other representative on the Noteholder's behalf) in respect of or in relation to the Notes owned or held by such Noteholder, including all principal and Accrued Interest payable to such Noteholder pursuant to such Notes or the Note Indentures, but for greater certainty does not include any Noteholder Class Action Claim.

"**Noteholder Class Action Claim**" means any Class Action Claim, or any part thereof, against SFC, any of the Subsidiaries, any of the Directors and Officers of SFC or the Subsidiaries, any of the Auditors, any of the Underwriters and/or any other defendant to the Class Action Claims that relates to the purchase, sale or ownership of Notes, but for greater certainty does not include a Noteholder Claim.

"**Noteholder Class Action Claimant**" means any Person having or asserting a Noteholder Class Action Claim.

"**Noteholder Class Action Representative**" means an individual to be appointed by counsel to the Ontario Class Action Plaintiffs.

"**Noteholders**" means, collectively, the beneficial owners of Notes as of the Distribution Record Date and, as the context requires, the registered holders of Notes as of the Distribution Record Date, and "**Noteholder**" means any one of the Noteholders.

"**Note Indentures**" means, collectively, the 2013 Note Indenture, the 2014 Note Indenture, the 2016 Note Indenture and the 2017 Note Indenture.

"**Notes**" means, collectively, the 2013 Notes, the 2014 Notes, the 2016 Notes and the 2017 Notes.

"**Officer**" means, with respect to SFC or any Subsidiary, anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of such SFC Company.

"**Ontario Class Action Plaintiffs**" means the plaintiffs in the Ontario class action case styled as *Trustees of the Labourers' Pension Fund of Central and Eastern Canada et al v. Sino-Forest Corporation et al.* (Ontario Superior Court of Justice, Court File No. CV-11-431153-00CP).

"**Order**" means any order of the Court made in connection with the CCAA Proceeding or this Plan.

"**Ordinary Affected Creditor**" means a Person with an Ordinary Affected Creditor Claim.

"**Ordinary Affected Creditor Claim**" means a Claim that is not: an Unaffected Claim; a Noteholder Claim; an Equity Claim; a Subsidiary Intercompany Claim; a Noteholder Class Action Claim; or a Class Action Indemnity Claim (other than a Class Action Indemnity Claim by any of the Third Party Defendants in respect of the Indemnified Noteholder Class Action Claims).

"**Other Directors and/or Officers**" means any Directors and/or Officers other than the Named Directors and Officers.

"**Permitted Continuing Retainer**" has the meaning ascribed thereto in section 6.4(d) hereof.

"**Person**" means any individual, sole proprietorship, limited or unlimited liability corporation, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, body corporate, joint venture, trust, pension fund, union, Governmental Entity, and a natural person including in such person's capacity as trustee, heir, beneficiary, executor, administrator or other legal representative.

"**Plan**" means this Plan of Compromise and Reorganization (including all schedules hereto) filed by SFC pursuant to the CCAA and the CBCA, as it may be further amended, supplemented or restated from time to time in accordance with the terms hereof or an Order.

"**Plan Implementation Date**" means the Business Day on which this Plan becomes effective, which shall be the Business Day on which the Monitor has filed with the Court the certificate contemplated in section 9.2 hereof, or such other date as SFC, the Monitor and the Initial Consenting Noteholders may agree.

"**PRC**" means the People's Republic of China.

"**Proof of Claim**" means the "Proof of Claim" referred to in the Claims Procedure Order, substantially in the form attached to the Claims Procedure Order.

"**Pro-Rata**" means:

(a) with respect to any Noteholder in relation to all Noteholders, the proportion of (i) the principal amount of Notes beneficially owned by such Noteholder as of the Distribution Record Date plus the Accrued Interest owing on such Notes as of the Filing Date, in relation to (ii) the aggregate principal amount of all Notes outstanding as of the Distribution Record Date plus the aggregate of all Accrued Interest owing on all Notes as of the Filing Date;

(b) with respect to any Early Consent Noteholder in relation to all Early Consent Noteholders, the proportion of the principal amount of Early Consent Notes beneficially owned by such Early Consent Noteholder as of the Distribution Record Date in relation to the aggregate principal amount of Early Consent Notes held by all Early Consent Noteholders as of the Distribution Record Date; and

(c) with respect to any Affected Creditor in relation to all Affected Creditors, the proportion of such Affected Creditor's Affected Creditor Claim as at any relevant time in relation to the aggregate of all Proven Claims and Unresolved Claims of Affected Creditors as at that time.

"**Proven Claim**" means an Affected Creditor Claim to the extent that such Affected Creditor Claim is finally determined and valued in accordance with the provisions of the Claims Procedure Order, the Meeting Order or any other Order, as applicable.

"**Released Claims**" means all of the rights, claims and liabilities of any kind released pursuant to Article 7 hereof.

"**Released Parties**" means, collectively, those Persons released pursuant to Article 7 hereof, but only to the extent so released, and each such Person is referred to individually as a "**Released Party**".

"**Required Majority**" means a majority in number of Affected Creditors with Proven Claims, and two-thirds in value of the Proven Claims held by such Affected Creditors, in each case who vote (in person or by proxy) on the Plan at the Meeting.

"**Remaining Post-Implementation Reserve Amount**" has the meaning ascribed thereto in section 5.7(b) hereof.

"**Restructuring Claim**" means any right or claim of any Person that may be asserted or made in whole or in part against SFC, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement or obligation on or after the Filing Date and whether such restructuring, termination, repudiation or disclaimer took place or takes place before or after the date of the Claims Procedure Order.

"**Restructuring Transaction**" means the transactions contemplated by this Plan (including any Alternative Sale Transaction that occurs pursuant to section 10.1 hereof).

"**RSA**" means the Restructuring Support Agreement executed as of March 30, 2012 by SFC, the Direct Subsidiaries and the Initial Consenting Noteholders, and subsequently executed or otherwise agreed to by the Early Consent Noteholders, as such Restructuring Support Agreement may be amended, restated and varied from time to time in accordance with its terms.

"**Sanction Date**" means the date that the Sanction Order is granted by the Court.

"**Sanction Order**" means the Order of the Court sanctioning and approving this Plan.

"**Section 5.1(2) D&O Claim**" means any D&O Claim that is not permitted to be compromised pursuant to section 5.1(2) of the CCAA, but only to the extent not so permitted, provided that any D&O Claim that qualifies as a Non-Released D&O Claim or a Continuing Other D&O Claim shall not constitute a Section 5.1(2) D&O Claim.

"**Settlement Trust**" has the meaning ascribed thereto in section 11.1(a) hereof.

"**Settlement Trust Order**" means a court order that establishes the Settlement Trust and approves the Ernst & Young Settlement and the Ernst & Young Release, in form and in substance satisfactory to Ernst & Young and counsel to the Ontario Class Action Plaintiffs, provided that such order shall also be acceptable to SFC (if occurring on or prior to the Plan Implementation Date), the Monitor and the Initial Consenting Noteholders, as applicable, to the extent, if any, that such order affects SFC, the Monitor or the Initial Consenting Noteholders, each acting reasonably.

"**SFC**" has the meaning ascribed thereto in the recitals.

"**SFC Advisors**" means Bennett Jones LLP, Appleby Global Group, King & Wood Mallesons and Linklaters LLP, in their respective capacities as legal advisors to SFC, and Houlihan Lokey Howard & Zukin Capital, Inc., in its capacity as financial advisor to SFC.

"**SFC Assets**" means all of SFC's right, title and interest in and to all of SFC's properties, assets and rights of every kind and description (including all restricted and unrestricted cash, contracts, real property, receivables or other debts owed to SFC, Intellectual Property, SFC's corporate name and all related marks, all of SFC's ownership interests in the Subsidiaries (including all of the shares of the Direct Subsidiaries and any other Subsidiaries that are directly owned by SFC immediately prior to the Effective Time), all of SFC's ownership interest in Greenheart and its subsidiaries, all SFC Intercompany Claims, any entitlement of SFC to any insurance proceeds and a right to the Remaining Post-Implementation Reserve Amount), other than the Excluded SFC Assets.

"**SFC Barbados**" means Sino-Forest International (Barbados) Corporation, a wholly-owned subsidiary of SFC established under the laws of Barbados.

"**SFC Business**" means the business operated by the SFC Companies.

"**SFC Continuing Shareholder**" means the Litigation Trustee or such other Person as may be agreed to by the Monitor and the Initial Consenting Noteholders.

"**SFC Companies**" means, collectively, SFC and all of the Subsidiaries, and "**SFC Company**" means any of them.

"**SFC Escrow Co.**" means the company to be incorporated as a wholly-owned subsidiary of SFC pursuant to section 6.3 hereof under the laws of the Cayman Islands or such other jurisdiction as agreed to by SFC, the Monitor and the Initial Consenting Noteholders.

"**SFC Escrow Co. Share**" has the meaning ascribed thereto in section 6.3 hereof.

"**SFC Intercompany Claim**" means any amount owing to SFC by any Subsidiary or Greenheart and any claim by SFC against any Subsidiary or Greenheart.

"**Subsidiaries**" means all direct and indirect subsidiaries of SFC, other than (i) Greenheart and its direct and indirect subsidiaries and (ii) SFC Escrow Co., and "**Subsidiary**" means any one of the Subsidiaries.

"**Subsidiary Intercompany Claim**" means any Claim by any Subsidiary or Greenheart against SFC.

"**Tax**" or "**Taxes**" means any and all federal, provincial, municipal, local and foreign taxes, assessments, reassessments and other governmental charges, duties, impositions and liabilities including for greater certainty taxes based upon or measured by reference to income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, all licence, franchise and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions, together with all interest, penalties, fines and additions with respect to such amounts.

"**Taxing Authorities**" means any one of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof, any similar revenue or taxing authority of the United States, the PRC, Hong Kong or other foreign state and any political subdivision thereof, and any Canadian, United States, Hong Kong, PRC or other government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or regulation-making entity exercising taxing authority or power, and "**Taxing Authority**" means any one of the Taxing Authorities.

"**Third Party Defendants**" means any defendants to the Class Action Claims (present or future) other than SFC, the Subsidiaries, the Named Directors and Officers or the Trustees.

"**Transfer Agent**" means Computershare Limited (or a subsidiary or affiliate thereof) or such other transfer agent as Newco may appoint, with the prior written consent of the Monitor and the Initial Consenting Noteholders.

"**Trustee Claims**" means any rights or claims of the Trustees against SFC under the Note Indentures for compensation, fees, expenses, disbursements or advances, including reasonable legal fees and expenses, incurred or made by or on behalf of the Trustees before or after the Plan Implementation Date in connection with the performance of their respective duties under the Note Indentures or this Plan.

"**Trustees**" means, collectively, The Bank of New York Mellon in its capacity as trustee for the 2013 Notes and the 2016 Notes, and Law Debenture Trust Company of New York in its capacity as trustee for the 2014 Notes and the 2017 Notes, and "**Trustee**" means either one of them.

"**Unaffected Claim**" means any:

(a) Claim secured by the Administration Charge;

(b) Government Priority Claim;

(c) Employee Priority Claim;

(d) Lien Claim;

(e) any other Claim of any employee, former employee, Director or Officer of SFC in respect of wages, vacation pay, bonuses, termination pay, severance pay or other remuneration payable to such Person by SFC, other than any termination pay or severance pay payable by SFC to a Person who ceased to be an employee, Director or Officer of SFC prior to the date of this Plan;

(f) Trustee Claims; and

(g) any trade payables that were incurred by SFC (i) after the Filing Date but before the Plan Implementation Date; and (ii) in compliance with the Initial Order or other Order issued in the CCAA Proceeding.

"**Unaffected Claims Reserve**" means the cash reserve to be established by SFC on the Plan Implementation Date and maintained by the Monitor, in escrow, for the purpose of paying certain Unaffected Claims in accordance with section 4.2 hereof.

"**Unaffected Creditor**" means a Person who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim.

"**Undeliverable Distribution**" has the meaning ascribed thereto in section 5.4.

"**Underwriters**" means any underwriters of SFC that are named as defendants in the Class Action Claims, including for greater certainty Credit Suisse Securities (Canada), Inc., TD Securities Inc., Dundee Securities Corporation, RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., Merrill Lynch Canada Inc., Canaccord Financial Ltd., Maison Placements Canada Inc., Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated (successor by merger to Banc of America Securities LLC).

"**Unresolved Claim**" means an Affected Creditor Claim in respect of which a Proof of Claim has been filed in a proper and timely manner in accordance with the Claims Procedure Order but that, as at any applicable time, has not been finally (i) determined to be a Proven Claim or (ii) disallowed in accordance with the Claims Procedure Order, the Meeting Order or any other Order.

"**Unresolved Claims Escrow Agent**" means SFC Escrow Co. or such other Person as may be agreed by SFC, the Monitor and the Initial Consenting Noteholders.

"**Unresolved Claims Reserve**" means the reserve of Newco Shares, Newco Notes and Litigation Trust Interests, if any, to be established pursuant to sections 6.4(h)(ii) and 6.4(r) hereof in respect of Unresolved Claims as at the Plan Implementation Date, which reserve shall be held and maintained by the Unresolved Claims Escrow Agent, in escrow, for distribution in accordance with the Plan. As at the Plan Implementation Date, the Unresolved Claims Reserve will consist of that amount of Newco Shares, Newco Notes and Litigation Trust Interests as is necessary to make any potential distributions under the Plan in respect of the following Unresolved Claims: (i) Class Action Indemnity Claims in an amount up to the Indemnified Noteholder Class Action Limit; (ii) Claims in respect of Defence Costs in the amount of $30 million or such other amount

as may be agreed by the Monitor and the Initial Consenting Noteholders; and (iii) other Affected Creditor Claims that have been identified by the Monitor as Unresolved Claims in an amount up to $500,000 or such other amount as may be agreed by the Monitor and the Initial Consenting Noteholders.

"**Website**" means the website maintained by the Monitor in respect of the CCAA Proceeding pursuant to the Initial Order at the following web address: http://cfcanada.fticonsulting.com/sfc.

1.2 Certain Rules of Interpretation

For the purposes of the Plan:

(a) any reference in the Plan to an Order, agreement, contract, instrument, indenture, release, exhibit or other document means such Order, agreement, contract, instrument, indenture, release, exhibit or other document as it may have been or may be validly amended, modified or supplemented;

(b) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;

(c) unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, and words importing any gender shall include all genders;

(d) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;

(e) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. (Toronto time) on such Business Day;

(f) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;

(g) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time

to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation; and

(h) references to a specified "article" or "section" shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of the Plan, whereas the terms "the Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to the Plan and not to any particular "article", "section" or other portion of the Plan and include any documents supplemental hereto.

1.3 Currency

For the purposes of this Plan, all amounts shall be denominated in Canadian dollars and all payments and distributions to be made in cash shall be made in Canadian dollars. Any Claims or other amounts denominated in a foreign currency shall be converted to Canadian dollars at the Reuters closing rate on the Filing Date.

1.4 Successors and Assigns

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

1.5 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the jurisdiction of the Court.

1.6 Schedule "A"

Schedule "A" to the Plan is incorporated by reference into the Plan and forms part of the Plan.

ARTICLE 2
PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is:

(a) to effect a full, final and irrevocable compromise, release, discharge, cancellation and bar of all Affected Claims;

(b) to effect the distribution of the consideration provided for herein in respect of Proven Claims;

(c) to transfer ownership of the SFC Business to Newco and then from Newco to Newco II, in each case free and clear of all claims against SFC and certain related claims against the Subsidiaries, so as to enable the SFC Business to continue on a viable, going concern basis; and

(d) to allow Affected Creditors and Noteholder Class Action Claimants to benefit from contingent value that may be derived from litigation claims to be advanced by the Litigation Trustee.

The Plan is put forward in the expectation that the Persons with an economic interest in SFC, when considered as a whole, will derive a greater benefit from the implementation of the Plan and the continuation of the SFC Business as a going concern than would result from a bankruptcy or liquidation of SFC.

2.2 Claims Affected

The Plan provides for, among other things, the full, final and irrevocable compromise, release, discharge, cancellation and bar of Affected Claims and effectuates the restructuring of SFC. The Plan will become effective at the Effective Time on the Plan Implementation Date, other than such matters occurring on the Equity Cancellation Date (if the Equity Cancellation date does not occur on the Plan Implementation Date) which will occur and be effective on such date, and the Plan shall be binding on and enure to the benefit of SFC, the Subsidiaries, Newco, Newco II, SFC Escrow Co., any Person having an Affected Claim, the Directors and Officers of SFC and all other Persons named or referred to in, or subject to, the Plan, as and to the extent provided for in the Plan.

2.3 Unaffected Claims against SFC Not Affected

Any amounts properly owing by SFC in respect of Unaffected Claims will be satisfied in accordance with section 4.2 hereof. Consistent with the foregoing, all liabilities of the Released Parties in respect of Unaffected Claims (other than the obligation of SFC to satisfy such Unaffected Claims in accordance with section 4.2 hereof) will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred pursuant to Article 7 hereof. Nothing in the Plan shall affect SFC's rights and defences, both legal and equitable, with respect to any Unaffected Claims, including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

2.4 Insurance

(a) Subject to the terms of this section 2.4, nothing in this Plan shall prejudice, compromise, release, discharge, cancel, bar or otherwise affect any right, entitlement or claim of any Person against SFC or any Director or Officer, or any insurer, in respect of an Insurance Policy or the proceeds thereof.

(b) Nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any such insurer in respect of any such Insurance Policy. Furthermore, nothing in this Plan shall prejudice, compromise, release or otherwise affect (i) any right of subrogation any such insurer may have against

any Person, including against any Director or Officer in the event of a determination of fraud against SFC or any Director or Officer in respect of whom such a determination is specifically made, and /or (ii) the ability of such insurer to claim repayment of Defense Costs (as defined in any such policy) from SFC and/or any Director or Officer in the event that the party from whom repayment is sought is not entitled to coverage under the terms and conditions of any such Insurance Policy

(c) Notwithstanding anything herein (including section 2.4(b) and the releases and injunctions set forth in Article 7 hereof), but subject to section 2.4(d) hereof, all Insured Claims shall be deemed to remain outstanding and are not released following the Plan Implementation Date, but recovery as against SFC and the Named Directors and Officers is limited only to proceeds of Insurance Policies that are available to pay such Insured Claims, either by way of judgment or settlement. SFC and the Directors or Officers shall make all reasonable efforts to meet all obligations under the Insurance Policies. The insurers agree and acknowledge that they shall be obliged to pay any Loss payable pursuant to the terms and conditions of their respective Insurance Policies notwithstanding the releases granted to SFC and the Named Directors and Officers under this Plan, and that they shall not rely on any provisions of the Insurance Policies to argue, or otherwise assert, that such releases excuse them from, or relieve them of, the obligation to pay Loss that otherwise would be payable under the terms of the Insurance Policies. For greater certainty, the insurers agree and consent to a direct right of action against the insurers, or any of them, in favour of any plaintiff who or which has (a) negotiated a settlement of any Claim covered under any of the Insurance Policies, which settlement has been consented to in writing by the insurers or such of them as may be required or (b) obtained a final judgment against one or more of SFC and/or the Directors or Officers which such plaintiff asserts, in whole or in part, represents Loss covered under the Insurance Policies, notwithstanding that such plaintiff is not a named insured under the Insurance Policies and that neither SFC nor the Directors or Officers are parties to such action.

(d) Notwithstanding anything in this section 2.4, from and after the Plan Implementation Date, any Person having an Insured Claim shall, as against SFC and the Named Directors and Officers, be irrevocably limited to recovery solely from the proceeds of the Insurance Policies paid or payable on behalf of SFC or its Directors or Officers, and Persons with any Insured Claims shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from SFC, any of the Named Directors and Officers, any of the Subsidiaries, Newco or Newco II, other than enforcing such Person's rights to be paid from the proceeds of an Insurance Policy by the applicable insurer(s), and this section 2.4(d) may be relied upon and raised or pled by SFC, Newco, Newco II, any Subsidiary and any Named Director and Officer in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this section

2.5 Claims Procedure Order

For greater certainty, nothing in this Plan revives or restores any right or claim of any kind that is barred or extinguished pursuant to the terms of the Claims Procedure Order, provided that nothing in this Plan, the Claims Procedure Order or any other Order compromises, releases, discharges, cancels or bars any claim against any Person for fraud or criminal conduct, regardless of whether or not any such claim has been asserted to date.

ARTICLE 3
CLASSIFICATION, VOTING AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any other Order, as applicable. SFC, the Monitor and any other creditor in respect of its own Claim, shall have the right to seek the assistance of the Court in valuing any Claim, whether for voting or distribution purposes, if required, and to ascertain the result of any vote on the Plan.

3.2 Classification

(a) The Affected Creditors shall constitute a single class, the "**Affected Creditors Class**", for the purposes of considering and voting on the Plan.

(b) The Equity Claimants shall constitute a single class, separate from the Affected Creditors Class, but shall not, and shall have no right to, attend the Meeting or vote on the Plan in such capacity.

3.3 Unaffected Creditors

No Unaffected Creditor, in respect of an Unaffected Claim, shall:

(a) be entitled to vote on the Plan;

(b) be entitled to attend the Meeting; or

(c) receive any entitlements under this Plan in respect of such Unaffected Creditor's Unaffected Claims (other than its right to have its Unaffected Claim addressed in accordance with section 4.2 hereof).

3.4 Creditors' Meeting

The Meeting shall be held in accordance with the Plan, the Meeting Order and any further Order of the Court. The only Persons entitled to attend and vote on the Plan at the Meeting are those specified in the Meeting Order.

3.5 Approval by Creditors

In order to be approved, the Plan must receive the affirmative vote of the Required Majority of the Affected Creditors Class.

ARTICLE 4
DISTRIBUTIONS, PAYMENTS AND TREATMENT OF CLAIMS

4.1 Affected Creditors

All Affected Creditor Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date. Each Affected Creditor that has a Proven Claim shall be entitled to receive the following in accordance with the Plan:

(a) such Affected Creditor's Pro-Rata number of the Newco Shares to be issued by Newco from the Affected Creditors Equity Sub-Pool in accordance with the Plan;

(b) such Affected Creditor's Pro-Rata amount of the Newco Notes to be issued by Newco in accordance with the Plan; and

(c) such Affected Creditor's Pro-Rata share of the Litigation Trust Interests to be allocated to the Affected Creditors in accordance with 4.11 hereof and the terms of the Litigation Trust.

From and after the Plan Implementation Date, each Affected Creditor, in such capacity, shall have no rights as against SFC in respect of its Affected Creditor Claim.

4.2 Unaffected Creditors

Each Unaffected Claim that is finally determined as such, as to status and amount, and that is finally determined to be valid and enforceable against SFC, in each case in accordance with the Claims Procedure Order or other Order:

(a) subject to sections 4.2(b) and 4.2(c) hereof, shall be paid in full from the Unaffected Claims Reserve and limited to recovery against the Unaffected Claims Reserve, and Persons with Unaffected Claims shall have no right to, and shall not, make any claim or seek any recoveries from any Person in respect of Unaffected Claims, other than enforcing such Person's right against SFC to be paid from the Unaffected Claims Reserve;

(b) in the case of Claims secured by the Administration Charge:

(i) if billed or invoiced to SFC prior to the Plan Implementation Date, such Claims shall be paid by SFC in accordance with section 6.4(d) hereof; and

(ii) if billed or invoiced to SFC on or after the Plan Implementation Date, such Claims shall be paid from the Administration Charge Reserve, and all such

Claims shall be limited to recovery against the Administration Charge Reserve, and any Person with such Claims shall have no right to, and shall not, make any claim or seek any recoveries from any Person in respect of such Claims, other than enforcing such Person's right against the Administration Charge Reserve; and

(c) in the case of Lien Claims:

(i) at the election of the Initial Consenting Noteholders, and with the consent of the Monitor, SFC shall satisfy such Lien Claim by the return of the applicable property of SFC that is secured as collateral for such Lien Claim, and the applicable Lien Claimant shall be limited to its recovery against such secured property in respect of such Lien Claim.

(ii) if the Initial Consenting Noteholders do not elect to satisfy such Lien Claim by the return of the applicable secured property: (A) SFC shall repay the Lien Claim in full in cash on the Plan Implementation Date; and (B) the security held by the applicable Lien Claimant over the property of SFC shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred; and

(iii) upon the satisfaction of a Lien Claim in accordance with sections 4.2(c)(i) or 4.2(c)(ii) hereof, such Lien Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred.

4.3 Early Consent Noteholders

As additional consideration for the compromise, release, discharge, cancellation and bar of the Affected Creditor Claims in respect of its Notes, each Early Consent Noteholder shall receive (in addition to the consideration it is entitled to receive in accordance with section 4.1 hereof) its Pro-Rata number of the Newco Shares to be issued by Newco from the Early Consent Equity Sub-Pool in accordance with the Plan.

4.4 Noteholder Class Action Claimants

(a) All Noteholder Class Action Claims against SFC, the Subsidiaries or the Named Directors or Officers (other than any Noteholder Class Action Claims against the Named Directors or Officers that are Section 5.1(2) D&O Claims, Conspiracy Claims or Non-Released D&O Claims) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration as against all said Persons on the Plan Implementation Date. Subject to section 4.4(f) hereof, Noteholder Class Action Claimants shall not receive any consideration or distributions under the Plan in respect of their Noteholder Class Action Claims. Noteholder Class Action Claimants shall not be entitled to attend or to vote on the Plan at the Meeting in respect of their Noteholder Class Action Claims.

(b) Notwithstanding anything to the contrary in section 4.4(a), Noteholder Class Action Claims as against the Third Party Defendants (x) are not compromised, discharged, released, cancelled or barred, (y) shall be permitted to continue as against the Third Party Defendants and (z) shall not be limited or restricted by this Plan in any manner as to quantum or otherwise (including any collection or recovery for such Noteholder Class Action Claims that relates to any liability of the Third Party Defendants for any alleged liability of SFC), provided that:

(i) in accordance with the releases set forth in Article 7 hereof, the collective aggregate amount of all rights and claims asserted or that may be asserted against the Third Party Defendants in respect of any such Noteholder Class Action Claims for which any such Persons in each case have a valid and enforceable Class Action Indemnity Claim against SFC (the "**Indemnified Noteholder Class Action Claims**") shall not exceed, in the aggregate, the Indemnified Noteholder Class Action Limit, and in accordance with section 7.3 hereof, all Persons shall be permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, from seeking to enforce any liability in respect of the Indemnified Noteholder Class Action Claims that exceeds the Indemnified Noteholder Class Action Limit;

(ii) subject to section 4.4(g), any Class Action Indemnity Claims against SFC by the Third Party Defendants in respect of the Indemnified Noteholder Class Action Claims shall be treated as Affected Creditor Claims against SFC, but only to the extent that any such Class Action Indemnity Claims that are determined to be properly indemnified by SFC, enforceable against SFC and are not barred or extinguished by the Claims Procedure Order, and further provided that the aggregate liability of SFC in respect of all such Class Action Indemnity Claims shall be limited to the lesser of: (A) the actual aggregate liability of the Third Party Defendants pursuant to any final judgment, settlement or other binding resolution in respect of the Indemnified Noteholder Class Action Claims; and (B) the Indemnified Noteholder Class Action Limit; and

(iii) for greater certainty, in the event that any Third Party Defendant is found to be liable for or agrees to a settlement in respect of a Noteholder Class Action Claim (other than a Noteholder Class Action Claim for fraud or criminal conduct) and such amounts are paid by or on behalf of the applicable Third Party Defendant, then the amount of the Indemnified Noteholder Class Action Limit applicable to the remaining Third Party Defendants shall be reduced by the amount paid in respect of such Noteholder Class Action Claim, as applicable.

(c) Subject to section 7.1(o), the Claims of the Underwriters for indemnification in respect of any Noteholder Class Action Claims (other than Noteholder Class Action Claims against the Underwriters for fraud or criminal conduct) shall, for purposes of the Plan, be deemed to be valid and enforceable Class Action

Indemnity Claims against SFC (as limited pursuant to section 4.4(b) hereof), provided that: (i) the Underwriters shall not be entitled to receive any distributions of any kind under the Plan in respect of such Claims; (ii) such Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date; and (iii) the amount of such Claims shall not affect the calculation of any Pro-Rata entitlements of the Affected Creditors under this Plan. For greater certainty, to the extent of any conflict with respect to the Underwriters between section 4.4(e) hereof and this section 4.4(c), this section 4.4(c) shall prevail.

(d) Subject to section 7.1(m), any and all indemnification rights and entitlements of Ernst & Young at common law and any and all indemnification agreements between Ernst & Young and SFC shall be deemed to be valid and enforceable in accordance with their terms for the purpose of determining whether the Claims of Ernst & Young for indemnification in respect of Noteholder Class Action Claims are valid and enforceable within the meaning of section 4.4(b) hereof. With respect to Claims of Ernst & Young for indemnification in respect of Noteholder Class Action Claims that are valid and enforceable: (i) Ernst & Young shall not be entitled to receive any distributions of any kind under the Plan in respect of such Claims; (ii) such Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date; and (iii) the amount of such Claims shall not affect the calculation of any Pro-Rata entitlements of the Affected Creditors under this Plan.

(e) Subject to section 7.1(n), any and all indemnification rights and entitlements of the Named Third Party Defendants at common law and any and all indemnification agreements between the Named Third Party Defendants and SFC shall be deemed to be valid and enforceable in accordance with their terms for the purpose of determining whether the Claims of the Named Third Party Defendants for indemnification in respect of Noteholder Class Action Claims are valid and enforceable within the meaning of section 4.4(b) hereof. With respect to Claims of the Named Third Party Defendants for indemnification in respect of Noteholder Class Action Claims that are valid and enforceable: (i) the Named Third Party Defendants shall not be entitled to receive any distributions of any kind under the Plan in respect of such Claims; (ii) such Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date; and (iii) the amount of such Claims shall not affect the calculation of any Pro-Rata entitlements of the Affected Creditors under this Plan.

(f) Each Noteholder Class Action Claimant shall be entitled to receive its share of the Litigation Trust Interests to be allocated to Noteholder Class Action Claimants in accordance with the terms of the Litigation Trust and section 4.11 hereof, as such Noteholder Class Action Claimant's share is determined by the applicable Class Action Court.

(g) Nothing in this Plan impairs, affects or limits in any way the ability of SFC, the Monitor or the Initial Consenting Noteholders to seek or obtain an Order, whether before or after the Plan Implementation Date, directing that Class Action Indemnity Claims in respect of Noteholder Class Action Claims or any other Claims of the Third Party Defendants should receive the same or similar treatment as is afforded to Class Action Indemnity Claims in respect of Equity Claims under the terms of this Plan.

4.5 Equity Claimants

All Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date. Equity Claimants shall not receive any consideration or distributions under the Plan and shall not be entitled to vote on the Plan at the Meeting.

4.6 Claims of the Trustees and Noteholders

For purposes of this Plan, all claims filed by the Trustees in respect of the Noteholder Claims (other than any Trustee Claims) shall be treated as provided in section 4.1 and the Trustees and the Noteholders shall have no other entitlements in respect of the guarantees and share pledges that have been provided by the Subsidiaries, or any of them, all of which shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date as against the Subsidiaries pursuant to Article 7 hereof.

4.7 Claims of the Third Party Defendants

For purposes of this Plan, all claims filed by the Third Party Defendants against SFC and/or any of its Subsidiaries shall be treated as follows:

(a) all such claims against the Subsidiaries shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date in accordance with Article 7 hereof;

(b) all such claims against SFC that are Class Action Indemnity Claims in respect of Indemnified Noteholder Class Action Claims shall be treated as set out in section 4.4(b)(ii) hereof;

(c) all such claims against SFC for indemnification of Defence Costs shall be treated in accordance with section 4.8 hereof; and

(d) all other claims shall be treated as Equity Claims.

4.8 Defence Costs

All Claims against SFC for indemnification of defence costs incurred by any Person (other than a Named Director or Officer) in connection with defending against Shareholder Claims (as defined in the Equity Claims Order), Noteholder Class Action Claims or any other

claims of any kind relating to SFC or the Subsidiaries ("**Defence Costs**") shall be treated as follows:

(a) as Equity Claims to the extent they are determined to be Equity Claims under any Order; and

(b) as Affected Creditor Claims to the extent that they are not determined to be Equity Claims under any Order, provided that:

(i) if such Defence Costs were incurred in respect of a claim against the applicable Person that has been successfully defended and the Claim for such Defence Costs is otherwise valid and enforceable against SFC, the Claim for such Defence Costs shall be treated as a Proven Claim, provided that if such Claim for Defence Costs is a Class Action Indemnity Claim of a Third Party Defendant against SFC in respect of any Indemnified Noteholder Class Action Claim, such Claim for Defence Costs shall be treated in the manner set forth in section 4.4(b)(ii) hereof;

(ii) if such Defence Costs were incurred in respect of a claim against the applicable Person that has not been successfully defended or such Defence Costs are determined not to be valid and enforceable against SFC, the Claim for such Defence Costs shall be disallowed and no consideration will be payable in respect thereof under the Plan; and

(iii) until any such Claim for Defence Costs is determined to be either a Claim within section 4.8(b)(i) or a Claim within section 4.8(b)(ii), such Claim shall be treated as an Unresolved Claim,

provided that nothing in this Plan impairs, affects or limits in any way the ability of SFC, the Monitor or the Initial Consenting Noteholders to seek an Order that Claims against SFC for indemnification of any Defence Costs should receive the same or similar treatment as is afforded to Equity Claims under the terms of this Plan.

4.9 D&O Claims

(a) All D&O Claims against the Named Directors and Officers (other than Section 5.1(2) D&O Claims, Conspiracy Claims and Non-Released D&O Claims) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date.

(b) All D&O Claims against the Other Directors and/or Officers shall not be compromised, released, discharged, cancelled or barred by this Plan and shall be permitted to continue as against the applicable Other Directors and/or Officers (the "**Continuing Other D&O Claims**"), provided that any Indemnified Noteholder Class Action Claims against the Other Directors and/or Officers shall be limited as described in section 4.4(b)(i) hereof.

(c) All D&O Indemnity Claims and any other rights or claims for indemnification held by the Named Directors and Officers shall be deemed to have no value and shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date.

(d) All D&O Indemnity Claims and any other rights or claims for indemnification held by the Other Directors and/or Officers shall be deemed to have no value and shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without consideration on the Plan Implementation Date, except that: (i) any such D&O Indemnity Claims for Defence Costs shall be treated in accordance with section 4.8 hereof; and (ii) any Class Action Indemnity Claim of an Other Director and/or Officer against SFC in respect of the Indemnified Noteholder Class Action Claims shall be treated in the manner set forth in section 4.4(b)(ii) hereof.

(e) All Section 5.1(2) D&O Claims and all Conspiracy Claims shall not be compromised, released, discharged, cancelled or barred by this Plan, provided that any Section 5.1(2) D&O Claims against Named Directors and Officers and any Conspiracy Claims against Named Directors and Officers shall be limited to recovery from any insurance proceeds payable in respect of such Section 5.1(2) D&O Claims or Conspiracy Claims, as applicable, pursuant to the Insurance Policies, and Persons with any such Section 5.1(2) D&O Claims against Named Directors and Officers or Conspiracy Claims against Named Directors and Officers shall have no right to, and shall not, make any claim or seek any recoveries from any Person (including SFC, any of the Subsidiaries, Newco or Newco II), other than enforcing such Persons' rights to be paid from the proceeds of an Insurance Policy by the applicable insurer(s).

(f) All D&O Claims against the Directors and Officers of SFC or the Subsidiaries for fraud or criminal conduct shall not be compromised, discharged, released, cancelled or barred by this Plan and shall be permitted to continue as against all applicable Directors and Officers ("**Non-Released D&O Claims**").

(g) Notwithstanding anything to the contrary herein, from and after the Plan Implementation Date, a Person may only commence an action for a Non-Released D&O Claim against a Named Director or Officer if such Person has first obtained (i) the consent of the Monitor or (ii) leave of the Court on notice to the applicable Directors and Officers, SFC, the Monitor, the Initial Consenting Noteholders and any applicable insurers. For the avoidance of doubt, the foregoing requirement for the consent of the Monitor or leave of the Court shall not apply to any Non-Released D&O Claim that is asserted against an Other Director and/or Officer.

4.10 Intercompany Claims

All SFC Intercompany Claims (other than those transferred to SFC Barbados pursuant to section 6.4(j) hereof or set-off pursuant to section 6.4(l) hereof) shall be deemed to be assigned by SFC to Newco on the Plan Implementation Date pursuant to section 6.4(m) hereof, and shall

then be deemed to be assigned by Newco to Newco II pursuant to section 6.4(x) hereof. The obligations of SFC to the applicable Subsidiaries and Greenheart in respect of all Subsidiary Intercompany Claims (other than those set-off pursuant to section 6.4(l) hereof) shall be assumed by Newco on the Plan Implementation Date pursuant to 6.4(m) hereof, and then shall be assumed by Newco II pursuant to section 6.4(x) hereof. Notwithstanding anything to the contrary herein, Newco II shall be liable to the applicable Subsidiaries and Greenheart for such Subsidiary Intercompany Claims and SFC shall be released from such Subsidiary Intercompany Claims from and after the Plan Implementation Date, and the applicable Subsidiaries and Greenheart shall be liable to Newco II for such SFC Intercompany Claims from and after the Plan Implementation Date. For greater certainty, nothing in this Plan affects any rights or claims as between any of the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries.

4.11 Entitlement to Litigation Trust Interests

(a) The Litigation Trust Interests to be created in accordance with this Plan and the Litigation Trust shall be allocated as follows:

(i) the Affected Creditors shall be collectively entitled to 75% of such Litigation Trust Interests; and

(ii) the Noteholder Class Action Claimants shall be collectively entitled to 25% of such Litigation Trust Interests,

which allocations shall occur at the times and in the manner set forth in section 6.4 hereof and shall be recorded by the Litigation Trustee in its registry of Litigation Trust Interests.

(b) Notwithstanding anything to the contrary in section 4.11(a) hereof, if any of the Noteholder Class Action Claims against any of the Third Party Defendants are finally resolved (whether by final judgment, settlement or any other binding means of resolution) within two years of the Plan Implementation Date, then the Litigation Trust Interests to which the applicable Noteholder Class Action Claimants would otherwise have been entitled in respect of such Noteholder Class Action Claims pursuant to section 4.11(a)(ii) hereof (based on the amount of such resolved Noteholder Class Action Claims in proportion to all Noteholder Class Action Claims in existence as of the Claims Bar Date) shall be fully, finally, irrevocably and forever cancelled.

4.12 Litigation Trust Claims

(a) At any time prior to the Plan Implementation Date, SFC and the Initial Consenting Noteholders may agree to exclude one or more Causes of Action from the Litigation Trust Claims and/or to specify that any Causes of Action against a specified Person will not constitute Litigation Trust Claims ("**Excluded Litigation Trust Claims**"), in which case, any such Causes of Action shall not be transferred to the Litigation Trust on the Plan Implementation Date. Any such Excluded Litigation Trust Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan

Implementation Date in accordance with Article 7 hereof. All Affected Creditors shall be deemed to consent to such treatment of Excluded Litigation Trust Claims pursuant to this section 4.12(a).

(b) All Causes of Action against the Underwriters by (i) SFC or (ii) the Trustees (on behalf of the Noteholders) shall be deemed to be Excluded Litigation Trust Claims that are fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date in accordance with Article 7 hereof, provided that, unless otherwise agreed by SFC and the Initial Consenting Noteholders prior to the Plan Implementation Date in accordance with section 4.12(a) hereof, any such Causes of Action for fraud or criminal conduct shall not constitute Excluded Litigation Trust Claims and shall be transferred to the Litigation Trust in accordance with section 6.4(o) hereof.

(c) At any time from and after the Plan Implementation Date, and subject to the prior consent of the Initial Consenting Noteholders and the terms of the Litigation Trust Agreement, the Litigation Trustee shall have the right to seek and obtain an order from any court of competent jurisdiction, including an Order of the Court in the CCAA or otherwise, that gives effect to any releases of any Litigation Trust Claims agreed to by the Litigation Trustee in accordance with the Litigation Trust Agreement, including a release that fully, finally, irrevocably and forever compromises, releases, discharges, cancels and bars the applicable Litigation Trust Claims as if they were Excluded Litigation Trust Claims released in accordance with Article 7 hereof. All Affected Creditors shall be deemed to consent to any such treatment of any Litigation Trust Claims pursuant to this section 4.12(b).

4.13 Multiple Affected Claims

On the Plan Implementation Date, any and all liabilities for and guarantees and indemnities of the payment or performance of any Affected Claim, Unaffected Claim, Section 5.1(2) D&O Claim, Conspiracy Claim, Continuing Other D&O Claim or Non-Released D&O Claim by any of the Subsidiaries, and any purported liability for the payment or performance of such Affected Claim, Unaffected Claim, Section 5.1(2) D&O Claim, Conspiracy Claim, Continuing Other D&O Claim or Non-Released D&O Claim by Newco or Newco II, will be deemed eliminated and cancelled, and no Person shall have any rights whatsoever to pursue or enforce any such liabilities for or guarantees or indemnities of the payment or performance of any such Affected Claim, Unaffected Claim, Section 5.1(2) D&O Claim, Conspiracy Claim, Continuing Other D&O Claim or Non-Released D&O Claim against any Subsidiary, Newco or Newco II.

4.14 Interest

Subject to section 12.4 hereof, no holder of an Affected Claim shall be entitled to interest accruing on or after the Filing Date.

4.15 Existing Shares

Holders of Existing Shares and Equity Interests shall not receive any consideration or distributions under the Plan in respect thereof and shall not be entitled to vote on the Plan at the Meeting. Unless otherwise agreed between the Monitor, SFC and the Initial Consenting Noteholders, all Existing Shares and Equity Interests shall be fully, finally and irrevocably cancelled in accordance with and at the time specified in section 6.5 hereof.

4.16 Canadian Exempt Plans

If an Affected Creditor is a trust governed by a plan which is exempt from tax under Part I of the Canadian Tax Act (including, for example, a registered retirement savings plan), such Affected Creditor may make arrangements with Newco (if Newco so agrees) and the Litigation Trustee (if the Litigation Trustee so agrees) to have the Newco Shares, Newco Notes and Litigation Trust Interests to which it is entitled under this Plan directed to (or in the case of Litigation Trust Interests, registered in the name of) an affiliate of such Affected Creditor or the annuitant or controlling person of the governing tax-deferred plan.

ARTICLE 5
DISTRIBUTION MECHANICS

5.1 Letters of Instruction

In order to issue (i) Newco Shares and Newco Notes to Ordinary Affected Creditors and (ii) Newco Shares to Early Consent Noteholders, the following steps will be taken:

(a) with respect to Ordinary Affected Creditors with Proven Claims or Unresolved Claims:

(i) on the next Business Day following the Distribution Record Date, the Monitor shall send blank Letters of Instruction by prepaid first class mail, courier, email or facsimile to each such Ordinary Affected Creditor to the address of each such Ordinary Affected Creditor (as specified in the applicable Proof of Claim) as of the Distribution Record Date, or as evidenced by any assignment or transfer in accordance with section 5.10;

(ii) each such Ordinary Affected Creditor shall deliver to the Monitor a duly completed and executed Letter of Instruction that must be received by the Monitor on or before the date that is seven (7) Business Days after the Distribution Record Date or such other date as the Monitor may determine; and

(iii) any such Ordinary Affected Creditor that does not return a Letter of Instruction to the Monitor in accordance with section 5.1(a)(ii) shall be deemed to have requested that such Ordinary Affected Creditor's Newco Shares and Newco Notes be registered or distributed, as applicable, in accordance with the information set out in such Ordinary Affected Creditor's Proof of Claim; and

(b) with respect to Early Consent Noteholders:

(i) on the next Business Day following the Distribution Record Date the Monitor shall send blank Letters of Instruction by prepaid first class mail, courier, email or facsimile to each Early Consent Noteholder to the address of each such Early Consent Noteholder as confirmed by the Monitor on or before the Distribution Record Date;

(ii) each Early Consent Noteholder shall deliver to the Monitor a duly completed and executed Letter of Instruction that must be received by the Monitor on or before the date that is seven (7) Business Days after the Distribution Record Date or such other date as the Monitor may determine; and

(iii) any such Early Consent Noteholder that does not return a Letter of Instruction to the Monitor in accordance with section 5.1(b)(ii) shall be deemed to have requested that such Early Consent Noteholder's Newco Shares be distributed or registered, as applicable, in accordance with information confirmed by the Monitor on or before the Distribution Record Date.

5.2 Distribution Mechanics with respect to Newco Shares and Newco Notes

(a) To effect distributions of Newco Shares and Newco Notes, the Monitor shall deliver a direction at least two (2) Business Days prior to the Initial Distribution Date to Newco or its agent, as applicable, directing Newco or its agent, as applicable, to issue on such Initial Distribution Date or subsequent Distribution Date:

(i) in respect of the Ordinary Affected Creditors with Proven Claims:

(A) the number of Newco Shares that each such Ordinary Affected Creditor is entitled to receive in accordance with section 4.1(a) hereof; and

(B) the amount of Newco Notes that each such Ordinary Affected Creditor is entitled to receive in accordance with section 4.1(b) hereof,

all of which Newco Shares and Newco Notes shall be issued to such Ordinary Affected Creditors and distributed in accordance with this Article 5;

(ii) in respect of the Ordinary Affected Creditors with Unresolved Claims:

(A) the number of Newco Shares that each such Ordinary Affected Creditor would have been entitled to receive in accordance with section 4.1(a) hereof had such Ordinary Affected Creditor's

Unresolved Claim been a Proven Claim on the Plan Implementation Date; and

(B) the amount of Newco Notes that each such Ordinary Affected Creditor would have been entitled to receive in accordance with section 4.1(b) hereof had such Ordinary Affected Creditor's Unresolved Claim been a Proven Claim on the Plan Implementation Date,

all of which Newco Shares and Newco Notes shall be issued in the name of the Unresolved Claims Escrow Agent for the benefit of the Persons entitled thereto under the Plan, which Newco Shares and Newco Notes shall comprise part of the Unresolved Claims Reserve and shall be held in escrow by the Unresolved Claims Escrow Agent until released and distributed in accordance with this Article 5;

(iii) in respect of the Noteholders:

(A) the number of Newco Shares that the Trustees are collectively required to receive such that, upon distribution to the Noteholders in accordance with this Article 5, each individual Noteholder receives the number of Newco Shares to which it is entitled in accordance with section 4.1(a) hereof; and

(B) the amount of Newco Notes that the Trustees are collectively required to receive such that, upon distribution to the Noteholders in accordance with this Article 5, each individual Noteholder receives the amount of Newco Notes to which it is entitled in accordance with section 4.1(b) hereof,

all of which Newco Shares and Newco Notes shall be issued to such Noteholders and distributed in accordance with this Article 5; and

(iv) in respect of Early Consent Noteholders, the number of Newco Shares that each such Early Consent Noteholder is entitled to receive in accordance with section 4.3 hereof, all of which Newco Shares shall be issued to such Early Consent Noteholders and distributed in accordance with this Article 5.

The direction delivered by the Monitor in respect of the applicable Ordinary Affected Creditors and Early Consent Noteholders shall: (A) indicate the registration and delivery details of each applicable Ordinary Affected Creditor and Early Consent Noteholder based on the information prescribed in section 5.1; and (B) specify the number of Newco Shares and, in the case of Ordinary Affected Creditors, the amount of Newco Notes to be issued to each such Person on the applicable Distribution Date. The direction delivered by the Monitor in respect of the Noteholders shall: (C) indicate that the registration and delivery details with respect to the number of Newco Shares and amount of Newco Notes

to be distributed to each Noteholder will be the same as the registration and delivery details in effect with respect to the Notes held by each Noteholder as of the Distribution Record Date; and (D) specify the number of Newco Shares and the amount of Newco Notes to be issued to each of the Trustees for purposes of satisfying the entitlements of the Noteholders set forth in sections 4.1(a) and 4.1(b) hereof. The direction delivered by the Monitor in respect of the Newco Shares and Newco Notes to be issued in the name of the Unresolved Claims Escrow Agent, for the benefit of the Persons entitled thereto under the Plan, for purposes of the Unresolved Claims Reserve shall specify the number of Newco Shares and the amount of Newco Notes to be issued in the name of the Unresolved Claims Escrow Agent for that purpose.

(b) If the registers for the Newco Shares and/or Newco Notes are maintained by the Transfer Agent in a direct registration system (without certificates), the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall, on the Initial Distribution Date or any subsequent Distribution Date, as applicable:

(i) instruct the Transfer Agent to record, and the Transfer Agent shall record, in the Direct Registration Account of each applicable Ordinary Affected Creditor and each Early Consent Noteholder the number of Newco Shares and, in the case of Ordinary Affected Creditors, the amount of Newco Notes that are to be distributed to each such Person, and the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall send or cause to be sent to each such Ordinary Affected Creditor and Early Consent Noteholder a Direct Registration Transaction Advice based on the delivery information as determined pursuant to section 5.1; and

(ii) with respect to the distribution of Newco Shares and/or Newco Notes to Noteholders:

(A) if the Newco Shares and/or Newco Notes are DTC eligible, the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall instruct the Transfer Agent to register, and the Transfer Agent shall register, the applicable Newco Shares and/or Newco Notes in the name of DTC (or its nominee) for the benefit of the Noteholders, and the Trustees shall provide their consent to DTC to the distribution of such Newco Shares and Newco Notes to the applicable Noteholders, in the applicable amounts, through the facilities of DTC in accordance with customary practices and procedures; and

(B) if the Newco Shares and/or Newco Notes are not DTC eligible, the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall instruct the Transfer Agent to register the applicable Newco Shares and/or Newco Notes in the Direct Registration Accounts of the applicable Noteholders pursuant to the registration instructions obtained through DTC and the DTC

participants (by way of a letter of transmittal process or such other process as agreed by SFC, the Monitor, the Trustees and the Initial Consenting Noteholders), and the Transfer Agent shall (A) register such Newco Shares and/or Newco Notes, in the applicable amounts, in the Direct Registration Accounts of the applicable Noteholders; and (B) send or cause to be sent to each Noteholder a Direct Registration Transaction Advice in accordance with customary practices and procedures; provided that the Transfer Agent shall not be permitted to effect the foregoing registrations without the prior written consent of the Trustees.

(c) If the registers for the Newco Shares and/or Newco Notes are not maintained by the Transfer Agent in a direct registration system, Newco shall prepare and deliver to the Monitor and/or the Unresolved Claims Escrow Agent, as applicable, and the Monitor and/or the Unresolved Claims Escrow Agent, as applicable, shall promptly thereafter, on the Initial Distribution Date or any subsequent Distribution Date, as applicable:

(i) deliver to each Ordinary Affected Creditor and each Early Consent Noteholder Newco Share Certificates and, in the case of Ordinary Affected Creditors, Newco Note Certificates representing the applicable number of Newco Shares and the applicable amount of Newco Notes that are to be distributed to each such Person; and

(ii) with respect to the distribution of Newco Shares and/or Newco Notes to Noteholders:

(A) if the Newco Shares and/or Newco Notes are DTC eligible, the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall distribute to DTC (or its nominee), for the benefit of the Noteholders, Newco Share Certificates and/or Newco Note Certificates representing the aggregate of all Newco Shares and Newco Notes to be distributed to the Noteholders on such Distribution Date, and the Trustees shall provide their consent to DTC to the distribution of such Newco Shares and Newco Notes to the applicable Noteholders, in the applicable amounts, through the facilities of DTC in accordance with customary practices and procedures; and

(B) if the Newco Shares and/or Newco Notes are not DTC eligible, the Monitor and/or Newco and/or the Unresolved Claims Escrow Agent, as applicable, shall distribute to the applicable Trustees, Newco Share Certificates and/or Newco Note Certificates representing the aggregate of all Newco Shares and/or Newco Notes to be distributed to the Noteholders on such Distribution Date, and the Trustees shall make delivery of such Newco Share Certificates and Newco Note Certificates, in the applicable

amounts, directly to the applicable Noteholders pursuant to the delivery instructions obtained through DTC and the DTC participants (by way of a letter of transmittal process or such other process as agreed by SFC, the Monitor, the Trustees and the Initial Consenting Noteholders), all of which shall occur in accordance with customary practices and procedures.

(d) Upon receipt of and in accordance with written instructions from the Monitor, the Trustees shall instruct DTC to and DTC shall: (i) set up an escrow position representing the respective positions of the Noteholders as of the Distribution Record Date for the purpose of making distributions on the Initial Distribution Date and any subsequent Distribution Dates (the **"Distribution Escrow Position"**); and (ii) block any further trading of the Notes, effective as of the close of business on the day immediately preceding the Plan Implementation Date, all in accordance with DTC's customary practices and procedures.

(e) The Monitor, Newco, Newco II, the Trustees, SFC, the Named Directors and Officers and the Transfer Agent shall have no liability or obligation in respect of deliveries by DTC (or its nominee) to the DTC participants or the Noteholders pursuant to this Article 5.

5.3 Allocation of Litigation Trust Interests

The Litigation Trustee shall administer the Litigation Trust Claims and the Litigation Funding Amount for the benefit of the Persons that are entitled to the Litigation Trust Interests and shall maintain a registry of such Persons as follows:

(a) with respect to Affected Creditors:

(i) the Litigation Trustee shall maintain a record of the amount of Litigation Trust Interests that each Ordinary Affected Creditor is entitled to receive in accordance with sections 4.1(c) and 4.11(a) hereof;

(ii) the Litigation Trustee shall maintain a record of the aggregate amount of all Litigation Trust Interests to which the Noteholders are collectively entitled in accordance with sections 4.1(c) and 4.11(a) hereof, and if cash is distributed from the Litigation Trust to Persons with Litigation Trust Interests, the amount of such cash that is payable to the Noteholders will be distributed through the Distribution Escrow Position (such that each beneficial Noteholder will receive a percentage of such cash distribution that is equal to its entitlement to Litigation Trust Interests (as set forth in section 4.1(c) hereof) as a percentage of all Litigation Trust Interests); and

(iii) with respect to any Litigation Trust Interests to be allocated in respect of the Unresolved Claims Reserve, the Litigation Trustee shall record such Litigation Trust Interests in the name of the Unresolved Claims Escrow Agent, for the benefit of the Persons entitled thereto in accordance with

this Plan, which shall be held by the Unresolved Claims Escrow Agent in escrow until released and distributed unless and until otherwise directed by the Monitor in accordance with this Plan;

(b) with respect to the Noteholder Class Action Claimants, the Litigation Trustee shall maintain a record of the aggregate of all Litigation Trust Interests that the Noteholder Class Action Claimants are entitled to receive pursuant to sections 4.4(f) and 4.11(a) hereof, provided that such record shall be maintained in the name of the Noteholder Class Action Representative, to be allocated to individual Noteholder Class Action Claimants in any manner ordered by the applicable Class Action Court, and provided further that if any such Litigation Trust Interests are cancelled in accordance with section 4.11(b) hereof, the Litigation Trustee shall record such cancellation in its registry of Litigation Trust Interests.

5.4 Treatment of Undeliverable Distributions

If any distribution under section 5.2 or section 5.3 of Newco Shares, Newco Notes or Litigation Trust Interests is undeliverable (that is, for greater certainty, that it cannot be properly registered or delivered to the Applicable Affected Creditor because of inadequate or incorrect registration or delivery information or otherwise) (an "**Undeliverable Distribution**"), it shall be delivered to SFC Escrow Co., which shall hold such Undeliverable Distribution in escrow and administer it in accordance with this section 5.4. No further distributions in respect of an Undeliverable Distribution shall be made unless and until SFC and the Monitor are notified by the applicable Person of its current address and/or registration information, as applicable, at which time the Monitor shall direct SFC Escrow Co. to make all such distributions to such Person, and SFC Escrow Co. shall make all such distributions to such Person. All claims for Undeliverable Distributions must be made on or before the date that is six months following the final Distribution Date, after which date the right to receive distributions under this Plan in respect of such Undeliverable Distributions shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred, without any compensation therefore, notwithstanding any federal, state or provincial laws to the contrary, at which time any such Undeliverable Distributions held by SFC Escrow Co. shall be deemed to have been gifted by the owner of the Undeliverable Distribution to Newco or the Litigation Trust, as applicable, without consideration, and, in the case of Newco Shares, Newco Notes and Litigation Trust Interests, shall be cancelled by Newco and the Litigation Trustee, as applicable. Nothing contained in the Plan shall require SFC, the Monitor, SFC Escrow Co. or any other Person to attempt to locate any owner of an Undeliverable Distribution. No interest is payable in respect of an Undeliverable Distribution. Any distribution under this Plan on account of the Notes, other than any distributions in respect of Litigation Trust Interests, shall be deemed made when delivered to DTC or the applicable Trustee, as applicable, for subsequent distribution to the applicable Noteholders in accordance with section 5.2.

5.5 Procedure for Distributions Regarding Unresolved Claims

(a) An Affected Creditor that has asserted an Unresolved Claim will not be entitled to receive a distribution under the Plan in respect of such Unresolved Claim or any portion thereof unless and until such Unresolved Claim becomes a Proven Claim.

(b) Distributions in respect of any Unresolved Claim in existence at the Plan Implementation Date will be held in escrow by the Unresolved Claims Escrow Agent in the Unresolved Claims Reserve until settlement or final determination of the Unresolved Claim in accordance with the Claims Procedure Order, the Meeting Order or this Plan, as applicable.

(c) To the extent that Unresolved Claims become Proven Claims or are finally disallowed, the Unresolved Claims Escrow Agent shall release from escrow and deliver (or in the case of Litigation Trust Interests, cause to be registered) the following from the Unresolved Claims Reserve (on the next Distribution Date, as determined by the Monitor with the consent of SFC and the Initial Consenting Noteholders):

(i) in the case of Affected Creditors whose Unresolved Claims are ultimately determined, in whole or in part, to be Proven Claims, the Unresolved Claims Escrow Agent shall release from escrow and deliver to such Affected Creditor that number of Newco Shares, Newco Notes and Litigation Trust Interests (and any income or proceeds therefrom) that such Affected Creditor is entitled to receive in respect of its Proven Claim pursuant to section 4.1 hereof;

(ii) in the case of Affected Creditors whose Unresolved Claims are ultimately determined, in whole or in part, to be disallowed, the Unresolved Claims Escrow Agent shall release from escrow and deliver to all Affected Creditors with Proven Claims the number of Newco Shares, Newco Notes and Litigation Trust Interests (and any income or proceeds therefrom) that had been reserved in the Unresolved Claims Reserve for such Affected Creditor whose Unresolved Claims has been disallowed, Claims such that, following such delivery, all of the Affected Creditors with Proven Claims have received the amount of Newco Shares, Newco Notes and Litigation Trust Interests that they are entitled to receive pursuant to section 4.1 hereof, which delivery shall be effected in accordance with sections 5.2 and 5.3 hereof.

(d) As soon as practicable following the date that all Unresolved Claims have been finally resolved and any required distributions contemplated in section 5.5(c) have been made, the Unresolved Claims Escrow Agent shall distribute (or in the case of Litigation Trust Interests, cause to be registered) any Litigation Trust Interests, Newco Shares and Newco Notes (and any income or proceeds therefrom), as applicable, remaining in the Unresolved Claims Reserve to the Affected Creditors with Proven Claims such that after giving effect to such distributions each such Affected Creditor has received the amount of Litigation Trust Interests, Newco Shares and Newco Notes that it is entitled to receive pursuant to section 4.1 hereof.

(e) During the time that Newco Shares, Newco Notes and/or Litigation Trust Interests are held in escrow in the Unresolved Claims Reserve, any income or proceeds

received therefrom or accruing thereon shall be added to the Unresolved Claims Reserve by the Unresolved Claims Escrow Agent and no Person shall have any right to such income or proceeds until such Newco Shares, Newco Notes or Litigation Trust Interests, as applicable, are distributed (or in the case of Litigation Trust Interests, registered) in accordance with section 5.5(c) and 5.5(d) hereof, at which time the recipient thereof shall be entitled to any applicable income or proceeds therefrom.

(f) The Unresolved Claims Escrow Agent shall have no beneficial interest or right in the Unresolved Claims Reserve. The Unresolved Claims Escrow Agent shall not take any step or action with respect to the Unresolved Claims Reserve or any other matter without the consent or direction of the Monitor or the direction of the Court. The Unresolved Claims Escrow Agent shall forthwith, upon receipt of an Order of the Court or instruction of the Monitor directing the release of any Newco Shares, Newco Notes and/or Litigation Trust Interests from the Unresolved Claims Reserve, comply with any such Order or instruction.

(g) Nothing in this Plan impairs, affects or limits in any way the ability of SFC, the Monitor or the Initial Consenting Noteholders to seek or obtain an Order, whether before or after the Plan Implementation Date, directing that any Unresolved Claims should be disallowed in whole or in part or that such Unresolved Claims should receive the same or similar treatment as is afforded to Equity Claims under the terms of this Plan.

(h) Persons with Unresolved Claims shall have standing in any proceeding in respect of the determination or status of any Unresolved Claim, and Goodmans LLP (in its capacity as counsel to the Initial Consenting Noteholders) shall have standing in any such proceeding on behalf of the Initial Consenting Notheolders (in their capacity as Affected Creditors with Proven Claims).

5.6 Tax Refunds

Any input tax credits or tax refunds received by or on behalf of SFC after the Effective Time shall, immediately upon receipt thereof, be paid directly by, or on behalf of, SFC to Newco without consideration.

5.7 Final Distributions from Reserves

(a) If there is any cash remaining in: (i) the Unaffected Claims Reserve on the date that all Unaffected Claims have been finally paid or otherwise discharged and/or (ii) the Administration Charge Reserve on the date that all Claims secured by the Administration Charge have been finally paid or otherwise discharged, the Monitor shall, in each case, forthwith transfer all such remaining cash to the Monitor's Post-Implementation Reserve.

(b) The Monitor will not terminate the Monitor's Post-Implementation Reserve prior to the termination of each of the Unaffected Claims Reserve and the Administration Charge Reserve. The Monitor may, at any time, from time to time

and at its sole discretion, release amounts from the Monitor's Post-Implementation Reserve to Newco. Goodmans LLP (in its capacity as counsel to the Initial Consenting Noteholders) shall be permitted to apply for an Order of the Court directing the Monitor to make distributions from the Monitor's Post-Implementation Reserve. Once the Monitor has determined that the cash remaining in the Monitor's Post-Implementation Reserve is no longer necessary for administering SFC or the Claims Procedure, the Monitor shall forthwith transfer any such remaining cash (the "**Remaining Post-Implementation Reserve Amount**") to Newco.

5.8 Other Payments and Distributions

All other payments and distributions to be made pursuant to this Plan shall be made in the manner described in this Plan, the Sanction Order or any other Order, as applicable.

5.9 Note Indentures to Remain in Effect Solely for Purpose of Distributions

Following completion of the steps in the sequence set forth in section 6.4, all debentures, indentures, notes (including the Notes), certificates, agreements, invoices and other instruments evidencing Affected Claims will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and will be cancelled and will be null and void. Any and all obligations of SFC and the Subsidiaries under and with respect to the Notes, the Note Indentures and any guarantees or indemnities with respect to the Notes or the Note Indentures shall be terminated and cancelled on the Plan Implementation Date and shall not continue beyond the Plan Implementation Date. Notwithstanding the foregoing and anything to the contrary in the Plan, the Note Indentures shall remain in effect solely for the purpose of and only to the extent necessary to allow the Trustees to make distributions to Noteholders on the Initial Distribution Date and, as necessary, each subsequent Distribution Date thereafter, and to maintain all of the rights and protections afforded to the Trustees as against the Noteholders under the applicable Note Indentures, including their lien rights with respect to any distributions under this Plan, until all distributions provided for hereunder have been made to the Noteholders. The obligations of the Trustees under or in respect of this Plan shall be solely as expressly set out herein. Without limiting the generality of the releases, injunctions and other protections afforded to the Trustees under this Plan and the applicable Note Indentures, the Trustees shall have no liability whatsoever to any Person resulting from the due performance of their obligations hereunder, except if such Trustee is adjudged by the express terms of a non-appealable judgment rendered on a final determination on the merits to have committed gross negligence or wilful misconduct in respect of such matter.

5.10 Assignment of Claims for Distribution Purposes

(a) *Assignment of Claims by Ordinary Affected Creditors*

Subject to any restrictions contained in Applicable Laws, an Ordinary Affected Creditor may transfer or assign the whole of its Affected Claim after the Meeting provided that neither SFC nor Newco nor Newco II nor the Monitor nor the Unresolved Claims Escrow Agent shall be obliged to make distributions to any such transferee or assignee or otherwise deal with such

transferee or assignee as an Ordinary Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment and such other documentation as SFC and the Monitor may reasonably require, has been received by SFC and the Monitor on or before the Plan Implementation Date, or such other date as SFC and the Monitor may agree, failing which the original transferor shall have all applicable rights as the "Ordinary Affected Creditor" with respect to such Affected Claim as if no transfer of the Affected Claim had occurred. Thereafter, such transferee or assignee shall, for all purposes in accordance with this Plan, constitute an Ordinary Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor in respect of such Claim. For greater certainty, SFC shall not recognize partial transfers or assignments of Claims.

(b) *Assignment of Notes*

Only those Noteholders who have beneficial ownership of one or more Notes as at the Distribution Record Date shall be entitled to receive a distribution under this Plan on the Initial Distribution Date or any Distribution Date. Noteholders who have beneficial ownership of Notes shall not be restricted from transferring or assigning such Notes prior to or after the Distribution Record Date (unless the Distribution Record Date is the Plan Implementation Date), provided that if such transfer or assignment occurs after the Distribution Record Date, neither SFC nor Newco nor Newco II nor the Monitor nor the Unresolved Claims Escrow Agent shall have any obligation to make distributions to any such transferee or assignee of Notes in respect of the Claims associated therewith, or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof. Noteholders who assign or acquire Notes after the Distribution Record Date shall be wholly responsible for ensuring that Plan distributions in respect of the Claims associated with such Notes are in fact delivered to the assignee, and the Trustees shall have no liability in connection therewith.

5.11 Withholding Rights

SFC, Newco, Newco II, the Monitor, the Litigation Trustee, the Unresolved Claims Escrow Agent and/or any other Person making a payment contemplated herein shall be entitled to deduct and withhold from any consideration payable to any Person such amounts as it is required to deduct and withhold with respect to such payment under the Canadian Tax Act, the United States Internal Revenue Code of 1986 or any provision of federal, provincial, territorial, state, local or foreign Tax laws, in each case, as amended. To the extent that amounts are so withheld or deducted, such withheld or deducted amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate Taxing Authority. To the extent that the amounts so required or permitted to be deducted or withheld from any payment to a Person exceed the cash portion of the consideration otherwise payable to that Person: (i) the payor is authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to enable it to comply with such deduction or withholding requirement or entitlement, and the payor shall notify the applicable Person thereof and remit to such Person any unapplied balance of the net proceeds of such sale; or (ii) if such sale is not reasonably possible, the payor shall not be required to make such excess payment until the Person has directly satisfied any such withholding obligation and provides evidence thereof to the payor.

5.12 Fractional Interests

No fractional interests of Newco Shares or Newco Notes ("**Fractional Interests**") will be issued under this Plan. For purposes of calculating the number of Newco Shares and Newco Notes to be issued by Newco pursuant to this Plan, recipients of Newco Shares or Newco Notes will have their entitlements adjusted downwards to the nearest whole number of Newco Shares or Newco Notes, as applicable, to eliminate any such Fractional Interests and no compensation will be given for the Fractional Interest.

5.13 Further Direction of the Court

The Monitor shall, in its sole discretion, be entitled to seek further direction of the Court, including a plan implementation order, with respect to any matter relating to the implementation of the plan including with respect to the distribution mechanics and restructuring transaction as set out in Articles 5 and 6 of this Plan.

ARTICLE 6
RESTRUCTURING TRANSACTION

6.1 Corporate Actions

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving corporate action of SFC will occur and be effective as of the Plan Implementation Date, other than such matters occurring on the Equity Cancellation Date which will occur and be effective on such date, and in either case will be authorized and approved under the Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, Directors or Officers of SFC. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of SFC, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by the Plan shall be deemed to be effective and shall have no force and effect, provided that, subject to sections 12.6 and 12.7 hereof, where any matter expressly requires the consent or approval of SFC, the Initial Consenting Noteholders or SFC's board of directors pursuant to this Plan, such consent or approval shall not be deemed to be given unless actually given.

6.2 Incorporation of Newco and Newco II

(a) Newco shall be incorporated prior to the Plan Implementation Date. Newco shall be authorized to issue an unlimited number of Newco Shares and shall have no restrictions on the number of its shareholders. At the time that Newco is incorporated, Newco shall issue one Newco Share to the Initial Newco Shareholder, as the sole shareholder of Newco, and the Initial Newco Shareholder shall be deemed to hold the Newco Share for the purpose of facilitating the

Restructuring Transaction. For greater certainty, the Initial Newco Shareholder shall not hold such Newco Share as agent of or for the benefit of SFC, and SFC shall have no rights in relation to such Newco Share. Newco shall not carry on any business or issue any other Newco Shares or other securities until the Plan Implementation Date, and then only in accordance with section 6.4 hereof. The Initial Newco Shareholder shall be deemed to have no liability whatsoever for any matter pertaining to its status as the Initial Newco Shareholder, other than its obligations under this Plan to act as the Initial Newco Shareholder.

(b) Newco II shall be incorporated prior to the Plan Implementation Date as a wholly-owned subsidiary of Newco. The memorandum and articles of association of Newco II will be in a form customary for a wholly-owned subsidiary under the applicable jurisidiction and the initial board of directors of Newco II will consist of the same Persons appointed as the directors of Newco on or prior to the Plan Implementation Date.

6.3 Incorporation of SFC Escrow Co.

SFC Escrow Co. shall be incorporated prior to the Plan Implementation Date. SFC Escrow Co. shall be incorporated under the laws of the Cayman Islands, or such other jurisdiction as may be agreed by SFC, the Monitor and the Initial Consenting Noteholders. The sole director of SFC Escrow Co. shall be Codan Services (Cayman) Limited, or such other Person as may be agreed by SFC, the Monitor and the Initial Consenting Noteholders. At the time that SFC Escrow Co. is incorporated, SFC Escrow Co. shall issue one share (the "SFC Escrow Co. Share") to SFC, as the sole shareholder of SFC Escrow Co. and SFC shall be deemed to hold the SFC Escrow Co. Share for the purpose of facilitating the Restructuring Transaction. SFC Escrow Co. shall have no assets other than any assets that it is required to hold in escrow pursuant to the terms of this Plan, and it shall have no liabilities other than its obligations as set forth in this Plan. SFC Escrow Co. shall not carry on any business or issue any shares or other securities (other than the SFC Escrow Co. Share). The sole activity and function of SFC Escrow Co. shall be to perform the obligations of the Unresolved Claims Escrow Agent as set forth in this Plan and to administer Undeliverable Distributions as set forth in section 5.4 of this Plan. SFC Escrow Co. shall not make any sale, distribution, transfer or conveyance of any Newco Shares, Newco Notes or any other assets or property that it holds unless it is directed to do so by an Order of the Court or by a written direction from the Monitor, in which case SFC Escrow Co. shall promptly comply with such Order of the Court or such written direction from the Monitor. SFC shall not sell, transfer or convey the SFC Escrow Co. Share nor effect or cause to be effected any liquidation, dissolution, merger or other corporate reorganization of SFC Escrow Co. unless it is directed to do so by an Order of the Court or by a written direction from the Monitor, in which case SFC shall promptly comply with such Order of the Court or such written direction from the Monitor. SFC Escrow Co. shall not exercise any voting rights (including any right to vote at a meeting of shareholders or creditors held or in any written resolution) in respect of Newco Shares or Newco Notes held in the Unresolved Claims Reserve. SFC Escrow Co. shall not be entitled to receive any compensation for the performance of its obligations under this Plan.

6.4 Plan Implementation Date Transactions

The following steps and compromises and releases to be effected shall occur, and be deemed to have occurred in the following manner and order (sequentially, each step occurring five minutes apart, except that within such order steps (a) to (f) (Cash Payments) shall occur simultaneously and steps (t) to (w) (Releases) shall occur simultaneously) without any further act or formality, on the Plan Implementation Date beginning at the Effective Time (or in such other manner or order or at such other time or times as SFC, the Monitor and the Initial Consenting Noteholders may agree):

Cash Payments and Satisfaction of Lien Claims

(a) SFC shall pay required funds to the Monitor for the purpose of funding the Unaffected Claims Reserve, and the Monitor shall hold and administer such funds in trust for the purpose of paying the Unaffected Claims pursuant to the Plan.

(b) SFC shall pay the required funds to the Monitor for the purpose of funding the Administration Charge Reserve, and the Monitor shall hold and administer such funds in trust for the purpose of paying Unaffected Claims secured by Administration Charge.

(c) SFC shall pay the required funds to the Monitor for the purpose of funding the Monitor's Post-Implementation Reserve, and the Monitor shall hold and administer such funds in trust for the purpose of administering SFC, as necessary, from and after the Plan Implementation Date.

(d) SFC shall pay to the Noteholder Advisors and the Initial Consenting Noteholders, as applicable, each such Person's respective portion of the Expense Reimbursement. SFC shall pay all fees and expenses owing to each of the SFC Advisors, the advisors to the current Board of Directors of SFC, Chandler Fraser Keating Limited and Spencer Stuart and SFC or any of the Subsidiaries shall pay all fees and expenses owing to each of Indufor Asia Pacific Limited and Stewart Murray (Singapore) Pte. Ltd. If requested by the Monitor (with the consent of the Initial Consenting Noteholders) no more than 10 days prior to the Plan Implementation Date and provided that all fees and expenses set out in all previous invoices rendered by the applicable Person to SFC have been paid, SFC and the Subsidiaries, as applicable, shall, with respect to the final one or two invoices rendered prior to the Plan Implementation Date, pay any such fees and expenses to such Persons for all work up to and including the Plan Implementation Date (including any reasonable estimates of work to be performed on the Plan Implementation Date) first by applying any such monetary retainers currently held by such Persons and then by paying any remaining balance in cash.

(e) If requested by the Monitor (with the consent of the Initial Consenting Noteholders) prior to the Plan Implementation Date, any Person with a monetary retainer from SFC that remains outstanding following the steps and payment of all

fees and expenses set out in section 6.4(d) hereof shall pay to SFC in cash the full amount of such remaining retainer, less any amount permitted by the Monitor (with the Consent of the Initial Consenting Noteholders and after prior discussion with the applicable Person as to any remaining work that may reasonably be required) to remain as a continuing monetary retainer in connection with completion of any remaining work after the Plan Implementation Date that may be requested by the Monitor, SFC or the Initial Consenting Noteholders (each such continuing monetary retainer being a **"Permitted Continuing Retainer"**). Such Persons shall have no duty or obligation to perform any further work or tasks in respect of SFC unless such Persons are satisfied that they are holding adequate retainers or other security or have received payment to compensate them for all fees and expenses in respect of such work or tasks. The obligation of such Persons to repay the remaining amounts of any monetary retainers (including the unused portions of any Permitted Continuing Retainers) and all cash received therefrom shall constitute SFC Assets.

(f) The Lien Claims shall be satisfied in accordance with section 4.2(c) hereof.

Transaction Steps

(g) All accrued and unpaid interest owing on, or in respect of, or as part of, Affected Creditor Claims (including any Accrued Interest on the Notes and any interest accruing on the Notes or any Ordinary Affected Creditor Claim after the Filing Date) shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred for no consideration, and from and after the occurrence of this step, no Person shall have any entitlement to any such accrued and unpaid interest.

(h) All of the Affected Creditors shall be deemed to assign, transfer and convey to Newco all of their Affected Creditor Claims, and from and after the occurrence of this step, Newco shall be the legal and beneficial owner of all Affected Creditor Claims. In exchange for the assignment, transfer and conveyance of the Affected Creditor Claims to Newco:

(i) with respect to Affected Creditor Claims that are Proven Claims at the Effective Time:

(A) Newco shall issue to each applicable Affected Creditor the number of Newco Shares that each such Affected Creditor is entitled to receive in accordance with section 4.1(a) hereof;

(B) Newco shall issue to each applicable Affected Creditor the amount of Newco Notes that each such Affected Creditor is entitled to receive in accordance with section 4.1(b) hereof;

(C) Newco shall issue to each of the Early Consent Noteholders the number of Newco Shares that each such Early Consent Noteholder is entitled to receive pursuant to section 4.3 hereof;

(D) such Affected Creditors shall be entitled to receive the Litigation Trust Interests to be acquired by Newco in section 6.4(q) hereof, following the establishment of the Litigation Trust;

(E) such Affected Creditors shall be entitled to receive, at the time or times contemplated in sections 5.5(c) and 5.5(d) hereof, the Newco Shares, Newco Notes and Litigation Trust Interests that are subsequently distributed to (or in the case of Litigation Trust Interests registered for the benefit of) Affected Creditors with Proven Claims pursuant to sections 5.5(c) and 5.5(d) hereof (if any),

and all such Newco Shares and Newco Notes shall be distributed in the manner described in section 5.2 hereof; and

(ii) with respect to Affected Creditor Claims that are Unresolved Claims as at the Effective Time, Newco shall issue in the name of the Unresolved Claims Escrow Agent, for the benefit of the Persons entitled thereto under the Plan, the Newco Shares and the Newco Notes that would have been distributed to the applicable Affected Creditors in respect of such Unresolved Claims if such Unresolved Claims had been Proven Claims at the Effective Time; such Newco Shares, Newco Notes and Litigation Trust Interests acquired by Newco in section 6.4(q) and assigned to and registered in the name of the Unresolved Claims Escrow Agent in accordance with section 6.4(r) shall comprise part of the Unresolved Claims Reserve and the Unresolved Claims Escrow Agent shall hold all such Newco Shares, Newco Notes and Litigation Trust Interests in escrow for the benefit of those Persons entitled to receive distributions thereof pursuant to the Plan.

(i) The initial Newco Share in the capital of Newco held by the Initial Newco Shareholder shall be redeemed and cancelled for no consideration.

(j) SFC shall be deemed to assign, transfer and convey to SFC Barbados those SFC Intercompany Claims and/or Equity Interests in one or more Direct Subsidiaries as agreed to by SFC and the Initial Consenting Noteholders prior to the Plan Implementation Date (the "**Barbados Property**") first in full repayment of the Barbados Loans and second, to the extent the fair market value of the Barbados Property exceeds the amount owing under the Barbados Loans, as a contribution to the capital of SFC Barbados by SFC. Immediately after the time of such assignment, transfer and conveyance, the Barbados Loans shall be considered to be fully paid by SFC and no longer outstanding.

(k) SFC shall be deemed to assign, transfer and convey to Newco all shares and other Equity Interests (other than the Barbados Property) in the capital of (i) the Direct Subsidiaries and (ii) any other Subsidiaries that are directly owned by SFC immediately prior to the Effective Time, other than SFC Escrow Co. (all such

shares and other equity interests being the "**Direct Subsidiary Shares**") for a purchase price equal to the fair market value of the Direct Subsidiary Shares and, in consideration therefor, Newco shall be deemed to pay to SFC consideration equal to the fair market value of the Direct Subsidiary Shares, which consideration shall be comprised of a U.S. dollar denominated demand non-interest-bearing promissory note issued to SFC by Newco having a principal amount equal to the fair market value of the Direct Subsidiary Shares (the "**Newco Promissory Note 1**"). At the time of such assignment, transfer and conveyance, all prior rights that Newco had to acquire the Direct Subsidiary Shares, under the Plan or otherwise, shall cease to be outstanding. For greater certainty, SFC shall not assign, transfer or convey the SFC Escrow Co. Share, and the SFC Escrow Co. Share shall remain the property of SFC.

(l) If the Initial Consenting Noteholders and SFC agree prior to the Plan Implementation Date, there will be a set-off of any SFC Intercompany Claim so agreed against a Subsidiary Intercompany Claim owing between SFC and the same Subsidiary. In such case, the amounts will be set-off in repayment of both claims to the extent of the lesser of the two amounts, and the excess (if any) shall continue as an SFC Intercompany Claim or a Subsidiary Intercompany Claim, as applicable.

(m) SFC shall be deemed to assign, transfer and convey to Newco all SFC Intercompany Claims (other than the SFC Intercompany Claims transferred to SFC Barbados in section 6.4(j) hereof or set-off pursuant to section 6.4(l) hereof) for a purchase price equal to the fair market value of such SFC Intercompany Claims and, in consideration therefor, Newco shall be deemed to pay SFC consideration equal to the fair market value of the SFC Intercompany Claims, which consideration shall be comprised of the following: (i) the assumption by Newco of all of SFC's obligations to the Subsidiaries in respect of Subsidiary Intercompany Claims (other than the Subsidiary Intercompany Claims set-off pursuant to section 6.4(l) hereof); and (ii) if the fair market value of the transferred SFC Intercompany Claims exceeds the fair market value of the assumed Subsidiary Intercompany Claims, Newco shall issue to SFC a U.S. dollar denominated demand non-interest-bearing promissory note having a principal amount equal to such excess (the "**Newco Promissory Note 2**").

(n) SFC shall be deemed to assign, transfer and convey to Newco all other SFC Assets (namely, all SFC Assets other than the Direct Subsidiary Shares and the SFC Intercompany Claims (which shall have already been transferred to Newco in accordance with sections 6.4(k) and 6.4(m) hereof)), for a purchase price equal to the fair market value of such other SFC Assets and, in consideration therefor, Newco shall be deemed to pay to SFC consideration equal to the fair market value of such other SFC Assets, which consideration shall be comprised of a U.S. dollar denominated demand non-interest-bearing promissory note issued to SFC by Newco having a principal amount equal to the fair market value of such other SFC Assets (the "**Newco Promissory Note 3**").

(o) SFC shall establish the Litigation Trust and SFC and the Trustees (on behalf of the Noteholders) shall be deemed to convey, transfer and assign to the Litigation Trustee all of their respective rights, title and interest in and to the Litigation Trust Claims. SFC shall advance the Litigation Funding Amount to the Litigation Trustee for use by the Litigation Trustee in prosecuting the Litigation Trust Claims in accordance with the Litigation Trust Agreement, which advance shall be deemed to create a non-interest bearing receivable from the Litigation Trustee in favour of SFC in the amount of the Litigation Funding Amount (the "**Litigation Funding Receivable**"). The Litigation Funding Amount and Litigation Trust Claims shall be managed by the Litigation Trustee in accordance with the terms and conditions of the Litigation Trust Agreement.

(p) The Litigation Trust shall be deemed to be effective from the time that it is established in section 6.4(o) hereof. Initially, all of the Litigation Trust Interests shall be held by SFC. Immediately thereafter, SFC shall assign, convey and transfer a portion of the Litigation Trust Interests to the Noteholder Class Action Claimants in accordance with the allocation set forth in section 4.11 hereof.

(q) SFC shall settle and discharge the Affected Creditor Claims by assigning Newco Promissory Note 1, Newco Promissory Note 2 and Newco Promissory Note 3 (collectively, the "**Newco Promissory Notes**"), the Litigation Funding Receivable and the remaining Litigation Trust Interests held by SFC to Newco. Such assignment shall constitute payment, by set-off, of the full principal amount of the Newco Promissory Notes and of a portion of the Affected Creditor Claims equal to the aggregate principal amount of the Newco Promissory Notes, the Litigation Trust Receivable and the fair market value of the Litigation Trust Interests so transferred (with such payment being allocated first to the Noteholder Claims and then to the Ordinary Affected Creditor Claims). As a consequence thereof:

(i) Newco shall be deemed to discharge and release SFC of and from all of SFC's obligations to Newco in respect of the Affected Creditor Claims, and all of Newco's rights against SFC of any kind in respect of the Affected Creditor Claims shall thereupon be fully, finally, irrevocably and forever compromised, released, discharged and cancelled; and

(ii) SFC shall be deemed to discharge and release Newco of and from all of Newco's obligations to SFC in respect of the Newco Promissory Notes, and the Newco Promissory Notes and all of SFC's rights against Newco in respect thereof shall thereupon be fully, finally, irrevocably and forever released, discharged and cancelled.

(r) Newco shall cause a portion of the Litigation Trust Interests it acquired in section 6.4(q) hereof to be assigned to and registered in the name of the Affected Creditors with Proven Claims as contemplated in section 6.4(h), and with respect to any Affected Creditor Claims that are Unresolved Claims as at the Effective Time, the remaining Litigation Trust Interests held by Newco that would have been allocated to the applicable Affected Creditors in respect of such Unresolved

Claims if such Unresolved Claims had been Proven Claims at the Effective Time shall be assigned and registered by the Litigation Trustee to the Unresolved Claims Escrow Agent and in the name of the Unresolved Claims Escrow Agent, in escrow for the benefit of Persons entitled thereto, and such Litigation Trust Interests shall comprise part of the Unresolved Claims Reserve. The Litigation Trustee shall record entitlements to the Litigation Trust Interests in the manner set forth in section 5.3.

Cancellation of Instruments and Guarantees

(s) Subject to section 5.9 hereof, all debentures, indentures, notes, certificates, agreements, invoices, guarantees, pledges and other instruments evidencing Affected Claims, including the Notes and the Note Indentures, will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and shall be cancelled and will thereupon be null and void. The Trustees shall be directed by the Court and shall be deemed to have released, discharged and cancelled any guarantees, indemnities, Encumbrances or other obligations owing by or in respect of any Subsidiary relating to the Notes or the Note Indentures.

Releases

(t) Each of Newco and Newco II shall be deemed to have no liability or obligation of any kind whatsoever for: any Claim (including, notwithstanding anything to the contrary herein, any Unaffected Claim); any Affected Claim (including any Affected Creditor Claim, Equity Claim, D&O Claim, D&O Indemnity Claim and Noteholder Class Action Claim); any Section 5.1(2) D&O Claim; any Conspiracy Claim; any Continuing Other D&O Claim; any Non-Released D&O Claim; any Class Action Claim; any Class Action Indemnity Claim; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, share pledges or Encumbrances relating to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares or other Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries; any right or claim in connection with or liability for the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC and the Subsidiaries (whenever or however conducted), the administration and/or management of SFC and the Subsidiaries, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any guaranty, indemnity or claim for contribution in respect of any of the foregoing; and any Encumbrance in respect of the foregoing, provided only that Newco shall assume SFC's obligations to the applicable Subsidiaries in respect of the Subsidiary Intercompany Claims pursuant to section 6.4(l) hereof and Newco II shall assume Newco's obligations to the applicable Subsidiaries in respect of the Subsidiary Intercompany Claims pursuant to section 6.4(x) hereof.

(u) Each of the Charges shall be discharged, released and cancelled.

(v) The releases and injunctions referred to in Article 7 of the Plan shall become effective in accordance with the Plan.

(w) Any contract defaults arising as a result of the CCAA Proceedings and/or the implementation of the Plan (including, notwithstanding anything to the contrary herein, any such contract defaults in respect of the Unaffected Claims) shall be deemed to be cured.

Newco II

(x) Newco shall be deemed to assign, transfer and convey to Newco II all of Newco's right, title and interest in and to all of its properties, assets and rights of every kind and description (namely the SFC Assets acquired by Newco pursuant to the Plan) for a purchase price equal to the fair market value thereof and, in consideration therefor, Newco II shall be deemed to pay to Newco consideration equal to the fair market value of such properties, assets and rights (the "**Newco II Consideration**"). The Newco II Consideration shall be comprised of: (i) the assumption by Newco II of any and all indebtedness of Newco other than the indebtedness of Newco in respect of the Newco Notes (namely, any indebtedness of Newco in respect of the Subsidiary Intercompany Claims); and (ii) the issuance to Newco of that number of common shares in Newco II as is necessary to ensure that the value of the Newco II Consideration is equal to the fair market value of the properties, assets and rights conveyed by Newco to Newco II pursuant to this section 6.4(x).

6.5 Cancellation of Existing Shares and Equity Interests

Unless otherwise agreed between the Monitor, SFC and the Initial Consenting Noteholders, on the Equity Cancellation Date all Existing Shares and Equity Interests shall be fully, finally and irrevocably cancelled, and the following steps will be implemented pursuant to the Plan as a plan of reorganization under section 191 of the *CBCA,* to be effected by articles of reorganization to be filed by SFC, subject to the receipt of any required approvals from the Ontario Securities Commission with respect to the trades in securities contemplated by the following:

(a) SFC will create a new class of common shares to be called Class A common shares that are equivalent to the current Existing Shares except that they carry two votes per share;

(b) SFC will amend the share conditions of the Existing Shares to provide that they are cancellable for no consideration at such time as determined by the board of directors of SFC;

(c) prior to the cancellation of the Existing Shares, SFC will issue for nominal consideration one Class A common share of SFC to the SFC Continuing Shareholder;

(d) SFC will cancel the Existing Shares for no consideration on the Equity Cancellation Date; and

(e) SFC will apply to Canadian securities regulatory authorities for SFC to cease to be a reporting issuer effective immediately before the Effective Time.

Unless otherwise agreed by SFC, the Monitor and the Initial Consenting Noteholders or as otherwise directed by Order of the Court, SFC shall maintain its corporate existence at all times from and after the Plan Implementation Date until the later of the date: (i) on which SFC Escrow Co. has completed all of its obligations as Unresolved Claims Escrow Agent under this Plan; (ii) on which SFC escrow Co. no longer holds any Undeliverable Distributions delivered to it in accordance with the section 5.4 hereof; and (iii) as determined by the Litigation Trustee.

6.6 Transfers and Vesting Free and Clear

(a) All of the SFC Assets (including for greater certainty the Direct Subsidiary Shares, the SFC Intercompany Claims and all other SFC Assets assigned, transferred and conveyed to Newco and/or Newco II pursuant to section 6.4) shall be deemed to vest absolutely in Newco or Newco II, as applicable, free and clear of and from any and all Charges, Claims (including, notwithstanding anything to the contrary herein, any Unaffected Claims), D&O Claims, D&O Indemnity Claims, Section 5.1(2) D&O Claims, Conspiracy Claims, Continuing Other D&O Claims, Non-Released D&O Claims, Affected Claims, Class Action Claims, Class Action Indemnity Claims, claims or rights of any kind in respect of the Notes or the Note Indentures, and any right or claim that is based in whole or in part on facts, underlying transactions, Causes of Action or events relating to the Restructuring Transaction, the CCAA Proceedings or any of the foregoing, and any guarantees or indemnities with respect to any of the foregoing. Any Encumbrances or claims affecting, attaching to or relating to the SFC Assets in respect of the foregoing shall be deemed to be irrevocably expunged and discharged as against the SFC Assets, and no such Encumbrances or claims shall be pursued or enforceable as against Newco or Newco II. For greater certainty, with respect to the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries: (i) the vesting free and clear in Newco and/or Newco II, as applicable, and the expunging and discharging that occurs by operation of this paragraph shall only apply to SFC's ownership interests in the Subsidiaries, Greenheart and Greenheart's subsidiaries; and (ii) except as provided for in the Plan (including this section 6.6(a) and sections 4.9(g), 6.4(k), 6.4(l) and 6.4(m) hereof and Article 7 hereof) and the Sanction Order, the assets, liabilities, business and property of the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries shall remain unaffected by the Restructuring Transaction.

(b) Any issuance, assignment, transfer or conveyance of any securities, interests, rights or claims pursuant to the Plan, including the Newco Shares, the Newco Notes and the Affected Creditor Claims, will be free and clear of and from any and all Charges, Claims (including, notwithstanding anything to the contrary herein, any Unaffected Claims), D&O Claims, D&O Indemnity Claims, Affected

Claims, Section 5.1(2) D&O Claims; Conspiracy Claims; Continuing Other D&O Claims, Non-Released D&O Claims; Class Action Claims, Class Action Indemnity Claims, claims or rights of any kind in respect of the Notes or the Note Indentures, and any right or claim that is based in whole or in part on facts, underlying transactions, Causes of Action or events relating to the Restructuring Transaction, the CCAA Proceedings or any of the foregoing, and any guarantees or indemnities with respect to any of the foregoing. For greater certainty, with respect to the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries: (i) the vesting free and clear in Newco and Newco II that occurs by operation of this paragraph shall only apply to SFC's direct and indirect ownership interests in the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries; and (ii) except as provided for in the Plan (including section 6.6(a) and sections 4.9(g), 6.4(k), 6.4(l) and 6.4(m) hereof and Article 7 hereof) and the Sanction Order, the assets, liabilities, business and property of the Subsidiaries, Greenheart and Greenheart's direct and indirect subsidiaries shall remain unaffected by the Restructuring Transaction.

ARTICLE 7
RELEASES

7.1 Plan Releases

Subject to 7.2 hereof, all of the following shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred on the Plan Implementation Date:

(a) all Affected Claims, including all Affected Creditor Claims, Equity Claims, D&O Claims (other than Section 5.1(2) D&O Claims, Conspiracy Claims, Continuing Other D&O Claims and Non-Released D&O Claims), D&O Indemnity Claims (except as set forth in section 7.1(d) hereof) and Noteholder Class Action Claims (other than the Continuing Noteholder Class Action Claims);

(b) all Claims of the Ontario Securities Commission or any other Governmental Entity that have or could give rise to a monetary liability, including fines, awards, penalties, costs, claims for reimbursement or other claims having a monetary value;

(c) all Class Action Claims (including the Noteholder Class Action Claims) against SFC, the Subsidiaries or the Named Directors or Officers of SFC or the Subsidiaries (other than Class Action Claims that are Section 5.1(2) D&O Claims, Conspiracy Claims or Non-Released D&O Claims);

(d) all Class Action Indemnity Claims (including related D&O Indemnity Claims), other than any Class Action Indemnity Claim by the Third Party Defendants against SFC in respect of the Indemnified Noteholder Class Action Claims (including any D&O Indemnity Claim in that respect), which shall be limited to the Indemnified Noteholder Class Action Limit pursuant to the releases set out in section 7.1(f) hereof and the injunctions set out in section 7.3 hereof;

(e) any portion or amount of liability of the Third Party Defendants for the Indemnified Noteholder Class Action Claims (on a collective, aggregate basis in reference to all Indemnified Noteholder Class Action Claims together) that exceeds the Indemnified Noteholder Class Action Limit;

(f) any portion or amount of liability of the Underwriters for the Noteholder Class Action Claims (other than any Noteholder Class Action Claims against the Underwriters for fraud or criminal conduct) (on a collective, aggregate basis in reference to all such Noteholder Class Action Claims together) that exceeds the Indemnified Noteholder Class Action Limit;

(g) any portion or amount of, or liability of SFC for, any Class Action Indemnity Claims by the Third Party Defendants against SFC in respect of the Indemnified Noteholder Class Action Claims (on a collective, aggregate basis in reference to all such Class Action Indemnity Claims together) to the extent that such Class Action Indemnity Claims exceed the Indemnified Noteholder Class Action Limit;

(h) any and all Excluded Litigation Trust Claims;

(i) any and all Causes of Action against Newco, Newco II, the directors and officers of Newco, the directors and officers of Newco II, the Noteholders, members of the *ad hoc* committee of Noteholders, the Trustees, the Transfer Agent, the Monitor, FTI Consulting Canada Inc., FTI HK, counsel for the current Directors of SFC, counsel for the Monitor, counsel for the Trustees, the SFC Advisors, the Noteholder Advisors, and each and every member (including members of any committee or governance council), partner or employee of any of the foregoing, for or in connection with or in any way relating to: any Claims (including, notwithstanding anything to the contrary herein, any Unaffected Claims); Affected Claims; Section 5.1(2) D&O Claims; Conspiracy Claims; Continuing Other D&O Claims; Non-Released D&O Claims; Class Action Claims; Class Action Indemnity Claims; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, claims for contribution, share pledges or Encumbrances related to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares, Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries;

(j) any and all Causes of Action against Newco, Newco II, the directors and officers of Newco, the directors and officers of Newco II, the Noteholders, members of the *ad hoc* committee of Noteholders, the Trustees, the Transfer Agent, the Monitor, FTI Consulting Canada Inc., FTI HK, the Named Directors and Officers, counsel for the current Directors of SFC, counsel for the Monitor, counsel for the Trustees, the SFC Advisors, the Noteholder Advisors, and each and every member (including members of any committee or governance council), partner or employee of any of the foregoing, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation

Date (or, with respect to actions taken pursuant to the Plan after the Plan Implementation Date, the date of such actions) in any way relating to, arising out of, leading up to, for, or in connection with the CCAA Proceeding, RSA, the Restructuring Transaction, the Plan, any proceedings commenced with respect to or in connection with the Plan, or the transactions contemplated by the RSA and the Plan, including the creation of Newco and/or Newco II and the creation, issuance or distribution of the Newco Shares, the Newco Notes, the Litigation Trust or the Litigation Trust Interests, provided that nothing in this paragraph shall release or discharge any of the Persons listed in this paragraph from or in respect of any obligations any of them may have under or in respect of the RSA, the Plan or under or in respect of any of Newco, Newco II, the Newco Shares, the Newco Notes, the Litigation Trust or the Litigation Trust Interests, as the case may be;

(k) any and all Causes of Action against the Subsidiaries for or in connection with any Claim (including, notwithstanding anything to the contrary herein, any Unaffected Claim); any Affected Claim (including any Affected Creditor Claim, Equity Claim, D&O Claim, D&O Indemnity Claim and Noteholder Class Action Claim); any Section 5.1(2) D&O Claim; any Conspiracy Claim; any Continuing Other D&O Claim; any Non-Released D&O Claim; any Class Action Claim; any Class Action Indemnity Claim; any right or claim in connection with or liability for the Notes or the Note Indentures; any guarantees, indemnities, share pledges or Encumbrances relating to the Notes or the Note Indentures; any right or claim in connection with or liability for the Existing Shares, Equity Interests or any other securities of SFC; any rights or claims of the Third Party Defendants relating to SFC or the Subsidiaries; any right or claim in connection with or liability for the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC and the Subsidiaries (whenever or however conducted), the administration and/or management of SFC and the Subsidiaries, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any indemnification obligation to Directors or Officers of SFC or the Subsidiaries pertaining to SFC, the Notes, the Note Indentures, the Existing Shares, the Equity Interests, any other securities of SFC or any other right, claim or liability for or in connection with the RSA, the Plan, the CCAA Proceedings, the Restructuring Transaction, the Litigation Trust, the business and affairs of SFC (whenever or however conducted), the administration and/or management of SFC, or any public filings, statements, disclosures or press releases relating to SFC; any right or claim in connection with or liability for any guaranty, indemnity or claim for contribution in respect of any of the foregoing; and any Encumbrance in respect of the foregoing;

(l) all Subsidiary Intercompany Claims as against SFC (which are assumed by Newco and then Newco II pursuant to the Plan);

(m) any entitlements of Ernst & Young to receive distributions of any kind (including Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan;

(n) any entitlements of the Named Third Party Defendants to receive distributions of any kind (including Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan; and

(o) any entitlements of the Underwriters to receive distributions of any kind (including Newco Shares, Newco Notes and Litigation Trust Interests) under this Plan.

7.2 Claims Not Released

Notwithstanding anything to the contrary in section 7.1 hereof, nothing in this Plan shall waive, compromise, release, discharge, cancel or bar any of the following:

(a) SFC of its obligations under the Plan and the Sanction Order;

(b) SFC from or in respect of any Unaffected Claims (provided that recourse against SFC in respect of Unaffected Claims shall be limited in the manner set out in section 4.2 hereof);

(c) any Directors or Officers of SFC or the Subsidiaries from any Non-Released D&O Claims, Conspiracy Claims or any Section 5.1(2) D&O Claims, provided that recourse against the Named Directors or Officers of SFC in respect of any Section 5.1(2) D&O Claims and any Conspiracy Claims shall be limited in the manner set out in section 4.9(e) hereof;

(d) any Other Directors and/or Officers from any Continuing Other D&O Claims, provided that recourse against the Other Directors and/or Officers in respect of the Indemnified Noteholder Class Action Claims shall be limited in the manner set out in section 4.4(b)(i) hereof;

(e) the Third Party Defendants from any claim, liability or obligation of whatever nature for or in connection with the Class Action Claims, provided that the maximum aggregate liability of the Third Party Defendants collectively in respect of the Indemnified Noteholder Class Action Claims shall be limited to the Indemnified Noteholder Class Action Limit pursuant to section 4.4(b)(i) hereof and the releases set out in sections 7.1(e) and 7.1(f) hereof and the injunctions set out in section 7.3 hereof;

(f) Newco II from any liability to the applicable Subsidiaries in respect of the Subsidiary Intercompany Claims assumed by Newco II pursuant to section 6.4(x) hereof;

(g) the Subsidiaries from any liability to Newco II in respect of the SFC Intercompany Claims conveyed to Newco II pursuant to section 6.4(x) hereof;

(h) SFC of or from any investigations by or non-monetary remedies of the Ontario Securities Commission, provided that, for greater certainty, all monetary rights, claims or remedies of the Ontario Securities Commission against SFC shall be

treated as Affected Creditor Claims in the manner described in section 4.1 hereof and released pursuant to section 7.1(b) hereof;

(i) the Subsidiaries from their respective indemnification obligations (if any) to Directors or Officers of the Subsidiaries that relate to the ordinary course operations of the Subsidiaries and that have no connection with any of the matters listed in section 7.1(i) hereof;

(j) SFC or the Directors and Officers from any Insured Claims, provided that recovery for Insured Claims shall be irrevocably limited to recovery solely from the proceeds of Insurance Policies paid or payable on behalf of SFC or its Directors and Officers in the manner set forth in section 2.4 hereof;

(k) insurers from their obligations under insurance policies; and

(l) any Released Party for fraud or criminal conduct.

7.3 Injunctions

All Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of this Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan.

7.4 Timing of Releases and Injunctions

All releases and injunctions set forth in this Article 7 shall become effective on the Plan Implementation Date at the time or times and in the manner set forth in section 6.4 hereof.

7.5 Equity Class Action Claims Against the Third Party Defendants

Subject only to Article 11 hereof, and notwithstanding anything else to the contrary in this Plan, any Class Action Claim against the Third Party Defendants that relates to the purchase, sale or ownership of Existing Shares or Equity Interests: (a) is unaffected by this Plan; (b) is not

discharged, released, cancelled or barred pursuant to this Plan; (c) shall be permitted to continue as against the Third Party Defendants; (d) shall not be limited or restricted by this Plan in any manner as to quantum or otherwise (including any collection or recovery for any such Class Action Claim that relates to any liability of the Third Party Defendants for any alleged liability of SFC); and (e) does not constitute an Equity Claim or an Affected Claim under this Plan.

ARTICLE 8
COURT SANCTION

8.1 Application for Sanction Order

If the Plan is approved by the Required Majority, SFC shall apply for the Sanction Order on or before the date set for the hearing of the Sanction Order or such later date as the Court may set.

8.2 Sanction Order

The Sanction Order shall, among other things:

(a) declare that: (i) the Plan has been approved by the Required Majority in conformity with the CCAA; (ii) the activities of SFC have been in reasonable compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceeding in all respects; (iii) the Court is satisfied that SFC has not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;

(b) declare that the Plan and all associated steps, compromises, releases, discharges, cancellations, transactions, arrangements and reorganizations effected thereby are approved, binding and effective as herein set out as of the Plan Implementation Date;

(c) confirm the amount of each of the Unaffected Claims Reserve, the Administration Charge Reserve and the Monitor's Post-Implementation Reserve;

(d) declare that, on the Plan Implementation Date, all Affected Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred, subject only to the right of the applicable Persons to receive the distributions to which they are entitled pursuant to the Plan;

(e) declare that, on the Plan Implementation Date, the ability of any Person to proceed against SFC or the Subsidiaries in respect of any Released Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to any such matter shall be permanently stayed;

(f) declare that the steps to be taken, the matters that are deemed to occur and the compromises and releases to be effective on the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated by section 6.4, beginning at the Effective Time;

(g) declare that, on the Plan Implementation Date, the SFC Assets vest absolutely in Newco and that, in accordance with section 6.4(x) hereof, the SFC Assets transferred by Newco to Newco II vest absolutely in Newco II, in each case in accordance with the terms of section 6.6(a) hereof;

(h) confirm that the Court was satisfied that: (i) the hearing of the Sanction Order was open to all of the Affected Creditors and all other Persons with an interest in SFC and that such Affected Creditors and other Persons were permitted to be heard at the hearing in respect of the Sanction Order; (ii) prior to the hearing, all of the Affected Creditors and all other Persons on the service list in respect of the CCAA Proceeding were given adequate notice thereof;

(i) provide that the Court was advised prior to the hearing in respect of the Sanction Order that the Sanction Order will be relied upon by SFC and Newco as an approval of the Plan for the purpose of relying on the exemption from the registration requirements of the United States Securities Act of 1933, as amended, pursuant to Section 3(a)(10) thereof for the issuance of the Newco Shares, Newco Notes and, to the extent they may be deemed to be securities, the Litigation Trust Interests, and any other securities to be issued pursuant to the Plan;

(j) declare that all obligations, agreements or leases to which (i) SFC remains a party on the Plan Implementation Date, or (ii) Newco and/or Newco II becomes a party as a result of the conveyance of the SFC Assets to Newco and the further conveyance of the SFC Assets to Newco II on the Plan Implementation Date, shall be and remain in full force and effect, unamended, as at the Plan Implementation Date and no party to any such obligation or agreement shall on or following the Plan Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:

(i) of any event which occurred prior to, and not continuing after, the Plan Implementation Date, or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies;

(ii) that SFC sought or obtained relief or has taken steps as part of the Plan or under the CCAA;

(iii) of any default or event of default arising as a result of the financial condition or insolvency of SFC;

(iv) of the completion of any of the transactions contemplated under the Plan, including the transfer, conveyance and assignment of the SFC Assets to Newco and the further transfer, conveyance and assignment of the SFC Assets by Newco to Newco II; or

(v) of any compromises, settlements, restructurings, recapitalizations or reorganizations effected pursuant to the Plan;

(k) stay the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceed with to advance any Released Claims;

(l) stay as against Ernst & Young the commencing, taking, applying for or issuing or continuing any and all steps or proceedings (other than all steps or proceedings to implement the Ernst & Young Settlement) pursuant to the terms of the Order of the Honourable Justice Morawetz dated May 8, 2012 between (i) the Plan Implementation Date and (ii) the earlier of the Ernst & Young Settlement Date or such other date as may be ordered by the Court on a motion to the Court on reasonable notice to Ernst & Young;

(m) declare that in no circumstances will the Monitor have any liability for any of SFC's tax liability regardless of how or when such liability may have arisen;

(n) authorize the Monitor to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan;

(o) direct and deem the Trustees to release, discharge and cancel any guarantees, indemnities, Encumbrances or other obligations owing by or in respect of any Subsidiary relating to the Notes or the Note Indentures;

(p) declare that upon completion by the Monitor of its duties in respect of SFC pursuant to the CCAA and the Orders, the Monitor may file with the Court a certificate of Plan Implementation stating that all of its duties in respect of SFC pursuant to the CCAA and the Orders have been completed and thereupon, FTI Consulting Canada Inc. shall be deemed to be discharged from its duties as Monitor and released of all claims relating to its activities as Monitor; and

(q) declare that, on the Plan Implementation Date, each of the Charges shall be discharged, released and cancelled, and that any obligations secured thereby shall satisfied pursuant to section 4.2(b) hereof, and that from and after the Plan Implementation Date the Administration Charge Reserve shall stand in place of the Administration Charge as security for the payment of any amounts secured by the Administration Charge;

(r) declare that the Monitor may not make any payment from the Monitor's Post-Implementation Plan Reserve to any third party professional services provider (other than its counsel) that exceeds $250,000 (alone or in a series of related payments) without the prior consent of the Initial Consenting Noteholders or an Order of the Court;

(s) declare that SFC and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under the Plan;

(t) declare that, subject to the due performance of its obligations as set forth in the Plan and subject to its compliance with any written directions or instructions of the Monitor and/or directions of the Court in the manner set forth in the Plan, SFC Escrow Co. shall have no liabilities whatsoever arising from the performance of its obligations under the Plan;

(u) order and declare that all Persons with Unresolved Claims shall have standing in any proceeding in respect of the determination or status of any Unresolved Claim, and that Goodmans LLP (in its capacity as counsel to the Initial Consenting Noteholders) shall have standing in any such proceeding on behalf of the Initial Consenting Notheolders (in their capacity as Affected Creditors with Proven Claims);

(v) order and declare that, from and after the Plan Implementation Date, Newco will be permitted, in its sole discretion and on terms acceptable to Newco, to advance additional cash amounts to the Litigation Trustee from time to time for the purpose of providing additional financing to the Litigation Trust, including the provision of such additional amounts as a non-interest bearing loan to the Litigation Trust that is repayable to Newco on similar terms and conditions as the Litigation Funding Receivable;

(w) order and declare that: (i) subject to the prior consent of the Initial Consenting Noteholders, each of the Monitor and the Litigation Trustee shall have the right to seek and obtain an order from any court of competent jurisdiction, including an Order of the Court in the CCAA or otherwise, that gives effect to any releases of any Litigation Trust Claims agreed to by the Litigation Trustee in accordance with the Litigation Trust Agreement, and (ii) in accordance with this section 8.2(w), all Affected Creditors shall be deemed to consent to any such releases in any such proceedings;

(x) order and declare that, prior to the Effective Time, SFC shall: (i) preserve or cause to be preserved copies of any documents (as such term is defined in the *Rules of Civil Procedure* (Ontario)) that are relevant to the issues raised in the Class Actions; and (ii) make arrangements acceptable to SFC, the Monitor, the Initial Consenting Noteholders, counsel to Ontario Class Action Plaintiffs, counsel to Ernst & Young, counsel to the Underwriters and counsel to the Named Third Party Defendants to provide the parties to the Class Actions with access thereto, subject to customary commercial confidentiality, privilege or other applicable restrictions, including lawyer-client privilege, work product privilege and other privileges or immunities, and to restrictions on disclosure arising from s. 16 of the *Securities Act* (Ontario) and comparable restrictions on disclosure in other relevant jurisdictions, for purposes of prosecuting and/or defending the Class Actions, as the case may be, provided that nothing in the foregoing reduces or otherwise limits the parties' rights to production and discovery in accordance with the *Rules of Civil Procedure* (Ontario) and the *Class Proceedings Act, 1992* (Ontario);

(y) order that releases and injunctions set forth in Article 7 of this Plan are effective on the Plan Implementation Date at the time or times and in the manner set forth in section 6.4 hereof;

(z) order that the Ernst & Young Release shall become effective on the Ernst & Young Settlement Date in the manner set forth in section 11.1 hereof;

(aa) order that any Named Third Party Defendant Releases shall become effective if and when the terms and conditions of sections 11.2(a), 11.2(b), 11.2(c) have been fulfilled.;

(bb) order and declare that the matters described in Article 11 hereof shall occur subject to and in accordance with the terms and conditions of Article 11; and

(cc) declare that section 95 to 101 of the BIA shall not apply to any of the transactions implemented pursuant to the Plan.

If agreed by SFC, the Monitor and the Initial Consenting Noteholders, any of the relief to be included in the Sanction Order pursuant to this section 8.2 in respect of matters relating to the Litigation Trust may instead be included in a separate Order of the Court satisfactory to SFC, the Monitor and the Initial Consenting Noteholders granted prior to the Plan Implementation Date.

ARTICLE 9
CONDITIONS PRECEDENT AND IMPLEMENTATION

9.1 Conditions Precedent to Implementation of the Plan

The implementation of the Plan shall be conditional upon satisfaction or waiver of the following conditions prior to or at the Effective Time, each of which is for the benefit of SFC and the Initial Consenting Noteholders and may be waived only by SFC and the Initial Consenting Noteholders collectively; provided, however, that the conditions in sub-paragraphs (g), (h), (n), (o), (q), (r), (u), (z), (ff), (gg), (mm), (ll) and (nn) shall only be for the benefit of the Initial Consenting Noteholders and, if not satisfied on or prior to the Effective Time, may be waived only by the Initial Consenting Noteholders; and provided further that such conditions shall not be enforceable by SFC if any failure to satisfy such conditions results from an action, error, omission by or within the control of SFC and such conditions shall not be enforceable by the Initial Consenting Noteholders if any failure to satisfy such conditions results from an action, error, omission by or within the control of the Initial Consenting Noteholders:

Plan Approval Matters

(a) the Plan shall have been approved by the Required Majority and the Court, and in each case the Plan shall have been approved in a form consistent with the RSA or otherwise acceptable to SFC and the Initial Consenting Noteholders, each acting reasonably;

(b) the Sanction Order shall have been made and shall be in full force and effect prior to December 17, 2012 (or such later date as may be consented to by SFC and the

Initial Consenting Noteholders), and all applicable appeal periods in respect thereof shall have expired and any appeals therefrom shall have been disposed of by the applicable appellate court;

(c) the Sanction Order shall be in a form consistent with the Plan or otherwise acceptable to SFC and the Initial Consenting Noteholders, each acting reasonably;

(d) all filings under Applicable Laws that are required in connection with the Restructuring Transaction shall have been made and any regulatory consents or approvals that are required in connection with the Restructuring Transaction shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated; without limiting the generality of the foregoing, such filings and regulatory consents or approvals include:

(i) any required filings, consents and approvals of securities regulatory authorities in Canada;

(ii) a consultation with the Executive of the Hong Kong Securities and Futures Commission that is satisfactory to SFC, the Monitor and the Initial Consenting Noteholders confirming that implementation of the Restructuring Transaction will not result in an obligation arising for Newco, its shareholders, Newco II or any Subsidiary to make a mandatory offer to acquire shares of Greenheart;

(iii) the submission by SFC and each applicable Subsidiary of a Circular 698 tax filing with all appropriate tax authorities in the PRC within the requisite time prior to the Plan Implementation Date, such filings to be in form and substance satisfactory to the Initial Consenting Noteholders; and

(iv) if notification is necessary or desirable under the *Antimonopoly Law of People's Republic of China* and its implementation rules, the submission of all antitrust filings considered necessary or prudent by the Initial Consenting Noteholders and the acceptance and (to the extent required) approval thereof by the competent Chinese authority, each such filing to be in form and substance satisfactory to the Initial Consenting Noteholders;

(e) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Restructuring Transaction that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or prohibit) the Restructuring Transaction or any material part thereof or requires or purports to require a variation of the Restructuring Transaction, and SFC shall have provided the Initial Consenting Noteholders with a certificate signed by an officer of SFC, without

personal liability on the part of such officer, certifying compliance with this Section 9.1(e) as of the Plan Implementation Date;

Newco and Newco II Matters

(f) the organization, incorporating documents, articles, by-laws and other constating documents of Newco and Newco II (including any shareholders agreement, shareholder rights plan and classes of shares (voting and non-voting)) and any affiliated or related entities formed in connection with the Restructuring Transaction or the Plan, and all definitive legal documentation in connection with all of the foregoing, shall be acceptable to the Initial Consenting Noteholders and in form and in substance reasonably satisfactory to SFC;

(g) the composition of the board of directors of Newco and Newco II and the senior management and officers of Newco and Newco II that will assume office, or that will continue in office, as applicable, on the Plan Implementation Date shall be acceptable to the Initial Consenting Noteholders;

(h) the terms of employment of the senior management and officers of Newco and Newco II shall be acceptable to the Initial Consenting Noteholders;

(i) except as expressly set out in this Plan, neither Newco nor Newco II shall have: (i) issued or authorized the issuance of any shares, notes, options, warrants or other securities of any kind, (ii) become subject to any Encumbrance with respect to its assets or property; (iii) become liable to pay any indebtedness or liability of any kind (other than as expressly set out in section 6.4 hereof); or (iv) entered into any Material agreement;

(j) any securities that are formed in connection with the Plan, including the Newco Shares and the Newco Notes, when issued and delivered pursuant to the Plan, shall be duly authorized, validly issued and fully paid and non-assessable and the issuance and distribution thereof shall be exempt from all prospectus and registration requirements of any applicable securities, corporate or other law, statute, order, decree, consent decree, judgment, rule, regulation, ordinance, notice, policy or other pronouncement having the effect of law applicable in the provinces of Canada;

(k) Newco shall not be a reporting issuer (or equivalent) in any province of Canada or any other jurisdiction;

(l) all of the steps, terms, transactions and documents relating to the conveyance of the SFC Assets to Newco and the further conveyance of the SFC Assets by Newco to Newco II in accordance with the Plan shall be in form and in substance acceptable to SFC and the Initial Consenting Noteholders;

(m) all of the following shall be in form and in substance acceptable to the Initial Consenting Noteholders and reasonably satisfactory to SFC: (i) the Newco Shares; (ii) the Newco Notes (including the aggregate principal amount of the

Newco Notes); (iii) any trust indenture or other document governing the terms of the Newco Notes; and (iv) the number of Newco Shares and Newco Notes to be issued in accordance with this Plan;

Plan Matters

(n) the Indemnified Noteholder Class Action Limit shall be acceptable to the Initial Consenting Noteholders;

(o) the aggregate amount of the Proven Claims held by Ordinary Affected Creditors shall be acceptable to the Initial Consenting Noteholders;

(p) the amount of each of the Unaffected Claims Reserve and the Administration Charge Reserve shall, in each case, be acceptable to SFC, the Monitor and the Initial Consenting Noteholders;

(q) the amount of the Monitor's Post-Implementation Reserve and the amount of any Permitted Continuing Retainers shall be acceptable to the Initial Consenting Noteholders, and the Initial Consenting Noteholders shall be satisfied that all outstanding monetary retainers held by any SFC Advisors (net of any Permitted Continuing Retainers) have been repaid to SFC on the Plan Implementation Date;

(r) **[Intentionally deleted];**

(s) the amount of each of the following shall be acceptable to SFC, the Monitor and the Initial Consenting Noteholders: (i) the aggregate amount of Lien Claims to be satisfied by the return to the applicable Lien Claimants of the applicable secured property in accordance with section 4.2(c)(i) hereof; and (ii) the aggregate amount of Lien Claims to be repaid in cash on the Plan Implementation Date in accordance with section 4.2(c)(ii) hereof;

(t) the aggregate amount of Unaffected Claims, and the aggregate amount of the Claims listed in each subparagraph of the definition of "Unaffected Claims" shall, in each case, be acceptable to SFC, the Monitor and the Initial Consenting Noteholders;

(u) the aggregate amount of Unresolved Claims and the amount of the Unresolved Claims Reserve shall, in each case, be acceptable to the Initial Consenting Noteholders and shall be confirmed in the Sanction Order;

(v) Litigation Trust and the Litigation Trust Agreement shall be in form and in substance acceptable to SFC and the Initial Consenting Noteholders, each acting reasonably, and the Litigation Trust shall be established in a jurisdiction that is acceptable to the Initial Consenting Noteholders and SFC, each acting reasonably;

(w) SFC, the Monitor and the Initial Consenting Noteholders, each acting reasonably, shall be satisfied with the proposed use of proceeds and payments relating to all aspects of the Restructuring Transaction and the Plan, including, without

limitation, any change of control payments, consent fees, transaction fees, third party fees or termination or severance payments, in the aggregate of $500,000 or more, payable by SFC or any Subsidiary to any Person (other than a Governmental Entity) in respect of or in connection with the Restructuring Transaction or the Plan, including without limitation, pursuant to any employment agreement or incentive plan of SFC or any Subsidiary;

(x) SFC, the Monitor and the Initial Consenting Noteholders, each acting reasonably, shall be satisfied with the status and composition of all liabilities, indebtedness and obligations of the Subsidiaries and all releases of the Subsidiaries provided for in the Plan and the Sanction Order shall be binding and effective as of the Plan Implementation Date;

Plan Implementation Date Matters

(y) the steps required to complete and implement the Plan shall be in form and in substance satisfactory to SFC and the Initial Consenting Noteholders;

(z) the Noteholders and the Early Consent Noteholders shall receive, on the Plan Implementation Date, all of the consideration to be distributed to them pursuant to the Plan;

(aa) all of the following shall be in form and in substance satisfactory to SFC and the Initial Consenting Noteholders: (i) all materials filed by SFC with the Court or any court of competent jurisdiction in the United States, Canada, Hong Kong, the PRC or any other jurisdiction that relates to the Restructuring Transaction; (ii) the terms of any court-imposed charges on any of the assets, property or undertaking of any of SFC, including without limitation any of the Charges; (iii) the Initial Order; (iv) the Claims Procedure Order; (v) the Meeting Order; (vi) the Sanction Order; (vii) any other Order granted in connection with the CCAA Proceeding or the Restructuring Transaction by the Court or any other court of competent jurisdiction in Canada, the United States, Hong Kong, the PRC or any other jurisdiction; and (viii) the Plan (as it is approved by the Required Majority and the Sanction Order);

(bb) any and all court-imposed charges on any assets, property or undertaking of SFC, including the Charges, shall be discharged on the Plan Implementation Date on terms acceptable to the Initial Consenting Noteholders and SFC, each acting reasonably;

(cc) SFC shall have paid, in full, the Expense Reimbursement and all fees and costs owing to the SFC Advisors on the Plan Implementation Date, and neither Newco nor Newco II shall have any liability for any fees or expenses due to the SFC Advisors or the Noteholder Advisors either as at or following the Plan Implementation Date;

(dd) SFC or the Subsidiaries shall have paid, in full all fees owing to each of Chandler Fraser Keating Limited and Spencer Stuart on the Plan Implementation Date, and

neither Newco nor Newco II shall have any liability for any fees or expenses due to either Chandler Fraser Keating Limited and Spencer Stuart as at or following the Plan Implementation Date;

(ee) SFC shall have paid all Trustee Claims that are outstanding as of the Plan Implementation Date, and the Initial Consenting Noteholders shall be satisfied that SFC has made adequate provision in the Unaffected Claims Reserve for the payment of all Trustee Claims to be incurred by the Trustees after the Plan Implementation Date in connection with the performance of their respective duties under the Note Indentures or this Plan;

(ff) there shall not exist or have occurred any Material Adverse Effect, and SFC shall have provided the Initial Consenting Noteholders with a certificate signed by an officer of the Company, without any personal liability on the part of such officer, certifying compliance with this section 9.1(ff) as of the Plan Implementation Date;

(gg) there shall have been no breach of the Noteholder Confidentiality Agreements (as defined in the RSA) by SFC or any of the Sino-Forest Representatives (as defined therein) in respect of the applicable Initial Consenting Noteholder;

(hh) the Plan Implementation Date shall have occurred no later than January 15, 2013 (or such later date as may be consented to by SFC and the Initial Consenting Noteholders);

RSA Matters

(ii) all conditions set out in sections 6 and 7 of the RSA shall have been satisfied or waived in accordance with the terms of the RSA;

(jj) the RSA shall not have been terminated;

Other Matters

(kk) the organization, incorporating documents, articles, by-laws and other constating documents of SFC Escrow Co. and all definitive legal documentation in connection with SFC Escrow Co., shall be acceptable to the Initial Consenting Noteholders and the Monitor and in form and in substance reasonably satisfactory to SFC;

(ll) except as expressly set out in this Plan, SFC Escrow Co. shall not have: (i) issued or authorized the issuance of any shares, notes, options, warrants or other securities of any kind, (ii) become subject to any Encumbrance with respect to its assets or property; (iii) acquired any assets or become liable to pay any indebtedness or liability of any kind (other than as expressly set out in this Plan); or (iv) entered into any agreement;

(mm) the Initial Consenting Noteholders shall have completed due diligence in respect of SFC and the Subsidiaries and the results of such due diligence shall be acceptable to the Initial Consenting Noteholders prior to the date for the hearing of the Sanction Order, except in respect of any new material information or events arising or discovered on or after the date of the hearing for the Sanction Order of which the Initial Consenting Noteholders were previously unaware, in respect of which the date for the Initial Consenting Noteholders to complete such due diligence shall be the Plan Implementation Date, provided that "new material information or events" for purposes of this Section 9.1(mm) shall not include any information or events disclosed prior to the date of the hearing for the Sanction Order in a press release issued by SFC, an affidavit filed with the Court by SFC or a Monitor's Report filed with the Court;

(nn) if so requested by the Initial Consenting Noteholders, the Sanction Order shall have been recognized and confirmed as binding and effective pursuant to an order of a court of competent jurisdiction in Canada and any other jurisdiction requested by the Initial Consenting Noteholders, and all applicable appeal periods in respect of any such recognition order shall have expired and any appeals therefrom shall have been disposed of by the applicable appellate court;

(oo) all press releases, disclosure documents and definitive agreements in respect of the Restructuring Transaction or the Plan shall be in form and substance satisfactory to SFC and the Initial Consenting Noteholders, each acting reasonably; and

(pp) Newco and SFC shall have entered into arrangements reasonably satisfactory to SFC and the Initial Consenting Noteholders for ongoing preservation and access to the books and records of SFC and the Subsidiaries in existence as at the Plan Implementation Date, as such access may be reasonably requested by SFC or any Director or Officer in the future in connection with any administrative or legal proceeding, in each such case at the expense of the Person making such request.

For greater certainty, nothing in Article 11 hereof is a condition precedent to the implementation of the Plan.

9.2 Monitor's Certificate of Plan Implementation

Upon delivery of written notice from SFC and Goodmans LLP (on behalf of the Initial Consenting Noteholders) of the satisfaction of the conditions set out in section 9.1, the Monitor shall deliver to Goodmans LLP and SFC a certificate stating that the Plan Implementation Date has occurred and that the Plan and the Sanction Order are effective in accordance with their respective terms. Following the Plan Implementation Date, the Monitor shall file such certificate with the Court.

ARTICLE 10
ALTERNATIVE SALE TRANSACTION

10.1 Alternative Sale Transaction

At any time prior to the Plan Implementation Date (whether prior to or after the granting of the Sanction Order), and subject to the prior written consent of the Initial Consenting Noteholders, SFC may complete a sale of all or substantially all of the SFC Assets on terms that are acceptable to the Initial Consenting Noteholders (an "**Alternative Sale Transaction**"), provided that such Alternative Sale Transaction has been approved by the Court pursuant to section 36 of the CCAA on notice to the service list. In the event that such an Alternative Sale Transaction is completed, the terms and conditions of this Plan shall continue to apply in all respects, subject to the following:

(a) The Newco Shares and Newco Notes shall not be distributed in the manner contemplated herein. Instead, the consideration paid or payable to SFC pursuant to the Alternative Sale Transaction (the "**Alternative Sale Transaction Consideration**") shall be distributed to the Persons entitled to receive Newco Shares hereunder, and such Persons shall receive the Alternative Sale Transaction Consideration in the same proportions and subject to the same terms and conditions as are applicable to the distribution of Newco Shares hereunder.

(b) All provisions in this Plan that address Newco or Newco II shall be deemed to be ineffective to the extent that they address Newco or Newco II, given that Newco and Newco II will not be required in connection with an Alternative Sale Transaction.

(c) All provisions addressing the Newco Notes shall be deemed to be ineffective to the extent such provisions address the Newco Notes, given that the Newco Notes will not be required in connection with an Alternative Sale Transaction.

(d) All provisions relating to the Newco Shares shall be deemed to address the Alternative Sale Transaction Consideration to the limited extent such provisions address the Newco Shares.

(e) SFC, with the written consent of the Monitor and the Initial Consenting Noteholders, shall be permitted to make such amendments, modifications and supplements to the terms and conditions of this Plan as are necessary to: (i) facilitate the Alternative Sale Transaction; (ii) cause the Alternative Sale Transaction Consideration to be distributed in the same proportions and subject to the same terms and conditions as are subject to the distribution of Newco Shares hereunder; and (iii) complete the Alternative Sale Transaction and distribute the Alternative Sale Transaction Proceeds in a manner that is tax efficient for SFC and the Affected Creditors with Proven Claims, provided in each case that (y) a copy of such amendments, modifications or supplements is filed with the Court and served upon the service list; and (z) the Monitor is satisfied that such amendments, modifications or supplements do not materially alter the

proportionate entitlements of the Affected Creditors, as amongst themselves, to the consideration distributed pursuant to the Plan.

Except for the requirement of obtaining the prior written consent of the Initial Consenting Noteholders with respect to the matters set forth in this section 10.1 and subject to the approval of the Alternative Sale Transaction by the Court pursuant to section 36 of the CCAA (on notice to the service list), once this Plan has been approved by the Required Majority of Affected Creditors, no further meeting, vote or approval of the Affected Creditors shall be required to enable SFC to complete an Alternative Sale Transaction or to amend the Plan in the manner described in this 10.1.

ARTICLE 11
SETTLEMENT OF CLAIMS AGAINST THIRD PARTY DEFENDANTS

11.1 Ernst & Young

(a) Notwithstanding anything to the contrary herein, subject to: (i) the granting of the Sanction Order; (ii) the issuance of the Settlement Trust Order (as may be modified in a manner satisfactory to the parties to the Ernst & Young Settlement and SFC (if occurring on or prior to the Plan Implementation Date), the Monitor and the Initial Consenting Noteholders, as applicable, to the extent, if any, that such modifications affect SFC, the Monitor or the Initial Consenting Noteholders, each acting reasonably); (iii) the granting of an Order under Chapter 15 of the United States Bankruptcy Code recognizing and enforcing the Sanction Order and the Settlement Trust Order in the United States; (iv) any other order necessary to give effect to the Ernst & Young Settlement (the orders referenced in (iii) and (iv) being collectively the "**Ernst & Young Orders**"); (v) the fulfillment of all conditions precedent in the Ernst & Young Settlement and the fulfillment by the Ontario Class Action Plaintiffs of all of their obligations thereunder; and (vi) the Sanction Order, the Settlement Trust Order and all Ernst & Young Orders being final orders and not subject to further appeal or challenge, Ernst & Young shall pay the settlement amount as provided in the Ernst & Young Settlement to the trust established pursuant to the Settlement Trust Order (the "**Settlement Trust**"). Upon receipt of a certificate from Ernst & Young confirming it has paid the settlement amount to the Settlement Trust in accordance with the Ernst & Young Settlement and the trustee of the Settlement Trust confirming receipt of such settlement amount, the Monitor shall deliver to Ernst & Young a certificate (the "**Monitor's Ernst & Young Settlement Certificate**") stating that (i) Ernst & Young has confirmed that the settlement amount has been paid to the Settlement Trust in accordance with the Ernst & Young Settlement; (ii) the trustee of the Settlement Trust has confirmed that such settlement amount has been received by the Settlement Trust; and (iii) the Ernst & Young Release is in full force and effect in accordance with the Plan. The Monitor shall thereafter file the Monitor's Ernst & Young Settlement Certificate with the Court.

(b) Notwithstanding anything to the contrary herein, upon receipt by the Settlement Trust of the settlement amount in accordance with the Ernst & Young Settlement:

(i) all Ernst & Young Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against Ernst & Young; (ii) section 7.3 hereof shall apply to Ernst & Young and the Ernst & Young Claims *mutatis mutandis* on the Ernst & Young Settlement Date; and (iii) none of the plaintiffs in the Class Actions shall be permitted to claim from any of the other Third Party Defendants that portion of any damages that corresponds to the liability of Ernst & Young, proven at trial or otherwise, that is the subject of the Ernst & Young Settlement.

(c) In the event that the Ernst & Young Settlement is not completed in accordance with its terms, the Ernst & Young Release and the injunctions described in section 11.1(b) shall not become effective.

11.2 Named Third Party Defendants

(a) Notwithstanding anything to the contrary in section 12.5(a) or 12.5(b) hereof, at any time prior to 10:00 a.m. (Toronto time) on December 6, 2012 or such later date as agreed in writing by the Monitor, SFC (if on or prior to the Plan Implementation Date) and the Initial Consenting Noteholders, Schedule "A" to this Plan may be amended, restated, modified or supplemented at any time and from time to time to add any Eligible Third Party Defendant as a "Named Third Party Defendant", subject in each case to the prior written consent of such Third Party Defendant, the Initial Consenting Noteholders, counsel to the Ontario Class Action Plaintiffs, the Monitor and, if occurring on or prior to the Plan Implementation Date, SFC. Any such amendment, restatement, modification and/or supplement of Schedule "A" shall be deemed to be effective automatically upon all such required consents being received. The Monitor shall: (A) provide notice to the service list of any such amendment, restatement, modification and/or supplement of Schedule "A"; (B) file a copy thereof with the Court; and (C) post an electronic copy thereof on the Website. All Affected Creditors shall be deemed to consent thereto any and no Court Approval thereof will be required.

(b) Notwithstanding anything to the contrary herein, subject to: (i) the granting of the Sanction Order; (ii) the granting of the applicable Named Third Party Defendant Settlement Order; and (iii) the satisfaction or waiver of all conditions precedent contained in the applicable Named Third Party Defendant Settlement, the applicable Named Third Party Defendant Settlement shall be given effect in accordance with its terms. Upon receipt of a certificate (in form and in substance satisfactory to the Monitor) from each of the parties to the applicable Named Third Party Defendant Settlement confirming that all conditions precedent thereto have been satisfied or waived, and that any settlement funds have been paid and received, the Monitor shall deliver to the applicable Named Third Party Defendant a certificate (the "**Monitor's Named Third Party Settlement Certificate**") stating that (i) each of the parties to such Named Third Party Defendant Settlement has confirmed that all conditions precedent thereto have been satisfied or waived; (ii) any settlement funds have been paid and received; and (iii) immediately upon the delivery of the Monitor's Named Third Party

Settlement Certificate, the applicable Named Third Party Defendant Release will be in full force and effect in accordance with the Plan. The Monitor shall thereafter file the Monitor's Named Third Party Settlement Certificate with the Court.

(c) Notwithstanding anything to the contrary herein, upon delivery of the Monitor's Named Third Party Settlement Certificate, any claims and Causes of Action shall be dealt with in accordance with the terms of the applicable Named Third Party Defendant Settlement, the Named Third Party Defendant Settlement Order and the Named Third Party Defendant Release. To the extent provided for by the terms of the applicable Named Third Party Defendant Release: (i) the applicable Causes of Action against the applicable Named Third Party Defendant shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled, barred and deemed satisfied and extinguished as against the applicable Named Third Party Defendant; and (ii) section 7.3 hereof shall apply to the applicable Named Third Party Defendant and the applicable Causes of Action against the applicable Named Third Party Defendant *mutatis mutandis* on the effective date of the Named Third Party Defendant Settlement.

ARTICLE 12
GENERAL

12.1 Binding Effect

On the Plan Implementation Date:

(a) the Plan will become effective at the Effective Time;

(b) the Plan shall be final and binding in accordance with its terms for all purposes on all Persons named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

(c) each Person named or referred to in, or subject to, the Plan will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety and shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

12.2 Waiver of Defaults

(a) From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of SFC then existing or previously committed by SFC, or caused by SFC, the commencement of the CCAA Proceedings by SFC, any matter pertaining to the CCAA Proceedings, any of the provisions in the Plan or steps contemplated in the Plan, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease,

guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and SFC, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse SFC from performing its obligations under the Plan or be a waiver of defaults by SFC under the Plan and the related documents.

(b) Effective on the Plan Implementation Date, any and all agreements that are assigned to Newco and/or to Newco II as part of the SFC Assets shall be and remain in full force and effect, unamended, as at the Plan Implementation Date, and no Person shall, following the Plan Implementation Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations under, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand against Newco, Newco II or any Subsidiary under or in respect of any such agreement with Newco, Newco II or any Subsidiary, by reason of:

(i) any event that occurred on or prior to the Plan Implementation Date that would have entitled any Person thereto to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of SFC);

(ii) the fact that SFC commenced or completed the CCAA Proceedings;

(iii) the implementation of the Plan, or the completion of any of the steps, transactions or things contemplated by the Plan; or

(iv) any compromises, arrangements, transactions, releases, discharges or injunctions effected pursuant to the Plan or this Order.

12.3 Deeming Provisions

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

12.4 Non-Consummation

SFC reserves the right to revoke or withdraw the Plan at any time prior to the Sanction Date, with the consent of the Monitor and the Initial Consenting Noteholders. If SFC so revokes or withdraws the Plan, or if the Sanction Order is not issued or if the Plan Implementation Date does not occur, (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan, including the fixing or limiting to an amount certain any Claim, and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against SFC or any other Person; (ii) prejudice in any manner the rights of SFC or any other Person in any further proceedings involving SFC; or (iii) constitute an admission of any sort by SFC or any other Person.

12.5 Modification of the Plan

(a) SFC may, at any time and from time to time, amend, restate, modify and/or supplement the Plan with the consent of the Monitor and the Initial Consenting Noteholders, provided that: any such amendment, restatement, modification or supplement must be contained in a written document that is filed with the Court and:

(i) if made prior to or at the Meeting: (A) the Monitor, SFC or the Chair (as defined in the Meeting Order) shall communicate the details of any such amendment, restatement, modification and/or supplement to Affected Creditors and other Persons present at the Meeting prior to any vote being taken at the Meeting; (B) SFC shall provide notice to the service list of any such amendment, restatement, modification and/or supplement and shall file a copy thereof with the Court forthwith and in any event prior to the Court hearing in respect of the Sanction Order; and (C) the Monitor shall post an electronic copy of such amendment, restatement, modification and/or supplement on the Website forthwith and in any event prior to the Court hearing in respect of the Sanction Order; and

(ii) if made following the Meeting: (A) SFC shall provide notice to the service list of any such amendment, restatement, modification and/or supplement and shall file a copy thereof with the Court; (B) the Monitor shall post an electronic copy of such amendment, restatement, modification and/or supplement on the Website; and (C) such amendment, restatement, modification and/or supplement shall require the approval of the Court following notice to the Affected Creditors and the Trustees.

(b) Notwithstanding section 12.5(a), any amendment, restatement, modification or supplement may be made by SFC: (i) if prior to the Sanction Date, with the consent of the Monitor and the Initial Consenting Noteholders; and (ii) if after the Sanction Date, with the consent of the Monitor and the Initial Consenting Noteholders and upon approval by the Court, provided in each case that it concerns a matter that, in the opinion of SFC, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Creditors or the Trustees.

(c) Any amended, restated, modified or supplementary plan or plans of compromise filed with the Court and, if required by this section, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in the Plan.

12.6 Actions and Approvals of SFC after Plan Implementation

(a) From and after the Plan Implementation Date, and for the purpose of this Plan only:

(i) if SFC does not have the ability or the capacity pursuant to Applicable Law to provide its agreement, waiver, consent or approval to any matter requiring SFC's agreement, waiver, consent or approval under this Plan, such agreement, waiver consent or approval may be provided by the Monitor; and

(ii) if SFC does not have the ability or the capacity pursuant to Applicable Law to provide its agreement, waiver, consent or approval to any matter requiring SFC's agreement, waiver, consent or approval under this Plan, and the Monitor has been discharged pursuant to an Order, such agreement, waiver consent or approval shall be deemed not to be necessary.

12.7 Consent of the Initial Consenting Noteholders

For the purposes of this Plan, any matter requiring the agreement, waiver, consent or approval of the Initial Consenting Noteholders shall be deemed to have been agreed to, waived, consented to or approved by such Initial Consenting Noteholders if such matter is agreed to, waived, consented to or approved in writing by Goodmans LLP, provided that Goodmans LLP expressly confirms in writing (including by way of e-mail) to the applicable Person that it is providing such agreement, consent or waiver on behalf of Initial Consenting Noteholders. In addition, following the Plan Implementation Date, any matter requiring the agreement, waiver, consent or approval of the Initial Consenting Noteholders shall: (i) be deemed to have been given if agreed to, waived, consented to or approved by Initial Consenting Noteholders in their capacities as holders of Newco Shares, Newco Notes or Litigation Trust Interests (provided that they continue to hold such consideration); and (ii) with respect to any matter concerning the Litigation Trust or the Litigation Trust Claims, be deemed to be given if agreed to, waived, consented to or approved by the Litigation Trustee.

12.8 Claims Not Subject to Compromise

Nothing in this Plan, including section 2.4 hereof, shall prejudice, compromise, release, discharge, cancel, bar or otherwise affect any: (i) Non-Released D&O Claims (except to the extent that such Non-Released D&O Claim is asserted against a Named Director or Officer, in which case section 4.9(g) applies); (ii) Section 5.1(2) D&O Claims or Conspiracy Claims (except that, in accordance with section 4.9(e) hereof, any Section 5.1(2) D&O Claims against Named Directors and Officers and any Conspiracy Claims against Named Directors and Officers shall be limited to recovery from any insurance proceeds payable in respect of such Section 5.1(2) D&O Claims or Conspiracy Claims, as applicable, pursuant to the Insurance Policies, and Persons with any such Section 5.1(2) D&O Claims against Named Directors and Officers or Conspiracy Claims against Named Directors and Officers shall have no right to, and shall not, make any claim or seek any recoveries from any Person, other than enforcing such Persons' rights to be paid from the proceeds of an Insurance Policy by the applicable insurer(s)); or (iii) any Claims that are not permitted to be compromised under section 19(2) of the *CCAA*.

12.9 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between:

(a) the Plan; and

(b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Person and SFC and/or the Subsidiaries as at the Plan Implementation Date,

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority.

12.10 Foreign Recognition

(a) From and after the Plan Implementation Date, if requested by the Initial Consenting Noteholders or Newco, the Monitor (at the Monitor's election) or Newco (if the Monitor does not so elect) shall and is hereby authorized to seek an order of any court of competent jurisdiction recognizing the Plan and the Sanction Order and confirming the Plan and the Sanction Order as binding and effective in Canada, the United States, and any other jurisdiction so requested by the Initial Consenting Noteholders or Newco, as applicable.

(b) Without limiting the generality of section 12.10(a), as promptly as practicable, but in no event later than the third Business Day following the Plan Implementation Date, a foreign representative of SFC (as agreed by SFC, the Monitor and the Initial Consenting Noteholders) (the "**Foreign Representative**") shall commence a proceeding in a court of competent jurisdiction in the United States seeking recognition of the Plan and the Sanction Order and confirming that the Plan and the Sanction Order are binding and effective in the United States, and the Foreign Representative shall use its best efforts to obtain such recognition order.

12.11 Severability of Plan Provisions

If, prior to the Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of SFC and with the consent of the Monitor and the Initial Consenting Noteholders, shall have the power to either (a) sever such term or provision from the balance of the Plan and provide SFC with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that SFC proceeds with the implementation of the Plan, the remainder of the terms and provisions of

the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

12.12 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceeding and the Plan with respect to SFC and will not be responsible or liable for any obligations of SFC.

12.13 Different Capacities

Persons who are affected by this Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder, and will be affected hereunder, in each such capacity. Any action taken by or treatment of a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Person, SFC, the Monitor and the Initial Consenting Noteholders in writing, or unless the Person's Claims overlap or are otherwise duplicative.

12.14 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

(a) if to SFC or any Subsidiary:

Sino-Forest Corporation
Room 3815-29 38/F, Sun Hung Kai Centre
30 Harbour Road, Wanchai, Hong Kong

Attention: Mr. Judson Martin, Executive Vice-Chairman and Chief Executive Officer
Fax: +852-2877-0062

with a copy by email or fax (which shall not be deemed notice) to:

Bennett Jones LLP
One First Canadian Place, Suite 3400
Toronto, ON M5X 1A4

Attention: Kevin J. Zych and Raj S. Sahni
Email: zychk@bennettjones.com and sahnir@bennettjones.com
Fax: 416-863-1716

(b) if to the Initial Consenting Noteholders:

c/o Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Attention: Robert Chadwick and Brendan O'Neill
Email: rchadwick@goodmans.ca and boneill@goodmans.ca
Fax: 416-979-1234

and with a copy by email or fax (which shall not be deemed notice) to:

Hogan Lovells International LLP
11th Floor, One Pacific Place, 88 Queensway
Hong Kong China

Attention: Neil McDonald
Email: neil.mcdonald@hoganlovells.com
Fax: 852-2219-0222

(c) if to the Monitor:

FTI Consulting Canada Inc.
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, ON M5K 1G8

Attention: Greg Watson
Email: greg.watson@fticonsulting.com
Fax: (416) 649-8101

and with a copy by email or fax (which shall not be deemed notice) to:

Gowling Lafleur Henderson LLP
1 First Canadian Place
100 King Street West, Suite 1600
Toronto, Ontario M5X 1G5

Attention: Derrick Tay
Email: derrick.tay@gowlings.com
Fax: (416) 862-7661

(d) if to Ernst & Young:

Ernst & Young LLP
Ernst & Young Tower
222 Bay Street
P.O. Box 251

Toronto, ON M5K 1J7

Attention: Doris Stamml
Email: doris.stamml@ca.ey.com
Fax: (416) 943-[TBD]

and with a copy by email or fax (which shall not be deemed notice) to:

Lenczner Slaght Royce Smith Griffin
130 Adelaide Street West, Suite 2600
Toronto, Ontario M5H 3P5

Attention: Peter Griffin
Email: pgriffin@litigate.com
Fax: (416) 865-2921

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 5:00 p.m. (Toronto time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

12.15 Further Assurances

SFC, the Subsidiaries and any other Person named or referred to in the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

DATED as of the 3rd day of December, 2012.

\6148176

SCHEDULE A

NAMED THIRD PARTY DEFENDANTS

1. The Underwriters, together with their respective present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns, excluding any Director or Officer and successors, administrators, heirs and assigns of any Director or Officer in their capacity as such.

2. Ernst & Young LLP (Canada), Ernst & Young Global Limited and all other member firms thereof, together with their respective present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns, excluding any Director or Officer and successors, administrators, heirs and assigns of any Director or Officer in their capacity as such, in the event that the Ernst & Young Settlement is not completed.

3. BDO Limited, together with its respective present and former affiliates, partners, associates, employees, servants, agents, contractors, directors, officers, insurers and successors, administrators, heirs and assigns, excluding any Director or Officer and successors, administrators, heirs and assigns of any Director or Officer in their capacity as such.

Schedule "B"

FORM OF MONITOR'S CERTIFICATE OF PLAN IMPLEMENTATION

Court File No. CV-12-9667-00CL

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 SINO-FOREST CORPORATION

MONITOR'S CERTIFICATE
(Plan Implementation)

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan of Compromise and Reorganization of Sino-Forest Corporation ("**SFC**") dated December 3, 2012 (the "**Plan**"), which is attached as Schedule "A" to the Order of the Honourable Mr. Justice Morawetz made in these proceedings on the [7th] day of December, 2012 (the "**Order**"), as such Plan may be further amended, varied or supplemented from time to time in accordance with the terms thereof.

Pursuant to paragraph 12 of the Order, FTI Consulting Canada Inc. (the "**Monitor**") in its capacity as Court-appointed Monitor of SFC delivers to SFC and Goodmans LLP this certificate and hereby certifies that:

1. The Monitor has received written notice from SFC and Goodmans LLP (on behalf of the Initial Consenting Noteholders) that the conditions precedent set out in section 9.1 of the Plan have been satisfied or waived in accordance with the terms of the Plan; and

2. The Plan Implementation Date has occurred and the Plan and the Plan Sanction Order are effective in accordance with their terms.

DATED at the City of Toronto, in the Province of Ontario, this ■ day of ■ , 201■.

FTI CONSULTING CANADA INC., in its capacity as Court-appointed Monitor of the Sino-Forest Corporation and not in its personal capacity

By: _____
Name:
Title:

Schedule "C"

Industry Canada | Industrie Canada
Canada Business Corporations Act | Loi canadienne sur les sociétés par actions

FORM 14
ARTICLES OF REORGANIZATION
(SECTION 191)

FORMULAIRE 14
CLAUSES DE RÉORGANISATION
(ARTICLE 191)

1 -- Name of Corporation - Dénomination sociale de la société	2 -- Corporation No. - N° de la société
Sino-Forest Corporation	409023-3

3 -- In accordance with the order for reorganization, the articles of incorporation are amended as follows:

Conformément à l'ordonnance de réorganisation, les statuts constitutifs sont modifiés comme suit :

Please see Schedule A attached hereto.

Signature	Printed Name - Nom en lettres moulées	4 -- Capacity of - En qualité de	5 -- Tel. N°. - N° de tél.

FOR DEPARTMENTAL USE ONLY / À L'USAGE DU MINISTÈRE SEULEMENT

IC3409 (2003/06)

Canada

Schedule A

3. In accordance with the order for reorganization, the articles of continuance of the Corporation dated June 25, 2002, as amended by articles of amendment dated June 22, 2004, are amended as follows:

(a) to decrease the minimum number of directors of the Corporation from three (3) directors to one (1) director;

(b) to create a new class of shares consisting of an unlimited number of "Class A Common Shares" having the following rights, privileges, restrictions and conditions:

The holders of Class A Common Shares are entitled:

(i) to two (2) votes per Class A Common Share at any meeting of shareholders of the Corporation, except meetings at which only holders of a specified class of shares are entitled to vote;

(ii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution pro rata with the holders of the Common Shares; and

(iii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive any dividend declared by the directors of the Corporation and payable on the Class A Common Shares.

(c) to delete the rights, privileges, restrictions and conditions attaching to the Common Shares and to substitute therefor the following:

(1) The holders of Common Shares are entitled:

(i) to one (1) vote per Common Share at any meeting of shareholders of the Corporation, except meetings at which only holders of a specified class of shares are entitled to vote;

(ii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution pro rata with the holders of the Class A Common Shares; and

(iii) subject to the rights, privileges, restrictions and conditions attaching to shares of any other class or series of shares of the Corporation, to receive any dividend declared by the directors of the Corporation and payable on the Common Shares.

(2) At a time to be determined by the board of directors of the Corporation, the Common Shares shall be cancelled and eliminated for no consideration whatsoever, and shall be of no further force and effect, whether surrendered for cancellation or otherwise, and the obligation of the Corporation thereunder or in any way related thereto shall be deemed to

be satisfied and discharged and the holders of the Common Shares shall have no further rights or interest in the Corporation on account thereof and the rights, privileges, restrictions and conditions attached to the Common Shares shall be deleted.

(d) to confirm that the authorized capital of the Corporation consists of an unlimited number of Class A Common Shares, an unlimited number of Common Shares and an unlimited number of Preference Shares, issuable in series.

Schedule "D"

1. Unaffected Claims Reserve:	$1,500,000
2. Unresolved Claims Reserve for Defence Costs:	$8,000,000

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 OR COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

Court File No. CV-12-9667-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

PLAN SANCTION ORDER

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Rob Staley (LSUC #27115J)
Kevin Zych (LSUC #33129T)
Derek Bell (LSUC #43420J)
Jonathan Bell (LSUC #55457P)
Tel: 416-863-1200
Fax: 416-863-1716

Lawyers for Sino-Forest Corporation

Court File No. CV-23-00695619-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	TUESDAY, THE 19TH
	)	
CHIEF JUSTICE MORAWETZ	)	DAY OF MARCH, 2024

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 NORDSTROM CANADA RETAIL, INC., NORDSTROM CANADA HOLDINGS, LLC and NORDSTROM CANADA HOLDINGS II, LLC

SANCTION AND VESTING ORDER

THIS MOTION, made by Nordstrom Canada Retail, Inc., Nordstrom Canada Holdings, LLC, and Nordstrom Canada Holdings II, LLC (collectively, the "**Applicants**", and together with Nordstrom Canada Leasing LP, the "**Nordstrom Canada Entities**"), pursuant to the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an Order, *inter alia*: (a) sanctioning the Consolidated Plan of Compromise and Arrangement in respect of the Nordstrom Canada Entities dated December 13, 2023 (the "**Plan**"), a copy of which is attached hereto as Schedule "A"; (b) vesting in the Plan Sponsor all of the Nordstrom Canada Entities' right, title and interest in and to the Canada Customer Data; and (c) extending the Stay Period until and including June 28, 2024, was heard this day at 130 Queen Street West, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the Affidavit of Misti Heckel sworn December 13, 2023 including the exhibits thereto, the Affidavit of Misti Heckel sworn March 8, 2024 including the exhibits thereto, the Eighth Report of the Monitor dated February 21, 2024, the Ninth Report of the Monitor dated March 6, 2024 (collectively, the "**Monitor's**

Reports"), and on hearing the submissions of counsel for the Nordstrom Canada Entities, counsel to the Monitor, and such other counsel as were present, no one else appearing for any other person on the service list in these CCAA Proceedings (the "**Service List**"), although properly served as appears from the affidavit of service of Hannah Davis sworn March 8, 2024, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record in support of this motion and the Monitor's Reports be and is hereby validated, such that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that there has been good and sufficient notice, service and delivery of the Meeting Materials (as defined in the Meeting Order granted by this Court on December 20, 2023 (the "**Meeting Order**")) and that the Creditors' Meeting was duly called, convened, held and conducted, all in conformity with the CCAA and the Meeting Order.

CAPITALIZED TERMS

3. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

SANCTION OF THE PLAN

4. **THIS COURT ORDERS** that the Plan and all associated steps, compromises, transactions, arrangements, releases, discharges, injunctions, and reorganizations effected thereby are hereby sanctioned, approved, binding and effective on the Nordstrom Canada Entities, the Plan Sponsor, all Affected Creditors, the Released Parties and all other Persons and parties affected by the Plan as of the Effective Time.

PLAN IMPLEMENTATION

5. **THIS COURT ORDERS** that the Nordstrom Canada Entities and the Monitor, and their respective representatives, are hereby authorized and directed to take all steps and actions to do all things, determined by the Nordstrom Canada Entities or the Monitor, respectively, to be necessary or appropriate to implement the Plan in accordance with its terms and to enter into, execute, deliver, complete, implement and consummate all of the steps, including the Plan Transaction Steps, and all other transactions, distributions, disbursements, payments, deliveries, instruments and agreements contemplated pursuant thereto, and such actions are hereby authorized, ratified and approved. The distributions, disbursements and payments contemplated in this paragraph 5 shall be free and clear of all claims, rights and interests of any Persons, including without limitation, the CCAA Charges, and neither the Nordstrom Canada Entities, the Monitor, nor their respective representatives shall incur any liability as a result of acting in accordance with the Plan and this Order.

6. **THIS COURT ORDERS** that upon receipt of written notice from the Nordstrom Canada Entities of the fulfilment or waiver of the conditions precedent to the implementation of the Plan as set out in Section 8.3 of the Plan, the Monitor shall deliver a certificate substantially in the form attached hereto as Schedule "B" (the "**Monitor's Plan Implementation Date Certificate**") to the Nordstrom Canada Entities and serve a copy of the same on the Service List. Following the Plan Implementation Date, the Monitor shall file a copy of the Monitor's Plan Implementation Date Certificate with the Court and post a copy of the same on the Website.

EFFECT OF PLAN IMPLEMENTATION

7. **THIS COURT ORDERS** that the Plan, including the treatment of Affected Claims under the Plan shall be final and binding for all purposes and enure to the benefit of the Nordstrom

Canada Entities, the Plan Sponsor, all Affected Creditors, the Released Parties and all other Persons and parties named or referred to in, or subject to, the Plan and their respective heirs, executors, trustees in bankruptcy, administrators and other legal representatives, successors and assigns.

8. **THIS COURT ORDERS** that all Affected Claims shall be and shall be deemed to be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in the Plan.

9. **THIS COURT ORDERS** that each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Nordstrom Canada Entities and the Plan Sponsor, all consents, releases, directions, receipts, acknowledgements, agreements, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

10. **THIS COURT ORDERS** that each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Nordstrom Canada Entities and the Plan Sponsor, all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

11. **THIS COURT ORDERS** that an Affected Creditor holding a Disputed Claim shall not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Disputed Claim becomes a Proven Claim in accordance with the Claims Procedure Order and Plan.

12. **THIS COURT ORDERS** that the Intercompany Claims set out in Schedule "A" to the Plan are deemed to be and shall be Proven Claims for the purposes of the Claims Procedure Order and the Plan.

13. **THIS COURT ORDERS** that nothing in the Plan extends to or shall be interpreted as extending or amending the Claims Bar Date or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

14. **THIS COURT ORDERS** that any Affected Claim for which a Proof of Claim has not been filed in accordance with the Claims Procedure Order shall be forever barred and extinguished.

ESTABLISHMENT OF RESERVES

15. **THIS COURT ORDERS** that on the Plan Implementation Date, NCRI for itself and as nominee for the other Nordstrom Canada Entities, shall be and is hereby authorized and directed to fund the Administrative Reserve from the Consolidated Cash Pool, which Administrative Reserve shall be subject to the Administrative Reserve Adjustment, in accordance with the Plan.

16. **THIS COURT ORDERS** that on the Plan Implementation Date, NCRI for itself and as nominee for the other Nordstrom Canada Entities, shall be and is hereby authorized and directed to fund the Disputed Claims Reserve from the Consolidated Cash Pool, in the amount determined by the Monitor in consultation with the Nordstrom Canada Entities in accordance with the Plan.

BIA PROVISIONS NOT APPLICABLE

17. **THIS COURT ORDERS** that sections 38 and 95 to 101 of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to the Plan or to any transactions, distributions or payments made in connection with transactions entered into by or on behalf of the Nordstrom Canada Entities, whether before or after the Filing Date, including to any and all of the

payments, distributions and transactions contemplated by and to be implemented pursuant to the Plan.

DISTRIBUTIONS

18. **THIS COURT ORDERS** that the Nordstrom Canada Entities are authorized to take any and all such actions as may be necessary or appropriate to comply with applicable Tax withholding and reporting requirements. All amounts withheld on account of Taxes shall be treated for all purposes as having been paid to the Affected Creditors in respect of which such withholding was made, provided such withheld amounts be remitted to the appropriate Governmental Authority.

19. **THIS COURT ORDERS** that the Monitor or any other Person shall not incur or be deemed to incur any liability under any federal, provincial or territorial legislation or regulation relating to Taxes in respect of any payments or distributions to be made pursuant to the Plan or this Order.

20. **THIS COURT ORDERS** that in no circumstance shall the Monitor have any liability for any of the Nordstrom Canada Entities' tax or other liabilities regardless of how or when such liabilities may have arisen.

21. **THIS COURT ORDERS** that the Nordstrom Canada Entities, with the consent of the Monitor, shall be authorized to retain a third-party payment agent to assist with and facilitate any distributions or payments to be made pursuant to the Plan.

NOTICE

22. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall cause a copy of this Order to be posted on the Website, and the Nordstrom Canada

Entities shall serve a copy on the parties on the Service List. From and after the Effective Time, any notices, motions or documents that may be filed with the Court need only be served on the Nordstrom Canada Entities, the Monitor, the parties on the Service List and such Persons who deliver a Notice of Appearance to the Nordstrom Canada Entities and the Monitor, and filed such Notice of Appearance with the Court, after the Effective Time.

23. **THIS COURT ORDERS** that the steps to be undertaken in paragraph 22 shall constitute good and sufficient service and notice of this Order on all Persons who may be entitled to receive notice thereof or who may have an interest in these proceedings, and no other form of notice or service need be made on such Persons and no other document or material need be served on such Persons in respect of these proceedings.

VESTING OF THE CANADA CUSTOMER DATA

24. **THIS COURT ORDERS** that on the Plan Implementation Date, pursuant to Section 5.2(e) of the Plan, all of the Nordstrom Canada Entities' right, title and interest in and to the Canada Customer Data shall vest absolutely in the Plan Sponsor (or its designee) free and clear of all Encumbrances.

25. **THIS COURT ORDERS** that pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), section 18(1)(i) of the *Personal Information Protection Act* (British Columbia) and section 20(e) of the *Personal Information Protection Act* (Alberta), the Nordstrom Canada Entities are authorized and ordered to disclose to the Plan Sponsor all personal information in the Nordstrom Canada Entities' custody or control contained within the Canada Customer Data (the "**Personal Information**").

26. **THIS COURT ORDERS** that the Plan Sponsor shall:

(a) maintain and protect the Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial privacy legislation (collectively, the "**Applicable Privacy Laws**");

(b) use and disclose the Personal Information for the purposes for which the Personal Information was collected, permitted to be used or disclosed by the Nordstrom Canada Entities and as may otherwise be permitted by Applicable Privacy Laws; and

(c) subject to paragraph 31 of this Order, give effect to any withdrawals of consent of the individuals to whom the Personal Information relates.

RELEASES

27. **THIS COURT ORDERS** that the compromises and releases set out in Article 7 of the Plan are approved and shall be binding and effective against all Affected Creditors and all other Persons as at the Plan Implementation Date.

28. **THIS COURT ORDERS** that solely with respect to any and all Affected Claims, all Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Plan Implementation Date, from: (a) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suits, claims, demands or other proceedings of any nature or kind whatsoever against any of the Released Parties, as applicable; (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property; (c)

creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (d) taking any actions to interfere with the implementation or consummation of the Plan.

29. **THIS COURT ORDERS** that all Persons who have previously commenced a proceeding in respect of an Affected Claim in any court, tribunal or other adjudicative body, which Affected Claim has not been finally determined, dismissed or discontinued prior to the Plan Implementation Date in such separate proceeding, shall forthwith after the Plan Implementation Date take steps to discontinue and/or dismiss, with prejudice and without costs, such Affected Claim.

CCAA CHARGES

30. **THIS COURT ORDERS** that the Administration Charge and the Directors' Charge shall continue and shall attach solely against the Consolidated Cash Pool, the NCL ITC Cash Pool and the Cash Reserves, in the order of priority set out in the Initial Order, which CCAA Charges shall survive the Plan Implementation Date.

THE PLAN SPONSOR

31. **THIS COURT ORDERS** that the Plan Sponsor shall be and is hereby directed to maintain the books and records of the Nordstrom Canada Entities for purposes of the completion of the Claims Process and the performance of the Nordstrom Canada Entities' duties under the Plan, or as the Nordstrom Canada Entities may otherwise be required under Applicable Law.

32. **THIS COURT ORDERS** that as part of and as may be necessary for the maintenance of the books and records of the Nordstrom Canada Entities in accordance with paragraph 31 hereof, the Plan Sponsor has the authority to engage with any of NCRI's former benefits providers regarding information (including Personal Information) and data held by such former benefits

providers with respect to the former employees of NCRI ("**Benefits Records**") and to receive access to such Benefits Records.

THE MONITOR

33. **THIS COURT ORDERS** that in carrying out the terms of this Order and the Plan, (a) the Monitor shall benefit from all the protections given to it by the CCAA, the Initial Order and any other Order in these CCAA Proceedings, and as an officer of the Court, including the stay of proceedings in its favour; (b) the Monitor shall not incur any liability or obligation as a result of carrying out the provisions of this Order and/or the Plan; and (c) the Monitor shall be entitled to rely on the books and records of the Nordstrom Canada Entities and any information provided by the Nordstrom Canada Entities without independent investigation and the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

34. **THIS COURT ORDERS** that in addition to its prescribed rights and obligations under the CCAA and the Orders of the Court made in these CCAA Proceedings, the Monitor is granted the powers, duties and protections contemplated by and required under the Plan and that the Monitor be and is hereby authorized and directed to perform its duties and fulfill its obligations under the Plan to facilitate the implementation thereof, including without limitation to apply to any Governmental Authority for any consent, authorization, certificate or approval in connection with the taking of any step or transaction or performance of any function under or in connection with the Plan.

35. **THIS COURT ORDERS** that, without limiting the provisions of the Initial Order or the provisions of any other Order granted in these CCAA Proceedings, including this Order, the

Nordstrom Canada Entities shall remain in possession and control of the Property and that the Monitor shall not take possession or be deemed to be in possession and/or control of the Property.

36. **THIS COURT ORDERS** that (a) the form of certificate attached hereto as Schedule "C" (the "**Monitor's Plan Completion Certificate**") is hereby approved, and (b) following written notice from the Nordstrom Canada Entities to the Monitor pursuant to Section 6.10(d) of the Plan that the Nordstrom Canada Entities have completed their duties to fully and finally effect all distributions, disbursements and payments in accordance with the Plan (the "**Notice of Completion**"), the Monitor shall serve a copy of the same on the Service List, file a copy of the Monitor's Plan Completion Certificate with the Court and post a copy of the same on the Website.

37. **THIS COURT ORDERS** that as soon as reasonably practicable following delivery from the Nordstrom Canada Entities to the Monitor of the Notice of Completion, the Nordstrom Canada Entities shall seek an Order (the "**Discharge and Termination Order**"), *inter alia*: (a) discharging the Monitor from its duties as monitor of the Nordstrom Canada Entities in these CCAA Proceedings and releasing the Monitor and its advisors from all claims related to its activities as monitor; (b) terminating these CCAA Proceedings; (c) authorizing the assignment into bankruptcy and/or dissolution under appliable corporate law of each of the Nordstrom Canada Entities; (d) discharging Employee Representative Counsel of their duties in the CCAA Proceedings; and (e) releasing the Nordstrom Canada Entities and any Directors and Officers holding office following the Plan Implementation Date and their advisors from all claims upon the filing of the Monitor's Plan Completion Certificate.

STAY EXTENSION

38. **THIS COURT ORDERS** that the Stay Period in the Initial Order be and is hereby extended until and including June 28, 2024, or such later date as this Court may order.

GENERAL PROVISIONS

39. **THIS COURT ORDERS** that the Nordstrom Canada Entities and the Monitor may apply to this Court from time to time for advice and direction with respect to any matter arising from or under the Plan or this Order.

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

41. **THIS COURT AUTHORIZES** the Nordstrom Canada Entities (at their sole election) to seek an order of any court of competent jurisdiction to recognize the Plan and this Order and to confirm the Plan and this Order as binding and effective in any appropriate foreign jurisdiction.

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

C.J.

Chief Justice Geoffrey B. Morawetz

SCHEDULE "A"
CONSOLIDATED PLAN OF COMPROMISE AND ARRANGEMENT

(see attached)

Court File No. CV-23-0695619-00CL

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 NORDSTROM CANADA RETAIL, INC., NORDSTROM CANADA HOLDINGS, LLC and NORDSTROM CANADA HOLDINGS II, LLC

CONSOLIDATED PLAN OF COMPROMISE AND ARRANGEMENT

pursuant to the *Companies' Creditors Arrangement Act*

December 13, 2023

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CONSOLIDATED PLAN OF COMPROMISE AND ARRANGEMENT

WHEREAS:

A. Nordstrom Canada Retail, Inc. ("**NCRI**"), Nordstrom Canada Holdings, LLC ("**NCH**") and Nordstrom Canada Holdings II, LLC ("**NCHII**", and together with NCRI and NCH, collectively, the "**Applicants**") and Nordstrom Canada Leasing LP ("**NCL**", and together with the Applicants, collectively, the "**Nordstrom Canada Entities**") are insolvent;

B. The Applicants filed for and obtained protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on March 2, 2023, as amended and restated on March 10, 2023 (and as further amended, restated or varied from time to time, the "**Initial Order**");

C. The Initial Order declared that, although not an Applicant, NCL shall enjoy the protections and authorizations provided by the Initial Order;

D. Pursuant to the Initial Order, the Applicants have the authority to file with the Court a plan of compromise or arrangement, which plan will provide, among other things, a method of distribution to creditors with proven claims and the framework for the completion of the orderly wind-down of the Nordstrom Canada Entities' business; and

E. On December 20, 2023, the Court issued an Order (as may be amended, restated or varied from time to time, the "**Meeting Order**"), *inter alia*, accepting this consolidated plan of compromise and arrangement under and pursuant to the CCAA (including the Schedules hereto, as may be amended, supplemented or replaced from time to time, the "**Plan**") for filing with the Court. Pursuant to and in accordance with the Initial Order and the Meeting Order, the Applicants hereby propose and present this consolidated Plan.

ARTICLE 1
INTERPRETATION

1.1 Definitions

In the Plan, unless otherwise stated or unless the subject matter or context otherwise requires:

"**A&M**" means Alvarez & Marsal Canada Inc.;

"**Administration Charge**" means the charge over the Property created by paragraph 53 of the Initial Order, and having the priority provided in paragraphs 54 and 56 of such Order;

"**Administrative Reserve**" means a Cash Reserve to be established on the Plan Implementation Date from the Consolidated Cash Pool (concurrently with the creation of the Disputed Claims Reserve and prior to any distributions to Affected Creditors therefrom) as authorized by the Court pursuant to the Sanction and Vesting Order, in an amount to be agreed by the Monitor and the Nordstrom Canada Entities five (5) Business Days prior to the Plan Implementation Date, and to be deposited by the Nordstrom Canada Entities into the Administrative Reserve Account for the purpose of paying the

Administrative Reserve Costs, which Administrative Reserve shall be subject to the Administrative Reserve Adjustment;

"**Administrative Reserve Account**" means a segregated interest-bearing trust account established by NCRI on behalf of itself and each of the Nordstrom Canada Entities to hold the Administrative Reserve on behalf of the beneficiaries thereof, under the supervision of the Monitor;

"**Administrative Reserve Adjustment**" means, on or after the Plan Implementation Date, a decrease in the Administrative Reserve in such amount and at such time(s) as the Monitor may determine to be appropriate, necessary or desirable, in consultation with the Nordstrom Canada Entities, and Cash in the amount of any such decrease shall be transferred to the Consolidated Cash Pool Account as appropriate;

"**Administrative Reserve Costs**" means costs incurred and payments to be made on or after the Plan Implementation Date (including costs incurred prior to the Plan Implementation Date which remain outstanding as of the Plan Implementation Date) in respect of:

(a) the Monitor's fees and disbursements (including of its legal counsel and other consultants and advisors) in connection with the performance of its duties under the Plan and in the CCAA Proceedings, including without limitation all costs associated with assisting the Nordstrom Canada Entities in completing the Claims Process, making distributions pursuant to this Plan, and the wind-down of the Nordstrom Canada Entities;

(b) the Nordstrom Canada Entities' fees and disbursements (including of their legal counsel and other consultants and advisors) in connection with the performance of their duties under the Plan and in the CCAA Proceedings, including without limitation all costs associated with completing the Claims Process, making distributions pursuant to this Plan, and the wind-down of the Nordstrom Canada Entities;

(c) costs incurred by the Plan Sponsor in respect of the provision of any shared services in connection with the completion of the Claims Process and the performance of the Nordstrom Canada Entities' duties under the Plan (including without limitation maintaining the books and records of the Nordstrom Canada Entities, and administering distributions, disbursements and payments under the Plan) pursuant to and in accordance with the Wind-Down Agreement, the Plan, and the Sanction and Vesting Order;

(d) any third-party fees incurred in connection with the administration of distributions, disbursements and payments under the Plan;

(e) any fees incurred in connection with the bankruptcy and/or the dissolution under corporate law or otherwise of the Nordstrom Canada Entities, including any retainer for the fees and disbursements of any trustee;

(f) Post-Filing Claims;

(g) Post-Filing Tax Claims;

(h) the fees and disbursements of Employee Representative Counsel;

(i) the fees and disbursements of any claims officers appointed under the Claims Procedure Order;

(j) Excluded Claims, Government Priority Claims and Employee Priority Claims; and

(k) any other reasonable amounts as the Monitor may determine in consultation with the Nordstrom Canada Entities;

"**Affected Claim**" means a Claim other than an Unaffected Claim;

"**Affected Creditor**" means a Creditor who has an Affected Claim;

"**Applicable Law**" means any law (including any principle of civil law, common law or equity), statute, Order, decree, judgment, rule, regulation, ordinance, or other pronouncement having the effect of law, whether in Canada or any other country or any domestic or foreign province, state, city, county or other political subdivision;

"**Applicants**" has the meaning ascribed thereto in the Recitals;

"**Assessments**" means Claims of His Majesty the King in Right of Canada or of His Majesty the King in Right of any province or territory or of any municipality or of any other Taxing Authority in any Canadian or other jurisdictions, including without limitation amounts which may arise or have arisen under any notice of assessment, notice of objection, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any Taxing Authority;

"**Basic Sublease Rent**" means all Basic Sublease Rent or Minimum Sublease Rent (each as defined in the applicable Sublease) required to be paid by NCRI to NCL under the applicable Sublease during the Term (as defined in the applicable Sublease) of the applicable Sublease;

"**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;

"**Business**" means the integrated operations and activities formerly carried on collectively by the Nordstrom Canada Entities;

"**Business Day**" means a day on which banks are open for business in the City of Toronto, Ontario, Canada, but does not include a Saturday, Sunday or a statutory holiday in the Province of Ontario;

"**Canada Customer Data**" means customer-related data derived from the operation of the Business including, but not limited to, the Canada customer list(s);

"**Cash**" means cash, certificates of deposit, bank deposits, commercial paper, treasury bills, amounts on account of ITCs (but excluding Plan Sponsor ITCs), refunds, cash collateral

posted on account of customs or other bonds, and any other cash equivalents, whether or not acquired or realized before or after the Plan Implementation Date;

"**Cash Elected Amount**" means $15,000;

"**Cash Management Bank**" means any Person who is providing cash management services to any of the Nordstrom Canada Entities under the Cash Management System (as defined in the Initial Order);

"**Cash Management Bank Claim**" means any claim of any Cash Management Bank in connection with the provision of cash management services under the Cash Management System (as defined in the Initial Order) to any of the Nordstrom Canada Entities;

"**Cash Reserves**" means, collectively, the Administrative Reserve and the Disputed Claims Reserve, and "**Cash Reserve**" means any one of them;

"**CCAA**" has the meaning ascribed thereto in the Recitals;

"**CCAA Charges**" means collectively the Administration Charge and the Directors' Charge;

"**CCAA Proceedings**" means the CCAA proceedings in respect of the Nordstrom Canada Entities commenced pursuant to the Initial Order;

"**Claim**" means a Pre-Filing Claim, a Restructuring Period Claim, a Pre-Filing D&O Claim, and a Restructuring Period D&O Claim, provided, however, that in any case the term "Claim" shall not include an Excluded Claim or any right, interest or claim of any Person that was previously released, barred, estopped, and/or permanently stayed, but shall include any claim arising through subrogation against any Nordstrom Canada Entity or any Director or Officer;

"**Claims Bar Date**" means: (a) in respect of a Pre-Filing Claim or a Pre-Filing D&O Claim, 5:00 p.m. on August 4, 2023; and (b) in respect of a Restructuring Period Claim or Restructuring Period D&O Claim, the later of (i) thirty (30) days after the date on which the Monitor sends a Negative Notice Claims Package or General Claims Package (each as defined in the Claims Procedure Order) with respect to such Claim, and (ii) 5:00 p.m. on August 4, 2023;

"**Claims Procedure Order**" means the Order of the Court made May 30, 2023 (including all schedules and appendices thereto) approving and implementing the claims procedure in respect of the Nordstrom Canada Entities and the Directors and Officers, and as may be further amended, restated or varied from time to time;

"**Claims Process**" means the procedures outlined in the Claims Procedure Order in connection with the assertion of Claims against any of the Nordstrom Canada Entities and/or the Directors and Officers;

"**Conditions Precedent**" means the conditions precedent to Plan implementation set out in Section 8.3;

"**Consolidated Cash Pool**" means the Cash pool comprised of all Cash of and contributed by the Nordstrom Canada Entities, excluding the Plan Sponsor ITCs, the NCL FLS Distribution ITCs and the Cash Reserves, and including without limitation the net proceeds of the Liquidation Sale, consolidated for purposes of making distributions to Creditors of all of the Nordstrom Canada Entities;

"**Consolidated Cash Pool Account**" means a segregated interest-bearing trust account established by NCRI to hold the Consolidated Cash Pool on behalf of itself and each of the other Nordstrom Canada Entities under the supervision of the Monitor;

"**Convenience Class Claim**" excludes a Disputed Claim and means: (a) one or more Proven Claims of an Affected Creditor that are less than or equal to $15,000 in the aggregate; and (b) one or more Proven Claims of an Affected Creditor in an amount in excess of $15,000 in the aggregate that such Affected Creditor has validly elected to value at $15,000 for purposes of the Plan by filing a Convenience Class Claim Election by the Election/Proxy Deadline;

"**Convenience Class Claim Election**" means the election by an Affected Creditor with one or more Proven Claims that are in an amount in excess of $15,000 in the aggregate, submitted by no later than the Election/Proxy Deadline, to receive only the Cash Elected Amount and pursuant to which such Affected Creditor is thereby deemed to have foregone any recovery on its Proven Claim in excess of the Cash Elected Amount, to vote in favour of the Plan in respect of such Proven Claims, and to receive no other entitlements under the Plan;

"**Convenience Class Creditor**" means a Person having a Convenience Class Claim (including, for greater certainty, any Affected Creditor that has timely submitted a Convenience Class Claim Election);

"**Court**" has the meaning ascribed thereto in the Recitals;

"**CRA NCH Assessments**" means the Notices of Assessment under the ITA dated June 27, 2023 issued to NCH on the asserted basis that NCH is liable to pay non-resident withholding tax under Part XIII of the ITA on behalf of NIL pursuant to subsection 215(6) of the ITA in respect of interest paid by NCH to NIL in 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021, and for certainty includes any and all claims relating thereto;

"**Creditor**" means any Person asserting an Affected Claim or an Unaffected Claim and may, where the context requires, include the assignee of such Claim or a personal representative, agent, litigation guardian, mandatary, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person;

"**Creditors' Meeting**" means the meeting of Affected Creditors to be called and held pursuant to the Meeting Order for the purpose of considering and voting upon the Plan, and includes any adjournment, postponement or rescheduling of such meeting;

"**Director**" means any Person who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of any of the Nordstrom Canada Entities, in such capacity;

"**Directors' Charge**" means the charge over the Property created by paragraph 43 of the Initial Order, and having the priority provided in paragraphs 54 and 56 of such Order;

"**Disputed Claim**" means that portion of an Affected Claim of an Affected Creditor in respect of which a Proof of Claim or Negative Notice Claim, as applicable, has been filed or issued in accordance with the Claims Procedure Order that has not been finally determined to be a Proven Claim in whole or in part in accordance with the Claims Procedure Order, the Meeting Order, or any other Order made in the CCAA Proceedings;

"**Disputed Claims Reserve**" means a Cash Reserve to be established on the Plan Implementation Date from the Consolidated Cash Pool (concurrently with the creation of the Administrative Reserve and prior to any distributions to Affected Creditors therefrom) as authorized by the Court pursuant to the Sanction and Vesting Order, in an amount to be determined by the Monitor in consultation with the Nordstrom Canada Entities five (5) Business Days prior to the Plan Implementation Date, which Cash Reserve shall be held by NCRI on behalf of itself and each of the other Nordstrom Canada Entities in the Disputed Claims Reserve Account for distribution in accordance with the Plan;

"**Disputed Claims Reserve Account**" means a segregated interest-bearing trust account established by NCRI on behalf of itself and each of the other Nordstrom Canada Entities to hold the Disputed Claims Reserve under the supervision of the Monitor;

"**Distribution Date**" means the day on which a distribution to Creditors of the Nordstrom Canada Entities with Proven Claims is made, other than the Initial Distribution Date or the Final Distribution Date;

"**Effective Time**" means 12:01 a.m. on the Plan Implementation Date or such other time on such date as the Nordstrom Canada Entities and the Monitor shall determine or as otherwise ordered by the Court;

"**Election/Proxy Deadline**" means the deadline for making a Convenience Class Claim Election and for submitting Proxies in accordance with the Meeting Order;

"**Employee Priority Claims**" means the following claims of Employees:

(a) claims equal to the amounts that any such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Nordstrom Canada Entities had become bankrupt on the Filing Date; and

(b) claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the Plan Implementation Date together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Business during the same period;

"**Employee Representative Counsel**" means Ursel Phillips Fellows Hopkinson LLP, appointed pursuant to paragraph 30 of the Initial Order as counsel for all Represented Employees in the CCAA Proceedings, any proceeding under the BIA or in any other proceeding respecting the insolvency of the Applicants which may be brought before the Court;

"**Employee Trust**" means the employee trust created pursuant to the Employee Trust Agreement and approved by the Court pursuant to paragraph 24 of the Initial Order;

"**Employee Trust Agreement**" means the Trust Agreement dated as of March 2, 2023 among the Plan Sponsor, the Monitor and the Employee Trust Trustee, which was approved by the Court pursuant to paragraph 24 of the Initial Order;

"**Employee Trust Trustee**" means Gale Rubenstein in her capacity as trustee of the Employee Trust;

"**Employees**" means all current and former employees of the Nordstrom Canada Entities other than Directors and Officers, and "**Employee**" means any one of them;

"**Encumbrance**" means any charge, mortgage, lien, pledge, claim, restriction, security interest, security agreement, hypothecation, assignment, deposit arrangement, hypothec, lease, rights of others including without limitation Transfer Restrictions, deed of trust, trust or deemed trust, lien, financing statement, preferential arrangement of any kind or nature whatsoever, including any title retention agreement, or any other arrangement or condition which in substance secures payment or performance of any obligations, action, claim, demand or equity of any nature whatsoever, execution, levy, charge or other financial or monetary claim, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, or other encumbrance, whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights and shall be construed in the widest possible terms and principles known under law applicable to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under Applicable Law, including without limiting the generality of the foregoing, the CCAA Charges;

"**Equity Claim**" has the meaning ascribed thereto in section 2 of the CCAA;

"**ETA**" means the *Excise Tax Act* (Canada), R.S.C. 1985, c. E-15, as amended, and any regulations thereunder;

"**Excluded Claim**" means any:

(a) claim secured by any of the CCAA Charges;

(b) claim that cannot be compromised pursuant to sections 5.1(2) and 19(2) of the CCAA; and

(c) the Cash Management Bank Claim;

"**Filing Date**" means March 2, 2023;

"**Final Distribution Date**" has the meaning ascribed thereto in Section 6.10;

"**Final Order**" means a final Order of the Court, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal and as to which Order any appeal periods relating thereto shall have expired;

"**FLS Landlord Guarantee Claim**" means the rights, remedies and claims of a FLS Landlord against the Plan Sponsor arising under a Plan Sponsor Landlord Guarantee;

"FLS Landlord ITC Distribution" means the distributions to FLS Landlords from the NCL ITC Cash Pool Account under Section 6.6(b);

"**FLS Landlord ITC Share**" means the proportionate share of the NCL FLS Distribution ITCs generated by prior distributions to the applicable FLS Landlord which have not been distributed, which, in respect of a particular FLS Landlord, shall be calculated as:

A / B, where

"A" equals

(i) the aggregate amount of NCL FLS Distribution ITCs previously contributed to the NCL ITC Cash Pool Account which are generated on distributions made to such FLS Landlord, less

(ii) the aggregate amount of all FLS Landlord ITC Distributions previously made to such FLS Landlord, and

divided by

"B" equals

(i) the aggregate amount of all NCL FLS Distribution ITCs previously contributed to the NCL ITC Cash Pool Account, less

(ii) the aggregate amount of all FLS Landlord ITC Distributions previously made to any FLS Landlord;

"**FLS Landlord Settlement Agreements**" means, collectively, the settlement and other agreements entered into by the Plan Sponsor and the Nordstrom Canada Entities, as applicable, and each of the FLS Landlords to, among other things, consensually resolve the indemnity claims of such FLS Landlords against the Plan Sponsor arising under the Plan Sponsor Landlord Guarantees;

"**FLS Landlords**" means, collectively, the third-party Landlords of the FLS Stores, and "**FLS Landlord**" means any one of them;

"**FLS Stores**" means the former Nordstrom full-line stores in Canada listed on Schedule B hereto;

"**Government Priority Claims**" means all Claims of Governmental Authorities that are enumerated in section 6(3) of the CCAA in respect of amounts that are outstanding and that are of a kind that could be subject to a demand on or before the Final Distribution Date;

"**Governmental Authority**" means any government, including any federal, provincial, territorial or municipal government, and any government department, body, ministry, agency, tribunal, commission, board, court, bureau or other authority exercising or

purporting to exercise executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government including without limitation any Taxing Authority;

"**Guarantee**" means any guarantee, indemnity, surety or similar agreement by a Person to guarantee, indemnify or otherwise hold harmless any Person from or against any indebtedness, losses, Liabilities or damages of that Person, but excludes all Plan Sponsor Landlord Guarantees;

"**HST/GST**" means the goods and services tax and harmonized sales tax imposed under the ETA, and any equivalent or corresponding tax imposed under any applicable provincial or territorial legislation imposing a similar value added or multi-staged tax;

"**Initial Distribution Date**" means a date no more than five (5) Business Days after the Plan Implementation Date or such other date as the Nordstrom Canada Entities and the Monitor may agree;

"**Initial Order**" has the meaning ascribed thereto in the Recitals;

"**Insurance Policy**" means any insurance policy pursuant to which any Nordstrom Canada Entity is insured, and for greater certainty excludes any insurance policy pursuant to which any Director, Officer or third party is insured;

"**Insured Claim**" means all or that portion of a Claim against a Nordstrom Canada Entity that is insured under an Insurance Policy, but solely to the extent that such Claim, or portion thereof, is so insured, and only as against such Insurance Policy;

"**Intercompany Claim**" means any Claim that may be asserted against any Nordstrom Canada Entity by or on behalf of itself and: (a) any other Nordstrom Canada Entity; or (b) the Plan Sponsor or any of its affiliated companies, partnerships, or other corporate entities other than the Nordstrom Canada Entities, all as more particularly described in the Intercompany Claims Report;

"**Intercompany Claims Report**" means the Fifth Report of the Monitor dated August 3, 2023 reporting on the Monitor's review of the Intercompany Claims pursuant to and in accordance with paragraph 44 of the Claims Procedure Order;

"**ITA**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.), as amended, and any regulations thereunder;

"**ITC**" means an input tax credit receivable and claimed under the ETA or any equivalent or corresponding amount receivable and claimed under any applicable provincial or territorial legislation imposing a similar value-added or multi-staged tax, on account of HST/GST paid or payable;

"**KERP**" means the Key Employees Retention Plan approved by paragraph 39 of the Initial Order;

"**KERP Claim**" means a claim of any Person who was entitled to payment under the KERP;

"**Landlord**" means any Person who in its capacity as lessor was a party to a real property Lease to which any of the Nordstrom Canada Entities was a party, and for the avoidance of doubt includes NCL as sublandlord;

"**Lease**" means any real property lease, including a sublease, and any and all amendments, modifications, assignments and restatements thereto and thereof and related agreements, to which any Nordstrom Canada Entity is a party;

"**Lease Monetization Process**" means the sales process conducted in respect of the Nordstrom Canada Entities' Leases, which sales process was authorized by the Court pursuant to the Initial Order;

"**Liabilities**" means all indebtedness, obligations and other liabilities of a Person whether absolute, accrued, contingent, fixed or otherwise, known or unknown, or whether due or to become due, and "**Liability**" means any one of them;

"**Liquidation Sale**" means the sale of the Nordstrom Canada Entities' inventory, furniture, fixtures and equipment that was approved by the Court pursuant to an Order dated March 20, 2023;

"**Master Lease**" means, in each case, the Lease pursuant to which former store premises were leased by NCL, as tenant, from a third-party Landlord and any and all amendments, modifications, assignments and restatements thereto and thereof and all related agreements;

"**Meeting Materials**" has the meaning ascribed thereto in the Meeting Order;

"**Meeting Order**" has the meaning ascribed thereto in the Recitals;

"**Monitor**" means A&M, in its capacity as Court-appointed monitor of the Nordstrom Canada Entities and not in its personal capacity;

"**Monitor's Plan Completion Certificate**" means the certificate substantially in the form to be attached to the Sanction and Vesting Order to be served on the service list established in the CCAA Proceedings and filed by the Monitor with the Court following written notice from the Nordstrom Canada Entities to the Monitor pursuant to Section 6.10(d) that the Nordstrom Canada Entities have completed their duties to fully and finally effect all steps, distributions, disbursements and payments in accordance with the Plan;

"**Monitor's Plan Implementation Date Certificate**" means the certificate substantially in the form to be attached to the Sanction and Vesting Order to be delivered by the Monitor to the Nordstrom Canada Entities, served on the service list established in the CCAA Proceedings, and filed by the Monitor with the Court, declaring that the Nordstrom Canada Entities have advised the Monitor that all of the Conditions Precedent to implementation of the Plan have been satisfied or waived;

"**NCL FLS Distribution ITCs**" means any ITCs generated solely in favour of NCL pursuant to the ETA on account of HST/GST deemed to have been paid by NCL on distributions made to FLS Landlords from the Consolidated Cash Pool or the NCL ITC

Cash Pool, as applicable, other than amounts which the Monitor may determine in its sole and unfettered discretion to be immaterial and which shall not be claimed by NCL;

"**NCL Improvement Rent Claim**" means NCL's Restructuring Period Claim against NCRI arising from the termination of each Sublease equal to the net present value of unpaid Real Estate Improvement Rent for the remaining term of each Sublease, in the amount of $368,027,201 and identified as Claim No. 10B under the Intercompany Claims Report, which Claim shall be a Proven Claim in an amount required for NCL to have the Cash necessary to make the distributions to Affected Creditors of NCL as contemplated under the Plan;

"**NCL ITC Cash Pool**" means the Cash pool comprised of all Cash received by NCL pursuant to the ETA on account of any NCL FLS Distribution ITCs resulting from distributions made to FLS Landlords pursuant to this Plan, and contributed by NCL for purposes of making further distributions to such FLS Landlords;

"**NCL ITC Cash Pool Account**" means a segregated interest-bearing trust account established by NCRI to hold the NCL ITC Cash Pool in trust on behalf of NCL under the supervision of the Monitor;

"**NCL Master Lease Flow-Through Claim**" means NCL's Restructuring Period Claim against NCRI for the claims of Landlords against NCL arising from the disclaimer of the unassigned Master Leases and identified as Claim No. 10A under the Intercompany Claims Report;

"**NCL Post-Filing Sublease Rent Claim**" means NCL's Post-Filing Claim as against NCRI for unpaid Real Estate Improvement Rent, in the amount of $26,227,411 and identified as Claim No. 9 under the Intercompany Claims Report;

"**NCL Pre-Filing Sublease Rent Claim**" means NCL's Pre-Filing Claim as against NCRI for unpaid Basic Sublease Rent, Sublease Additional Rent and Real Estate Improvement Rent, in the amount of $64,879,810 and identified as Claim No. 8 under the Intercompany Claims Report;

"**NCL Rack Distribution ITCs**" means any ITCs generated solely in favour of NCL pursuant to the ETA on account of HST/GST deemed to have been paid by NCL on distributions made to Supporting Rack Landlords from the Consolidated Cash Pool;

"**NCL Sublease Termination Claim**" means NCL's Restructuring Period Claim against NCRI for damages suffered by NCL as a result of the termination of the Master Leases and Subleases, consisting of the aggregate of the NCL Master Lease Flow-Through Claim and NCL Improvement Rent Claim and identified as Claim No. 10 under the Intercompany Claims Report;

"**NCL-NCRI Claims Settlement Agreement**" means the agreement between NCL and NCRI, to be deemed effective on the Plan Implementation Date, which results in the full and final settlement and satisfaction of the NCL Pre-Filing Sublease Rent Claim (Intercompany Claim No. 8), the NCL Sublease Termination Claim (Intercompany Claim No. 10) and the NCRI-NCL Services Claim (Intercompany Claim No. 11);

"**NCL-NCRI Claims Settlement Amount**" means the Cash amount to be paid by NCRI to NCL pursuant to the NCL-NCRI Claims Settlement Agreement;

"**NCRI Transfer Pricing Claim**" means a claim by NCRI against the Plan Sponsor for unpaid transfer pricing payments pursuant to the "Transfer Pricing Policy" under the NINC-NCRI Services Agreement, in the amount of $87,400,488 and identified as Claim No. 3 under the Intercompany Claims Report;

"**NCRI-NCL Services Agreement**" means the Inter-Affiliate Services Agreement between NCRI and NCL dated as of December 10, 2014;

"**NCRI-NCL Services Claim**" means NCRI's Pre-Filing Claim against NCL for unpaid fees relating to the provision of shared services pursuant to the NCRI-NCL Services Agreement, in the amount of $55,046 and identified as Claim No. 11 under the Intercompany Claims Report;

"**Negative Notice Claim**" means the statement of negative notice claim that was prepared by the Nordstrom Canada Entities, in consultation with the Monitor and disseminated to each applicable Creditor in accordance with the Claims Procedure Order;

"**Net NCRI Transfer Pricing Claim**" means the remaining balance of the NCRI Transfer Pricing Claim of $69,939,309, having been reduced by $17,461,179, being the amount of the Net NINC-NCRI Services Claim, as a result of the set-off in Section 5.2(f);

"**Net NINC-NCRI Services Claim**" means the remaining balance of the NINC-NCRI Services Claim of $17,461,179, having been reduced by $200,000, being the fair market value of the Canada Customer Data, as a result of the partial settlement and satisfaction in Section 5.2(e);

"**NIL**" means Nordstrom International Limited;

"**NIL Canada Expansion Loan Agreement**" means the loan agreement between NIL and NCH dated April 18, 2014;

"**NIL Canada Expansion Loan Claim**" means a Pre-Filing Claim by NIL against NCH in respect of loans advanced by NIL under the NIL Canada Expansion Loan Agreement, in the amount of $309,832,891 and identified as Claim No. 1 under the Intercompany Claims Report, which Claim shall be a Proven Claim in an amount which will generate total distributions under the Plan on account of such Claim equal to (and in any case no greater than) the Cash on hand at NCH available for distribution to Affected Creditors on the Plan Implementation Date;

"**NINC Employee Trust Subrogated Claim**" means a subrogated Pre-Filing Claim by the Plan Sponsor against NCRI authorized pursuant to the Initial Order in respect of the aggregate gross amounts paid to beneficiaries directly or indirectly from the Employee Trust, in the final amount of $14,599,347 and which was in the amount of $13,633,426 as at the date of the Intercompany Claims Report and identified as Claim No. 4 under the Intercompany Claims Report;

"**NINC-NCH Services Agreement**" means the Inter-Affiliate Services Agreement between the Plan Sponsor and NCH dated October 10, 2016;

"**NINC-NCH Services Claim**" means the Pre-Filing Claim by the Plan Sponsor against NCH for unpaid fees relating to the provision of shared services pursuant to the NINC-NCH Services Agreement, in the amount of $55,031 and identified as Claim No. 6 under the Intercompany Claims Report;

"**NINC-NCHII Services Agreement**" means the Inter-Affiliate Services Agreement between the Plan Sponsor and NCHII dated October 10, 2016;

"**NINC-NCHII Services Claim**" means the Pre-Filing Claim by the Plan Sponsor against NCHII for unpaid fees relating to the provision of shared services pursuant to the NINC-NCHII Services Agreement, in the amount of $56,829 and identified as Claim No. 7 under the Intercompany Claims Report;

"**NINC-NCL Services Agreement**" means the Inter-Affiliate Services Agreement between the Plan Sponsor and NCL dated December 10, 2014;

"**NINC-NCL Services Claim**" means the Pre-Filing Claim by the Plan Sponsor against NCL for unpaid fees relating to the provision of shared services pursuant to the NINC-NCL Services Agreement between the Plan Sponsor and NCL, in the amount of $495,582 and identified as Claim No. 5 under the Intercompany Claims Report;

"**NINC-NCRI Services Agreement**" means the Inter-Affiliate License and Services Agreement between the Plan Sponsor and NCRI dated February 3. 2019;

"**NINC-NCRI Services Claim**" means a Pre-Filing Claim by the Plan Sponsor against NCRI for unpaid fees relating to the provision of shared services and the licencing of intellectual property pursuant to the NINC-NCRI Services Agreement, in the amount of $17,661,179 and identified as Claim No. 2 under the Intercompany Claims Report;

"**Nordstrom Canada Entities**" has the meaning ascribed thereto in the Recitals;

"**Nordstrom Canada Entities Released Party**" has the meaning ascribed thereto in Section 7.1(a);

"**Nordstrom Rack Stores**" means the former Nordstrom Rack stores in Canada;

"**Officer**" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or manager or *de facto* officer or *de facto* manager of any of the Nordstrom Canada Entities, in such capacity;

"**Order**" means any order of the Court, or any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;

"**Other Priority Claim**" means a Claim accepted by the Nordstrom Canada Entities, in consultation with the Monitor, as a proven "priority claim" pursuant to the Claims Procedure Order;

"**Other Priority Claim Creditor**" means a Creditor who has an Other Priority Claim, but only in respect of and to the extent of such Other Priority Claim;

"**Person**" means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust (including a real estate investment trust), unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity;

"**Plan**" has the meaning ascribed thereto in the Recitals;

"**Plan Implementation Date**" means the Business Day on which all of the Conditions Precedent to the implementation of the Plan have been fulfilled or, to the extent permitted pursuant to the terms and conditions of the Plan, waived, as evidenced by the Monitor's Plan Implementation Date Certificate to be delivered to the Nordstrom Canada Entities and filed with the Court;

"**Plan Sanction Date**" means the date that the Sanction and Vesting Order issued by the Court becomes a Final Order;

"**Plan Sponsor**" means Nordstrom, Inc., a corporation incorporated under the laws of the State of Washington;

"**Plan Sponsor ITCs**" means any ITCs generated in favour of NCL pursuant to the ETA solely upon and as a result of payment by the Plan Sponsor of amounts required to be paid under the FLS Landlord Settlement Agreements, which ITCs as and when received or otherwise realized by NCL are to be held in trust by NCL for the benefit of the Plan Sponsor, and for greater certainty, which Plan Sponsor ITCs shall not be contributed to the Consolidated Cash Pool, the NCL ITC Cash Pool or the Cash Reserves;

"**Plan Sponsor Landlord Guarantee**" means any indemnity, guarantee or surety in favour of any Landlord executed by the Plan Sponsor in relation to any Lease to which any Nordstrom Canada Entity is a party;

"**Plan Sponsor Released Party**" has the meaning ascribed thereto in Section 7.1(c);

"**Plan Sponsor Subsidiaries**" means all direct and indirect subsidiaries of the Plan Sponsor, including corporations and partnerships, other than the Nordstrom Canada Entities;

"**Plan Sponsor Support Agreement**" means the support agreement dated December 13, 2023 between the Plan Sponsor and the Nordstrom Canada Entities, pursuant to which the Plan Sponsor has agreed to be bound by the Plan and to perform all of its obligations hereunder;

"**Plan Transaction Steps**" has the meaning ascribed thereto in Section 5.2;

"**Plan Transactions**" means all of the steps or transactions considered necessary or desirable to give effect to the transactions contemplated in the Plan, including the Plan Transaction Steps set out in Section 5.2, and "**Plan Transaction**" means any individual step or transaction;

"**Post-Filing Claim**" means any indebtedness, Liability, or obligation of the Nordstrom Canada Entities of any kind that arises during and in respect of the period commencing on the Filing Date and ending on the day immediately preceding the Plan Implementation Date in respect of services rendered or supplies provided to the Nordstrom Canada Entities during such period; provided that, for certainty, such amounts are not a Restructuring Period Claim or a Restructuring Period D&O Claim;

"**Post-Filing Tax Claims**" means any claims of any Taxing Authorities against any of the Nordstrom Canada Entities arising on and after the Filing Date, but for greater certainty shall not include the CRA NCH Assessments;

"**Pre-Filing Claim**" means any right or claim of any Person against any of the Nordstrom Canada Entities, whether or not asserted, in connection with any indebtedness, Liability or obligation of any kind whatsoever of any such Nordstrom Canada Entity to such Person, in existence on the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or claim with respect to any Assessment, or contract, or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Nordstrom Canada Entities with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which right or claim, including in connection with indebtedness, Liability or obligation is based in whole or in part on facts that existed prior to the Filing Date, including any claim against any of the Nordstrom Canada Entities for indemnification by any Director or Officer in respect of a Pre-Filing D&O Claim;

"**Pre-Filing D&O Claim**" means any right or claim of any Person against one or more of the Directors and/or Officers arising based in whole or in part on facts that existed prior to the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer;

"**Principal Claim**" has the meaning ascribed thereto in Section 3.8;

"**Priority Claim**" means any (a) Employee Priority Claim; (b) Government Priority Claim and (c) Other Priority Claim;

"**Pro Rata Share**" means the fraction that is equal to (a) the amount of the Proven Claim of an Affected Creditor who is not a Convenience Class Creditor, divided by (b) the

aggregate amount of all Proven Claims held by Affected Creditors who are not Convenience Class Creditors;

"**Proof of Claim**" means the form that was to be completed by a Creditor setting forth its applicable Claim and filed by the Claims Bar Date or such later date as the Monitor may have agreed to in its sole discretion, pursuant to the Claims Procedure Order;

"**Property**" means all current and future assets, undertakings and properties of the Nordstrom Canada Entities, of every nature and kind whatsoever, and wherever situate, including all Cash or other proceeds thereof;

"**Proven Claim**" means a Claim of an Affected Creditor finally determined for voting and/or distribution purposes in accordance with the Claims Procedure Order and the Plan;

"**Proxy**" means the proxy form enclosed with the Meeting Materials to be delivered to or otherwise made available to the Affected Creditors in accordance with the Meeting Order;

"**Real Estate Improvement Rent**" means the Real Estate Improvement Rent (as defined in each Sublease), which in each Sublease is an amount equal to a percentage of the costs of TI Work (as defined in the applicable Subleases);

"**Realty Tax Appeals**" means the two realty tax appeals referred to by (a) appeal number 3442661 for the taxation year 2021 and (b) appeal number 3487968 for the taxation year 2022, filed by NCL with respect to the former FLS Store located at Yorkdale Shopping Mall in Toronto, Ontario;

"**Released Parties**" means those Persons who are released pursuant to Section 7.1, including the Nordstrom Canada Entities Released Parties, the Plan Sponsor Released Parties and the Third Party Released Parties;

"**Represented Employees**" means (a) all store-level Employees; and (b) all non-store level Employees, other than (i) non-store level Employees who were eligible for a KERP payment, (ii) directors and officers of the Nordstrom Canada Entities, and (iii) the Senior Vice President, Regional Manager for Canada;

"**Required Majority**" means a majority in number of Affected Creditors who represent at least two-thirds in value of the Voting Claims of such Affected Creditors who actually vote on the Resolution (in person or by Proxy) at the Creditors' Meeting or who were deemed to vote on the Resolution in accordance with the Plan and the Meeting Order;

"**Resolution**" means the resolution approving the Plan presented to the Affected Creditors for consideration at the Creditors' Meeting;

"**Restructuring Period Claim**" means any right or claim of any Person against any of the Nordstrom Canada Entities in connection with any indebtedness, Liability or obligation of any kind whatsoever of any such Nordstrom Canada Entity to such Person arising out of the restructuring, disclaimer, termination or breach by such Nordstrom Canada Entity on or after the Filing Date of any contract, lease or other agreement, whether written or oral, and including any right or claim with respect to any Assessment;

"**Restructuring Period D&O Claim**" means any right or claim of any Person against one or more of the Directors and/or Officers arising after the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessments and any right or ability of any Person to advance a claim for contribution, indemnity or otherwise against any of the Directors and/or Officers with respect to any matter, action, cause or chose in action, whether existing at present or arising or commenced in the future, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer;

"**Sanction and Vesting Order**" means the Order to be sought by the Applicants from the Court as contemplated under the Plan which, *inter alia*, approves and sanctions the Plan and the transactions contemplated thereunder;

"**Sublease**" means, in each case, the sublease pursuant to which NCL subleased each of the former store premises subject to a Master Lease to NCRI;

"**Sublease Additional Rent**" means all Additional Rent (as defined in the applicable Sublease) required to be paid by NCRI to NCL under the applicable Sublease;

"**Supporting Rack Landlord Settlement Agreements**" means, collectively, the settlement agreements entered into by the Nordstrom Canada Entities and the third-party Landlords of the Nordstrom Rack Stores in respect of, among other things, such Landlords' Proven Claims pursuant to the Claims Procedure Order and the Plan;

"**Supporting Rack Landlords**" means, collectively, the third-party Landlords of the Nordstrom Rack Stores that have executed and remain, at the relevant time, subject to a Supporting Rack Landlord Settlement Agreement, and "**Supporting Rack Landlord**" means any one of them;

"**Tax**" means any and all taxes including all income, sales, use, goods and services, harmonized sales, value added, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property, and personal property taxes and other taxes, customs, duties, fees, levies, imposts and other Assessments or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers' compensation premiums, together with any instalments with respect thereto, and any interest, penalties, fines, fees, other charges and additions with respect thereto;

"**Tax Obligation**" means any amount of Tax owing by a Person to a Taxing Authority;

"**Taxing Authorities**" means His Majesty the King in right of Canada, His Majesty the King in right of any province or territory of Canada, any municipality of Canada, the Canada Revenue Agency, the Canada Border Services Agency, any similar revenue or taxing authority of Canada and each and every province or territory of Canada and any political subdivision thereof and any Canadian or foreign government, regulatory authority, government department, agency, commission, bureau, minister, court, tribunal or body or

regulation-making entity exercising taxing authority or power, and "**Taxing Authority**" means any one of the Taxing Authorities;

"**Third Party Released Party**" has the meaning ascribed thereto in Section 7.1(b);

"**Transfer Restrictions**" means any and all restrictions on the transfer of shares, limited partnership or other units or interests in real property including rights of first refusal, rights of first offer, shotgun rights, purchase options, change of control consent rights, puts or forced sales provisions or similar rights of shareholders or lenders in respect of such interests;

"**Unaffected Claim**" means any: (a) Excluded Claim; (b) claim in respect of the Administrative Reserve Costs; (c) FLS Landlord Guarantee Claim; (d) Priority Claim; and (e) Insured Claim;

"**Unaffected Creditor**" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim;

"**Unsecured Creditors' Class**" has the meaning ascribed thereto in Section 3.1;

"**Voting Claim**" means the amount of the Affected Claim of an Affected Creditor as finally determined for voting purposes in accordance with the Claims Procedure Order and the Meeting Order entitling such Affected Creditor to vote at the Creditors' Meeting in accordance with the provisions of the Meeting Order, the Plan and the CCAA, and includes, for greater certainty, a Proven Claim;

"**Website**" means www.alvarezandmarsal.com/nordstromcanada;

"**Wind-Down Agreement**" means the wind-down agreement dated as of March 1, 2023 between the Plan Sponsor and the Nordstrom Canada Entities, as amended on June 8, 2023, and as may be further amended, restated or supplemented from time to time with the consent of the Monitor; and

"**Withholding Obligation**" has the meaning ascribed thereto in Section 6.14(c).

1.2 Certain Rules of Interpretation

For the purposes of the Plan:

(a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions and shall include all schedules and appendices thereto;

(b) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, restated or varied from time to time;

(c) the division of the Plan into "Articles" and "Sections" and the insertion of a Table of Contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "Articles" and "Sections" otherwise intended as complete or accurate descriptions of the content thereof;

(d) references in the Plan to "Articles", "Sections", "Subsections" and "Schedules" are references to Articles, Sections, Subsections and Schedules of or to the Plan;

(e) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a Schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;

(f) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;

(g) unless otherwise provided, any reference to a statute or other enactment of Parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;

(h) the terms "the Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to the Plan and not to any particular "Article", "Section" or other portion of the Plan and include any documents supplemental hereto; and

(i) the word "or" is not exclusive.

1.3 Time

For purposes of the Plan, unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean prevailing local time in Toronto, Ontario, Canada, unless otherwise stipulated.

1.4 Date and Time for any Action

For purposes of the Plan:

(a) In the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and

(b) Unless otherwise specified, time periods within or following which any payment is to be made or any act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

1.5 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, liquidators, receivers, trustees in bankruptcy and successors and assigns of any Person or party named or referred to in the Plan.

1.6 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

1.7 Currency

Unless specifically provided for in the Plan, for the purposes of voting or distribution under the Plan, a Claim shall be denominated in Canadian dollars and all payments and distributions to Affected Creditors on account of their Proven Claims shall be made in Canadian dollars. Any Claim in a currency other than Canadian dollars must be converted to Canadian dollars, and any such amount shall be regarded as having been converted at the noon spot rate of exchange quoted by the Bank of Canada for exchanging such currency to Canadian dollars as at the Filing Date, which rate for US dollars is US$1:Cdn$1.3614.

1.8 Schedules

The following are the Schedules to the Plan, which are incorporated by reference into the Plan and form a part of it:

Schedule A	Intercompany Claims
Schedule B	FLS Stores

ARTICLE 2
PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose of Plan

The purpose of the Plan is to:

(a) complete the controlled, orderly and timely wind-down of the Nordstrom Canada Entities;

(b) provide for a compromise and settlement of all Affected Claims and to effect timely distributions as provided for herein in respect of Proven Claims;

(c) effect a release and discharge of all Affected Claims and of all claims released pursuant to the Plan, but for certainty not including the FLS Landlord Guarantee Claims; and

(d) effect a global resolution of the CCAA Proceedings,

in the expectation that, on balance, all Persons with an economic interest in the Nordstrom Canada Entities will derive a greater benefit from the implementation of the Plan than would otherwise result from a non-consolidated plan or results that could have been achieved in a bankruptcy of the Nordstrom Canada Entities.

2.2 Persons Affected

The Plan provides for the compromise and settlement of the Affected Claims on a consolidated basis. The Plan will become effective at the Effective Time on the Plan Implementation Date. On the Plan Implementation Date, the Affected Claims will be fully and finally compromised, settled, released and discharged to the extent provided for under the Plan. The Plan shall be binding on and shall enure to the benefit of the Nordstrom Canada Entities, the Affected Creditors, the Released Parties and all other Persons named or referred to in, receiving the benefit of or subject to, the Plan.

2.3 Persons Not Affected

For greater certainty, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims, including for greater certainty the FLS Landlords with respect to and to the extent of their FLS Landlord Guarantee Claims. Nothing in the Plan shall affect any Nordstrom Canada Entity's rights and defences, both legal and equitable, with respect to any Unaffected Claims including, but not limited to, all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

2.4 Equity Claims

All Persons holding Equity Claims shall not be entitled to vote at the Creditors' Meeting and shall not receive any distributions under the Plan or otherwise receive any other compensation in respect of their Equity Claims.

ARTICLE 3
CLASSIFICATION OF CREDITORS, VOTING, TREATMENT AND RELATED MATTERS

3.1 Classification of Creditors

For the purposes of considering, voting on and receiving distributions under the Plan, the Affected Creditors shall constitute a single class, referred to as the "**Unsecured Creditors' Class**".

3.2 Creditors' Meeting

The Creditors' Meeting shall be held in accordance with the Meeting Order and any further Order of the Court. The only Persons entitled to attend the Creditors' Meeting shall be representatives of the Nordstrom Canada Entities and the Plan Sponsor and their respective legal counsel and advisors, the Monitor and its legal counsel and advisors, the Employee Representative Counsel and all other Persons, including the holders of Proxies, entitled to vote at the Creditors' Meeting and their respective legal counsel and advisors. Any other Person may be admitted to the Creditors' Meeting only by invitation of the Monitor or as permitted pursuant to the Meeting Order or any further Order of the Court.

3.3 Procedure for Valuing Voting Claims

The procedure for valuing Voting Claims and resolving disputes and entitlements to voting shall be as set forth in the Claims Procedure Order, the Meeting Order, the Plan and the CCAA. The Nordstrom Canada Entities, in consultation with the Monitor, shall have the right to seek the assistance of the Court in valuing any Voting Claim in accordance with the Meeting Order and the Plan, if required, and to ascertain the result of any vote on the Plan.

3.4 Approval by Creditors

In order to be approved, the Plan must receive the affirmative vote of the Required Majority of the Unsecured Creditors' Class.

3.5 Voting of the Unsecured Creditors' Class

(a) Each Affected Creditor in the Unsecured Creditors' Class who is entitled to vote at the Creditors' Meeting, pursuant to and in accordance with the Claims Procedure Order, the Meeting Order, the Plan and the CCAA, shall be entitled to one vote in the amount equal to its Voting Claim.

(b) Each Convenience Class Creditor shall each be deemed to vote in favour of the Plan in the amount equal to its Voting Claim. For greater certainty, the Voting Claim of a Convenience Class Creditor that has filed a Convenience Class Claim Election shall be the Cash Elected Amount.

(c) Holders of Intercompany Claims shall not be entitled to vote on the Plan.

(d) The Plan Sponsor shall not be entitled to vote on the Plan in respect of any amounts paid to any FLS Landlord in respect of any FLS Landlord Guarantee Claim.

3.6 Treatment of Affected Claims

In accordance with the terms herein, on the Plan Implementation Date, in full and final settlement and satisfaction of all Affected Claims,

(a) Convenience Class Creditors:

(i) Each Affected Creditor with Proven Claims in the aggregate that are less than or equal to $15,000 shall be deemed to have made the Convenience

Class Claim Election and hold a Convenience Class Claim, and shall be entitled to receive cash distributions on the Initial Distribution Date equivalent to the amount of their Proven Claims and shall not be entitled to any further distributions under the Plan.

(ii) Each Affected Creditor with Proven Claims in the aggregate in excess of $15,000 who delivers a duly completed and executed Convenience Class Claim Election to the Monitor by the Election/Proxy Deadline, shall be treated for all purposes as a Convenience Class Creditor and hold a Convenience Class Claim, and shall be entitled to receive only the Cash Elected Amount on the Initial Distribution Date and shall not be entitled to any further distributions under the Plan.

(b) Other Affected Creditors:

(i) Affected Creditors who are not Convenience Class Creditors (including Affected Creditors with Disputed Claims which have become Proven Claims) shall each be entitled to receive distributions on their Proven Claims from the Consolidated Cash Pool pursuant to and in accordance with the Plan.

3.7 Unaffected Claims

Unaffected Claims shall not be compromised under the Plan. No holder of an Unaffected Claim shall be:

(a) treated as a Convenience Class Creditor;

(b) entitled to vote on the Plan or attend at any Creditors' Meeting in respect of such Unaffected Claim; or

(c) entitled to or receive any distributions pursuant to the Plan in respect of such Unaffected Claim, unless specifically provided for under and pursuant to the Plan.

3.8 Guarantees and Similar Covenants

No Person who has a Claim under a Guarantee in respect of any Claim which is compromised under the Plan (such compromised Claim being the "**Principal Claim**"), or who has any right to or claim over in respect of or to be subrogated to the rights of any Person in respect of the Principal Claim, shall, in respect of such Guarantee or right, be:

(a) entitled to any greater rights as against the Nordstrom Canada Entities than the Person holding the Principal Claim;

(b) entitled to vote on the Plan to the extent that the Person holding the Principal Claim is voting on the Plan; or

(c) entitled to receive any distribution under the Plan to the extent that the Person holding the Principal Claim is receiving a distribution.

ARTICLE 4
PRELIMINARY STEPS

4.1 Creation of Accounts

(a) Creation of the Consolidated Cash Pool Account

No less than five (5) Business Days prior to the Plan Implementation Date, NCRI shall establish the Consolidated Cash Pool Account with a Cash Management Bank as a segregated trust account in the name of NCRI for itself (for its own contributions) and as nominee for the other Nordstrom Canada Entities (to the extent of their contributions).

(b) Creation of the NCL ITC Cash Pool Account

No less than five (5) Business Days prior to the Plan Implementation Date, NCRI shall establish the NCL ITC Cash Pool Account with a Cash Management Bank as a segregated trust account in the name of NCRI as nominee for NCL.

(c) Creation of the Administrative Reserve Account

No less than five (5) Business Days prior to the Plan Implementation Date, NCRI shall establish the Administrative Reserve Account with a Cash Management Bank on behalf of itself and each of the other Nordstrom Canada Entities as a segregated trust account in the name of NCRI for itself and as nominee for the other Nordstrom Canada Entities.

(d) Creation of the Disputed Claims Reserve Account

No less than five (5) Business Days prior to the Plan Implementation Date, NCRI shall establish the Disputed Claims Reserve Account with a Cash Management Bank on behalf of itself and each of the other Nordstrom Canada Entities as a segregated trust account in the name of NCRI for itself and as nominee for the other Nordstrom Canada Entities.

ARTICLE 5
PLAN TRANSACTION STEPS

5.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving any corporate or company action of any of the Nordstrom Canada Entities will occur and be effective as of the Effective Time on the Plan Implementation Date as set out in Section 5.2, and will be authorized and approved under the Plan and by the Court, where appropriate, as part of the Sanction and Vesting Order, in all respects and for all purposes without any requirement of further action by shareholders, members, partners, managers, Directors or Officers of any of the Nordstrom Canada Entities. All necessary approvals to take actions shall be deemed to have been obtained from the Directors or shareholders or members or partners or managers of the Nordstrom Canada Entities, as applicable.

5.2 Plan Transaction Steps

At the Effective Time, on the Plan Implementation Date, the following transactions, steps, offsets, distributions, payments, disbursements, compromises, set-offs, releases and discharges to be effected as part of the implementation of the Plan (the "**Plan Transaction Steps**") will occur and be deemed to have occurred in the order set out below and become effective without any further act or formality:

(a) NINC-NCH Services Claim: The Plan Sponsor shall cause the NINC-NCH Services Claim to be contributed to the capital of NCH, in full and final settlement and extinguishment of the NINC-NCH Services Claim.

(b) NINC-NCHII Services Claim: The Plan Sponsor shall cause the NINC-NCHII Services Claim to be contributed to the capital of NCH, and NCH shall in turn contribute the NINC-NCHII Services Claim to the capital of NCHII, in full and final settlement and extinguishment of the NINC-NCHII Services Claim.

(c) Plan Sponsor ITCs: NCL shall pay to the Plan Sponsor the full Cash amount of any Plan Sponsor ITCs held by NCL on the Plan Implementation Date, and shall be obligated to pay to the Plan Sponsor the Cash amount of any additional Plan Sponsor ITCs at such later time or times that such Plan Sponsor ITCs are received or realized by NCL.

(d) Realty Tax Appeals: The Nordstrom Canada Entities shall assign, set over and transfer to Yorkdale Shopping Centre Holdings Inc., (i) any and all of NCL's right, title and interest in and to any amounts recovered by NCL pursuant to the Realty Tax Appeals; and (ii) on an "as is, where is" basis, any and all of NCL's right, title and interest in and to the Realty Tax Appeals, and all of NCL's benefits, burdens, obligations and liabilities related to such Realty Tax Appeals.

(e) Canada Customer Data: In partial settlement and satisfaction of the NINC-NCRI Services Claim, NCRI shall transfer the Canada Customer Data to the Plan Sponsor (or its designee) and such Canada Customer Data shall vest absolutely in and to the Plan Sponsor (or its designee) free and clear of all Encumbrances pursuant to the Sanction and Vesting Order, such that the amount of the NINC-NCRI Services Claim shall be partially settled and reduced to the Net NINC-NCRI Services Claim.

(f) NINC-NCRI Services Claim and the NCRI Transfer Pricing Claim: In full and final settlement and satisfaction of the Net NINC-NCRI Services Claim and the NCRI Transfer Pricing Claim:

(i) NCRI and the Plan Sponsor shall fully and finally settle and satisfy the Net NINC-NCRI Services Claim by way of set-off of such claim against the NCRI Transfer Pricing Claim, such that the amount of the NCRI Transfer Pricing Claim shall be partially settled and reduced to the Net NCRI Transfer Pricing Claim; and

(ii) The Plan Sponsor shall pay to NCRI the Cash amount of the Net NCRI Transfer Pricing Claim in full and final settlement and satisfaction of the Net NCRI Transfer Pricing Claim.

(g) NCL Post-Filing Sublease Rent Claim: NCRI shall pay from its Cash to NCL the Cash amount of the NCL Post-Filing Sublease Rent Claim in full and final settlement and satisfaction of the NCL Post-Filing Sublease Rent Claim.

(h) NCL-NCRI Claims Settlement Agreement: The NCL-NCRI Claims Settlement Agreement shall be, and shall be deemed to be, effective, pursuant to which NCL shall direct NCRI to contribute the NCL-NCRI Claims Settlement Amount to the Consolidated Cash Pool on behalf of and for the benefit of NCL.

(i) The following shall occur concurrently:

(i) Consolidated Cash Pool:

(A) Each of the Nordstrom Canada Entities shall deliver or cause to be delivered to NCRI all of their Cash, if any, including all proceeds of sale from the Liquidation Sale and the Lease Monetization Process, which Cash shall be held by NCRI in the Consolidated Cash Pool Account.

(B) NCL shall become obligated to deliver or cause to be delivered to NCRI, from and after the Plan Implementation Date, the Cash amount of any NCL Rack Distribution ITCs as and when received by NCL, which Cash shall be held by NCRI in the Consolidated Cash Pool Account.

(ii) NCL ITC Cash Pool: NCL shall become obligated to deliver or cause to be delivered to NCRI, from and after the Plan Implementation Date, the Cash amount of any NCL FLS Distribution ITCs as and when received by NCL, which Cash shall be held by NCRI in the NCL ITC Cash Pool Account.

(j) The following shall occur concurrently:

(i) Administrative Reserve: NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall transfer the Cash necessary to establish the Administrative Reserve to the Administrative Reserve Account from the Consolidated Cash Pool.

(ii) Disputed Claims Reserve: NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall transfer the Cash necessary to establish the Disputed Claims Reserve to the Disputed Claims Reserve Account from the Consolidated Cash Pool.

(k) CCAA Charges: The Administration Charge and the Directors' Charge shall continue and shall be deemed to attach solely against the Consolidated Cash Pool,

the NCL ITC Cash Pool and the Cash Reserves, in the order of priority set out in the Initial Order.

(l) Releases: The releases referred to in Article 7 shall become effective.

ARTICLE 6
DISTRIBUTIONS, DISBURSEMENTS AND PAYMENTS

6.1 General

All distributions, disbursements and payments to be effected pursuant to the Plan shall be made pursuant to this Article 6 and shall occur in the manner set out herein by NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, under the supervision of the Monitor.

6.2 Administration of the Consolidated Cash Pool

NCRI shall hold the Consolidated Cash Pool in the Consolidated Cash Pool Account, on behalf of itself and each of the Nordstrom Canada Entities, for the purpose of making distributions to Creditors of the Nordstrom Canada Entities in accordance with the Plan.

6.3 Initial Distribution from the Consolidated Cash Pool

On the Initial Distribution Date, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall distribute the Consolidated Cash Pool as follows:

(a) first, each Other Priority Claim Creditor shall receive a distribution in the full amount of its Other Priority Claim, in accordance with the Nordstrom Canada Entities' existing practice or by cheque sent by prepaid ordinary mail to the address for such Other Priority Claim Creditor as set out in its Proof of Claim or Negative Notice Claim (or, at the election of NCRI, by wire transfer in accordance with the wire transfer instructions provided by the applicable Other Priority Claim Creditor), in full and final settlement and satisfaction of its Other Priority Claim;

(b) second, each Convenience Class Creditor shall receive a distribution in the full amount of its Convenience Class Claim, in accordance with the Nordstrom Canada Entities' existing practice or by cheque sent by prepaid ordinary mail to the address for such Convenience Class Creditor as set out in its Proof of Claim or Negative Notice Claim (or, at the election of NCRI, by wire transfer in accordance with the wire transfer instructions provided by the applicable Convenience Class Creditor), in full and final settlement and satisfaction of its Proven Claim; and

(c) third, each Affected Creditor (other than a Convenience Class Creditor) with a Proven Claim shall receive an initial distribution in respect of such Proven Claim in an amount equal to its Pro Rata Share of the Cash in the Consolidated Cash Pool Account on the Initial Distribution Date (after effecting the payments in Sections 6.3(a) and 6.3(b)), in accordance with the Nordstrom Canada Entities' existing practice or by cheque sent by prepaid ordinary mail to the address for such Affected Creditor as set out in its Proof of Claim or Negative Notice Claim (or, at the election of NCRI, by wire transfer in accordance with the wire transfer instructions provided

by the applicable Affected Creditor); provided that, notwithstanding the Pro Rata Share distribution to such Affected Creditors contemplated in this Section 6.3(c), the amount of the distribution paid to each Supporting Rack Landlord on the Initial Distribution Date shall be the full amount required to be paid to such Supporting Rack Landlord pursuant to its Supporting Rack Landlord Settlement Agreement, which amount shall be based on a Proven Claim for such Supporting Rack Landlord determined by the Nordstrom Canada Entities, with the consent of the Monitor, no less than five (5) Business Days prior to the Plan Implementation Date.

6.4 Administration of the Disputed Claims Reserve

NCRI shall hold, on behalf of itself and each of the other Nordstrom Canada Entities, the Disputed Claims Reserve in the Disputed Claims Reserve Account for the purpose of paying amounts to Affected Creditors in respect of their Disputed Claims which have become Proven Claims, in whole or in part, in accordance with the Claims Procedure Order and the Plan. Notwithstanding any other provisions of the Plan, no distributions or transfers of Cash shall be made by any Nordstrom Canada Entity with respect to all or any portion of a Disputed Claim, unless and only to the extent that such Disputed Claim has become a Proven Claim, in whole or in part.

6.5 Resolution of Disputed Creditor Claims and Subsequent Distributions

Subject to Section 6.3, from and after the Initial Distribution Date, as frequently as the Nordstrom Canada Entities and the Monitor may determine, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, as applicable, shall distribute to:

(a) each Affected Creditor with a Disputed Claim that has become a Proven Claim, in whole or in part, on or before the third (3rd) Business Day prior to a Distribution Date (other than the Final Distribution Date), an amount of Cash from the Disputed Claims Reserve Account equal to the aggregate amount of all distributions such Affected Creditor would have otherwise already received pursuant to the Plan had its Disputed Claim been a Proven Claim on and as of each previous Distribution Date, in accordance with the Nordstrom Canada Entities' existing practice or by cheque sent by prepaid ordinary mail to the address for such Affected Creditor as set out in its Proof of Claim or Negative Notice Claim (or, at the election of NCRI, by wire transfer in accordance with the wire transfer instructions provided by the applicable Affected Creditor), and any remaining balance in the Disputed Claims Reserve Account relating to such Affected Creditor's Disputed Claim shall be deposited into the Consolidated Cash Pool Account; and

(b) each Affected Creditor (other than a Convenience Class Creditor or Supporting Rack Landlord) with a Proven Claim, an amount equal to such Affected Creditor's respective Pro Rata Share of the Cash in the Consolidated Cash Pool Account (subsequent to effecting any payments contemplated in Section 6.5(a)), in accordance with the Nordstrom Canada Entities' existing practice or by cheque sent by prepaid ordinary mail to the address for such Affected Creditor as set out in its Proof of Claim (or, at the election of NCRI, by wire transfer in accordance with the wire transfer instructions provided by the applicable Affected Creditor).

6.6 NCL ITCs

(a) Administration of the NCL ITC Cash Pool

NCRI shall hold the NCL ITC Cash Pool in the NCL ITC Cash Pool Account, on behalf of NCL, for the purpose of making further distributions of amounts in respect of NCL FLS Distribution ITCs to the FLS Landlords in accordance with the Plan.

(b) Distributions from the NCL ITC Cash Pool

From and after the Initial Distribution Date, as frequently as the Nordstrom Canada Entities and the Monitor may determine, NCRI, on behalf of NCL, shall make a distribution to each FLS Landlord with a Proven Claim in an amount equal to the amount of Cash in the NCL ITC Cash Pool Account multiplied by the FLS Landlord ITC Share in respect of such FLS Landlord applicable to such distribution, in accordance with the Nordstrom Canada Entities' existing practice or by cheque sent by prepaid ordinary mail to the address for such FLS Landlord as set out in its Proof of Claim or Negative Notice Claim (or, at the election of NCRI, by wire transfer in accordance with the wire transfer instructions provided by the applicable FLS Landlord).

(c) NCL Rack Distribution ITCs

Pursuant to and in accordance with Section 5.2(i), NCL shall deliver or cause to be delivered to NCRI, from and after the Plan Implementation Date, the Cash amount of any NCL Rack Distribution ITCs as and when received by NCL, which Cash shall be held by NCRI in the Consolidated Cash Pool Account as nominee for NCL.

6.7 Administration of the Administrative Reserve

NCRI shall hold the Administrative Reserve in the Administrative Reserve Account, on behalf of itself and each of the other Nordstrom Canada Entities, for the purpose of paying the Administrative Reserve Costs, both on the Initial Distribution Date and from time to time following thereafter to the extent that any such Administrative Reserve Costs are subsequently due and owing, in accordance with the Plan.

6.8 Initial Distributions from the Administrative Reserve

No later than the Initial Distribution Date, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall distribute Cash from the Administrative Reserve to pay the following Administrative Reserve Costs to the extent they are due and owing on the Initial Distribution Date:

(a) all fees and disbursements owing as at the Plan Implementation Date to counsel to the Nordstrom Canada Entities, the Monitor, counsel to the Monitor, counsel to the Directors and the Employee Representative Counsel;

(b) all amounts secured by the Directors' Charge;

(c) all amounts on account of Government Priority Claims;

(d) all amounts on account of Employee Priority Claims;

(e) all amounts on account of Cash Management Bank Claims;

(f) all amounts on account of Post-Filing Claims;

(g) all amounts on account of Post-Filing Tax Claims; and

(h) all fees owing to third-parties on account of the administration of distributions, disbursements and payments under the Plan.

6.9 Plan Sponsor ITCs

Pursuant to and in accordance with Section 5.2(c), to the extent any Plan Sponsor ITCs are held by NCL on the Plan Implementation Date, the full Cash amount of such Plan Sponsor ITCs shall be paid to the Plan Sponsor on the Plan Implementation Date, and at such later time or times that any additional Plan Sponsor ITCs are received or realized by NCL, NCL shall forthwith pay to the Plan Sponsor the Cash amount of such additional Plan Sponsor ITCs. For greater certainty, such Plan Sponsor ITCs shall not be contributed to the Consolidated Cash Pool, the NCL ITC Cash Pool, or any Cash Reserve.

6.10 Final Distribution

Once NCRI has effected all other distributions contemplated pursuant to this Article 6 (and, for certainty, there are no remaining Disputed Claims), on a date that the Nordstrom Canada Entities and the Monitor may determine (such date, the "**Final Distribution Date**"):

(a) first, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall pay any final Administrative Reserve Costs from the Administrative Reserve Account;

(b) second, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall contribute any balance remaining in the Administrative Reserve Account and the Disputed Claims Reserve Account to the Consolidated Cash Pool Account;

(c) third, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall distribute to the Affected Creditors (other than Convenience Class Creditors and Supporting Rack Landlords) with Proven Claims an amount equal to such Affected Creditor's respective Pro Rata Share of any Cash in the Consolidated Cash Pool Account, in full and final settlement, satisfaction and extinguishment of such Affected Creditor's Proven Claim; and

(d) fourth, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, shall provide written notice to the Monitor that it has completed its duties to fully and finally effect all distributions, disbursements and payments in accordance with the Plan.

6.11 Treatment of Undeliverable Distributions

If any Affected Creditor's distribution is not cashed and becomes stale-dated or is returned as undeliverable, no further distributions to such Creditor shall be made unless and until the Monitor is notified by such Creditor of its current address or wire particulars, at which time all such

distributions shall be made to such Creditor without interest. All claims for undeliverable or un-cashed distributions in respect of Proven Claims must be made no later than the date that is four months following the Initial Distribution Date, after which date the Claims of such Creditor or successor or assign of such Creditor with respect to such unclaimed or un-cashed distributions shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any Applicable Law to the contrary, at which time the Cash amount held by NCRI in relation to such Claim shall be returned to the Consolidated Cash Pool Account. Nothing in the Plan or Sanction and Vesting Order shall require the Monitor or the Nordstrom Canada Entities to attempt to locate the holder of any Proven Claim.

6.12 Assignment of Claims for Voting and Distribution Purposes Prior to the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Creditors' Meeting, provided that neither the Nordstrom Canada Entities nor the Monitor shall be obligated to give notice to or otherwise deal with the transferee or assignee of such Claim as an Affected Creditor in respect thereof, including allowing such transferee or assignee of an Affected Claim to vote at the Creditors' Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing no later than 5:00 p.m. on the date that is seven (7) days prior to the Creditors' Meeting. Thereafter such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order and the Meeting Order, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps taken in respect of such Claim.

Where a Claim has been transferred or assigned in part, the transferor or assignor shall retain the right to vote at the Creditors' Meeting in respect of the full amount of the Claim, and the transferee or assignee shall have no voting rights at the Creditors Meeting in respect of such Claim.

6.13 Assignment of Claims for Distribution Purposes After the Creditors' Meeting

An Affected Creditor (other than a Convenience Class Creditor or Supporting Rack Landlord) may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Nordstrom Canada Entities shall not be obliged to make distributions to any such transferee or assignee or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received and acknowledged by the Monitor in writing; thereafter, such transferee or assignee shall, for all purposes in accordance with the Claims Procedure Order, the Meeting Order and the Plan, constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor and any and all steps previously taken in respect of such Claim.

6.14 Tax and Other Payment Matters

(a) Any terms and conditions of any Affected Claims which purport to deal with the ordering of or grant of priority of payment of principal, interest, penalties or other amounts shall be deemed to be void and ineffective.

(b) Notwithstanding any provisions of the Plan, each Person that receives a distribution, disbursement or other payment pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax Obligations imposed on such Person by any Taxing Authority on account of such distribution, disbursement or payment.

(c) Any payor shall be entitled to deduct and withhold and remit from any distribution, payment or consideration otherwise payable to any Person pursuant to the Plan such amounts as are required to be deducted and withheld with respect to such payment under the ITA, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended or succeeded (a "**Withholding Obligation**"). For greater certainty, no distribution, payment or other consideration shall be made to or on behalf of a Person until such Person has delivered to the Monitor and NCRI such documentation prescribed by Applicable Law or otherwise reasonably required by NCRI as will enable NCRI to determine whether or not, and to what extent, such distribution, payment or consideration to such Person is subject to any Withholding Obligation imposed by any Taxing Authority.

(d) All distributions made by NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, pursuant to the Plan shall be first in satisfaction of the portion of Affected Claims that are not subject to any Withholding Obligation.

(e) To the extent that amounts are withheld or deducted and paid over to the applicable Taxing Authority, such withheld or deducted amounts shall be treated for all purposes of the Plan as having been paid to such Person as the remainder of the payment in respect of which such withholding and deduction were made.

(f) For the avoidance of doubt, it is expressly acknowledged and agreed that the Monitor and any Director or Officer will not hold any assets hereunder, including Cash, or make distributions, payments or disbursements, and no provision hereof shall be construed to have such effect.

ARTICLE 7
RELEASES

7.1 Plan Releases

(a) On the Plan Implementation Date, each of the Nordstrom Canada Entities and their respective Directors, Officers, current and former employees, advisors, legal counsel and agents (all of the foregoing Persons being referred to individually as a "**Nordstrom Canada Entities Released Party**") shall be released and discharged from any and all demands, claims, actions, applications, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any Liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor or other Person may be entitled to assert, including any and all Claims in respect of the payment and receipt of proceeds, statutory liabilities of the Nordstrom Canada Entities Released Parties and any

alleged fiduciary or other duty thereof, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, duty, responsibility, indebtedness, Liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings (including any KERP Claim), the Employee Trust, or any Claim that has been barred or extinguished by the Claims Procedure Order and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Nordstrom Canada Entities' obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge (i) the Nordstrom Canada Entities from and in respect of any Unaffected Claim that is not paid in full or otherwise addressed pursuant to the Plan, (ii) any Nordstrom Canada Entities Released Party if such Nordstrom Canada Entities Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct or (iii) the Directors with respect to matters set out in section 5.1(2) of the CCAA.

(b) On the Plan Implementation Date, (i) the Monitor, A&M, and their respective affiliates, and each of their current and former directors, officers, employees, representatives, advisors, legal counsel and agents, (ii) counsel to the Directors and Officers, (iii) the Employee Trust Trustee, and (iv) Employee Representative Counsel (all of the foregoing Persons being referred to individually as a "**Third Party Released Party**") shall be released and discharged from any and all demands, claims, actions, applications, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any Liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor or other 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 omission, transaction, duty, responsibility, indebtedness, Liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings (including any KERP Claim), the Employee Trust or any Claim that has been barred or extinguished by the Claims Procedure Order and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Monitor's obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge any Third Party Released Party if such Third Party Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct.

(c) On the Plan Implementation Date, the Plan Sponsor, the Plan Sponsor Subsidiaries and their current and former directors, officers and employees and their respective advisors, legal counsel and agents (all of the foregoing Persons being referred to individually as a "**Plan Sponsor Released Party**") shall be released and discharged from any and all demands, claims, actions, applications, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any Liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor or other Person (excluding an FLS Landlord in respect of its FLS Landlord Guarantee Claim) 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 omission, transaction, duty, responsibility, indebtedness, Liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan that are in any way relating to, arising out of or in connection with the Claims, the Business whenever or however conducted, the Plan, the CCAA Proceedings (including any KERP Claim), the Employee Trust, or any Claim that has been barred or extinguished by the Claims Procedure Order and all claims arising out of such actions or omissions shall be forever waived and released (other than the right to enforce the Plan Sponsor's obligations under the Plan or any related document), all to the full extent permitted by Applicable Law, provided that nothing herein shall release or discharge (i) any FLS Landlord Guarantee Claim and (ii) any Plan Sponsor Released Party if such Plan Sponsor Released Party is judged by the expressed terms of a judgment rendered on a final determination on the merits to have committed criminal, fraudulent or other wilful misconduct. For greater certainty, the Plan Sponsor shall not be released from any indemnity or guarantee provided by the Plan Sponsor in favour of any Director, Officer or Employee.

(d) Notwithstanding anything to the contrary herein, Insured Claims shall not be compromised, settled, released and discharged by the Plan; provided that, from and after the Plan Implementation Date, any Person having an Insured Claim shall be irrevocably limited to recovery in respect of such Insured Claim solely from the applicable Insurance Policies and not from the Nordstrom Canada Entities. This Section 7.1(d) may be relied upon and raised or pleaded by the Nordstrom Canada Entities in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this Section 7.1(d). Nothing in the Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insured or insurer in respect of an Insured Claim.

(e) Nothing in the Plan shall be interpreted as restricting the application of Section 21 of the CCAA.

ARTICLE 8
COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION

8.1 Application for Sanction and Vesting Order

If the Plan is approved by the Required Majority of the Affected Creditors at the Creditors' Meeting, the Nordstrom Canada Entities shall apply for the Sanction and Vesting Order on or before the date set in the Meeting Order for the hearing of the Sanction and Vesting Order or such later date as the Court may set.

8.2 Sanction and Vesting Order

The Nordstrom Canada Entities will apply for a Sanction and Vesting Order that will have effect from and after the Effective Time on the Plan Implementation Date, and shall, among other things:

(a) order that (i) the Plan has been approved by the Required Majority of Affected Creditors with Proven Claims in conformity with the CCAA; (ii) the Nordstrom Canada Entities have complied with the provisions of the CCAA and the Orders of the Court made in these CCAA Proceedings in all respects; (iii) the Court is satisfied that the Nordstrom Canada Entities have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the Plan Transactions contemplated thereby are fair and reasonable;

(b) order that the Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved, binding and effective on the Nordstrom Canada Entities, the Plan Sponsor, all Affected Creditors, the Released Parties and all other Persons and parties affected by the Plan as of the Effective Time;

(c) grant to the Monitor, in addition to its rights and obligations under the CCAA, the powers, duties and protections contemplated by and required under the Plan and authorize and direct the Monitor to perform its duties and fulfil its obligations under the Plan to facilitate the implementation thereof;

(d) order that all right, title and interest in and to the Canada Customer Data have vested absolutely in and to the Plan Sponsor (or its designee), free and clear of all Encumbrances as set out in Section 5.2(e);

(e) direct the Plan Sponsor to maintain the books and records of the Nordstrom Canada Entities for purposes of the completion of the Claims Process and the performance of the Nordstrom Canada Entities' duties under the Plan, or as the Nordstrom Canada Entities may otherwise be required under Applicable Law;

(f) confirm the releases set out in Article 7;

(g) enjoin the prosecution, whether directly, derivatively or otherwise, of any Claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, Liability or interest released, discharged, compromised or terminated pursuant to the Plan;

(h) order that any Affected Claim for which a Proof of Claim or dispute of Negative Notice Claim has not been filed by the Claims Bar Date in accordance with the Claims Procedure Order shall be forever barred and extinguished;

(i) order that the Intercompany Claims set out in Schedule A herein are deemed to be and shall be Proven Claims for the purposes of the Claims Procedure Order and the Plan;

(j) order that in no circumstance will the Monitor have any liability for any of the Nordstrom Canada Entities' tax or other liabilities regardless of how or when such liability may have arisen;

(k) order that, in carrying out the terms of the Sanction and Vesting Order and the Plan, (i) the Monitor shall benefit from all the protections given to it by the CCAA, the Initial Order and any other Order in the CCAA Proceedings, and as an officer of the Court, including the stay of proceedings in its favour; (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of the Sanction and Vesting Order and/or the Plan; and (iii) the Monitor shall be entitled to rely on the books and records of the Nordstrom Canada Entities and any information provided by any of the Nordstrom Canada Entities without independent investigation and shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information;

(l) approve the form of the Monitor's Plan Implementation Date Certificate, and declare that the Monitor, in its capacity as Monitor, following receipt of written notice from the Nordstrom Canada Entities of the fulfilment or waiver of the conditions precedent to implementation of the Plan as set out in Section 8.3 of the Plan, shall deliver the Monitor's Plan Implementation Date Certificate to the Nordstrom Canada Entities and serve a copy thereof on the service list established in the CCAA Proceedings;

(m) provide for the continuation of the Administration Charge and the Directors' Charge solely against the Consolidated Cash Pool, the NCL ITC Cash Pool and the Cash Reserves, which Charges shall survive the Plan Implementation Date;

(n) authorize the change in the name of each of the Nordstrom Canada Entities upon the Plan Implementation Date and authorize corresponding changes to the style of cause in these CCAA Proceedings;

(o) authorize the Nordstrom Canada Entities (at their sole election) to seek an order of any court of competent jurisdiction to recognize the Plan and the Sanction and Vesting Order and to confirm the Plan and the Sanction and Vesting Order as binding and effective in any appropriate foreign jurisdiction;

(p) order that the Nordstrom Canada Entities and the Monitor may apply to the Court from time to time for advice and direction in respect of any matters arising from or under the Plan; and

(q) approve the form of the Monitor's Plan Completion Certificate, and declare that the Monitor, in its capacity as Monitor, following written notice from the Nordstrom Canada Entities to the Monitor pursuant to Section 6.10(d) of the Plan that the Nordstrom Canada Entities have completed their duties to fully and finally effect all distributions, disbursements and payments in accordance with the Plan, shall file the Monitor's Plan Completion Certificate with the Court.

8.3 Conditions Precedent to Implementation of the Plan

The implementation of the Plan shall be conditional upon the fulfilment or waiver, where applicable, of the following conditions precedent by the date specified therefor, provided however that any waiver of any such conditions precedent shall require the consent of the Monitor, acting reasonably:

(a) the Minister of National Revenue (Canada) shall have withdrawn and vacated the CRA NCH Assessments to the satisfaction of the Nordstrom Canada Entities and the Monitor;

(b) the Plan shall have been approved by the Required Majority of the Affected Creditors at the Creditors' Meeting;

(c) all material consents, declarations, rulings, certificates or approvals of or by any Governmental Authority as may be considered necessary by the Nordstrom Canada Entities and the Monitor in respect of the Plan Transactions shall have been obtained;

(d) the Sanction and Vesting Order shall have been granted by the Court, in form satisfactory to the Nordstrom Canada Entities, and shall have become a Final Order; and

(e) the Plan Implementation Date shall have occurred, by no later than June 30, 2024, unless otherwise ordered by the Court.

8.4 Monitor's Certificates

Upon receipt by the Monitor of written notice from the Nordstrom Canada Entities of the fulfilment or waiver of the conditions precedent to implementation of the Plan as set out in Section 8.3 of the Plan, the Monitor shall deliver the Monitor's Plan Implementation Date Certificate to the Nordstrom Canada Entities and serve a copy thereof on the service list established in the CCAA Proceedings. Following the Plan Implementation Date, the Monitor shall file a copy of the Monitor's Plan Implementation Date Certificate with the Court and post a copy of same on the Website.

Upon receipt by the Monitor of written notice from the Nordstrom Canada Entities pursuant to Section 6.10(d) that the Nordstrom Canada Entities have completed their duties to fully and finally effect all steps, distributions, disbursements and payments in accordance with the Plan, the Monitor shall serve a copy of the Monitor's Plan Completion Certificate on the service list established in the CCAA Proceedings, file a copy of the Monitor's Plan Completion Certificate with the Court and post a copy of same on the Website.

ARTICLE 9
GENERAL

9.1 Binding Effect

On the Plan Implementation Date, or as otherwise provided in the Plan:

(a) the Plan will become effective at the Effective Time and the Plan Transactions will be implemented;

(b) the treatment of Affected Claims under the Plan shall be final and binding for all purposes and enure to the benefit of the Nordstrom Canada Entities, the Plan Sponsor, all Affected Creditors, the Released Parties and all other Persons and parties named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

(c) all Affected Claims shall be and shall be deemed to be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in the Plan;

(d) each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety;

(e) each Person named or referred to in, or subject to, the Plan shall be deemed to have executed and delivered to the Nordstrom Canada Entities and the Plan Sponsor, all consents, releases, directions, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety; and

(f) each Person named or referred to in, or subject to, the Plan shall be deemed to have received from the Nordstrom Canada Entities and the Plan Sponsor, all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

9.2 Claims Bar Date

Nothing in this Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Claims Procedure Order.

9.3 Deeming Provisions

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

9.4 Interest and Fees

Interest shall not accrue or be paid on Affected Claims after the Filing Date, and no holder of an Affected Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of an Affected Claim on or after the Filing Date and any Claims in respect of interest accruing or fees and expenses incurred on or after the Filing Date shall be deemed to be forever extinguished and released.

9.5 Non-Consummation

The Nordstrom Canada Entities reserve the right, with the consent of the Plan Sponsor, to revoke or withdraw the Plan at any time prior to the date on which the Court grants the Plan Sanction Order. If the Nordstrom Canada Entities revoke or withdraw the Plan, or if the Sanction and Vesting Order is not issued or if the Plan Implementation Date does not occur, (a) the Plan (including all Plan Transactions) shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the treatment of any Intercompany Claims set out herein), or any document or agreement executed pursuant to or in connection with the Plan shall be deemed to be null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against any of the Nordstrom Canada Entities, the Plan Sponsor or any other Person, (ii) prejudice in any manner the rights of the Nordstrom Canada Entities, the Plan Sponsor or any other Person in any further proceedings involving any of the Nordstrom Canada Entities or Intercompany Claims or (iii) constitute an admission of any sort by any of the Nordstrom Canada Entities, the Plan Sponsor or any other Person.

9.6 Modification of the Plan

(a) The Nordstrom Canada Entities reserve the right, at any time and from time to time (including prior to, at or following the Creditors' Meeting), with the consent of the Monitor and the Plan Sponsor, to amend, restate, modify and/or supplement the Plan; provided:

(i) if made prior to or at the Creditors' Meeting, such amendment, restatement, modification or supplement shall be communicated to Affected Creditors in the manner required by the Meeting Order; and

(ii) if made following the Creditors' Meeting, such amendment, restatement, modification or supplement shall be approved by the Court following notice to the Affected Creditors.

(b) Notwithstanding Section 9.6(a), any amendment, restatement, modification or supplement to the Plan may be made by the Nordstrom Canada Entities, with the consent of the Monitor and the Plan Sponsor or pursuant to an Order of the Court, at any time and from time to time, provided that it concerns a matter which (i) is of an administrative nature required to better give effect to the implementation of the Plan and the Sanction and Vesting Order or (ii) to cure any errors, omissions or ambiguities, and in either case is not materially adverse to the financial or economic interests of the Affected Creditors or the Unaffected Creditors.

(c) Any amended, restated, modified or supplementary Plan or Plans filed with the Court and, if required by this Section, approved by the Court shall, for all purposes, be and be deemed to be a part of, and incorporated in, the Plan.

9.7 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between:

(a) the Plan; and

(b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, bylaws of the Nordstrom Canada Entities, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between any Person and the Nordstrom Canada Entities as at the Plan Implementation Date;

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction and Vesting Order, which shall take precedence and priority.

9.8 Severability of Plan Provisions

If, prior to the Plan Sanction Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Nordstrom Canada Entities and with the consent of the Monitor and the Plan Sponsor, shall have the power to either (a) sever such term or provision from the balance of the Plan and provide the Nordstrom Canada Entities with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applied as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Nordstrom Canada Entities proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

9.9 Responsibilities of the Monitor

The Monitor is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceedings with respect to the Nordstrom Canada Entities and not in its personal or corporate capacity, including without limitation supervising the establishment and administration of the Consolidated Cash Pool and the Cash Reserves (including any adjustments with respect to same) and establishing any of the Distribution Dates or the timing or sequence of the Plan Transactions and the Plan Transaction Steps. The Monitor will not be responsible or liable whatsoever for any obligations of the Nordstrom Canada Entities or the Plan Sponsor. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Meeting Order, the Sanction and Vesting Order and any other Order made in the CCAA Proceedings. Nothing herein shall prevent the Monitor from acting as trustee in any bankruptcy of the Nordstrom Canada Entities or the Property.

9.10 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by a Person in writing or unless its Claims overlap or are otherwise duplicative.

9.11 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by email addressed to the respective parties as follows:

(a) If to the Nordstrom Canada Entities:

Nordstrom Canada Entities
PMB #402
6-1500 Upper Middle Road W
Oakville, Ontario
L6M 0C2

Attention: Misti Heckel
Email: Misti.Heckel@nordstrom.com

with a copy to:

Osler, Hoskin & Harcourt LLP
100 King Street West
1 First Canadian Place, Suite 6200
P.O. Box 50
Toronto, ON M5X 1B8

Attention: Tracy Sandler / Jeremy Dacks / Martino Calvaruso
Email: tsandler@osler.com / jdacks@osler.com / mcalvaruso@osler.com

(b) If to the Plan Sponsor:

Nordstrom, Inc.
1600 Seventh Avenue
Suite 2500
Seattle, WA 98101

Attention: Tracie Hinson
Email: tracie.hinson@nordstrom.com

with a copy to:

Fasken Martineau DuMoulin LLP
Bay Adelaide Centre
333 Bay Street, Suite 2400
P.O. Box 20
Toronto, ON M5H 2T6

Attention: Aubrey Kauffman
Email: akauffman@fasken.com

(c) If to the Monitor:

Alvarez & Marsal Canada Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
PO Box 22
Toronto, ON M5J 2J1

Attention: Alan J. Hutchens / Skylar Rushton
Email: ahutchens@alvarezandmarsal.com / srushton@alvarezandmarsal.com

with a copy to:

Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attention: Brendan O'Neill / Brad Wiffen
Email: boneill@goodmans.ca / bwiffen@goodmans.ca

or to such other address as any party may from time to time notify the others in accordance with this Section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of sending by means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

9.12 Further Assurances

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein.

DATED as of the 13th day of December, 2023.

SCHEDULE A
INTERCOMPANY CLAIMS[1]

No. (Per Intercompany Claims Report)	Claim	Claim Type	Claim By	Claim Against	Claim Amount (Per Intercompany Claims Report)	Proven Claim Amount
AFFILIATE CLAIMS						
1.	NIL Canada Expansion Loan Claim	Pre-Filing Claim	NIL	NCH	$309,832,891	An amount which will generate total distributions under the Plan on account of such Claim equal to (and in any case no greater than) the Cash on hand at NCH available for distribution to Affected Creditors on the Plan Implementation Date
2.	NINC-NCRI Services Claim	Pre-Filing Claim	Nordstrom US	NCRI	$17,661,179	$17,661,179
4.	NINC Employee Trust Subrogated Claim	Subrogated Pre-Filing Claim	Nordstrom US	NCRI	$13,633,426	$14,599,347
5.	NINC-NCL Services Claim	Pre-Filing Claim	Nordstrom US	NCL	$495,582	$495,582
6.	NINC-NCH Services Claim	Pre-Filing Claim	Nordstrom US	NCH	$55,031	$55,031

[1] Intercompany Claims information is derived from the Intercompany Claims Report. Amounts set out herein are exclusive of any applicable GST/HST or provincial sales tax. The NCRI Transfer Pricing Claim (Claim No. 3 in the Intercompany Claims Report) is not listed in this table as it is a claim receivable by NCRI, and not a Proven Claim against any of the Nordstrom Canada Entities. The NCRI Transfer Pricing Claim is addressed through the payment of the Net NCRI Transfer Pricing Claim in accordance with the Plan.

No. (Per Intercompany Claims Report)	Claim	Claim Type	Claim By	Claim Against	Claim Amount (Per Intercompany Claims Report)	Proven Claim Amount
7.	NINC-NCHII Services Claim	Pre-Filing Claim	Nordstrom US	NCHII	$56,829	$56,829
INTRACOMPANY CLAIMS						
8.	NCL Pre-Filing Sublease Rent Claim	Pre-Filing Claim	NCL	NCRI	$64,879,810	$64,879,810
9.	NCL Post-Filing Sublease Rent Claim	Post-Filing Claim	NCL	NCRI	$26,227,411	$26,227,411
10.	NCL Sublease Termination Claim	Restructuring Period Claim	NCL	NCRI		
	A. NCL Master Lease Flow-Through Claim	Restructuring Period Claim	NCL	NCRI	$TBD	An aggregate amount as determined by NCL and NCRI in the NCL-NCRI Claims Settlement Agreement with the consent of the Monitor.
	B. NCL Improvement Rent Claim	Restructuring Period Claim	NCL	NCRI	$368,027,201	
11.	NCRI-NCL Services Claim	Pre-Filing Claim	NCRI	NCL	$55,046	$55,046

SCHEDULE B
FLS STORES

Store No.	Location	Street Address	City	Province	Postal Code
830	Chinook Centre	6455 Macleod Trail SW #2150	Calgary	AB	T2H OK8
831	Rideau Centre	50 Rideau Street #500	Ottawa	ON	K1N 9J7
832	Pacific Centre	799 Robson Street POB 10435 LCD	Vancouver	BC	V7Y 0A2
833	Sherway Gardens	25 The West Mall	Etobicoke	ON	M9C 1B8
834	Yorkdale	3401 Dufferin Street	Toronto	ON	M6A 2T9
835	Eaton Centre	260 Yonge Street POB 710	Toronto	ON	M5B 2L9

SCHEDULE "B"
MONITOR'S PLAN IMPLEMENTATION DATE CERTIFICATE

Court File No. CV-23-00695619-00CL

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 NORDSTROM CANADA RETAIL, INC., NORDSTROM CANADA HOLDINGS, LLC and NORDSTROM CANADA HOLDINGS II, LLC

MONITOR'S PLAN IMPLEMENTATION DATE CERTIFICATE

RECITALS

A. Pursuant to an Initial Order of this Court dated March 2, 2023, as amended and restated on March 10, 2023, these proceedings were commenced and Alvarez & Marsal Canada Inc. was appointed as monitor (in such capacity and not in its personal or corporate capacity, the "**Monitor**") of Nordstrom Canada Retail, Inc., Nordstrom Canada Holdings, LLC, Nordstrom Canada Holdings II, LLC and Nordstrom Canada Leasing LP (collectively, the "**Nordstrom Canada Entities**").

B. Pursuant to a Sanction and Vesting Order of this court dated March 19, 2024, the Plan of Compromise and Arrangement of the Nordstrom Canada Entities dated December 13, 2023 (the "**Plan**") was sanctioned and approved.

C. Section 8.3 of the Plan sets out the various conditions required to be fulfilled prior to implementation of the Plan (collectively, the "**Conditions Precedent**").

D. Section 8.4 of the Plan requires the Nordstrom Canada Entities to provide to the Monitor written notice of the satisfaction or waiver of the Conditions Precedent, and that upon receipt of such written notice, the Monitor shall deliver this Monitor's Plan Implementation Date Certificate to the Nordstrom Canada Entities and serve a copy of this certificate on the service list established in these CCAA Proceedings. Following the Plan Implementation Date (as defined in the Plan), the

Monitor shall file a copy of this certificate with this court and post a copy of same on the Monitor's website.

THE MONITOR CERTIFIES the following:

On the date of this Monitor's Plan Implementation Certificate listed below, (a) the Nordstrom Canada Entities provided the Monitor with written notice of the satisfaction of the Conditions Precedent; and (b) the Plan Implementation Date occurred.

DATED at Toronto, this _____ day of _____, 2024.

ALVAREZ & MARSAL CANADA INC.,
in its capacity as Monitor of the Nordstrom Canada Entities, and not in its personal or corporate capacity

Per: _____
Name:
Title:

SCHEDULE "C"
MONITOR'S PLAN COMPLETION CERTIFICATE

Court File No. CV-23-00695619-00CL

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 NORDSTROM CANADA RETAIL, INC., NORDSTROM CANADA HOLDINGS, LLC and NORDSTROM CANADA HOLDINGS II, LLC

MONITOR'S PLAN COMPLETION CERTIFICATE

RECITALS

A. Pursuant to an Initial Order of this court dated March 2, 2023, as amended and restated on March 10, 2023, these proceedings were commenced and Alvarez & Marsal Canada Inc. was appointed as monitor (in such capacity and not in its personal or corporate capacity, the "**Monitor**") of Nordstrom Canada Retail, Inc. ("**NCRI**"), Nordstrom Canada Holdings, LLC, Nordstrom Canada Holdings II, LLC and Nordstrom Canada Leasing LP (collectively, the "**Nordstrom Canada Entities**").

B. Pursuant to a Sanction and Vesting Order of this court dated March 19, 2024, the Plan of Compromise and Arrangement of the Nordstrom Canada Entities dated December 13, 2023 (the "**Plan**") was sanctioned and approved.

C. Section 6.10(d) of the Plan requires NCRI on behalf of itself and each of the other Nordstrom Canada Entities, to provide written notice to the Monitor that it has completed its duties to fully and finally effect all distributions, disbursements and payments in accordance with the Plan (the "**Notice of Completion**").

D. Section 8.4 of the Plan provides that, upon receipt by the Monitor of the Notice of Completion from the Nordstrom Canada Entities, the Monitor is required to serve a copy of the Monitor's Plan Completion Certificate on the service list established in these CCAA Proceedings,

file a copy of the Monitor's Plan Completion Certificate with the Court and post a copy of same on the Monitor's website.

THE MONITOR CERTIFIES the following:

On the date of this Monitor's Plan Completion Certificate listed below, NCRI, on behalf of itself and each of the other Nordstrom Canada Entities, provided the Monitor with the Notice of Completion.

DATED at Toronto, this _____ day of _____, 2024.

ALVAREZ & MARSAL CANADA INC.,
in its capacity as Monitor of the Nordstrom Canada Entities, and not in its personal or corporate capacity

Per: _____
Name:
Title:

Court File No./N° du dossier du greffe : CV-23-00695619-00CL

Electronically issued / Délivré par voie électronique : 20-Mar-2024
Toronto Superior Court of Justice / Cour supérieure de justice

Ontario
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

SANCTION AND VESTING ORDER

OSLER, HOSKIN & HARCOURT LLP
1 First Canadian Place, P.O. Box 50
Toronto, ON M5X 1B8
Fax: 416.862.6666

Tracy C. Sandler (LSO# 32443N)
Tel: 416.862.5890
Email: tsandler@osler.com

Jeremy Dacks (LSO# 41851R)
Tel: 416.862.4923
Email: jdacks@osler.com

Martino Calvaruso (LSO# 57359Q)
Tel: 416.862.6665
Email: mcalvaruso@osler.com

Marleigh Dick (LSO# 79390S)
Tel: 416.862.4725
Email: mdick@osler.com

Lawyers for the Applicants

Court File No. CV-21-656040-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE CHIEF	)	WEDNESDAY, THE 5TH
	)	
JUSTICE MORAWETZ	)	DAY OF OCTOBER, 2022

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 **LAURENTIAN UNIVERSITY OF SUDBURY** (the "**Applicant**")

PLAN SANCTION ORDER

THIS MOTION, made by the Applicant pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, among other things, approving and sanctioning the Amended Plan of Compromise and Arrangement of the Applicant dated September 9, 2022 (the "**Plan**"), a copy of which is attached hereto as Schedule "A", was heard this day by Zoom judicial video conference in accordance with the *Guidelines to Determine Mode of Proceeding in Civil*, effective April 19, 2022.

ON READING the Affidavit of Robert Haché sworn September 28, 2022, the Sixteenth Report of the Monitor dated September 28, 2022 (the "**Report**"), and on hearing the submissions of counsel for the Applicant, counsel to the Monitor, and such other counsel as were present, no one else appearing for any other person on the Service List, although properly served as appears from the affidavit of service of Khadija Waqqas sworn September 29, 2022, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record in support of this motion and the Report be and is hereby validated, such that this motion is properly returnable today and hereby dispenses with further service thereof.

CAPITALIZED TERMS

2. **THIS COURT ORDERS** that capitalized terms used in this Sanction Order and not expressly defined herein shall have the meanings ascribed to them in the Plan or the Meeting Order issued in this proceeding on July 28, 2022 (the "**Meeting Order**").

SANCTION OF THE PLAN

3. **THIS COURT ORDERS** that the Plan and its terms and conditions, including all associated steps, compromises, transactions, arrangements, releases, discharges, injunctions, and reorganizations effected thereby, are hereby sanctioned and approved pursuant to section 6 of the CCAA.

PLAN IMPLEMENTATION

4. **THIS COURT ORDERS** that the Applicant and the Monitor and their respective Representatives are hereby authorized and directed to take all steps and actions, and to do all things, determined by the Applicant or the Monitor, respectively, to be necessary or appropriate to implement the Plan in accordance with and subject to its terms and conditions, and enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, payments, deliveries, allocations, extinguishments, discharges, releases, instruments and agreements contemplated by, and subject to the terms and conditions of, the Plan, and all such steps and actions are hereby authorized, ratified and approved. Neither the Applicant nor the Monitor or their respective Representatives shall incur any liability as a result of acting in accordance with the terms of the Plan and this Sanction Order.

5. **THIS COURT ORDERS** that: (a) the Applicant and the Monitor are hereby authorized and directed to complete any distributions, deliveries or allocations and to take any related steps or actions, as the case may be, in accordance with the terms of the Plan, and such distributions, deliveries and allocations, and steps and actions related thereto, are hereby approved, and (b) such distributions, deliveries or allocations shall be free and clear of all claims, rights and interests of any Person, including, without limitation, the CCAA Charges.

6. **THIS COURT ORDERS** that, as soon as practicable following the Effective Time, the Monitor shall be authorized and directed to serve on the service list in this CCAA Proceeding (the "**Service List**") and post on the Monitor's Website a certificate substantially in the form attached hereto as Schedule "B" (the "**Monitor's Certificate**"), signed by the Monitor, certifying that the Plan Implementation Date has occurred. The Monitor shall file the Monitor's Certificate with this Court as soon as reasonably practicable thereafter.

RESERVES

7. **THIS COURT ORDERS** that the establishment of the Unresolved Claims Reserve is hereby approved in accordance with the provisions of Section 6.1 of the Plan. The Applicant and the Monitor are hereby authorized and directed to distribute funds from the Unresolved Claims Reserve in accordance with the provisions of Section 7.9 of the Plan.

8. **THIS COURT ORDERS** that the Monitor shall be authorized, in its reasonable discretion, to assign a value to any Claim filed by a D&O against the Applicant for contribution or indemnity arising from an Excluded D&O Claim (a "**D&O Indemnity Claim**") for purposes of calculating the Unresolved Claims Reserve. The Monitor shall be authorized to reduce the Unresolved Claims Reserve with respect to a D&O Indemnity Claim if the Monitor, acting reasonably, determines that any Excluded D&O Claim is or becomes resolved or statute-barred.

9. **THIS COURT ORDERS** that the establishment of the Administrative Reserve is hereby approved, and the Applicant shall deliver funds sufficient to secure in full the Administrative Reserve to the Monitor, in trust, at or prior to the Effective Time.

10. **THIS COURT ORDERS** that counsel to the Applicant, the Monitor and its counsel, and independent counsel to the Board of Governors shall remain entitled to receive payment of their respective fees and expenses incurred in connection with the continued administration and implementation of the Plan by the Applicant in the ordinary course, and the Applicant is hereby authorized and directed to make such payments.

11. **THIS COURT ORDERS** that the Monitor shall hold the Unresolved Claims Reserve and the Administration Reserve in trust for those entitled to such funds pursuant to section 6.3 of the Plan.

EFFECT OF PLAN IMPLEMENTATION

12. **THIS COURT ORDERS** that upon the registration or recordation in the Land Registry Office for the Land Titles Division of Sudbury (No. 53) in the form prescribed in the *Land Titles Act* or the *Land Registration Reform Act*, as applicable, of: (a) this Order, and (b) a certificate signed by the Monitor confirming that the Secured Claim of the Secured Creditor named in such certificate (the "**Discharged Secured Creditor**") has been paid in full or otherwise satisfied in accordance with the Plan, the Land Registrar is hereby directed to discharge, delete and expunge from title to the real property set out in Schedule "C" of this Order all security interests, trusts, liens, claims, construction liens, certificates of actions, charges, registrations and encumbrances of whatever kind or nature whatsoever in favour of such Discharged Secured Creditor or any nominee or agent on its behalf.

13. **THIS COURT ORDERS** that, except to the extent expressly contemplated by the Plan or this Sanction Order, all contracts, leases, agreements and other arrangements, whether written or oral, and any and all amendments or supplements thereto (each, an "**Agreement**") that the Applicant is a party to and that has not been terminated or disclaimed pursuant to the Initial Order and the related provision of the CCAA will be and remain in full force and effect as of the Effective Time, and no Person who is a party to any such Agreement may accelerate, terminate, rescind, suspend, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such Agreement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Applicant);

(b) the insolvency of the Applicant or the fact that the Applicant sought or obtained relief under the CCAA; or

(c) any steps, compromises, releases, discharges, cancellations, transactions, arrangements or reorganizations effected pursuant to the Plan or any action taken or transaction effected pursuant to the Plan.

14. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Applicant then existing or previously committed by the Applicant, or caused by the Applicant, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Agreement existing between such Person and the Applicant arising directly or indirectly from the filing by the Applicant under the CCAA and implementation of the Plan, including without limitation any of the matters or events listed in paragraph 13 hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under an Agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Applicant from performing its obligations under the Plan or be a waiver of defaults by the Applicant under the Plan and any related documents.

RELEASES AND INJUNCTIONS

15. **THIS COURT ORDERS** that the releases and injunctions in sections 8.1 to 8.3 of the Plan, granted for the benefit of the Released Parties and Huntington University, are hereby approved and given full force and effect, and shall be binding upon and effective against all Affected Creditors and all other Persons; provided, however, that the foregoing shall not affect: (a) any Non-Released Claims; or (b) the rights and obligations of the Applicant with respect to carrying out the Plan in accordance with its terms and conditions.

16. **THIS COURT ORDERS** that solely with respect to any and all Released Claims, all Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, from: (a) commencing, conducting, continuing or making in any

manner, directly or indirectly, any action, suits, claims, demands or other proceedings of any nature or kind whatsoever against any of the Released Parties, as applicable; (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property; (c) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (d) taking any actions to interfere with the implementation or consummation of the Plan, in accordance with section 8.2 of the Plan.

17. **THIS COURT ORDERS** that all Persons who have previously commenced a proceeding in respect of a Released Claim in any court, tribunal or other adjudicative body, which Released Claim has not been finally determined, dismissed or discontinued prior to the Effective Time in such separate proceeding, shall forthwith after the Effective Time take steps to discontinue and/or dismiss, with prejudice and without costs, such Released Claim.

CONFLICT WITH THE PLAN

18. **THIS COURT ORDERS** that from and after the Effective Time, any conflict between:

    (a) the Plan; and

    (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any Agreement existing between any Person and the Applicant as at the Effective Time,

will be deemed to be governed by the terms, conditions and provisions of the Plan and this Sanction Order, which shall in all respects take precedence and priority.

BANKRUPTCY

19. **THE COURT ORDERS AND DECLARES** that, notwithstanding: (a) the pendency of this CCAA Proceeding; (b) any application for a bankruptcy, receivership or other order hereafter issued pursuant to the BIA, the CCAA or otherwise in respect of the Applicant and any bankruptcy, receivership or other order issued pursuant to any such applications;

and (c) any assignment in bankruptcy made or deemed to be made in respect of the Applicant, the terms and transactions contemplated by the Plan will be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Applicant or its assets and will not be void or voidable by creditors of the Applicant, nor will the Plan, or the payments and distributions contemplated pursuant thereto constitute nor be deemed to constitute a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA, the CCAA or any other applicable federal or provincial legislation, nor will the Plan constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

ORDERS OF THIS COURT

20. **THIS COURT ORDERS** that, other than as expressly set out herein, the provisions of the Initial Order, including the Stay Period and the suspension of Special Payments in respect of the Pension Plan (as each of those terms are defined in the Initial Order), shall terminate at the Effective Time except with respect to the protections granted therein in favour of the Monitor. All other Orders of the Court made in this CCAA Proceeding shall continue in full force and effect in accordance with their respective terms, except to the extent that such Orders are varied by or are inconsistent with this Sanction Order or any further Order of this Court in this CCAA Proceeding.

CCAA CHARGES

21. **THIS COURT ORDERS** that the Administration Charge and the Directors' Charge (as provided for and defined in the Initial Order or any further Order of the Court) shall be terminated, discharged, expunged and released, effective upon: (a) payment of all amounts on account of outstanding fees and expenses owing to the beneficiaries of the Administration Charge and Directors' Charge, if any, and (b) funding of the Administration Reserve.

22. **THIS COURT ORDERS** that the DIP Lender's Charge (as provided for and defined in the Initial Order or any further Order of the Court) shall be terminated, discharged,

expunged and released upon payment in full by the Applicant to the DIP Lender of all obligations secured by the DIP Lender's Charge at the Effective Time.

THE CRO

23. **THIS COURT ORDERS** that the activities and conduct of the CRO in this CCAA Proceeding, as disclosed in the affidavits filed with the Court on behalf of the Applicant from time to time and the reports of the Monitor to the Court from time to time be and are hereby ratified and approved, provided that only the CRO, in his personal capacity and only with respect to his own personal liability, shall be entitled to rely upon or utilize in any way such approval.

24. **THIS COURT ORDERS** that the protections afforded to the CRO, pursuant to the terms of the Order appointing the CRO dated May 31, 2021 (the "**CRO Appointment Order**") and the other Orders made in the CCAA Proceeding, shall not expire or terminate at the Effective Time and shall, subject to the terms hereof, including as it relates to the termination of the Administration Charge at the Effective Time, remain effective and in full force and effect until further order of the Court.

25. **THIS COURT ORDERS** that at the Effective Time, the CRO shall be discharged as having fulfilled its duties pursuant to the CRO Appointment Order.

THE MONITOR

26. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA and the powers provided to the Monitor herein, under the Plan and under the Orders of this Court, shall be and is hereby authorized, directed and empowered to perform its functions and fulfill its obligations under the Plan to facilitate the implementation of the Plan and to complete all matters incidental to the termination of this CCAA Proceeding.

27. **THIS COURT ORDERS** that: (a) in carrying out the terms of this Sanction Order and the Plan, the Monitor shall have all the protections given to it by the CCAA and the other Orders in these proceedings, and as an officer of the Court, including the stay of

proceedings in its favour; (b) the Monitor shall incur no liability or obligation for any act or omission as a result of carrying out any duties or work in connection with the Sanction Order and/or the Plan, save and except for any gross negligence or wilful misconduct on its part; (c) the Monitor shall be entitled to rely on the books and records of the Applicant and any information provided by the Applicant without independent investigation; and (d) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

28. **THIS COURT ORDERS** that the protections afforded to Ernst & Young Inc., as Monitor and officer of this Court, shall not expire or terminate at the Effective Time and shall, subject to the terms hereof, including as it relates to the termination of the Administration Charge at the Effective Time, remain effective and in full force and effect until further order of the Court.

29. **THIS COURT ORDERS** that any payments or deliveries under the Plan or this Sanction Order made or assisted by the Monitor, shall not constitute a "distribution" and the Monitor shall not constitute a "legal representative" or "representative" of the Applicant or "other person" for the purposes of Section 159 of the *Income Tax Act* (Canada), Section 270 of the *Excise Tax Act* (Canada), Section 46 of the *Employment Insurance Act* (Canada), Section 22 of the *Retail Sales Tax Act* (Ontario), Section 107 *Corporations Tax Act* (Ontario), or any other similar federal, provincial or territorial tax legislation (collectively, the "**Statutes**"), and the Monitor in making any such payments or deliveries of funds or assets in relation to the Plan is not "distributing", nor shall it be considered to have "distributed", such funds or assets for the purposes of the Statutes, and the Monitor shall not incur any liability under the Statutes for making any payments or deliveries under the Plan or failing to withhold amounts, ordered or permitted hereunder, and the Monitor shall not have any liability for the Applicant's tax liabilities regardless of how or when such liabilities may have arisen, and is hereby forever released, remised and discharged from any claims against it under or pursuant to the Statutes or otherwise at law, arising as a result of the distributions and deliveries under the Plan and this Sanction Order and any claims of this nature are hereby forever barred.

NOTICE

30. **THIS COURT ORDERS** that, as soon as practicable after the granting of this Order, the Monitor shall cause a copy of this Sanction Order to be posted on the Monitor's Website, and the Applicant shall serve a copy on the parties on the Service List. From and after the Effective Time, any notices, motions or documents that may be filed with the Court need only be served on the Applicant, the Monitor, the parties on the Service List and such Persons who deliver a Notice of Appearance to the Applicant and the Monitor, and filed such Notice of Appearance with the Court, after the Effective Time.

31. **THIS COURT ORDERS** that the measures in paragraph 30 shall constitute good and sufficient service and notice of this Order on all Persons who may be entitled to receive notice thereof or who may have an interest in these proceedings, and no other form of notice or service need be made on such Persons and no other document or material need be served on such Persons in respect of these proceedings.

GENERAL PROVISIONS

32. **THIS COURT ORDERS** that, notwithstanding any other provision of this Sanction Order, the Applicant and the Monitor shall remain entitled to seek advice, direction or assistance from the Court in respect of the interpretation and implementation of this Sanction Order and the performance by the Applicant and the Monitor of their respective obligations under the Plan, the Sanction Order and any other matters that pertain to the completion of the administration of this CCAA Proceeding.

33. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

34. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

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

36. **THIS COURT ORDERS** that the Applicant and the Monitor 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.



Chief Justice G.B. Morawetz

Schedule "A"
Amended CCAA Plan of Compromise and Arrangement

Court File No. CV-21-656040-00CL

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 **LAURENTIAN UNIVERSITY OF SUDBURY**

AMENDED PLAN OF COMPROMISE AND ARRANGEMENT

September 9, 2022

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AMENDED PLAN OF COMPROMISE AND ARRANGEMENT

This is the plan of compromise and arrangement of the Applicant pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

ARTICLE I
INTERPRETATION

1.1 Definitions

In this Plan, including the Schedules attached hereto, all capitalized terms and grammatical variations of such words and phrases shall have the following meanings:

Administration Charge	The charge granted in the Initial Order, up to a maximum amount of $1,250,000 over the Applicant's property in favour of the Monitor, counsel to the Monitor, counsel to the Applicant, and advisors to the Applicant, as security for their professional fees and disbursements incurred at their respective standard rates and charges.
Administration Reserve	Has the meaning given in Section 6.2.
Affected Claims	All Claims other than Unaffected Claims.
Affected Creditor	A Creditor with an Affected Claim.
Applicable Law	Any law, statute, order, decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law, whether in Canada or any other country, or any domestic or foreign state, county, province, city or other political subdivision of any Governmental Authority.
Applicant	Laurentian University of Sudbury.
Board of Governors	Board of Governors of Laurentian University of Sudbury.
Business	The business conducted by the Applicant consisting of the ongoing operation of a bilingual and tri-cultural post-secondary university in the City of Sudbury.
Business Day	A day other than a Saturday, Sunday, statutory or civic holiday in Sudbury, Ontario.
Bylaws	Bylaws of the Board of Governors of Laurentian University of Sudbury.
CCAA	*Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.
CCAA Charges	Collectively, the Administration Charge, the Directors' Charge, and the DIP Lender's Charge, as each term is defined in the Initial Order or the DIP Approval Order, as applicable.

CCAA Priority Claims	Claims that are required to be paid pursuant to sections 6(3), 6(5), and 6(6) of the CCAA.
CCAA Proceeding	The proceeding commenced by the Applicant pursuant to the CCAA on the Filing Date, bearing Court File No. CV-21-656040-00CL.
Claims	Collectively, all: (a) Pre-Filing Claims, (b) Restructuring Claims, (c) D&O Claims, and (d) Compensation Claims.
Claims Bar Date	The claims bar dates as set out in the Claims Process Order or the Compensation Claims Process Order, as applicable.
Claims Process	The process to determine the validity and quantum of Claims pursuant to the Claims Process Order or the Compensation Claims Process Order, as applicable.
Claims Process Order	The Amended and Restated Claims Process Order granted by Chief Justice Morawetz dated May 31, 2021, as may be further amended.
Compensation Claim	The following claims against the Applicant: (a) all claims in respect of the following: (i) claims of any Employee or Retiree for amounts owing to him or her in his or her capacity as a current or former employee of the Applicant, including without limitation, claims on account of wages, salaries, any other form of compensation (whether sales-based, incentive-based, deferred, retention-based, share-based, or otherwise), termination or severance pay, employee benefits (including, but not limited to, medical and similar benefits, disability benefits, relocation or mobility benefits, and benefits under employee assistance programs), pension and retirement benefits (including the Pension Plan, RHBP and SuRP), vacation pay, and employee expenses; (ii) claims of any Employee or Retiree arising from the administration, management or oversight of any of the pension plans or employee benefit plans administered or sponsored by the Applicant (including the Pension Plan, RHBP and SuRP); and (iii) claims by any Employee or Retiree, or the surviving spouse or other beneficiary of any Employee or Retiree, for other amounts owing to such Person in their capacity as an Employee, as plan member, surviving spouse or other beneficiary of the plan, to

the extent not already captured in subparagraphs (i) or (ii) above;

(b) claims by any Employee or Union (whether on behalf of an Employee or otherwise) in respect of grievances under any collective agreement to which the Applicant is party, whether such grievance arose prior to or after the Filing Date and is in respect of any matter that:

(i) is based in whole or in part on facts existing prior to the Filing Date, related to a time period prior to the Filing Date; or

(ii) arises as a result of the restructuring of the Applicant prior to the date of the Compensation Claims Process Order, including for greater certainty any grievance related to the Union Restructuring Agreements;

(c) claims by any Union arising pursuant to section 33(5) of the CCAA; and

(d) claims by any of the Third Parties, in each case made on behalf of any of their respective Third Party Employees, in each case solely in respect of any claims relating to the participation of their current or former employees in the RHBP.

For greater certainty, Compensation Claims shall not include any D&O Claims.

Compensation Claims Process Order — The Amended Compensation Claims Process Order granted by Chief Justice Morawetz dated August 17, 2021, as may be further amended.

Conditional Real Estate Agreement — Has the meaning given in Section 5.1.

Continuous Improvement Committee — The committee to be created to ensure that, once service-delivery and other operational processes, procedures, and policies have been reviewed and approved as contemplated in the Nous Operational Report, constant review occurs such that the Applicant is aware of best practices within the sector. The Continuous Improvement Committee will include representation from employee groups and other stakeholders.

Court — Ontario Superior Court of Justice (Commercial List).

Creditor — A Person with a Claim, including the transferee or assignee of a transferred Claim that is recognized as a Creditor by the Monitor in accordance with the Claims Process Order or the Compensation Claims Process Order, or a trustee,

	liquidator, receiver, receiver and manager or other Person acting on behalf of such Person.
CRO	Chief Redevelopment Officer Mr. Louis (Lou) Pagnutti, appointed by Order dated May 31, 2021.
Cure Period	Has the meaning given in Section 5.4.
D&O	Any Director or Officer who is or was or may be deemed to be or have been a director or officer of the Applicant, including any *de facto* director or officer of the Applicant at any time up to the Plan Implementation Date.
D&O Claim	Any right of any Person against the Directors or Officers of the Applicant, or any of them, that relates to any claim for which they might be liable as a result of any act or omission as a Director or Officer of the Applicant.
D&O Claims Bar Date	5:00 p.m. (prevailing Eastern Time) on July 30, 2021.
D&O Indemnity Claim	Has the meaning given in Section 6.1.
Designated Real Estate Assets	The specific real estate assets that may be identified in the future as being subject to a sale by the Applicant to: (a) the Province, or (b) as directed or consented to by the Province pursuant to the process described in Article V.
DIP Approval Order	The Order granted by Chief Justice Morawetz dated January 27, 2022.
DIP Facility	The debtor-in-possession (DIP) financing in the principal amount of $35 million provided by the DIP Lender to the Applicant to effect a refinancing of the debtor-in-possession facility originally fully advanced by Firm Capital Corporation as original DIP lender, which refinancing occurred on January 29, 2022.
DIP Lender	Her Majesty the Queen in right of Ontario, as represented by the Minister of Colleges and Universities.
DIP Lender's Charge	The third-ranking charge granted in the DIP Approval Order as security for the Applicant's indebtedness and obligations under the DIP Facility.
DIP Loan Agreement	The DIP Loan Agreement dated January 19, 2022, between the DIP Lender and the Applicant, approved by the DIP Approval Order.
Directors	All current and former directors of the Applicant, and "Director" means any one of them, and for greater certainty includes any current or former member of the Board of Governors of the Applicant.
Directors' Charge	The second-ranking charge granted in the Initial Order up to a maximum amount of $2,000,000, and the fourth-ranking charge granted in the Initial Order up to a maximum amount of $3,000,000, in each case as security for the

	indemnity provided by the Applicant to the directors, officers, and the Board of Governors against obligations and liabilities that may be incurred as directors or officers of the Applicant after the Filing Date, save and except to the extent that any such liability was incurred as a result of gross negligence or wilful misconduct.
Distribution Date	One or more Business Days that distributions are made by the Monitor in accordance with the provisions of the Plan, the Sanction Order, and any other applicable Order made in the CCAA Proceeding.
Distribution Pool	A cash pool from which the Monitor shall make distributions in respect of CCAA Priority Claims, Secured Claims, Vacation Pay Compensation Claims, and Affected Claims, into which shall be deposited in accordance with this Plan: (i) the amount funded by the Applicant required to satisfy the CCAA Priority Claims, Secured Claims, and Vacation Pay Compensation Claims, in full in accordance with this Plan, and (ii) the Net Sale Proceeds, not exceeding the Plan Consideration, from the disposition of the Designated Real Estate Assets, less any amounts reimbursed to the Applicant in accordance with Section 5.3. For greater certainty, the aggregate deposits into the Distribution Pool from all sources, net of amounts reimbursed to the Applicant in accordance with Section 5.3, shall not in any circumstance exceed the Plan Consideration.
Distribution Record Date	The date that is seven (7) Business Days prior to the date that any distribution is made under the Plan.
Effective Time	The time on the Plan Implementation Date that the Monitor delivers its certificate in accordance with Section 10.3 of the Plan.
EI Confirmation	In respect of a Creditor with a Compensation Claim, confirmation from Employment and Social Development Canada of the amount, if any, owing by such Creditor pursuant to section 45 of the *Employment Insurance Act* (Canada).
Employee	The current and former employees of the Applicant.
Encumbrances	Any mortgage, charge, pledge, lien (statutory or otherwise), hypothec, security interest (whether contractual, statutory or otherwise), encumbrance, statutory or possessory lien, trust or deemed trust (whether contractual, statutory, or otherwise), execution, levy, charge, interest in property, or other financial or monetary claim or lease of personal property that creates a security interest, in respect of any assets that the Applicant owns, has an interest, or to which the Applicant is entitled or that secures payment or performance of an obligation, or similar charge of any kind.
Excluded D&O Claims	The 12 D&O Claims filed in the Claims Process on or before the D&O Claims Bar Date (none of which are being determined within the Claims Process) only as such D&O Claims are particularized in the corresponding proof(s) of claim filed in the Claims Process. For the avoidance of doubt, the Excluded D&O Claims are only the 12 D&O Claims filed in the Claims Process prior to the D&O Claims Bar Date, and for each such claim, an Excluded D&O Claim is

strictly and narrowly defined to include only the specific claimant(s), specific defendant(s), specific cause(s) of action asserted, and maximum amount expressly asserted in each such proof of claim. In no way shall any part of this Plan be interpreted to define any demand of any kind by any form of entity (including any agent, successor, assign, administrator, or any other form of party) as an Excluded D&O Claim that has not been filed in the Claims Process (and not expressly particularized in the associated proof(s) of claim), such claims having been barred and extinguished by the Claims Process Order, the Compensation Claims Process Order, the Meeting Order, and/or the applicable Claims Bar Dates. Notwithstanding the above, in respect of the Excluded D&O Claim filed by each of the Unions, it does not prevent each of those two Excluded D&O Claims from being pursued by one (but not both of): (i) the named Union; or (ii) a named individual LUSU or LUFA member as authorized representative on behalf of that Union's members, pursuant to Rule 12 of the Ontario *Rules of Civil Procedure* or to the *Class Proceedings Act, 1992*, provided that such Excluded D&O Claim brought by such named individual LUFA or LUSU representative shall be advanced on the same basis (including as to costs) as if advanced by LUFA or LUSU and shall continue to be strictly and narrowly limited to only the specific claimant(s) on whose behalf such claim was expressly asserted, and the specific defendant(s), specific cause(s) of action asserted, and maximum amount expressly asserted, in the proofs of claim filed by the Unions in the Claims Process on or before the D&O Claims Bar Date.

Exit Financier — A party who provides exit financing to the Applicant in an amount sufficient to fully and permanently repay the DIP Facility.

Exit Financing — A loan to be obtained by the Applicant, the proceeds of which are in an amount sufficient to fully and permanently repay the DIP Facility.

Exit Financing Documentation — The loan agreement and related documentation entered into by the Applicant and the Exit Financier in connection with the Exit Financing.

Exit Financing Facility — The Exit Financing facility to be entered into between the Applicant and the Exit Financier.

EY — Ernst & Young Inc. in respect of services provided to the Applicant before and after the Filing Date, including in respect of services provided in its capacity as Monitor, and including any of its affiliates, partners, officers, directors, employees, agents, subcontractors and legal counsel.

Filing Date — February 1, 2021.

Governmental Authority — Any government (including the Provinces and the Federal Government), regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any

	administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.
Guaranteed Minimum Plan Consideration Amount	Has the meaning given in Section 5.4.
Huntington Released Claims	Solely in respect of Huntington University, any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, liabilities, accounts, covenants, damages, judgments, orders (including orders for injunctive relief or specific performance and compliance orders), expenses, executions, encumbrances and recoveries on account of any liability, obligation, demand or cause of action of whatever nature that any Person has or may be entitled to assert, whether known or unknown, matured or unmatured, contingent or actual, direct, indirect or derivative, at common law, in equity or under statute, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing, matter or occurrence existing or taking place at or prior to the Effective Time, that in any way relate to or arise out of or in connection with: (a) the discontinuation of the RHBP, and (b) the discontinuation of any courses or programs previously offered by Huntington University.
Implementation Steps	Has the meaning given in Section 4.1.
Initial Order	The Initial Order granted by Chief Justice Morawetz dated February 1, 2021, as amended and restated from time to time.
Insured Claims	Those Claims listed on Schedule "A".
LUAPSA	Laurentian University Administrative and Professional Staff Association.
LUFA	Laurentian University Faculty Association.
LUSU	Laurentian University Staff Union.
Material Post-Filing Grievances	A post-filing grievance that may jeopardize the ordinary course operations of the Applicant or may jeopardize the restructuring of the Applicant in any way due to the nature of the post-filing grievance.
Meeting	The meeting of Affected Creditors held pursuant to the Meeting Order to consider and vote on the Plan.
Meeting Order	An order to be obtained from the Court directing the calling and holding of a Meeting of Affected Creditors to consider and vote on the Plan, as such order may be amended from time to time.

Monitor	Ernst & Young Inc., solely in its capacity as the Court-appointed Monitor of the Applicant.
Monitor's Plan Implementation Certificate	The certificate referred to in Section 10.3 of the Plan.
Net Sale Proceeds	The remaining proceeds of sale after deducting all costs incurred by Laurentian in completing the sale of the Designated Real Estate Assets, including without limitation, if applicable, any relocation costs that may be necessary, the cost of renovating new space to make it suitable for the transfer of facilities, programs or people including moving from other buildings or premises, capital expenses incurred prior to the sale of the Designated Real Estate Assets, holding and carrying costs, taxes, professional fees including any consultants that may be required to assist with the process, and costs incurred in connection with the sale and transfer of the Designated Real Estate Assets.
Non-Released Claims	Any and all of: (a) the right to enforce the Unaffected Claims against the Applicant, to the extent that such Unaffected Claims are not paid in full pursuant to the Plan; (b) the right to enforce against the Applicant any of its obligations under the Plan, under the Sanction Order, or under any document delivered by the Applicant on the Plan Implementation Date pursuant to the Plan; (c) the right to assert the Excluded D&O Claims, but only by the specific claimant(s), against the specific D&Os named in the Excluded D&O Claims, for the specific cause(s) of action asserted and for the maximum amount expressly particularized in each corresponding proof of claim; (d) claims by EY, the CRO, counsel to the Applicant, counsel to the Monitor, and independent counsel to the Board, including as secured by the CCAA Charges; or (e) any claim against a Released Party if the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct.
NOSM Endowment Funds	The amount held in the investment account of the Applicant representing amounts received in respect of scholarships, bursaries and designated donations made by third parties for the benefit of NOSM University students, plus accumulated investment income and gains or losses, less amounts

	distributed to NOSM University to fund such scholarships or bursaries, to be determined as at the Plan Implementation Date.[1]
NOSM University	Northern Ontario School of Medicine University.
Nous Governance Report	The Governance Review of Laurentian University Report dated January 2022.
Nous Operational Report	The Operational Review of Laurentian University Report dated January 2022.
Officers	All current and former officers of the Applicant, and "Officer" means any one of them.
Order	Any final order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Authority.
Pension Plan	The Retirement Plan of Laurentian University of Sudbury, Registration No. 0267013, which is administered as a single employer pension plan under the *Pension Benefits Act*, R.S.O. 1990, c. P.8 and the regulations made thereunder, including all amendments made by the Applicant during the CCAA Proceeding.
Person	An individual, a corporation, a partnership, a limited liability company, a trust, an unincorporated association, a Governmental Authority or any agency, instrumentality or political subdivision of a Governmental Authority, or any other entity or body, which for greater certainty includes the Applicant.
Plan	This Amended Plan of Compromise and Arrangement pursuant to the CCAA concerning, affecting and involving the Applicant and its D&Os, including all Schedules listed herein.
Plan Consideration	Has the meaning given in Section 5.2.
Plan Default	Has the meaning given in Section 5.4.
Plan Implementation Conditions	Has the meaning given in Section 10.1.

[1] The amount of the NOSM Endowment Funds as of April 30, 2022, was $14.6 million. The actual amount of the NOSM Endowment Funds that will be transferred to NOSM University will be updated to reflect further investment income and gain or losses earned on the NOSM Endowment Funds up to the month end prior to the Plan Implementation Date for which the most recently available monthly investment account statement is available. For purposes of determining investment income and gains or losses, the aggregate investment income, gains and losses in the Applicant's investment account will be allocated proportionately as between the NOSM Endowment Funds and other Laurentian endowment funds held in the investment account.

Plan Implementation Date	The date that the Monitor delivers to the Service List in the CCAA Proceeding the Monitor's Plan Implementation Certificate.
Post-Plan Implementation Steps	Has the meaning given in Section 4.2.
Pre-Filing Claim	Any right of any Person against the Applicant, in connection with any indebtedness, liability or obligation of any kind of the Applicant whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity (including any claim by a Director or Officer against the Applicant for contribution and/or indemnity arising from any D&O Claim) for or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation (a) is based in whole or in part on facts existing prior to the Filing Date, (b) relates to a time period prior to the Filing Date, or (c) would have been a claim provable in bankruptcy had the Applicant become bankrupt on the Filing Date.
Pre-Filing Grievances	Grievances based in whole or in part on facts existing prior to the Filing Date or related to a time period prior to the Filing Date.
Project Management Consultant	Has the meaning given in Section 4.2.
Proof of Claim	A proof of claim filed in accordance with the Claims Process Order or the Compensation Claims Process Order, as applicable.
Proven Claim	A Claim (or the portion thereof) that has been finally determined: (a) in the case of an Affected Claim, for voting and distribution purposes, and (b) in the case of an Unaffected Claim, for the purposes of any treatment thereof contemplated by the Plan.
Province	Her Majesty the Queen in right of Ontario and all of its ministries, agencies, and other entities.
Real Estate Purchase Agreement	Has the meaning given in Section 5.2.
Released Claims	In respect of the Released Parties, any and all demands of any kind, whether in respect of any debt, obligation, or property interest of any kind, claims (including claims for contribution or indemnity), actions, causes of action, counterclaims, suits, debts, sums of money or any manner of recovery, accounts, covenants, damages, judgments, orders (including orders for injunctive relief or specific performance and compliance orders), expenses,

executions, Encumbrances, and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, that any Person has or may be entitled to assert, whether or not asserted or filed, reduced to judgment, liquidated or unliquidated, fixed, contingent, known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, directly or by guarantee, surety or otherwise, and whether or not executory or anticipatory in nature, based in whole or in part on any right, act, omission, transaction, duty (including any legal, statutory, equitable or fiduciary duty or standard of care), responsibility, indebtedness, liability, obligation, dealing, matter or other occurrence existing or taking place at or prior to the Effective Time, or such later time as actions are taken to implement the Plan, that in any way relate to, or arise out of, or are in connection with:

(a) any Claims;

(b) any Claim that has been barred or extinguished by the Claims Process Order, the Compensation Claims Process Order or the Meeting Order, including for greater certainty any Claim that has not been filed with the Monitor by the applicable Claims Bar Dates;

(c) any and all Pre-Filing Grievances, Restructuring Grievances, and Material Post-Filing Grievances by the Unions;

(d) the assets, obligations, Business, property or affairs of the Applicant;

(e) the administration and/or management of the Applicant (including but not limited to the Pension Plan and the RHBP);

(f) the CCAA Proceeding or any matter or thing relating to or occurring in or in connection with the CCAA Proceeding, including but not limited to the terms of the Plan (but for greater certainty not any enforcement of the terms of the Plan against the Applicant); or

(g) matters in respect of implementation of the Plan, either on or after the Plan Implementation Date;

but which, for greater certainty, and notwithstanding anything else contained herein, shall not include any Non-Released Claims.

Released Parties Shall mean: (a) the Applicant (including in its capacity as administrator and sponsor of the Pension Plan), (b) the CRO, (c) EY, and (d) their respective Representatives.

Representatives In relation to a Person, the directors, officers, partners, employees, consultants, legal counsel, actuaries, advisers, and agents, including their

	respective heirs, executors, administrators and other legal representatives, successors and assigns, and each of their respective employees and partners.
Required Majority	With respect to the class of Affected Creditors, the affirmative vote of a majority in number of all voting (in person or by proxy) Affected Creditors holding Affected Claims and representing not less than 66 2/3% in value of the Affected Claims voting (in person or by proxy) at the Meeting.
Restructuring Claim	Any indebtedness, liability or obligation of any kind arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement or obligation on or after the Filing Date and whether such restructuring, termination, repudiation or disclaimer took place or takes place before or after the date of the Claims Process Order.
Restructuring Grievances	Grievances arising as a result of the restructuring of the Applicant prior to the date of the Compensation Claims Process Order, including for greater certainty any grievance related to the Union Restructuring Agreements.
Restructuring Steps	Together, the Implementation Steps and the Post-Plan Implementation Steps.
Retiree	A former employee of the Applicant who has retired from the Applicant, with such retirement being effective prior to April 30, 2021.
RFP	Request for Proposals.
RHBP	The Retirees Health Benefit Plan administered by the Applicant, including as it relates to Employees, Retirees, and Third Party Employees.
Sanction Order	An Order under the CCAA sanctioning the Plan and other relief contemplated in the Plan, as such order may be amended by any court of competent jurisdiction, in form and content satisfactory to the Applicant.
Schedules	Has the meaning given in Section 1.5.
Secured Claims	All Proven Claims of a Creditor, to the extent that it is determined in the Claims Process that such Claims are secured by a valid Encumbrance that is duly and properly registered or otherwise perfected in accordance with Applicable Law in the appropriate jurisdiction as of the Filing Date or thereafter pursuant to an Order, to the extent of the value of such Encumbrance as at the Filing Date (having regard to the value of the assets subject to such Encumbrance and the priority of such Encumbrance) and which Claim is entitled to be proven as a secured claim pursuant to the provisions of the CCAA.
Secured Creditor	Any Creditor with a Secured Claim.
Strategic Plan	Has the meaning given in Section 4.2.

SuRP	All supplementary pension arrangements including the Laurentian University Supplemental Retirement Plan and all individual contractual supplementary pension arrangements.
Third Parties	Huntington University, Thorneloe University, University of Sudbury, Sudbury Neutrino Observatory Laboratory, Mining Innovation Rehabilitation and Applied Research Corporation, and Centre for Excellence in Mining Innovation.
Third Party Employees	Any current or former employee of a Third Party, including any retirees or surviving spouses of retirees of the Third Party, who participated in the RHBP.
Transformation Consultation Group	Has the meaning given in Section 4.1(b).
Unaffected Claim	Has the meaning given in Section 2.3.
Unaffected Creditor	A Creditor of the Applicant with an Unaffected Claim, but only as it relates to such portion of its Claim that is an Unaffected Claim, if any.
Undeliverable Distribution	Has the meaning given in Section 7.11.
Union Restructuring Agreements	(a) The term sheet, including its schedules (including for greater certainty, the Pension Term Sheet dated April 7, 2021, entered into between the Applicant and LUFA dated April 7, 2021; (b) the term sheet, including its schedules (including for greater certainty, the Pension Term Sheet dated April 7, 2021), entered into between the Applicant and LUSU dated April 5, 2021, and (c) the memorandum of understanding entered into between the Applicant and LUFA dated April 7, 2021.
Unions	Collectively, LUFA and LUSU.
Unresolved Claim	A Claim (or the portion thereof) in respect of which a Proof of Claim has been filed in a proper and timely manner or a notice of claim delivered by the Applicant or the Monitor, in each case prior to the applicable Claims Bar Dates in accordance with the Claims Process Order or the Compensation Claims Process Order, but which Claim has not been finally determined in accordance with the Claims Process Order or the Compensation Claims Process Order. For greater certainty, Unresolved Claims shall not include any Claims that have been disallowed in the Claims Process or the Compensation Claims Process, which disallowance constitutes a final determination of the Claim.
Unresolved Claims Reserve	Has the meaning given in Section 6.1.

Unresolved Secured Claim	An Unresolved Claim wherein the Proof of Claim asserts that such Claim (or a portion thereof) is secured by a valid Encumbrance.
Vacation Pay Compensation Claim	The Claim of a former employee for outstanding vacation pay equal to the difference, if any, between: (a) unpaid vacation pay owing to such former employee as of the last day of employment, and (b) any amounts required to be paid to the former employee pursuant to section 6(5) of the CCAA, as determined in accordance with the Compensation Claims Process Order.

1.2 Certain Rules of Interpretation

For the purposes of the Plan:

(a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions;

(b) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;

(c) unless otherwise specified, all references to currency are in Canadian dollars;

(d) the division of the Plan into "articles" and "sections" and the insertion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "articles" and "sections" intended as complete or accurate descriptions of the content thereof;

(e) the use of words in the singular or plural, or with a particular gender, including a definition, will not limit the scope or exclude the application of any provision of the Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;

(f) the words "includes" and "including" and similar terms of inclusion will not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather will mean "includes but is not limited to" and "including but not limited to", so that references to included matters will be regarded as illustrative without being either characterizing or exhaustive;

(g) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day means prior to 5:00 p.m. (Toronto time) on such Business Day;

(h) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends and by

extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;

(i) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature or Governmental Authority includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;

(j) references to a specified "article" or "section" will, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of the Plan, whereas the terms "the Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions will be deemed to refer generally to the Plan and not to any particular article, section or other portion of the Plan and includes any documents supplemental hereto;

(k) references to "Affected Creditor", or "Unaffected Creditor" refer to Creditors of the Applicant in such capacity; and

(l) when a capitalized term used in the Plan references a definition in an Order or any other document, the Plan shall be interpreted as if the definition in that Order or other document is included in the Plan.

1.3 Successors and Assigns

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

1.4 Governing Law and Jurisdiction

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of the Plan and all proceedings taken in connection with the Plan and its provisions will be subject to the exclusive jurisdiction of the Court.

1.5 Schedule

The following Schedule to the Plan (the "**Schedule**") is incorporated by reference into the Plan and forms a part of it:

Schedule "A" – Insured Claims

ARTICLE II
PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purposes of the Plan are to:

(a) complete a restructuring of the Applicant by, among other things, implementation of the Plan, which will provide the Applicant with the opportunity to operate as a going concern bilingual and tri-cultural post-secondary university in the City of Sudbury;

(b) provide for the compromise of all Affected Claims by providing to Affected Creditors with Proven Claims a distribution in accordance with the terms of the Plan;

(c) effect a release and discharge of all Affected Claims, Released Claims, and the Huntington Released Claims;

(d) provide a basis whereby the Applicant and its operations continue as a going concern, having addressed its liquidity issues, long-term financial viability issues, with recommendations to address operational and governance components, all with the expectation that the Affected Creditors will derive a greater benefit from implementation of the Plan than they would receive from a bankruptcy or liquidation of the Applicant; and

(e) permit the Applicant to exit the CCAA Proceeding.

2.2 Affected Claims and Released Claims

The Plan provides for the compromise of all Affected Claims held by Affected Creditors and a full, final, and irrevocable release and discharge of the Released Claims and Huntington Released Claims. The Plan will become effective at the Effective Time in accordance with its terms and will be binding on and enure to the benefit of the Applicant, the Released Parties, and all other Persons named or referred to in, or who are subject to, the Plan.

2.3 Unaffected Claims

In accordance with Section 11.1, the Plan, in its entirety, is binding on Unaffected Creditors. Subject to the foregoing, the Plan does not compromise in any manner the following claims (collectively, the "**Unaffected Claims**"):

(a) CCAA Priority Claims;

(b) Vacation Pay Compensation Claims;

(c) Insured Claims;

(d) Excluded D&O Claims;

(e) Secured Claims; and

(f) claims by EY, the CRO, counsel to the Applicant, counsel to the Monitor, and independent counsel to the Board, including as secured by the CCAA Charges.

Nothing in the Plan will affect the Applicant's rights and defences, both legal and equitable, with respect to any Unaffected Claims including all rights or entitlements to set-offs or recoupments against such Unaffected Claims.

2.4 Plan is Without Prejudice to Excluded D&O Claims

(a) Subject to the express provisions hereof, the Plan does not compromise or affect in any manner the Excluded D&O Claims as against the D&Os.

(b) The Claims Process was conducted for the purpose of identifying all potential Claims and determining the validity and quantum, if any, of Affected Claims for voting and distribution purposes within the CCAA Proceeding. The Claims Process (including any steps taken within the Claims Process or any determinations made in the Claims Process) is without prejudice to any positions, rights, defences or arguments that any Creditor, the Applicant, the D&Os, their insurer(s), or the Monitor have or may have, now or in the future, in respect of any Excluded D&O Claim. A finding or determination of any issue respecting the validity or quantum of any Affected Claim against the Applicant, if any, shall not have any effect whatsoever beyond the Claims Process, and shall not be admissible in or have any effect upon, any subsequent proceeding against any D&O, including in respect of any applicable insurance policy.

ARTICLE III
CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Process

The procedure for determining the validity and quantum of the Affected Claims for voting and/or distribution purposes under the Plan will be governed by the Claims Process Order, the Compensation Claims Process Order, the Meeting Order, the CCAA, the Plan, and any further Order of the Court. For greater certainty, the Claims Process Order and the Compensation Claims Process Order will remain in full force and effect from and after the Plan Implementation Date.

3.2 Classification of Creditors

In accordance with the Meeting Order, Affected Creditors will be placed into a single class for purposes of considering and voting on the Plan at the Meeting.

3.3 Creditors' Meeting

The Meeting will be held in accordance with the Meeting Order and any further Order of the Court. The only Persons entitled to attend the Meeting are those specified in the Meeting Order and any further Order of the Court.

3.4 Treatment of CCAA Priority Claims

Holders of CCAA Priority Claims shall not be entitled to vote on the Plan in respect of any portion of their Claim that is a CCAA Priority Claim. CCAA Priority Claims shall not be compromised under the Plan. At the Effective Time, CCAA Priority Claims will be fully, finally, irrevocably and forever released, discharged, cancelled and barred, subject only to the right of holders of CCAA Priority Claims to receive distributions pursuant to Section 7.3 of the Plan.

3.5 Treatment of Secured Claims

Secured Creditors shall not be entitled to vote on the Plan in respect of any portion of their Claim that is a Secured Claim. Secured Claims shall not be compromised under the Plan. At the Effective Time, Secured Claims will be fully, finally, irrevocably and forever released, discharged, cancelled and barred, subject only to the right of Secured Creditors to receive distributions pursuant to Section 7.4 of the Plan.

3.6 Treatment of Vacation Pay Compensation Claims

Holders of Vacation Pay Compensation Claims shall not be entitled to vote on the Plan in respect of any portion of their Claim that is a Vacation Pay Compensation Claim. Vacation Pay Compensation Claims shall not be compromised under the Plan. At the Effective Time, Vacation Pay Compensation Claims will be fully, finally, irrevocably and forever released, discharged, cancelled and barred, subject only to the right of a holder of a Vacation Pay Compensation Claim to receive distributions pursuant to Section 7.5 of the Plan.

3.7 Treatment of Affected Claims

Affected Creditors shall be entitled to vote on the Plan. Affected Claims will be compromised and released under the Plan. At the Effective Time, all Affected Claims will be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred, subject only to the right of Affected Creditors with Proven Claims to receive one or more *pro rata*, *pari passu* distributions from the Distribution Pool pursuant to Section 7.6 of the Plan.

3.8 Unaffected Claims

Unaffected Creditors shall not be entitled to vote on the Plan. Unaffected Claims entitled to any payment under this Plan will be dealt with in accordance with Sections 3.4 to 3.6 and Sections 7.2 to 7.5 of the Plan. For clarity, the Plan will be binding on the Unaffected Claims in accordance with Section 11.1 of the Plan.

3.9 Insured Claims

(a) Holders of Insured Claims shall not be entitled to vote on the Plan. Notwithstanding anything to the contrary herein, Insured Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred as against the Released Parties by the Plan. From and after the Effective Time, any Person having an Insured Claim will irrevocably be limited to recovery in respect of such Insured Claim solely from the proceeds of any applicable insurance policies of the Applicant. Persons with an Insured Claim will have no right to, and will not, directly or indirectly, make any claim or seek any recoveries from the Released Parties, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable insurance policies.

(b) This Section 3.9 may be relied upon by the Applicant and any other Released Party in defence or estoppel of or to enjoin any claim, action or proceeding brought in contravention of this section. Nothing in the Plan will prejudice, compromise, release or otherwise affect any right or defence of any insured or insurer in respect of an Insured Claim.

3.10 Unresolved Claims

No holder of an Unresolved Claim shall be entitled to receive any payment or distribution hereunder with respect to an Unresolved Claim or any portion thereof unless and until, and then only to the extent that, such Unresolved Claim is finally determined pursuant to the Claims Process Order or the Compensation Claims Process Order, as applicable, and becomes a Proven Claim.

3.11 Extinguishment of Claims

At the Effective Time, in accordance with the terms of the Plan and the Sanction Order, the treatment of Affected Claims (including Unresolved Claims), Released Claims, and Huntington Released Claims will be final and binding on the Applicant, the Creditors, and any Person holding a Released Claim or a Huntington Released Claim. Save and except as set out in the Plan, the Applicant and the Released Parties will have no further obligation whatsoever in respect of the Affected Claims and the Released Claims, as applicable, and Huntington University will have no further obligation whatsoever solely in respect of the Huntington Released Claims.

3.12 Guarantees and Similar Covenants

No Person who has a claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under the Plan or who has any right to claim over in respect of, or to be subrogated to, the rights of any Person in respect of a Claim that is compromised under the Plan will be entitled to any greater rights as against the Applicant than the Person whose Claim is compromised under the Plan.

3.13 Set-Off

The law of set-off applies to all Claims in accordance with Applicable Law. Without limiting the generality of the foregoing, the Applicant will be entitled to set-off from any payments or distributions to be made to a Creditor hereunder any amounts due and owing to the Applicant from such Creditor.

ARTICLE IV
IMPLEMENTATION OF RESTRUCTURING

4.1 Restructuring Steps on the Plan Implementation Date

At the Effective Time, the following will occur, and be deemed to have occurred, as applicable, in the order set out below unless otherwise specified in this Section 4.1 and become effective, without any further act or formality:

(a) the DIP Facility shall be repaid in full through the proceeds of the Exit Financing Facility in full and final satisfaction of all obligations and liabilities under the DIP Loan Agreement;

(b) the Applicant shall transfer to NOSM University, or as NOSM University may direct, that portion of the investment account equal to the aggregate amount of the NOSM Endowment Funds. For greater certainty, the Applicant shall continue to hold all endowment funds representing amounts received in respect of scholarships, bursaries, and designated donations for the benefit of the Applicant's students, other than the NOSM Endowment Funds;

(c) the Applicant shall deliver to the Monitor, in trust, the Administration Reserve in accordance with Section 6.2 hereof;

(d) to the extent not already paid, the Applicant shall pay into the Distribution Pool the amount of cash required to satisfy the CCAA Priority Claims, the Secured Claims, and Vacation Pay Compensation Claims, in full, which Unaffected Claims shall be paid by the Monitor, for and on behalf of the Applicant, in accordance with Article VII. In the case of former employees of the Applicant, payment of the CCAA Priority Claims and Vacation Pay Compensation Claims shall be paid ten Business Days after the clearance from Employment and Social Development Canada;

(e) all Affected Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred as against the Applicant; and

(f) all Released Claims and Huntington Released Claims will be fully, finally, irrevocably and forever released, discharged, cancelled and barred in accordance with Article VIII, and all notes, certificates and other instruments evidencing the Released Claims (and all guarantees associated with each of the foregoing) will be deemed cancelled and extinguished and be null and void in accordance with Section 7.13 hereof.

(each, an "**Implementation Step**" and collectively, the "**Implementation Steps**"). The failure of the Plan to incorporate any provision of a document evidencing an Implementation Step will not derogate from the enforceability of such provision.

4.2 Restructuring Steps Following Plan Implementation

Following the Plan Implementation Date, the Applicant will take the following actions, all being subject to such terms and conditions as may be contained in the Exit Financing Documentation:

(a) within 60 calendar days following the Plan Implementation Date, the Applicant will run an RFP process to engage a third party consultant or consultants to lead the comprehensive operational restructuring and transformation (the "**Project Management Consultant**") recommended by Nous in the Nous Operational Report. The Applicant shall consult with and seek input from the Unions and LUAPSA with respect to the engagement of the Project Management Consultant through the RFP process, and will ensure that the transformational process led by the Project Management Consultant, once engaged, includes consultation and input from various constituents and stakeholders;

(b) within 60 calendar days following the Plan Implementation Date, the Applicant will undertake a process to identify individuals to consult with the Applicant and the Project Management Consultant regarding the recommendations in the Nous Operational Report (the "**Transformation Consultation Group**"). The Transformation Consultation Group that will work with the Applicant and the Project Management Consultant will be comprised of members selected by the Unions, LUAPSA, and drawn from other key stakeholder groups;

(c) within 120 calendar days following the engagement of the Project Management Consultant, the Applicant will work with the Project Management Consultant, in consultation with and after seeking input from the Transformation Consultation Group, to develop a detailed plan (which shall include, among other things, the identification of priorities, required steps, timing, resources, sequencing, goals and deliverables) for undertaking the comprehensive operational restructuring and transformation described in the Nous Operational Report;

(d) following completion of the comprehensive operational restructuring and transformation led by the Project Management Consultant, a Continuous Improvement Committee will be created to periodically review service-delivery and other operational processes, procedures and policies to ensure that the operational decisions of the Applicant continue to be guided by best practices in the sector. The Continuous Improvement Committee will include representation selected by the Unions, LUAPSA, and drawn from other stakeholders of the Applicant;

(e) following the Plan Implementation Date, the Applicant will consult with and seek input from various constituents and stakeholders in respect of the governance recommendations in the Nous Governance Report. The parties to be consulted will include members of the Unions including individuals selected by the Unions, the Senate, LUAPSA and other key stakeholder groups. In the event that a committee is struck for the purpose of making recommendations to the Board and/or Senate on the issue of academics, academic freedom or collegial governance in accordance

with the NOUS Governance Report, LUFA will have at least one representative on such committee. Nothing in this section derivates or otherwise detracts from LUFA's rights under Section 2.30 of its collective agreement;

(f) within 60 calendar days following the Plan Implementation Date, the Applicant will make the following requests (jointly with LUFA and LUSU, to the extent applicable) to the Ministry of Colleges and Universities for an amendment to the *The Laurentian University of Sudbury Act, 1960*, to permit:

(i) representation of up to a maximum of two (2) members from LUFA as voting members of the Board of Governors, to be elected by LUFA from LUFA membership; and

(ii) representation of a minimum of one (1) member from LUSU as voting members of the Board of Governors, to be elected by LUSU from LUSU membership.

(g) To the extent not already done and subject to any amendments required under the *The Laurentian University of Sudbury Act, 1960*, within 60 calendar days following the Plan Implementation Date, the Applicant will make amendments to the Bylaws of the Board of Governors consistent with the following principles:

(i) establishing certain minimum requirements of the Board of Governors regarding the skillset and diversity of the Board of Governors that are consistent with best practices of other Ontario post-secondary education organizations;

(ii) including maximum terms of appointment to the Board of Governors; and

(iii) requiring regular ongoing training for current and future members of the Board of Governors;

(h) within 120 calendar days following the Plan Implementation Date, the Applicant shall have completed an RFP process and retained a third-party consultant to assist the Applicant and its stakeholders in the development of a new strategic plan (the "**Strategic Plan**"). The Applicant shall consult with and seek input from the Unions and LUAPSA with respect to the engagement of a third-party consultant through the RFP process and will ensure that the process led by the third-party consultant, once engaged, includes consultation and input from various constituents and stakeholders including but not limited to the Unions. The Applicant will take the appropriate steps to make any changes that are necessary to align the Applicant with the new Strategic Plan by no later than two (2) years following the Plan Implementation Date; and

(i) with respect to funding received by the Applicant from and after December 20, 2020, that are designated for restricted purposes (for example, research grants or restricted donations), the Applicant will ensure that appropriate internal financial controls and restrictions are in place such that the funds will be available and used

only for such intended purposes as set out in the relevant research grant documentation or restricted donation agreement, as applicable. As it relates to funding received by the Applicant from and after December 20, 2020, including following the Plan Implementation Date, the Applicant will continue to honour the contractual commitments that the Applicant made to various research and granting agencies.

(collectively, the "**Post-Plan Implementation Steps**").

4.3 Corporate Approvals

The execution, delivery, implementation and consummation of all matters contemplated under the Plan involving any actions of the Applicant, including the Restructuring Steps, will be authorized and approved under the Plan and by the Court as part of the Sanction Order or such separate Order of the Court as may be deemed advisable by the Applicant in all respects and for all purposes without any requirement of further action by any Person.

ARTICLE V
PLAN CONSIDERATION

5.1 Conditional Real Estate Agreement of Purchase and Sale

Prior to the Plan Implementation Date, the Applicant shall use best efforts to negotiate and enter into a conditional agreement of purchase and sale (the "**Conditional Real Estate Agreement**") with the Province consistent with the terms and conditions set out in the letter from counsel to the Province dated May 6, 2022.

5.2 Identification of Designated Real Estate Assets

(a) The Applicant will make all of its real estate assets available for sale to the Province and will engage in discussions with the Province and make all information in its possession related to any and all of the Applicant's real estate holdings available to assist the Province in undertaking its due diligence to identify the Designated Real Estate Assets for an aggregate purchase price of up to $53.5 million (the "**Plan Consideration**").

(b) The Applicant shall negotiate and enter into one or more unconditional agreements of purchase and sale (together, the "**Real Estate Purchase Agreement**") with the Province in respect of the Designated Real Estate Assets for aggregate consideration of up to the Plan Consideration. The terms and conditions of the Real Estate Purchase Agreement, including but not limited to the identification of the Designated Real Estate Assets, shall be satisfactory to the Province.

(c) The Applicant and the Province will negotiate the terms of the Real Estate Purchase Agreement, including the determination of value to be attributed to the Designated Real Estate Assets and the terms for the Applicant's continued use of the Designated Real Estate Assets and any other related issues. The Applicant will request that the Real Estate Purchase Agreement include terms that permit the

Applicant's continued use and occupation of the Designated Real Estate Assets for the same or similar purpose as such Designated Real Estate Assets are currently being used, on such terms as may be agreed with the Province. Costs in respect of relocation, renovating new space to make it suitable for the transfer of facilities, programs or people are not anticipated to be required, or, if required in respect of any particular building, not to the same extent as if the real estate assets were marketed and sold to a third party.

(d) The Net Sale Proceeds obtained following the sale by the Applicant of the Designated Real Estate Assets up to the maximum amount of the Plan Consideration shall be transferred to the Distribution Pool as soon as reasonably practicable and shall be available for distribution in accordance with the terms of the Plan.

5.3 Credit from Distribution Pool

For greater certainty, the maximum aggregate amount available for distribution to Creditors under the Plan is the Plan Consideration. If the Applicant pays any amount into the Distribution Pool pursuant to this Plan, the Applicant shall be repaid such amount forthwith from the Net Sale Proceeds transferred to the Distribution Pool pursuant to Section 5.2. The Applicant shall be entitled to repayment in full of any amounts paid by the Applicant into the Distribution Pool prior to any distribution to Affected Creditors pursuant to Section 7.6.

5.4 Plan Default

(a) A minimum of $45.5 million (the "**Guaranteed Minimum Plan Consideration Amount**") shall be realized from the sale of the Designated Real Estate Assets and transferred to the Distribution Pool by no later than the third anniversary of the Plan Implementation Date. If the Guaranteed Minimum Plan Consideration Amount is not funded to the Distribution Pool by the third anniversary of the Plan Implementation Date, an event of default will have occurred under the Plan (the "**Plan Default**"). The Monitor shall provide written notice to the Applicant that a Plan Default has occurred and shall file a report with the Court.

(b) Upon the occurrence of a Plan Default, the Applicant shall have a period of twelve (12) months from the date that it receives written notice from the Monitor of a Plan Default (the "**Cure Period**") to cure the Plan Default. A Plan Default may only be cured by the Applicant transferring to the Monitor an amount of cash equal to the difference between (a) the Guaranteed Minimum Plan Consideration Amount; and (b) the aggregate amount transferred into the Distribution Pool on or following the Plan Implementation Date.

(c) If a Plan Default is not cured within the Cure Period and a Plan Default continues to exist, the Monitor shall file with the Court and serve on the Service List a certificate confirming that a Plan Default is continuing, and the Plan is terminated (the "**Plan Default Certificate**"). Upon the Monitor filing the Plan Default Certificate with the Court, all Affected Creditors with Proven Claims under the Plan

shall have their Proven Claims reinstated with a claim in an amount equal to the amount of their Proven Claim less any distributions received by the Affected Creditor under the Plan. Such reinstated claims shall no longer be compromised, released, discharged, or cancelled in accordance with the Plan. Notwithstanding the foregoing, the Monitor or the Applicant may bring a motion to the Court for advice and directions with respect to the Plan Default and termination of the Plan.

ARTICLE VI
UNRESOLVED CLAIMS RESERVE AND ADMINISTRATION RESERVE

6.1 Unresolved Claims Reserve

(a) The Monitor shall hold back from any distribution from the Distribution Pool an amount sufficient to pay each holder of an Unresolved Claim the amount such holder would be entitled to receive under the Plan if such Unresolved Claim (or certain portions thereof) is determined to be a Proven Claim in accordance with the Claims Process Order or the Compensation Claims Process Order (the "**Unresolved Claims Reserve**"). Notwithstanding the foregoing, the Applicant shall not be required to pay into the Distribution Pool any amounts in respect of an Unresolved Secured Claim. Distributions with respect to Unresolved Secured Claims shall be made in accordance with Section 7.9.

(b) The Monitor shall, in its reasonable discretion, assign a value to any Claim by a D&O against the Applicant for contribution or indemnity arising from an Excluded D&O Claim (a "**D&O Indemnity Claim**") for purposes of calculating the Unresolved Claims Reserve. The Monitor may reduce the Unresolved Claims Reserve with respect to a D&O Indemnity Claim if the Monitor, acting reasonably, determines that any Excluded D&O Claim is resolved or statute-barred.

(c) The Monitor shall oversee the distribution of funds from the Unresolved Claims Reserve in accordance with Article VII of the Plan.

6.2 Administration Reserve

(a) At the Effective Time, the Applicant shall transfer to the Monitor, in trust, $1,000,000 (the "**Administration Reserve**"), as security for the fees and expenses of counsel to the Applicant, the Monitor and its counsel, and independent counsel to the Board of Governors, with respect to the continued administration and implementation of the Plan, including the administration of the resolution of Unresolved Claims in accordance with the Claims Process Order and the Compensation Claims Process Order, negotiation with respect to the Designated Real Estate Assets, distributions by the Monitor, and to perform such other activities as may be required after the Effective Time. If the Administration Reserve is no longer required as security after the Monitor has completed its obligations as set out in the Plan, the Administration Reserve shall be released by the Monitor to the Applicant.

(b) Counsel to the Applicant, the Monitor and its counsel, and independent counsel to the Board of Governors shall be entitled to payment of their respective fees and expenses incurred in connection with the continued administration and implementation of the Plan by the Applicant in the ordinary course.

6.3 General

The Monitor will hold the Unresolved Claims Reserve and the Administration Reserve in trust for those entitled to such funds pursuant to the Plan.

ARTICLE VII
PROVISIONS REGARDING DISTRIBUTIONS, PAYMENTS AND CURRENCY

7.1 Distributions Generally

All distributions and other payments to be made pursuant to the Plan will be made from the Distribution Pool pursuant to and in accordance with the priority established by this Article VII, provided that any payments pursuant to Section 7.2 in respect of Claims secured by the Administration Charge shall be paid directly by the Applicant and not from the Distribution Pool. All payments and distributions pursuant to this Article VII will be subject to satisfaction or waiver of the conditions specified in Article X hereof and the occurrence of the Effective Time. Except as otherwise expressly stated herein, the Monitor shall have the sole discretion to determine the timing for any distributions to be made under the Plan. Notwithstanding any other provision of the Plan, any distribution to a Creditor with a Compensation Claim will be subject to the Applicant and the Monitor first obtaining EI Confirmation in respect of such Creditor and resolving any issues regarding applicable withholdings in respect of such distribution to the satisfaction of the Applicant and the Monitor, acting reasonably. For clarity, no Creditor shall be entitled to any distributions with respect to a Claim for interest accruing on or after the Filing Date.

7.2 Payments of Claims secured by the Administration Charge

To the extent that such payments have not already been made, forthwith after the Plan Implementation Date, the Applicant shall pay in full all Claims secured by the Administration Charge as at the Plan Implementation Date.

7.3 Payment of CCAA Priority Claims

After the Plan Implementation Date and subject to any required clearance from Employment and Social Development Canada, the Monitor, on behalf of the Applicant, shall pay from the Distribution Pool to each holder of a CCAA Priority Claim the amounts required to satisfy such holder's CCAA Priority Claim in full.

7.4 Payment of Secured Claims

Subject to the payment in full of the amounts described in Section 7.3 of the Plan, forthwith after the Plan Implementation Date (or such later date as a portion of an Unresolved Claim becomes a Secured Claim), the Monitor, on behalf of the Applicant, shall pay from the Distribution Pool to

each Secured Creditor the amount required to satisfy each Secured Creditor's Secured Claim in full.

7.5 Payment of Vacation Pay Compensation Claims

Subject to payment in full of all amounts described in in Sections 7.3 to 7.4 of the Plan, forthwith after the Plan Implementation Date, the Monitor, on behalf of the Applicant, shall pay from the Distribution Pool to each holder of a Vacation Pay Compensation Claim the amount required to satisfy each Vacation Pay Compensation Claim in full.

7.6 Payment of Affected Claims

(a) Subject to: (i) the payment in full of all amounts described in Sections 7.3 to 7.5 of the Plan, and (ii) repayment to the Applicant of all amounts paid into the Distribution Pool by the Applicant pursuant to Section 5.3 of the Plan, the Monitor, on behalf of the Applicant, shall distribute the balance of the Distribution Pool to the Affected Creditors with Proven Claims pursuant to one or more *pro rata* distributions in full and final satisfaction of all Affected Claims. No distributions will be made where the *pro rata* distribution is less than $10. The Applicant's liability to an Affected Creditor with a Proven Claim for any distribution in an amount less than $10 will be forever discharged and extinguished.

(b) The Monitor shall have no liability as to the sufficiency of funds in the Distribution Pool and shall be under no obligation to take any action or make any payments for which there are insufficient funds.

7.7 Method of Distribution

The Monitor may, in its sole discretion, make distributions by way of: (a) cheque sent by prepaid ordinary mail to the address on file with the Applicant on the Distribution Record Date; or (b) wire transfer of immediately available funds to an account designated in writing by the Creditor to the Monitor (with any wire transfer or similar fee being satisfied from the distribution amount).

7.8 Addresses for Distribution

Prior to the applicable Distribution Record Date, a Creditor may, in writing to the Applicant and the Monitor, change its address on file with the Applicant for distribution purposes.

7.9 Distributions in Respect of Unresolved Claims

(a) Subject to Section 6.1, the Monitor will hold the Unresolved Claims Reserve in trust (as such reserve may be reduced from time to time as Unresolved Claims are ultimately disallowed in whole or in part) until the final determination of all Unresolved Claims in accordance with the Claims Process Order or the Compensation Claims Process Order, as applicable, or in the case of a D&O Indemnity Claim, the Unresolved Claims Reserve may be reduced in accordance with Section 6.1 of the Plan.

(b) To the extent that an Unresolved Claim becomes a Proven Claim, the Monitor, on behalf of the Applicant, shall distribute to the holder thereof an amount from the Unresolved Claims Reserve that such Creditor would have been entitled to receive in respect of its Proven Claim on such preceding Distribution Date had such Unresolved Claim been a Proven Claim on the preceding Distribution Date(s). Distribution from the Unresolved Claims Reserve shall be consistent with the payments described in Sections 7.3 to 7.6 of the Plan.

(c) To the extent that an Unresolved Secured Claim becomes a Proven Claim, the Monitor, on behalf of the Applicant, shall make a distribution from the Distribution Pool to the Secured Creditor in accordance with Section 7.4. If there are no funds in the Distribution Pool at such time, the Applicant shall pay into the Distribution Pool the amount required to satisfy an Unresolved Secured Claim that becomes a Proven Claim.

(d) After all Unresolved Claims have been finally resolved in accordance with the Claims Process Order or the Compensation Claims Process Order, as applicable, and any required distributions have been made with respect to any Proven Claims, the Monitor, on behalf of the Applicant, will transfer the amount remaining in the Unresolved Claims Reserve into the Distribution Pool. If the Monitor is of the view that the distribution of any amounts remaining in the Unresolved Claims Reserve is not economically practical (taking into consideration any anticipated future distributions), then the Monitor will release the amounts remaining in the Unresolved Claims Reserve to the Applicant.

7.10 Allocation of Distributions

All distributions made pursuant to the Plan to Affected Creditors with Proven Claims will be allocated first towards the repayment of the amount of the Proven Claim attributable to principal and, if greater than the amount of principal, second, towards the repayment of any amount of such Claim attributable to unpaid pre-filing interest.

7.11 Treatment of Unclaimed Distributions

If any distribution under this Article VII is returned as undeliverable (an "**Undeliverable Distribution**"), then neither the Monitor nor the Applicant will be required to make further efforts to deliver the distribution to such Creditor unless and until the Monitor and the Applicant are notified in writing by the applicable Creditor of such Creditor's current address at which time all such distributions will be made to such Creditor. If such Creditor has not notified the Monitor and the Applicant of its current address by the time of the final distribution, the Claim of any such Creditor with respect to such undelivered or unclaimed distribution shall be discharged and forever barred, notwithstanding any Applicable Law to the contrary, and any such cash allocable to the undelivered or unclaimed distribution shall be released and returned by the Monitor to the Applicant, free and clear of any claims of such Creditor or any other Creditors and their respective successors and assigns. For greater clarity, nothing contained in the Plan shall require the Monitor or the Applicant to attempt to locate any holder of any Undeliverable Distributions.

7.12 Withholding Rights

The Monitor, the Applicant and any other Person facilitating payments pursuant to the Plan will be entitled to deduct and withhold from any such payment to any Person such amounts as may be required to be deducted or withheld under any Applicable Law and to remit such amounts to the appropriate Governmental Authority or other Person entitled thereto. To the extent that amounts are so withheld or deducted and remitted to the appropriate Governmental Authority or other Person, such withheld or deducted amounts will be treated for all purposes hereof as having been paid to such Person as the remainder of the payment in respect of which such withholding or deduction was made. Without in any way limiting the generality of the foregoing, the Monitor, on behalf of the Applicant, shall deduct from any distribution to a Creditor hereunder any amounts as indicated by Employment and Social Development Canada in a Notice of Debt and remit such amounts to Employment and Social Development Canada pursuant to the *Employment Insurance Act* (Canada). Any Creditor whose address on file with the Applicant on the Distribution Record Date is not a Canadian address will be treated as a non-resident of Canada for purposes of any applicable non-resident withholding tax on all payments hereunder, subject to receipt by the Monitor or the Applicant of information satisfactory (in their sole discretion) that such Creditor is not a non-resident. No gross-up or additional amount will be paid on any payment hereunder to the extent the Monitor, the Applicant or any other Person deducts or withholds amounts pursuant to this Section 7.12. Notwithstanding any withholding or deduction, each Person receiving a payment will have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Authority (including income and other tax obligations on account of such distribution).

7.13 Cancellation of Certificates and Notes, etc.

At the Effective Time, all debentures, notes, certificates, indentures, guarantees, agreements, invoices and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing), will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and will be deemed cancelled and extinguished and be null and void.

7.14 Calculations

All amounts to be paid by the Monitor on behalf of the Applicant pursuant to the Plan will be calculated by the Monitor. All calculations made by the Monitor will be conclusive, final and binding upon the Applicant and all other Persons entitled to distributions under the Plan, absent manifest error.

7.15 Currency Matters

Distributions to any Persons entitled to distributions under the Plan will be paid in Canadian dollars and any such Claims that are denominated in a currency other than the lawful money of Canada will be converted to the equivalent thereof in the lawful money of Canada at the noon rate of exchange as quoted by the Bank of Canada on the Filing Date, in accordance with the Claims Process Order and the Compensation Claims Process Order.

ARTICLE VIII
RELEASES

8.1 Plan Releases

At the Effective Time, each of the Released Parties shall be fully, finally, and irrevocably released and discharged from all Released Claims, which will be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, all to the fullest extent permitted by Applicable Law. Notwithstanding the foregoing or anything else contained in this Plan, nothing in this Section 8.1 will have the effect of releasing the Non-Released Claims.

8.2 Injunctions

From and after the Effective Time as set out in Section 4.1 hereof, all Persons are permanently and forever barred, estopped, stayed and enjoined with respect to any and all Released Claims from: (a) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties; (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or Order against any of the Released Parties or their property; (c) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties; (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property; or (e) taking any actions to interfere with the implementation or consummation of the Plan. All Persons who have previously commenced a Released Claim in any court, which Released Claim has not been finally determined, dismissed or discontinued prior to the Effective Time, shall forthwith after the Effective Time take steps to discontinue and/or dismiss, without costs, such Released Claim.

8.3 Huntington Release

At the Effective Time, Huntington University will be released and discharged from all Huntington Released Claims, which will be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred against Huntington University.

ARTICLE IX
COURT SANCTION

9.1 Application for Sanction Order

If the Plan is approved by the Required Majority of the Affected Creditors, the Applicant will apply for the Sanction Order on or before the date set for the Sanction Order hearing or such later date as the Court may set.

9.2 Sanction Order

The Sanction Order will, among other things:

(a) declare that: (i) the Plan has been approved by the Required Majority of the Affected Creditors in conformity with the Meeting Order and the CCAA, (ii) the activities of the Applicant and the Monitor have been in compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceeding in all respects, (iii) neither the Applicant nor Monitor have done or purported to do anything that is not authorized by the CCAA, and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;

(b) declare that the Plan, subject to the terms and conditions of the Plan, including the Plan Implementation Conditions described in Section 10.1 and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are sanctioned and approved, and at the Effective Time as set out in Section 4.1 hereof will be binding and effective upon and with respect to the Applicant, the Released Parties and all other Persons named or referred to in, or subject to, the Plan or the Sanction Order;

(c) approve and authorize the Restructuring Steps;

(d) as of the Effective Time and subject to Section 5.1(2) of the CCAA and Section 5.4 of the Plan, discharge and release the Applicant and its Representatives from any and all Secured Claims in accordance with the Plan, and declare that the ability of any Person to proceed against the Applicant or its Representatives in respect of, or relating to any Secured Claims, whether directly, derivatively or otherwise will be forever discharged, enjoined and restrained, and all proceedings with respect to, in connection with or relating to such Secured Claims be permanently stayed, subject only to the right of Secured Creditors to receive distributions pursuant to the Plan in respect of their Secured Claims;

(e) as of the Effective Time and subject to Section 5.1(2) of the CCAA and Section 5.4 of the Plan, compromise, discharge and release the Applicant and its Representatives from any and all Affected Claims in accordance with the Plan, and declare that the ability of any Person to proceed against the Applicant or its Representatives in respect of or relating to any Affected Claims, whether directly, derivatively or otherwise will be forever discharged, enjoined and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors with Proven Claims to receive distributions pursuant to the Plan in respect of their Affected Claims;

(f) as of the Effective Time, compromise, discharge and release the Released Parties from any and all Released Claims in accordance with the Plan, and declare that the ability of any Person to proceed against the Released Parties (or any of them) in respect of or relating to any Released Claim will be forever discharged and

restrained, and all proceedings with respect to, in connection with or relating to such Released Claims be permanently stayed;

(g) as of the Effective Time, compromise, discharge and release Huntington University from any and all Huntington Released Claims in accordance with the Plan, and declare that the ability of any Person to proceed against Huntington University in respect of or relating to any Huntington Released Claims will be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Huntington Released Claims be permanently stayed;

(h) as of the Effective Time as set out in Section 4.1 hereof, bar, stop, stay and enjoin the commencing, taking, applying for or issuing or continuing of any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Released Claims;

(i) declare that any Affected Claim that is not a Proven Claim or Unresolved Claim is forever barred and extinguished;

(j) authorize the Applicant and the Monitor to perform their respective obligations and functions under the Plan and to perform all such other acts and execute such documents as may be required in connection with the foregoing;

(k) declare that under no circumstances will the Monitor have any liability under any Applicable Law or otherwise in respect of carrying outs its obligations under the Plan, including making any payments required under the Plan or ordered by the Sanction Order;

(l) declare that each of the CCAA Charges will be terminated, discharged, expunged and released upon receipt by the Applicant of an acknowledgement of payment in full and in the appropriate currency of the claims secured thereby and funding of the Administrative Reserve;

(m) declare that, notwithstanding: (i) the pendency of the CCAA Proceeding; (ii) any applications for a bankruptcy, receivership or other Order now or hereafter issued pursuant to the BIA, the CCAA or otherwise in respect of the Applicant and any bankruptcy, receivership or other Order issued pursuant to any such applications; and (iii) any assignment in bankruptcy made or deemed to be made in respect of the Applicant, the transactions contemplated by the Plan will be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Applicant or their assets and will not be void or voidable by Creditors of the Applicant, nor will the Plan, or the payments and distributions contemplated pursuant thereto constitute nor be deemed to constitute a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA, CCAA or any other applicable federal or provincial legislation, nor

will the Plan constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation;

(n) declare that, subject to the performance by the Applicant of its obligations under the Plan, all contracts, leases, agreements and other arrangements to which the Applicant is a party and that have not been terminated or disclaimed pursuant to the applicable paragraph of the Initial Order and related provision of the CCAA will be and remain in full force and effect, unamended as of the Effective Time as set out in Section 4.1 of the Plan, and no Person who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(i) any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events or default arising as a result of the insolvency of the Applicant);

(ii) the insolvency of the Applicant or the fact that the Applicant sought or obtained relief under the CCAA; or

(iii) any compromises or arrangements effected pursuant to the Plan, or any action taken or transaction effected pursuant to the Plan;

(o) declare that the stay of proceedings under the Initial Order continues until the Effective Time;

(p) approve all of the conduct of the CRO and EY in relation to the Applicant and bar all claims against them arising from or relating to the services provided to the Applicant up to and including the date of the Sanction Order;

(q) declare that the Applicant and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or in relation to the Plan; and

(r) approve the Administration Reserve.

ARTICLE X
PLAN CONDITIONS PRECEDENT AND IMPLEMENTATION

10.1 Conditions Precedent to Plan Implementation

The Plan is subject to the satisfaction or waiver of the following conditions (the "**Plan Implementation Conditions**"):

(a) the Plan will have been approved by the Affected Creditors of the Applicant in accordance with the provisions of the Meeting Order and the CCAA;

(b) the Sanction Order will have been issued by the Court, consistent with the terms of Section 9.2 hereof;

(c) all Pre-Filing Grievances, Restructuring Grievances, and Material Post-Filing Grievances shall be fully resolved or withdrawn by the applicable Union;

(d) the Exit Financing Documentation will have been executed, delivered and become effective in accordance with their terms, subject only to the occurrence of the Plan Implementation Date;

(e) all indebtedness and obligations under the DIP Facility shall have been fully and permanently repaid to the DIP Lender;

(f) the renewal of senior management of the Applicant shall become effective no later than immediately prior to the Effective Time, with any such claims arising therefrom having been calculated in accordance with the Compensation Claims Process Order and constituting an Affected Claim hereunder;

(g) all relevant Persons will have executed, delivered and filed all documents and other instruments that, in the opinion of the Applicant, acting reasonably, are necessary to implement the provisions of the Plan or the Sanction Order;

(h) there will have been no material adverse change to the Business or the assets of the Applicant, in the view of the Monitor;

(i) no action or proceeding will be pending by any third party to enjoin or prohibit the transactions contemplated by the Plan; and

(j) all applicable approvals and orders of, and all applicable submissions and filings with, Governmental Authorities having jurisdiction for the completion of the steps and transactions contemplated by the Plan (including the steps and transactions which are Plan Implementation Conditions) will have been obtained or made, as the case may be, in each case to the extent deemed necessary or advisable by the Applicant, in form and substance satisfactory to the Applicant.

10.2 Applicant's Certificate – Plan Implementation

Upon satisfaction of the Plan Implementation Conditions, the Applicant will deliver to the Monitor a copy of a certificate stating that each of the Plan Implementation Conditions has been satisfied or waived.

10.3 Monitor's Certificate – Plan Implementation

As soon as practicable following receipt of the certificate referred to in Section 10.2 of the Plan, the Monitor will serve on the service list in the CCAA Proceeding, post on the Monitor's Website and file with the Court a certificate confirming that the Plan Implementation Date has occurred.

ARTICLE XI
GENERAL

11.1 Binding Effect

At the Effective Time, the Plan will become effective and binding on and enure to the benefit of the Applicant, the Released Parties, and any other Person named or referred to in or subject to the Plan and their Representatives. Without limiting the generality of the foregoing, at the Effective Time:

(a) the treatment of the Unaffected Claims, Affected Claims, Released Claims, and Huntington Released Claims under the Plan will be final and binding for all purposes and enure to the benefit of the Applicant, the Released Parties, and all other Persons named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

(b) all Affected Claims will be forever discharged and released, except only with respect to any distribution thereon in the manner and to the extent provided for in the Plan;

(c) all Released Claims and Huntington Released Claims will be forever discharged, released, enjoined and barred;

(d) subject to section 19(2) of the CCAA, each Person named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and

(e) each Person named or referred to in, or subject to, the Plan shall be deemed to have:

(i) subject to the terms of the DIP Loan Agreement and the Exit Financing Documentation (including any lender consents required thereunder), executed and delivered to the Applicant and to the other Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;

(ii) waived any default by or rescinded any demand for payment against the Applicant that has occurred on or prior to the Effective Time pursuant to, based on, or as a result of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Person and the Applicant; and

(iii) agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Person and the Applicant, as at the moment before the Effective Time and the provisions of the Plan, then the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

11.2 Claims Bar Date

Nothing in this Plan extends or shall be interpreted as extending or amending the applicable Claims Bar Dates, or gives or shall be interpreted as giving any rights to any Person in respect of an Affected Claim that has been barred or extinguished pursuant to the Claims Process Order or the Compensation Claims Process Order.

11.3 Deeming Provisions

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

11.4 Modification of the Plan

(a) The Applicant reserves the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan (including to address or further address the treatment of claims subject to the Claims Process Order or the Compensation Claims Process Order), provided that any such amendment, restatement, modification or supplement must be contained in a written document that is filed with the Court and: (i) if made prior to or at the Meeting, communicated to the Affected Creditors in the manner contemplated by the Meeting Order, and (ii) if made following the Meeting, approved by the Court following notice to the Affected Creditors.

(b) Notwithstanding Section 11.4(a), after the Meeting the Applicant may amend, restate, modify and/or supplement the Plan with the consent of the Monitor, and without the consent of the Affected Creditors or approval of the Court, provided that any such amendment, restatement, modification and/or supplement: (i) is filed with the Court, (ii) is posted on the website maintained by the Monitor and notice thereof is provided to the Affected Creditors, (iii) does not materially decrease the anticipated recovery of Affected Creditors under the Plan and is otherwise not materially adverse to the financial or economic interests of Affected Creditors, in each case as determined by the Monitor, and (iv) does not amend the Plan Implementation Conditions (including any provision of the Plan that is the subject of such conditions) without the consent of the party or parties for whose benefit the conditions exist.

(c) Notwithstanding Section 11.4(a) and (b), any amendment, restatement, modification or supplement to the Plan may be made by the Applicant at any time and from time to time, provided that it is made with the consent of the Monitor and: (i) concerns a matter which is of an administrative nature required to better give effect to the implementation of the Plan; or (ii) is to cure any errors, omissions or ambiguities, and in either case is not materially adverse to the financial or economic interests of the Affected Creditors.

(d) Any amended, restated, modified or supplementary Plan or Plans filed with the Court and, if required by this Section, approved by the Court, will for all purposes be and be deemed to be a part of and incorporated in the Plan.

11.5 Paramountcy

From and after the Effective Time, any conflict between:

(a) the Plan or the Sanction Order; and

(b) the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Applicant as at the moment before the Effective Time,

will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which will take precedence and priority.

11.6 Severability of Plan Provisions

If, prior to the Plan Implementation Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicant and with the consent of the Monitor, will have the power to either: (a) sever such term or provision from the balance of the Plan and provide the Applicant with the option to proceed with the implementation of the balance of the Plan, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as so altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Applicant proceeds with implementation of the Plan, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

11.7 Protections of the Monitor

The Monitor is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceeding with respect to the Applicant (and not in its personal capacity). The Monitor will not be responsible or liable for any obligations of the Applicant. The Monitor will have the powers and protections granted to it by the Plan, the CCAA and any other Order made in the CCAA Proceeding. EY will incur no personal liability whatsoever whether on its own part or in respect of any failure on the part of the Applicant to observe, perform or comply with any of its obligations under the Plan. Any release, discharge or other benefit conferred upon the Monitor pursuant to the Plan will enure to the benefit of EY. The Monitor in its personal capacity will be a third-party beneficiary to the Plan entitled to enforce such releases, discharges and benefits in accordance with the terms of the Plan.

11.8 Different Capacities

Persons who are impacted by the Plan may be impacted in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not impact such Person in any

other capacity, unless otherwise provided in the Meeting Order expressly agreed by the Applicant and the Person in writing or unless its Claims overlap or are otherwise duplicative.

11.9 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made, or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

If to the Applicant:

Laurentian University of Sudbury
935 Ramsey Lake Road
Sudbury, Ontario
P3E 2C6

Attention: Dr. Robert Haché

With copies to (which will not constitute notice)

Thornton Grout Finnigan LLP
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, Ontario Canada
M5K 1K7

Attention: D.J. Miller (djmiller@tgf.ca) and Mitch Grossell (mgrossell@tgf.ca)

If to a Creditor: To the mailing address, facsimile number or email address provided on such Creditor's Proof of Claim or such more recent address particulars of a Creditor as noted in the files of the Applicant or the Monitor;

If to the Monitor:

Ernst & Young Inc.
EY Tower
100 Adelaide Street W
Toronto, Ontario, Canada
M5H 0B3

Attention: Sharon Hamilton (sharon.s.hamilton@parthenon.ey.com)

With copies to (which will not constitute notice)

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street

Toronto, Ontario, Canada
M5L 1B8

Attention: Ashley Taylor (ataylor@stikeman.com) and Elizabeth Pillon (lpillon@stikeman.com)

or to such other address as any party may from time to time notify the others in accordance with this section, or, in the case of an address change for the Applicant or the Monitor, by posting notice of such address change on the Monitor's website (www.ey.com/ca/laurentian). Any such communication so given or made will be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 4:00 p.m. (Toronto time) on such day. Otherwise, such communication will be deemed to have been given and made and to have been received on the next following Business Day.

11.10 Further Assurances

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the Restructuring Steps or any other events or transactions contemplated herein, notwithstanding any provision of the Plan that deems any event or transaction to occur without further formality.

11.11 Language

This Plan, as well as any notices, schedules or other documents related thereto has been and will be prepared in the English language only. To the extent a French language or other translation is prepared, any such translation will be for informational purposes only, it being intended that the English language version will govern and prevail in all respects.

11.12 Acts to Occur on Next Business Day

If any distribution, payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such distribution, payment or the performance of such act may be completed on the next succeeding Business Day but will be deemed to have been completed as of the required date.

11.13 Non-Consummation of the Plan

If the Plan is revoked at any time prior to the Effective Time, (a) it will be null and void in all respects, and (b) nothing contained in the Plan and no act taken in preparation for the implementation of the Plan will: (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Applicant or any other Person, (ii) prejudice the rights of the Applicant or any other Person in any further proceeding involving the Applicant, or (iii) constitute an admission of any sort by the Applicant or any Person.

DATED as of the 9th day of September, 2022.

Schedule "A"

Insured Claims

Claimant	Claim Amount
Sarah Connell	$45,000,000.00
Nina Kucheran and Mary Catherine Kucheran	To be determined.
Petra Spencer	$1,000,000.00
Zhiju Zhu	$5,000,000.00
Barbara Jean Robinson	$5,000,000.00

Schedule "B"
Monitor's Certificate

Court File No. CV-21-656040-00CL

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 **LAURENTIAN UNIVERSITY OF SUDBURY** (the "**Applicant**")

MONITOR'S CERTIFICATE

WHEREAS pursuant to the Order of this Court dated February 1, 2021, Ernst & Young Inc. was appointed as the monitor (the "**Monitor**") of the Applicant;

AND WHEREAS pursuant to the Meeting Order of this Court dated July 28, 2022, the Applicant filed the Plan of Compromise and Arrangement pursuant to the CCAA affecting and involving the Applicants dated July 21, 2022, which was amended by the Applicant on September 9, 2022 (as amended, the "**Plan**");

AND WHEREAS the Plan has been sanctioned by this Honourable Court by Order dated October 5, 2022 (the "**Sanction Order**");

AND WHEREAS the Sanction Order requires the Monitor to serve on the Service List in the CCAA Proceeding and post on the Monitor's Website a certificate, signed by the Monitor, certifying that the Plan Implementation Date has occurred;

AND WHEREAS the Plan Implementation Date has occurred;

AND WHEREAS all capitalized terms used but not defined herein shall have the meanings given to them in the Plan;

THE MONITOR HEREBY CERTIFIES that:

37. The Plan Implementation Date has occurred; and

38. This Certificate is delivered by the Monitor on _____, 2022.

ERNST & YOUNG INC., solely in its capacity as court appointed monitor of the Applicants, and not in its personal capacity or in any other capacity

Per: _____
Name:
Title:

Schedule "C"
Real Property

SCHEDULE "C"
REAL PROPERTY

PIN	Legal Description
73584-0678	LT 63-67 PL 4SB MCKIM; LT 158-159 PL 25SA MCKIM; PT LT 160 PL 25SA MCKIM; PT LT 68-69 PL 4SB MCKIM; PT NELSON ST, DAVID ST PL 4SB MCKIM (CLOSED BY S70); PT S1/2 LT 5 CON 3 MCKIM AS IN S61148; S/T INTEREST IN S61148; S/T EXECUTION 00-00878, IF ENFORCEABLE; GREATER SUDBURY
73584-0804	LT 232-234 PL 6S MCKIM; PT LT 229-231 PL 6S MCKIM AS IN S53645 EXCEPT PART 1 53R6379; GREATER SUDBURY
73585-1167	PT LT 6, CON 3 MCKIN, PTS 1, 2, AND 3 ON PLAN 53R-19698; SUBJECT TO AN EASEMENT IN GROSS OVER PT 2, 53R19698 AS IN SD225472; SUBJECT TO AN EASEMENT IN GROSS OVER PT 3, 53R19698 AS IN SD225678; SUBJECT TO AN EASEMENT IN GROSS OVER PT 3, 53R19698 AS IN SD229534; CITY OF GREATER SUDBURY
73592-0084	PCL 46194 SEC SES SRO; PT LT 2 CON 2 MCKIM PT 2 53R7594; GREATER SUDBURY
73592-0412	PCL 53884 SEC SES; 1STLY: PT LT 3 CON 2 MCKIM PT 1, 53R16920: 2NDLY: PT LT 3 CON 2 MCKIM PT 5, 8, 11 & 12 53R5371; GREATER SUDBURY; SUBJECT TO AN EASEMENT IN GROSS OVER PTS 2,4,5,6,8,10,11,12 & 13 53R17763 AS IN SD246793
73592-0426	PCL 30769 SEC SES; LT 3 CON 2 MCKIM SW OF PT 13 & 14 53R9175, E OF PT 15 & 16 53R5371, W OF BETHEL LAKE & N OF LT65581; S/T LT394500, LT891690; GREATER SUDBURY
73592-0427	PCL 30769 SEC SES; PT LT 3 CON 2 MCKIM LT 1 EXPROP PL M785; S/T LT622331; GREATER SUDBURY; SUBJECT TO AN EASEMENT IN GROSS OVER PT 1 53R19195 AS IN SD246792
73593-0063	PCL 21810 SEC SES; FIRSTLY: PT LT 2 CON 1 MCKIM; SECONDLY: PT LT 2 CON 2 MCKIM AS IN LT130739; GREATER SUDBURY
73593-0406	PCL 34100 SEC SES AS IN LT264521; PT BROKEN LT 1 CON 1 MCKIM LOCATION 145, PT 1 SR1028; GREATER SUDBURY
73593-0446	PCL 53880 SEC SES; PT LT 3 CON 2 MCKIM PT 7 53R5371; GREATER SUDBURY
73593-0465	PCL 30769 SEC SES; LT 3 CON 2 MCKIM S OF UNIT 1,2,3,4,5 & 6 EXPROP PL D49 & SW OF PT 2,3,7,9 & 14 53R5371; EXCEPT PT 1 SR754 & PARTS 1,2,3 53R20763; N 1/2 LT 2 CON 1 MCKIM; EXCEPT LT130739; PT LT 2 CON 2 MCKIM AS IN EP6694; EXCEPT LT130739, PT 3 53R7594; SRO E 1/2 LT 3 CON 1 MCKIM; EXCEPT PT 1-6, 853R6915; PT LT 3 CON 1 MCKIM AS IN LT211094, EP4842, LT 1 EXPROP PL M764; EXCEPT PT 1 SR754; PT BROKEN LT 4 CON 2 MCKIM AS IN LT220905 (FIRSTLY); EXCEPT UNITS 1-3, 13 EXPROP PL D48; PT LT 4 CON 1 MCKIM AS IN LT2 20905 (SECONDLY) & PT 2 SR754; EXCEPT PT 1 53R4053, PT 1 53R7807, PT 1 & 2 53R8716 & PT 1 & 2 53R9178; PT LT 5 PL M92 PT 2 53R7807; S/T LT119418, LT32862, LT233153 (PARTIALLY RELEASED AS IN SD371949), LT436834, LT25019, LT748126, LT842126;; SUBJECT TO AN EASEMENT IN GROSS OVER PT 1 53R7680 AS IN SD261440; SUBJECT TO AN

	EASEMENT IN GROSS OVER PART 1 53R20567 AS IN SD317507; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 2 & 3 53R20797 AS IN SD353369; CITY OF GREATER SUDBURY
	Lease between Her Majesty the Queen in Right of Ontario as Represented by the Minister of Government and Consumer Services and Laurentian University dated January 1, 2020

Electronically issued / Délivré par voie électronique : 05-Oct-2022
Toronto Superior Court of Justice / Cour supérieure de justice

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 **LAURENTIAN UNIVERSITY OF SUDBURY** (the "**Applicant**")

Court File No. CV-21-656040-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

SANCTION ORDER

Thornton Grout Finnigan LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7
Fax: (416) 304-1313

D.J. Miller (LSO# 344393P)
Email: djmiller@tgf.ca

Mitchell W. Grossell (LSO# 69993I)
Email: mgrossell@tgf.ca

Andrew Hanrahan (LSO# 78003K)
Email: ahanrahan@tgf.ca

Derek Harland (LSO# 79504N)
Email: dharland@tgf.ca

Tel: 416-304-1616
Fax: 416-304-1313

Lawyers for the Applicant

Court File No. CV-19-00633392-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	MONDAY, THE 29TH
	)	
CHIEF JUSTICE MORAWETZ	)	DAY OF JUNE, 2020

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 LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION, AND LYDIAN U.K. CORPORATION LIMITED

Applicants

ORDER

(Re: Plan Sanction and Implementation)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order (the "**Sanction and Implementation Order**"), among other things, approving and sanctioning the Applicants' Plan of Arrangement dated June 30, 2020 (the "**Plan**"), a copy of which is attached as Schedule "A" hereto, proceeded by way of videoconference due to the COVID-19 crisis on this day.

ON READING the affidavit of Edward A. Sellers sworn June 24, 2020 (the "**Sellers Sanction Affidavit**"), the affidavit of Edward A. Sellers sworn June 28, 2020 (the "**Sellers Supplementary Sanction Affidavit**") and the exhibits thereto, the Fifth Report of Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as Monitor of the Applicants (the "**Monitor**") dated June 16, 2020 (the "**Fifth Report**"), the Sixth Report of the Monitor dated June 22, 2020 (the "**Sixth Report**"), the Seventh Report of the Monitor dated June 25, 2020 (the "**Seventh Report**") and on hearing the submissions of counsel for the Applicants, the Monitor, Orion Capital Management, Resource Capital Fund VI LP (which voted against the Plan), Osisko Bermuda Limited and those other parties listed on the counsel slip;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and supporting materials be and is hereby abridged and validated such that this Motion is properly returnable today and service thereof upon any interested party other than the parties on the service list is hereby dispensed with.

2. **THIS COURT ORDERS** that all capitalized terms in this Sanction and Implementation Order, unless otherwise defined herein, have the meanings ascribed to them in the Plan.

EXTENSION OF STAY PERIOD

3. **THIS COURT ORDERS** that the stay period as referred to in the Amended and Restated Initial Order of Chief Justice Morawetz dated January 23, 2020 (the "**Amended and Restated Initial Order**") is extended with respect to:

(a) Lydian International Limited ("**Lydian International**") and Lydian US until and including the earlier of (i) the filing of the Monitor's CCAA Termination Certificate (as defined below), and (ii) December 21, 2020; and

(b) Lydian Canada, Lydian UK and the Non-Applicant Stay Parties (other than Lydian US) until and including the date of filing of the Monitor's Plan Implementation Certificate (as defined below).

NOTICE AND MEETING

4. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient notice, service and delivery of the Order of this Court (re: Meeting of the Affected Creditors) dated June 18, 2020 in the within proceedings (the "**Meeting Order**") and the Plan to all Persons upon which notice, service and delivery were required, and that the Meeting was duly convened, held and conducted on June 19, 2020 in conformity with the CCAA and the Meeting Order.

SANCTION OF THE PLAN

5. **THIS COURT ORDERS AND DECLARES** that that the Plan has been approved by the Required Majority of the Affected Creditors, as required by the Meeting Order, and in conformity with the CCAA.

6. **THIS COURT ORDERS** that (a) the activities of the Applicants have been in compliance with the provisions of the CCAA, the Initial Order granted by this Court on December 23, 2019 (the "**Filing Date**"), the Amended and Restated Initial Order and all other Orders granted in the within proceedings (collectively, the "**CCAA Orders**"), and (b) the Court is satisfied that the Applicants have not done or purported to do anything that is not authorized by the CCAA, and the Plan, all terms and conditions thereof, and the matters, implementation steps and transactions contemplated thereby, are fair and reasonable.

7. **THIS COURT ORDERS AND DECLARES** that the Plan and all associated steps, compromises, transactions arrangements, amalgamations, releases and reorganizations effected thereby are hereby sanctioned and approved pursuant to Section 6 of the CCAA.

PLAN IMPLEMENTATION

8. **THIS COURT ORDERS** that each of the Applicants, their directors and officers and the Monitor, as applicable, are hereby authorized and directed to take all steps and actions, and do all things, necessary or appropriate to **i**mplemen**t** the Plan in accordance with its terms and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, deliveries, allocations and agreements contemplated by the Plan. Neither the Applicants, their respective directors and officers, nor the Monitor shall incur any liability to any person whatsoever as a result of acting in accordance with the terms of the Plan and this Sanction and Implementation Order.

RESTRUCTURING STEPS

9. **THIS COURT ORDERS AND DECLARES** that the Plan and all associated steps, transactions, arrangements, releases, permanent injunctions and reorganizations effected thereby shall be deemed to be implemented, binding and effective in accordance with the provisions of the Plan as of the Effective Time, or at such other time, times or manner as contemplated by the Plan, in the sequence provided therein, and shall be final and binding for

all purposes and enure to the benefit of the Applicants, all Affected Creditors, the Released Parties, all Persons holding a Released Claim, and all other Persons named or referred to in, or subject to, the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns, and the steps required to implement the Plan, including without limitation, the release of all Released Claims in accordance with the terms of the Plan, shall be deemed to occur and to take effect in the order, manner and at the times contemplated in the Plan, without any further act or formality .

10. **THIS COURT ORDERS** that upon delivery to the Monitor of written notice from the Applicants as to the waiver or satisfaction of the conditions precedent set out in **[section 6.1]** of the Plan, the Monitor is authorized and directed to deliver to the Applicants, serve on the service list for the CCAA proceedings and file with the Court, a certificate substantially in the form attached hereto as Schedule "B" (the "**Monitor's Plan Implementation Certificate**") signed by the Monitor certifying that the Plan Implementation Date has occurred and the Plan is effective in accordance with its terms and the terms of this Order.

11. **THIS COURT ORDERS** that in the event that there are insufficient funds in the Post-Implementation Date Expenses Reserve to pay the Remaining Post-Implementation Date Expenses, the Applicants or the Monitor shall be entitled to take steps to terminate the CCAA Proceedings even if the steps contemplated in section 6.3 and 6.4 of the Plan are not completed.

DIP EXIT CREDIT FACILITIES

12. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to enter into the DIP Exit Facility Amendment (as defined in the Sellers Sanction Affidavit) in order to finance the steps necessary to implement the Plan and terminate the CCAA Proceedings, as specifically provided for in the DIP Exit Facility Amendment**.**

13. **THIS COURT ORDERS** that, for greater certainty, in connection with the Applicants' obligations under the DIP Exit Facility Amendment, the DIP Lenders (as defined in the Sellers Sanction Affidavit) shall be entitled to the benefit of the DIP Charge referred to in paragraph 7 of the Order of this Court dated March 11, 2020 (the "**March 11 Order**"), which DIP Charge has the priority set out in paragraphs 10 and 12 of the March 11 Order.

EFFECT OF PLAN AND CCAA ORDERS

14. **THIS COURT ORDERS AND DECLARES** that as at the Effective Time, pursuant to and in accordance with the Plan, all Released Claims shall be forever released, discharged, cancelled and restrained, in each case with prejudice in the manner and to the extent provided for in the Plan, provided that, for greater certainty, nothing herein shall release affect or prejudice any obligation or claim expressly not released under the Plan pursuant to section 6.6 thereof.

15. **THIS COURT ORDERS AND DECLARES** that solely with respect to any and all Released Claims, all Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, from: (i) commencing, conducting or continuing in any manner directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever against the Released Parties, as applicable; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties; (iii) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (iv) taking any actions to interfere with the implementation or consummation of the Plan.

THE MONITOR

16. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA and the powers provided to the Monitor herein and in the CCAA Orders and the Plan, shall be and is hereby authorized, directed and empowered to perform its functions and fulfill its obligations under this Plan Sanction and Implementation Order and the Plan to facilitate the implementation of the Plan.

17. **THIS COURT ORDERS** that the Monitor is authorized to maintain the Post–Implementation Date Expenses Reserve as contemplated by the Plan, and may be entitled to make payments from the Post-Implementation Date Expenses Reserve to and for the purposes outlined in Schedule "A" to the Plan, upon written direction from Lydian International, provided there are sufficient funds remaining in the Post- Implementation Date Expenses Reserve to make such payments. The Monitor shall have no liability as to the sufficiency of

funds in the Post-Implementation Date Expenses Reserve and shall be under no obligation to take any action or make any payments for which there are insufficient funds.

18. **THIS COURT ORDERS** that, for the purposes provided in the Plan and this Sanction and Implementation Order, with respect to any direction required to be given by Lydian International to the Monitor in order for the Monitor to effect any of its duties as set out in the Plan or in this Sanction and Implementation Order, such direction shall be sufficient for all purposes if same is provided by either one director of Lydian International or a liquidator appointed pursuant to the J&E Process on behalf of Lydian International, as may be applicable.

19. **THIS COURT ORDERS** that only the DIP Charge and the Administration Charge shall apply to the funds in the Post-Implementation Date Expenses Reserve held by the Monitor.

20. **THIS COURT ORDERS** that if any unused amounts remain in the Post-Implementation Date Expenses Reserve on the CCAA Termination Date, the Monitor is authorized and directed to release and transfer all such amounts to Lydian Armenia in accordance with the terms of the Plan.

21. **THIS COURT ORDERS** that: (i) in carrying out the terms of this Sanction and Implementation Order and the Plan, including the distribution of any amounts in the Post-Implementation Date Expenses Reserve, the Monitor shall have all the protections given to it by the CCAA, the CCAA Orders, and as an officer of the Court, including the stay of proceedings in its favour; and (ii) the Monitor shall incur no liability or obligation as a result of carrying out the provisions of this Sanction and Implementation Order and/or the Plan, including but not limited to disbursing funds from the Post-Implementation Date Expenses Reserve save and except for any gross negligence or wilful misconduct on its part.

MONITOR'S FEES AND ACTIVITIES

22. **THIS COURT ORDERS** that the Monitor's activities, as set out in the Fifth Report, Sixth Report and Seventh Report be and hereby are approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or use in any way such approval.

23. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and the Monitor's counsel, Thornton Grout Finnigan LLP, as disclosed in the Seventh Report and

detailed in the Affidavit of Alan Hutchens sworn June 25, 2020 and the Affidavit of D.J. Miller sworn June 25, 2020, respectively, as appended to the Seventh Report, be and hereby are approved.

24. **THIS COURT ORDERS** that the Monitor and its counsel shall not be required to pass their accounts for any fees incurred from and after June 24, 2020.

LETTER OF REQUEST

25. **THIS COURT DECLARES** that it shall issue a letter substantially in the form of the letter attached hereto as Schedule "D" to request the assistance of the Royal Court of Jersey in the implementation of the Plan.

TERMINATION OF CCAA PROCEEDINGS

26. **THIS COURT ORDERS AND DECLARES** that, on the Plan Implementation Date, upon the delivery of the Monitor's Plan Implementation Certificate, the CCAA Proceedings as they relate to the Applicants Lydian Canada and Lydian UK and the Non-Applicant Stay Parties (other than Lydian US) shall be terminated.

27. **THIS COURT ORDERS** that, on the Plan Implementation Date, upon the delivery of the Monitor's Plan Implementation Certificate, the title of proceedings in the CCAA Proceedings shall be amended to remove Lydian Canada and Lydian UK as Applicants.

28. **THIS COURT ORDERS** that, subject to the payment or other satisfaction (including without limitation, by way of a reserve of funds to be held by the Monitor in an amount necessary to satisfy the Post-Implementation Date Expenses), of any amounts secured for the beneficiaries of the Charges that remain owing on the Plan Implementation Date, upon the delivery of the Monitor's Plan Implementation Certificate, the Director's Charge and the Transaction Charge shall be terminated, discharged and released, and the Administration Charge shall no longer apply to the benefit of BMO Nesbitt Burns Inc. in respect of its monthly work fee.

29. **THIS COURT ORDERS** that on the CCAA Termination Date, upon the delivery of the Monitor's CCAA Termination Certificate, A&M shall be deemed to be discharged from its duties as Monitor and released from all claims relating to its activities as Monitor, whether before or after the date of this Sanction and Implementation Order.

30. **THIS COURT ORDERS** that, upon the filing of the Monitor of a certificate on the CCAA Termination Date, substantially in the form attached hereto as Schedule "C", (the "**Monitor's CCAA Termination Certificate**"), the Administration Charge and the DIP Charge shall be terminated, discharged and released.

31. **THIS COURT ORDERS** that, upon the delivery of the Monitor's CCAA Termination Certificate, the CCAA Proceedings shall be terminated.

32. **THIS COURT ORDERS AND DECLARES** that the CCAA Orders shall continue in full force and effect in accordance with their respective terms, except to the extent that such CCAA Orders are varied by or inconsistent with this Sanction and Implementation Order.

33. **THIS COURT ORDERS** that notwithstanding the termination of the CCAA Proceedings in respect of any of the Applicants, the Court shall remain seized of any matter arising from or that are incidental to the CCAA Proceedings, and the Applicants and Monitor shall have the authority from and after the date of this Sanction and Implementation Order to apply to this Court to address matters incidental to this CCAA Proceedings notwithstanding the termination thereof.

SEALING

34. **THIS COURT ORDERS** that the unredacted Sellers Sanction Affidavit and the unredacted Sellers Supplementary Sanction Affidavit are hereby sealed pending further order of the Court.

GENERAL

35. **THIS COURT ORDERS** that subject to any further Order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Sanction and Implementation Order, the terms, conditions and provisions of the Plan shall govern and be paramount, and any such provision of this Sanction and Implementation Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

36. **THIS COURT ORDERS** that the Applicants and the Monitor may each apply to this Court for advice and direction with respect to any matter arising from or under the Plan or this Sanction and Implementation Order.

37. **THIS COURT ORDERS** that this Sanction and Implementation Order shall have full force and effect in all provinces and territories of Canada and abroad as against all persons and parties against whom it may otherwise be enforced.

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



Schedule "A"

THE PLAN

Schedule "B"

Monitor's Plan Implementation Certificate

Court File No. CV-19-00633392-00CL

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 LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION, AND LYDIAN U.K. CORPORATION LIMITED

Applicants

CERTIFICATE OF ALVAREZ & MARSAL CANADA INC. AS THE COURT-APPOINTED MONITOR OF THE APPLICANTS

(Plan Implementation)

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Order of the Honourable Mr. Chief Justice Morawetz made in these proceedings on June 29, 2020 (the "**Sanction and Implementation Order**").

Pursuant to paragraph 10 of the Sanction and Implementation Order, Alvarez & Marsal Canada Inc., solely in its capacity as Court-appointed monitor (the "**Monitor**") of the Applicants, delivers to the Applicants this certificate and hereby certifies that

1. The Monitor has received written confirmation from the Applicants that all of the conditions precedent set out in the Plan have been satisfied or waived, and that the Effective Time of the Plan is **[a.m/p.m.]** on ●, being the Plan Implementation Date.

2. The Plan Implementation Date has occurred and the Plan is effective in accordance with its terms.

3. This Certificate will be filed with the Court and posted on the website maintained by the Monitor.

DATED at the City of Toronto, in the Province of Ontario, this ● day of ●, 2020 at [● a.m./p.m.]

ALVAREZ & MARSAL CANADA INC.,
solely in its capacity as Court-appointed Monitor of the Applicants and not in its personal or corporate capacity

By: _____

Name:
Title:

Schedule "C"

Monitor's CCAA Termination Certificate

Court File No. CV-19-00633392-00CL

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 LYDIAN INTERNATIONAL LIMITED

Applicant

CERTIFICATE OF ALVAREZ & MARSAL CANADA INC. AS THE COURT-APPOINTED MONITOR OF THE APPLICANTS

(CCAA Termination)

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Order of the Honourable Mr. Chief Justice Morawetz made in these proceedings on June 29, 2020 (the "**Sanction and Implementation Order**").

Pursuant to paragraph 30 of the Sanction and Implementation Order, Alvarez & Marsal Canada Inc. ("**A&M**"), solely in its capacity as Court-appointed monitor (the "**Monitor**") of the Applicants, delivers to the Applicants this certificate and hereby certifies that

1. The Monitor has received written confirmation (the "**Notice**") from Lydian International Limited ("**Lydian International**") that the Remaining Post-Implementation Date Expenses should be disbursed to the parties with Remaining Post-Implementation Date Expenses, in accordance with Schedule "A" to the Plan.

2. The Monitor has paid all Remaining Post-Implementation Date Expenses in accordance with the Notice and has transferred any remaining funds in the Post-Implementation Date Expenses Reserve to Restructured Lydian.

3. The Monitor is filing this Certificate in accordance with section 6.4 of the Plan confirming that the CCAA Termination Date has occurred on **[date].**

4. Upon the filing of this Certificate, the within CCAA proceedings in respect of Lydian International hall be terminated and A&M shall be discharged as Monitor.

5. This Certificate will be filed with the Court and posted on the website maintained by the Monitor.

DATED at the City of Toronto, in the Province of Ontario, this ● day of ●, 2020 at [● a.m./p.m.]

ALVAREZ & MARSAL CANADA INC.,
solely in its capacity as Court-appointed Monitor of the Applicants and not in its personal or corporate capacity

By: _____

Name:
Title:

Schedule "D"

LETTER OF REQUEST

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 LYDIAN INTERNATIONAL LIMITED, LYDIAN CANADA VENTURES CORPORATION, AND LYDIAN U.K. CORPORATION LIMITED

Court File No.: CV-19-00633392-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER
(Re: Plan Sanction and Implementation)

Stikeman Elliott LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Elizabeth Pillon LSO#: 35638M
Tel: (416) 869-5623
Email: epillon@stikeman.com

Maria Konyukhova LSO#: 52880V
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Sanja Sopic LSO#: 66487P
Tel: (416) 869-6825
Email: ssopic@stikeman.com

Nicholas Avis LSO#: 76781Q
Tel: (416) 869-5504
Email: navis@stikeman.com
Fax: (416) 947-0866

Lawyers for the Applicants

Court File No. CV-20-00639217-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	MONDAY, THE 9TH
	)	
JUSTICE KOEHNEN	)	DAY OF NOVEMBER, 2020
	)	

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 **GREEN RELIEF INC.** (the "**Applicant**")

ORDER
(Approval and Vesting Order)

THIS MOTION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, among other things: (i) approving the Share Purchase Agreement (the "**SPA**") between the Applicant and AOCO Ventures Inc., as assignee of 2650064 Ontario Inc. (the "**Purchaser**"), dated October 15, 2020, and the transactions contemplated thereby (the "**Transactions**"), (ii) adding 12463873 Canada Inc. ("**ResidualCo**") as an Applicant to these CCAA proceedings; (iii) transferring and vesting all of the Applicant's right, title and interest in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities (as defined in the SPA) to and in ResidualCo; (iv) vesting all of the right, title and interest in and to the New Common Shares (as defined in the SPA) in the Purchaser; was heard on November 2 and 3, 2020, by video conference due to the COVID-19 pandemic.

ON READING the Applicant's Notice of Motion, the affidavit of Neilank Jha sworn October 15, 2020, and the Eighth Report of PricewaterhouseCoopers Inc., LIT, in its capacity as Monitor of the Applicant (the "**Monitor**"), to be filed (the "**Eighth Report**"), and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, counsel for the Purchaser, and counsel for those other parties appearing as indicated by the counsel slip, no one appearing for

any other party, although duly served as appears from the affidavit of service of Adam Driedger sworn October 16, 2020, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion was properly returnable on November 2 and 3, 2020, and hereby dispenses with further service thereof.

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the SPA.

APPROVAL AND VESTING

3. **THIS COURT ORDERS AND DECLARES** that the SPA and the Transactions be and are hereby approved and that the execution of the SPA by the Applicant is hereby authorized and approved, with such minor amendments as the parties thereto may deem necessary, with the approval of the Monitor. The Applicant is hereby authorized and directed to perform its obligations under the SPA and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of the New Common Shares to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Applicant to proceed with the Transactions (including, for certainty, the Pre-Closing Reorganization), and that no shareholder or other approval shall be required in connection therewith.

5. **THIS COURT ORDERS AND DECLARES** that upon the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to the Purchaser (the "**Effective Time**"), substantially in the form attached as Schedule "A" hereto, the following shall occur and shall be deemed to have occurred at the Effective Time in the following sequence:

(a) first, all of the right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, and all Claims and Encumbrances (each as defined below) shall continue to attach to the Excluded Assets and to the Proceeds (as defined below) in accordance with paragraph 8 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;

(b) second, all Excluded Contracts and Excluded Liabilities, other than set off claims asserted as defences to any claims made by the Applicant, (which for certainty includes all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) of the Applicant (other than the Assumed Liabilities) shall be channelled to, assumed by and vest absolutely and exclusively in ResidualCo such that the Excluded Contracts and Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of the Applicant, and the Applicant and all of its assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate (including, for certainty, the Transferred Assets and the Retained Assets, the "**Applicant's Property**") shall be and are hereby forever released and discharged from such Excluded Contracts and Excluded Liabilities and all related Claims and all Encumbrances affecting or relating to the Applicant's Property are hereby expunged and discharged as against the Applicant's Property;

(c) third, all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person (defined below) and are convertible or exchangeable for any securities of the Applicant or which require the issuance, sale or transfer by the Applicant, of any shares or other securities of the Applicant and/or the share capital of the Applicant, or otherwise relating thereto, shall be deemed terminated and cancelled;

(d) fourth, all of the right, title and interest in and to the New Common Shares shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other Order of the Court in this CCAA Proceeding; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems; and (iii) those Claims listed on Schedule "B" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "C" hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the New Common Shares are hereby expunged and discharged as against the New Common Shares; and

(e) fifth, the Applicant shall be deemed to cease being an Applicant in these CCAA proceedings, and the Applicant shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted in respect of this CCAA Proceeding, save and except for this Order, the provisions of which (as they relate to the Applicant) shall continue to apply in all respects.

6. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof in connection with the Transactions.

7. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Applicant and the Purchaser regarding the fulfilment of conditions to closing under the SPA and shall have no liability with respect to delivery of the Monitor's Certificate.

8. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the New Common Shares (including, for greater certainty, the Deposit and the Cash Purchase Price and any Earn-Out Payments) (the

"**Proceeds**") shall stand in the place and stead of the Applicant's Property, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Proceeds and the Excluded Assets with the same priority as they had with respect to the Applicant's Property immediately prior to the sale.

9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, the Applicant or the Monitor, as the case may be, is authorized, permitted and directed to, at the Effective Time, disclose to the Purchaser all human resources and payroll information in the Applicant's records pertaining to past and current employees of the Applicant. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Applicant.

10. **THIS COURT ORDERS AND DECLARES** that, at the Effective Time and without limiting the provisions of paragraph 5 hereof, the Purchaser and the Applicant shall be deemed released from any and all claims, liabilities, (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Applicant (provided, as it relates to the Applicant, such release shall not apply to Taxes in respect of the business and operations conducted by the Applicant after the Effective Time), including without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Applicant (including its affiliates and any predecessor corporations) pursuant to section 160 of the *Income Tax Act*, R.S.C. 1985 c. 1 (5th Supp.), or any provincial equivalent, in connection with the Applicant. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to Taxes that are transferred to ResidualCo.

11. **THIS COURT ORDERS** that except to the extent expressly contemplated by the SPA, all Contracts to which the Applicant is a party at the time of delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set

off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Applicant);

(b) the insolvency of the Applicant or the fact that the Applicant sought or obtained relief under the CCAA;

(c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the SPA, the Transactions or the provisions of this Order, or any other Order of the Court in these proceedings; or

(d) any transfer or assignment, or any change of control of the Applicant arising from the implementation of the SPA, the Transactions or the provisions of this Order.

12. **THIS COURT ORDERS**, for greater certainty, that (a) nothing in paragraph 11 hereof shall waive, compromise or discharge any obligations of the Applicant in respect of any Assumed Liabilities, and (b) the designation of any Claim as an Assumed Liability is without prejudice to the Applicant's right to dispute the existence, validity or quantum of any such Assumed Liability, and (c) nothing in this Order or the SPA shall affect or waive the Applicant's rights and defences, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set offs or recoupments against such Assumed Liability.

13. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Applicant then existing or previously committed by the Applicant, or caused by the Applicant, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, expressed or implied in any Contract existing between such Person and the Applicant (including for certainty, those Contracts constituting Retained Assets) arising directly or indirectly from the filing of the Applicant under the CCAA

and implementation of the Transactions, including without limitation any of the matters or events listed in paragraph 11 hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Applicant from performing its obligations under the SPA or be a waiver of defaults by the Applicant under the SPA and the related documents.

14. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Applicant relating in any way to or in respect of any Excluded Assets, Excluded Liabilities or Excluded Contracts and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order. For clarity, nothing in the Order alters or limits the ability of any Person with a preserved or perfected claim for lien to pursue and prosecute that lien against Persons other than the Applicant, 2650064 Ontario Inc., AOCO Ventures Inc. or their respective assets or properties.

15. **THIS COURT ORDERS** that from and after the Effective Time:

(a) the nature of the Assumed Liabilities retained by the Applicant, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;

(b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;

(c) any Person that prior to the Effective Time had a valid right or claim against the Applicant under or in respect of any Excluded Contract or Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have such right or claim against the Applicant but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability

from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and

(d) the Excluded Liability Claim of any Person against ResidualCo following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Applicant prior to the Effective Time.

16. **THIS COURT ORDERS AND DECLARES** that, as of the Effective Time:

(a) ResidualCo shall be a company to which the CCAA applies; and

(b) ResidualCo shall be added as an applicant in this CCAA Proceeding and all references in any Order of this Court in respect of this CCAA Proceeding to (i) an "Applicant" shall refer to and include ResidualCo, and (ii) "Property" shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of ResidualCo (the "**ResidualCo Property**"), and, for greater certainty, each of the Charges (as defined in the Amended and Restated Initial Order dated April 17, 2020), shall constitute a charge on the ResidualCo Property.

17. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C 195, c. B-3, as amended (the "**BIA**"), in respect of ResidualCo and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of ResidualCo;

the SPA, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo, the transfer and vesting of the New Common Shares in and to the Purchaser) and any payments by or to the Purchaser, ResidualCo or the Monitor authorized herein shall be

binding on any trustee in bankruptcy that may be appointed in respect of ResidualCo and shall not be void or voidable by creditors of ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

MONITOR'S ENHANCED POWERS

18. **THIS COURT ORDERS** that in addition to the powers and duties of the Monitor set out in the Initial Order or any other Order of this Court in this CCAA Proceeding, and without altering in any way the limitations and obligations of ResidualCo as a result of these proceedings, the Monitor be and is hereby authorized and empowered, but not required, to:

(a) take any and all actions and steps, and execute all documents and writings, on behalf of, and in the name of ResidualCo in order to facilitate the performance of any ongoing obligations of ResidualCo, including with respect to any Excluded Liability Claim, and to carry out the Monitor's duties under this Order or any other Order of this Court in this CCAA Proceeding;

(b) exercise any powers which may be properly exercised by a board of directors of ResidualCo;

(c) cause ResidualCo to retain the services of any person as an employee, consultant, or other similar capacity all under the supervision and direction of the Monitor and on the terms as agreed with the Monitor;

(d) open one or more new accounts (the "**ResidualCo Accounts**") into which all funds, monies, cheques, instruments and other forms of payment payable to ResidualCo shall be deposited from and after the making of this Order from any source whatsoever and to operate and control, as applicable, on behalf of ResidualCo, the ResidualCo Accounts in such manner as the Monitor, in its sole discretion, deems necessary or appropriate to assist with the exercise of the Monitor's powers and duties;

(e) cause ResidualCo to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the winding-down of ResidualCo or the distribution of the proceeds of the ResidualCo Property or any other related activities, including in connection with bringing this CCAA Proceeding to an end;

(f) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of ResidualCo (including any governmental authority) in the name of or on behalf of ResidualCo;

(g) claim or cause ResidualCo to claim any and all insurance refunds or tax refunds, including refunds of harmonized sales taxes, to which ResidualCo is entitled;

(h) have access to all books and records that are the property of ResidualCo in ResidualCo's possession or control in addition to the Applicant's books and records in accordance with the terms of the SPA;

(i) assign ResidualCo, or cause ResidualCo to be assigned, into bankruptcy, and the Monitor shall be entitled but not obligated to act as trustee in bankruptcy thereof;

(j) consult with Canada Revenue Agency or Health Canada with respect to any issues arising in respect of this CCAA Proceeding; and

(k) apply to this Court for advice and directions or any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter.

19. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Monitor is not and shall not be or be deemed to be, a director, officer, or employee of ResidualCo or the Applicant.

20. **THIS COURT ORDERS** that, without limiting the provisions of the Initial Order, ResidualCo shall remain in possession and control of its Property and Business (each as

defined in the Initial Order) and the Monitor shall not take, or be deemed to have taken, possession or control of the Property or the Business of ResidualCo, or any part thereof.

21. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor and its legal counsel shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the Initial Order and any other Order of this Court and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor and the fulfillment of its duties and the carrying out of the provisions of this Order.

22. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of the Applicant or ResidualCo within the meaning of any relevant legislation and that any distributions to creditors of ResidualCo or the Applicant by the Monitor will be deemed to have been made by ResidualCo.

23. **THIS COURT ORDERS** that the power and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of ResidualCo with respect to such matters and, in the event of a conflict between the terms of this Order and those of the Initial Order or any other Order of this Court, the provisions of this Order shall govern.

RELEASES

24. **THIS COURT ORDERS** that effective upon filing of the Monitor's Certificate, (i) the current directors, officers, employees, independent contractors that have provided legal or financial services to the Applicant, legal counsel and advisors of the Applicant, and (ii) the Monitor and its legal counsel (collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not

yet due, in law or equity and whether based in statute or otherwise) based in whole or in part of any act or omission, transaction, dealing or other occurrence existing or taking place prior to the filing of the Monitor's Certificate and that relate in any manner whatsoever to the Applicant or any of its assets (current or historical), obligations, business or affairs or this CCAA Proceeding, including any actions undertaken or completed pursuant to the terms of this Order, or arising in connection with or relating to the SPA or the completion of the Transactions (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, *provided that* nothing in this paragraph shall waive, discharge, release, cancel or bar any claim: (i) that is not permitted to be released pursuant to section 5.1(2) of the CCAA, (ii) against the former directors and officers of the Applicant for breach of trust arising from acts or omissions occurring before the date of the Initial Order, (iii) that may be made against any applicable insurance policy of the Applicant prior to the date of the Initial Order, or (iv) that may be made against the current directors and officers that would be covered by the Directors' Charge granted pursuant to the Initial Order.

GENERAL

25. **THIS COURT ORDERS** that, following the Effective Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the New Common Shares.

26. **THIS COURT ORDERS** that, following the Effective Time, the title of these proceedings is hereby changed to

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF 12463873 CANADA INC.

27. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date that it is made, and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need be entered and filed unless an appeal or a motion for leave to appeal is brought to an appellate court. Any party may nonetheless submit a formal order for original signing, entry and filing when the Court returns to regular operations.

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

29. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist ResidualCo, the Monitor 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 ResidualCo and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist ResidualCo and the Monitor and their respective agents in carrying out the terms of this Order.

30. **THIS COURT ORDERS** that each of ResidualCo and the Monitor be at liberty and is 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.

J.

Schedule A – Form of Monitor's Certificate

Court File No. CV-20-00639217-00CL

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 GREEN RELIEF INC. (the "**Applicant**")

RECITALS

A. Pursuant to the Initial Order of the Honourable Mr. Justice Koehnen of the Ontario Superior Court of Justice (Commercial List), dated April 8, 2020, as amended, the Applicant was granted protection from its creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and PricewaterhouseCoopers Inc., LIT, was appointed as the monitor ("**Monitor**") of Green Relief Inc. ("**Green Relief**").

B. Pursuant to the Approval and Vesting Order of the Court, dated November 9, 2020 (the "**Order**"), the Court approved the transactions (the "**Transactions**") contemplated by the Share Purchase Agreement dated October 15, 2020 (the "**SPA**"), between Green Relief and AOCO Ventures Inc., as assignee of 2650064 Ontario Inc. (the "**Purchaser**"), and ordered, *inter alia*, that: (i) all of Green Relief's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo; (ii) all of the Excluded Contracts and Excluded Liabilities shall be transferred to, assumed by and vest in ResidualCo; and (iii) all of the right, title and interest in and to the New Common Shares shall vest absolutely and exclusively in the Purchaser, which vesting is, in each case, to be effective upon the delivery by the Monitor to the Purchaser of a certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from the Purchaser and Green Relief that all conditions to closing have been satisfied or waived by the parties to the SPA.

C. Capitalized terms not defined herein shall have the meaning given to them in the Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser and from Green Relief, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the SPA.

2. This Monitor's certificate was delivered by the Monitor at _____ on _____, 2020.

PricewaterhouseCoopers Inc., LIT, in its capacity as Monitor of the Applicant, and not in its personal capacity.

Per: _____

Name:

Title:

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 **GREEN RELIEF INC.**

Court File No.: CV-20-00639217-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

Thornton Grout Finnigan LLP
100 Wellington Street West
Suite 3200
TD West Tower, Toronto-Dominion Centre
Toronto, ON M5K 1K7

Robert I. Thornton (LSO# 24266B)
Email: rthornton@tgf.ca

Rebecca L. Kennedy (LSO# 61146S)
Email: rkennedy@tgf.ca

Mitchell W. Grossell (LSO# 69993I)
Email: mgrossell@tgf.ca

Tel: 416-304-1616
Fax: 416-304-1313

Lawyers for Green Relief Inc.

Court File No. CV-23-00707394-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAM	)	FRIDAY, THE 26TH
	)	
JUSTICE KIMMEL	)	DAY OF JULY, 2024

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 TACORA RESOURCES INC.

(Applicant)

APPROVAL AND REVERSE VESTING ORDER

THIS MOTION, made by Tacora Resources Inc. (the "**Applicant**" or the "**Company**"), pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") for an order, *inter alia*: (a) approving the subscription agreement entered into by and between the Applicant, as issuer, and the entities listed as investors on **Schedule "A"** hereto, as investors (the "**Investors**") dated July 21, 2024, (the "**Subscription Agreement**"), a copy of which was attached as Exhibit "A" to the Vuong Affidavit (as defined below) and the Transactions (as defined in the Subscription Agreement); (b) adding a new company to be formed ("**ResidualCo**") as an applicant to these proceedings (the "**CCAA Proceedings**"); (c) vesting out of the Applicant all Excluded Assets, Excluded Contracts, Excluded Liabilities and all Claims in respect of any Senior Priority Notes, Senior Secured Notes and the APF (other than those Claims under the APF satisfied as contemplated pursuant to Section 7.2(c) of the Subscription Agreement) and discharging all Encumbrances against the Applicant, the New Common Shares, New Secured Priority Notes (as applicable), New Warrants, Unsecured Takeback Notes and the Retained Assets, except only the Permitted Encumbrances (as defined in the Subscription Agreement); (d) authorizing and directing the Applicant to file the Articles of Reorganization; (e) terminating and cancelling all Existing Equity (other than the Existing Common Shares which will be cancelled in accordance with the Articles of Reorganization), as well as any Equity Documents (as defined below), for no consideration; (f) authorizing and directing the Applicant to issue (i) the Subscribed Shares to the Investors and the applicable New Common Shares to the Other New Equity Investors, as applicable, and vesting in the Investors and the Other New Equity Investors, as applicable (or as

any such Investor or Other New Equity Investor, as applicable, may direct, subject to the terms of the Subscription Agreement) all right, title and interest in and to the New Common Shares, (ii) the New Warrants and the Unsecured Takeback Notes to the Initial Noteholder Investors and the Other New Equity Investors, as applicable, that are, in each case, Existing Noteholders, and vesting in the Initial Noteholder Investors and the Other New Equity Investors, as applicable, that are, in each case, Existing Noteholders, (or as any such Initial Noteholder Investor or Other New Equity Investor, as applicable, may direct, subject to the terms of the Subscription Agreement) all right, title and interest in and to the New Warrants and the Unsecured Takeback Notes; (g) authorizing the Administrative Expense Reserve (as defined in the Subscription Agreement) pursuant to the Subscription Agreement; and (h) granting certain ancillary relief, was heard this day at 330 University Avenue, Toronto, Ontario;

ON READING the Motion Record of the Applicant, including the affidavit of Heng Vuong sworn July 21, 2024 (the "**Vuong Affidavit**") and the Exhibits thereto, the affidavit of Michael Nessim sworn July 19, 2024 (the "**Nessim Affidavit**") and the Exhibits thereto, the Eleventh Report (the "**Eleventh Report**") of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as the Court-appointed monitor of the Applicant (the "**Monitor**"), and on being advised that the secured creditors who are likely to be affected by this Order herein were given notice;

ON HEARING the submissions of counsel for the Applicant, counsel for the Monitor, and counsel for Cargill, Incorporated and Cargill International Trading Pte. Ltd., counsel for Millstreet Capital Management LLC, OSP, LLC, Brigade Capital Management, LP and MSD, LP, and such other counsel and parties as listed on the Participant Information Form, with no one else appearing although duly served as appears from the affidavit of service of Philip Yang, filed

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the Subscription Agreement and the Amended and Restated Initial Order of the Honourable Madam Justice Kimmel dated October 30, 2023 (the "**Initial Order**"), as applicable.

APPROVAL AND VESTING

3. **THIS COURT ORDERS** that the Subscription Agreement and the Transactions are hereby approved and the execution of the Subscription Agreement by the Applicant is hereby authorized and approved, with such amendments as the Applicant and the Investors may deem necessary or otherwise agree to, with the approval of the Monitor. The Applicant is hereby authorized and directed to perform its obligations under the Subscription Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, including (a) the filing of the Articles of Reorganization, (b) the termination and cancellation of all Existing Equity (other than the Existing Common Shares which will be cancelled in accordance with the Articles of Reorganization) as well as any agreement, contract, plan, indenture, deed, certificate, subscription, rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Applicant, if any (other than the rights of the Investors under the Subscription Agreement, and the Other New Equity Investors, as applicable, under the Other New Equity Investor Subscription Agreements, as applicable) (the "**Equity Documents**") for no consideration, and (c) the issuance of (i) the Subscribed Shares to the Investors and the applicable New Common Shares to the Other New Equity Investors, as applicable; and (ii) the New Warrants and the Unsecured Takeback Notes to the Initial Noteholder Investors and the Other New Equity Investors that are, in each case, Existing Noteholders, as applicable.

4. **THIS COURT ORDERS** that notwithstanding any provision hereof, the closing of the Transactions shall be deemed to occur pursuant to the terms and in the manner, order and sequence set out in the Subscription Agreement, including in accordance with the Closing Sequence, with such alterations, changes or amendments as may be agreed to pursuant to the terms of the Subscription Agreement. Additionally, notwithstanding any provision hereof, (a) no fractional New Warrants will be issuable, with any entitlement to a fractional New Warrant for any Initial Noteholder Investor and the Other New Equity Investor that are, in each case, Existing Noteholders, as applicable, being round down to the nearest whole, and (b) Unsecured Takeback Notes will be issued in minimum denominations of US$1,000 principal amount, with no entitlement to any Unsecured Takeback Notes for less than US$1,000 principal amount.

5. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Applicant to proceed with the Transactions and that no shareholder or other approval shall be required in connection therewith.

6. **THIS COURT ORDERS** that, at the time of the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to counsel to the Applicant and counsel to the Investors as set out in the Subscription Agreement (the "**Effective Time**"), substantially in the form attached as **Schedule "B"** hereto, the following shall occur and shall be deemed to have occurred commencing at the Effective Time, all in accordance with the terms of the Subscription Agreement and in accordance with the Closing Sequence set out in the Subscription Agreement and the steps contemplated thereunder:

(a) each Investor shall pay their respective unpaid balance of the New Equity Offering Initial Cash Consideration and New Equity Offering Retained Cash Consideration, each as set forth in Exhibit "A" to the Subscription Agreement (and which amounts will, for greater certainty, not include any amount of the Deposit and interest accrued thereon), to be held in escrow by the Monitor on behalf of the Investors and the entire Cash Consideration shall be dealt with in accordance with the Closing Sequence;

(b) the Applicant shall be deemed to transfer to ResidualCo the Excluded Assets, the Excluded Contracts and the Excluded Liabilities;

(c) Cargill shall set-off a portion of the amount owing by the Applicant under the APF (equal to the amount of the Cargill Pre-Filing Payable) against the Cargill Pre-filing Payable;

(d) the Applicant shall be deemed to transfer to ResidualCo all Claims in respect of the Senior Secured Notes and the Senior Priority Notes and any Claims remaining under the APF, and the deemed transfer of the Senior Priority Notes and the Senior Secured Notes to ResidualCo will constitute a novation of such Senior Priority Notes and Senior Secured Notes to ResidualCo;

(e) the Retained Assets will be retained by the Applicant, in each case free and clear of and from any and all debts, Liabilities, Actions, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or liquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise, including any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or

otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), *Personal Property Security Act* (British Columbia), *Personal Property Security Act* (Newfoundland and Labrador), *Le Registre Des Droits Personnels Et Réels Mobiliers* (Quebec), the *Uniform Commercial Code* or any other personal property registry system or pursuant to the *Lands Title Act* (Newfoundland and Labrador) or the *Mining Act* (Newfoundland and Labrador), (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "C"** hereto (the **"Permitted Encumbrances**")) and, for greater certainty, all of the Encumbrances affecting or relating to the Retained Assets are hereby expunged and discharged as against the Retained Assets, provided that Retained Contracts will be retained by the Company subject only to those Claims of the counterparty to the applicable contract as agreed between the Investors, the Company, and the counterparty to the applicable contract;

(f) all Existing Equity (other than the Existing Common Shares which will be cancelled in accordance with the Articles of Reorganization) as well as any agreement, Contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Applicant (other than any New Secured Priority Notes Offering Subscription Agreements, Other New Equity Subscription Agreements, as applicable, or rights of the Investors under the Subscription Agreement) shall be deemed terminated and cancelled for no consideration;

(g) the following shall occur concurrently:

(i) the Applicant shall issue the Subscribed Shares to the Investors and the Other New Equity Investors, as applicable, in accordance with the Subscription Agreement and the Other New Equity Subscription

Agreements, as applicable, and all of the right, title and interest in and to the New Common Shares issued by the Applicant to the Investors and the Other New Equity Investors, as applicable, in accordance with the Subscription Agreement and the Other New Equity Subscription Agreements, as applicable, shall vest absolutely in the Investors and the Other New Equity Investors, as applicable, free and clear of and from any and all Claims and, for greater certainty, all of the Encumbrances affecting or relating to the New Common Shares are hereby expunged and discharged as against the New Common Shares;

(ii) the Applicant shall issue the New Warrants and Unsecured Takeback Notes to the Initial Noteholder Investors and the Other New Equity Investors that are, in each case, Existing Noteholders, as applicable, and all of the right, title and interest in and to the New Warrants and the Unsecured Takeback Notes issued by the Applicant to the Initial Noteholder Investors and the Other New Equity Investors, as applicable, that are, in each case, Existing Noteholders, shall vest absolutely in the Initial Noteholder Investors and the Other New Equity Investors that are, in each case, Existing Noteholders, as applicable, free and clear of and from any and all Claims and, for greater certainty, all of the Encumbrances affecting or relating to the New Warrants and the Unsecured Takeback Notes are hereby expunged and discharged as against the New Warrants and the Unsecured Takeback Notes, and the Set-Off shall be effective;

(iii) the Monitor shall have been authorized and directed to release, and shall release, to the Applicant the New Equity Offering Retained Cash Consideration;

(iv) the Monitor shall be directed to pay, and shall pay, on behalf of the Applicant, (a) all advisors' expenses of the Applicant and the Monitor (including financial advisor and legal counsel fees) related to the CCAA Proceedings and the Transactions solely to the extent that such expenses are subject to CCAA Charges that rank ahead of the DIP Charge from the New Equity Offering Initial Cash Consideration and upon payment of all amounts owing under the Transaction Fee Charge, the Transaction Fee Charge shall be automatically released and terminated without any further

action; (b) to each Eligible Equity Investor, an amount no greater than US$650,000 as a reimbursement for advisors' fees and expenses incurred in connection with the Transactions by each applicable Eligible Equity Investors from the New Equity Offering Initial Cash Consideration, provided that each such Eligible Equity Investor has provided to the Monitor applicable invoices setting out in reasonable detail such professional fees and expenses; and (c) to the Investors, unless waived by the Investors, the Cost Reimbursement Amount, if incurred, from the New Equity Offering Initial Cash Consideration;

(v) the Monitor shall retain the Administrative Expense Reserve in a separate interest bearing account from the New Equity Offering Initial Cash Consideration to be dealt with in accordance with the Subscription Agreement; and

(vi) the Monitor shall be directed to pay, and shall pay, on behalf of the Applicant, all DIP Obligations accruing up to the Closing Date and the Existing Cargill Margin Facility, each in full and from the New Equity Offering Initial Cash Consideration and upon payment of such amounts all security in respect thereof shall be automatically and fully discharged, released and terminated without any further action;

(h) the Articles of Reorganization shall have been filed; and

(i) the Unanimous Shareholder Agreement shall be effective and any person receiving New Common Shares on the Closing Date will be deemed a party thereto.

7. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Applicant and the Investors regarding the satisfaction or waiver of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

8. **THIS COURT ORDERS** that the Monitor shall file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof in connection with the Transactions.

9. **THIS COURT ORDERS** that upon delivery of a copy of the Monitor's Certificate and a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with

respect to the Applicant, the Retained Assets or the Excluded Assets (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of a copy of the Monitor's Certificate and a copy of this Order as though they were originals and to register such transfers and interest authorizations as may be required to give effect to the terms of this Order and the Subscription Agreement. Presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of interest against any of the Retained Assets or Excluded Assets and the Monitor, the Applicant and the Investors are hereby specifically authorized to discharge the registrations on the Retained Assets and the Excluded Assets, as applicable.

10. **THIS COURT ORDERS** that the Subscription Agreement and the Transactions shall constitute a "proposal" and this Order shall constitute a "reorganization", in each case for the purposes of Section 186 of the *Business Corporations Act* (Ontario).

11. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Applicant or the Monitor, as the case may be, is authorized, permitted and directed to, at the Effective Time, disclose to the Investors and Other New Equity Investors, as applicable, all human resources and payroll information in the Applicant's records pertaining to past and current employees of the Applicant. The Investors and Other New Equity Investors, as applicable, shall maintain and cause the Applicant, after Closing, to maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicant prior to Closing.

12. **THIS COURT ORDERS** that, at the Effective Time and without limiting the provisions of paragraph 6 hereof, the Applicant and the Investors shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Applicant, including without limiting the generality of the foregoing all taxes that could be assessed against the Applicant, the Investors or the Other New Equity Investors, as applicable, (including its affiliates and any predecessor corporations) pursuant to section 160 of the *Income Tax Act* (Canada), or any provincial equivalent, in connection with the Applicant (provided that, as it relates to the Applicant, such release shall not apply to (a) the period from October 10, 2023 until Closing; (b) Tax liabilities (including transfer Taxes), if any, arising in connection with or as a result of the transfer of the Excluded Assets, Excluded Liabilities, Excluded Contracts, Senior Priority Notes and Senior Secured Notes to ResidualCo and the assumption of the Excluded Liabilities by ResidualCo, or

(c) Taxes in respect of the business and operations conducted by the Applicant after the Effective Time).

13. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Subscription Agreement, all Contracts (excluding the Excluded Contracts) to which the Applicant is a party upon delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Applicant);

(b) the insolvency of the Applicant or the fact that the Applicant sought or obtained relief under the CCAA;

(c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transactions or the provisions of this Order, or any other Order of the Court in these proceedings; or

(d) any change of control of the Applicant arising from the implementation of the Subscription Agreement, the Transactions or the provisions of this Order.

14. **THIS COURT ORDERS**, for greater certainty, that: (a) nothing in paragraph 13 hereof shall waive, compromise or discharge any obligations of the Applicant in respect of any Assumed Liabilities, and (b) the designation of any Claim as an Assumed Liability is without prejudice to the Applicant's right to dispute the existence, validity or quantum of any such Assumed Liability, and (c) nothing in this Order, the Subscription Agreement, the Other New Equity Subscription Agreements, as applicable, or the New Secured Priority Notes Offering Subscription Agreements, as applicable, shall affect or waive the Applicant's rights and defences, both legal and equitable,

with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.

15. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Applicant then existing or previously committed by the Applicant, or caused by the Applicant, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Retained Contract, existing between such Person and the Applicant arising directly or indirectly from the filing by the Applicant under the CCAA and the implementation of the Transactions, including without limitation any of the matters or events listed in paragraph 13 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Retained Contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Applicant, the Investors, the Other New Equity Investors, as applicable, or the investors of New Secured Priority Notes, as applicable, from performing their respective obligations under the Subscription Agreement or be a waiver of defaults by the Applicant under the Subscription Agreement, Other New Equity Subscription Agreements, as applicable, or New Secured Priority Notes Offering Subscription Agreements, as applicable, and the related documents.

16. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Applicant or the Retained Assets relating in any way to or in respect of any Excluded Assets, Excluded Contracts, Excluded Liabilities or Claims in respect of any Senior Priority Notes, Senior Secured Notes and the APF (other than those Claims under the APF satisfied as contemplated pursuant to Section 7.2(c) of the Subscription Agreement) and any other claims, obligations and other matters which are waived, released, expunged or discharged pursuant to this Order.

17. **THIS COURT ORDERS** that, from and after the Effective Time:

(a) the nature of the Assumed Liabilities retained by the Applicant, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;

(b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;

(c) any Person that prior to the completion of all steps in the Closing Sequence had a valid right or claim against the Applicant under or in respect of any Excluded Contract, Excluded Liability, Senior Priority Note, Senior Secured Note and APF (other than those Claims under the APF satisfied as contemplated pursuant to Section 7.2(c) of the Subscription Agreement) (each an "**Excluded Liability Claim**") shall no longer have such right or claim against the Applicant but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract, Excluded Liability, Senior Priority Note, Senior Secured Note and APF (other than those Claims under the APF satisfied as contemplated pursuant to Section 7.2(c) of the Subscription Agreement) from and after the completion of all steps in the Closing Sequence in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and

(d) the Excluded Liability Claim of any Person against ResidualCo following the completion of all steps in the Closing Sequence shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Applicant prior to the completion of all steps in the Closing Sequence.

18. **THIS COURT ORDERS** that:

(a) upon completion of all steps in the Closing Sequence, the Applicant shall cease to be an applicant in these CCAA Proceedings and the Applicant shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted these CCAA Proceedings, save and except for this Order the provisions of which (as they relate to the Applicant) shall continue to apply in all respects;

(b) as of the date of this Order, ResidualCo shall be a company to which the CCAA applies, and ResidualCo shall be added as an applicant in these CCAA Proceedings and all references in any Order of this Court in respect of these CCAA Proceedings to (i) an "*Applicant*" shall refer to and include ResidualCo, *mutatis mutandis*, (ii) "*Property*", as defined in the Initial Order, shall include the current and future assets, licenses, undertakings and properties of every nature and kind

whatsoever, and wherever situate including all proceeds thereof, of ResidualCo (collectively, the "**ResidualCo. Property**"), and, for greater certainty, each of the Charges (as defined in the Initial Order) shall constitute a charge on the ResidualCo. Property.

19. **THIS COURT ORDERS** that for greater certainty, nothing in this Order, including the release of the Applicant from the purview of these CCAA Proceedings pursuant to paragraph 18(a) hereof and the addition of ResidualCo as an applicant in these CCAA Proceedings shall affect, vary, derogate from, limit or amend, and FTI shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, this Order, any other Orders in these CCAA Proceedings or otherwise, including all approvals, protections and stays of proceedings in favour of FTI in its capacity as Monitor, all of which are expressly continued and confirmed.

20. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these CCAA Proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Applicant or ResidualCo and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Applicant or ResidualCo;

the Subscription Agreement, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts, Excluded Liabilities and all Claims in respect of any Senior Priority Notes, Senior Secured Notes and APF (other than those Claims under the APF satisfied as contemplated pursuant to Section 7.2(c) of the Subscription Agreement) in and to ResidualCo, and the issuance of (i) the New Common Shares to the Investors and the Other New Equity Investors, as applicable, (ii) the New Warrants and the Unsecured Takeback Notes to the Initial Noteholder Investors and the Other New Equity Investors that are, in each case, Existing Noteholders, as applicable, (iii) any payments by the Investors and Other New Equity Investors, as applicable, authorized herein or pursuant to the Subscription Agreement and Other New Equity Subscription Agreements, as applicable, and (v) the terms of this Order, shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and/or ResidualCo, and shall not be void or voidable by creditors of the Applicant or ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference,

assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

ADMINISTRATIVE EXPENSE RESERVE

21. **THIS COURT ORDERS** that on the Closing Date and in accordance with the Subscription Agreement, the Monitor shall establish the Administrative Expense Reserve by retaining a portion of the New Equity Offering Initial Cash Consideration, in such amount as determined pursuant to the Subscription Agreement, which the Monitor shall be authorized and directed to hold in a segregated interest-bearing account for the benefit of those entitled to be paid under the Administrative Expense Reserve and in accordance with the Subscription Agreement and this Order.

22. **THIS COURT ORDERS** that the Monitor is authorized and directed to pay from the Administrative Expense Reserve, in the name of and on behalf of the Applicant prior to the Closing and on behalf of ResidualCo following the Closing:

(a) the reasonable and documented fees and costs of (i) the professional advisors of the Applicant incurred up to the Closing; and (ii) the Monitor and its professional advisors and the professional advisors of ResidualCo, in each case for services performed prior to and after the Closing Date, in each case, relating directly or indirectly to the CCAA Proceedings or the Subscription Agreement, including without limitation, costs required to wind down and/or dissolve and/or bankrupt ResidualCo and costs and expenses required to administer the Excluded Assets, Excluded Contracts, Excluded Liabilities and ResidualCo;

(b) amounts owing in respect of obligations secured by the CCAA Charges that rank ahead of the DIP Charge and are not paid or assumed on Closing; and

(c) costs related to a premium for a run-off policy or the continuation of the Applicant's existing director and officer liability insurance policy in such amount and form, and on such terms, as agreed to by the Investors and the Applicant, each acting reasonably.

23. **THIS COURT ORDERS** that any amounts remaining in the Monitor's accounts after payment of all Administrative Expense Costs in accordance with the Subscription Agreement and this Order shall be paid by the Monitor to the Applicant.

COST REIMBURSEMENT CHARGE

24. **THIS COURT ORDERS** that the Investors shall be entitled to the benefit of and are hereby granted a charge (the "**Cost Reimbursement Charge**") on the Property, which Cost Reimbursement Charge shall not exceed an aggregate amount of C$3,000,000, as security for the Company's obligation to reimburse the Investors in accordance with the terms of the Subscription Agreement. The Cost Reimbursement Charge shall have the priority set out in paragraphs 46 and 49 of the Initial Order.

25. **THIS COURT ORDERS** that paragraph 46 of the Initial Order shall be deleted and replaced with the following:

> "46. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Directors' Charge, the Transaction Fee Charge, the DIP Charge, and the Cost Reimbursement Charge (collectively, with the KERP Charge, the "**Charges**"), as among them, as against the Property other than the KERP Funds, shall be as follows:
>
> *First* – the Administration Charge (to the maximum amount of US$1,000,000);
>
> *Second* – the Directors' Charge (to the maximum amount of US$5,200,000);
>
> *Third* – the Transaction Fee Charge (to the maximum amount of US$5,600,000);
>
> *Fourth* – the DIP Charge; and
>
> *Fifth* – the Cost Reimbursement Charge (to the maximum amount of C$3,000,000)."

RELEASES

26. **THIS COURT ORDERS** that effective upon the delivery of the Monitor's Certificate to the Applicant and the Investors, (a) the Applicant and ResidualCo and their respective present and former directors, officers, employees, legal counsel and advisors, (b) the Monitor and its legal counsel, and their respective present and former directors, officers, partners, employees and advisors, (c) the Trustee and their respective present and former directors, officers, partners,

employees and advisors, and (d) the Investors and other parties to the Restructuring Support Agreement as set out in Schedule "A", their affiliates and their respective present and former directors, officers, employees, legal counsel and advisors, (the Persons listed in (a), (b), (c) and (d) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims whatsoever (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, offer, investment proposal, dealing, or other fact, matter, occurrence or thing existing or taking place prior to the delivery of the Monitor's Certificate, or undertaken or completed in connection with or pursuant to the terms of this Order or these CCAA Proceedings, or arising in connection with or relating to the Subscription Agreement, the closing documents, the Applicant's assets, business or affairs, prior dealings with the Applicant, or any agreement, document, instrument, matter or transaction involving the Applicant arising in connection with or pursuant to any of the foregoing, and/or the consummation of the Transactions (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties; provided that nothing in this paragraph shall waive, discharge, release, cancel or bar (i) any claim for fraud or wilful misconduct, (ii) any claim against ResidualCo in respect of the Excluded Liabilities transferred pursuant to the Closing, (iii) any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA, or (iv) any present or future claim of CrossingBridge Advisors, LLC, including any of its affiliates or agents, arising out of or relating to an intercreditor agreement dated January 9, 2023 (as amended or supplemented from time-to-time, the "**Initial Intercreditor Agreement**"), a collateral agency and intercreditor agreement dated as of May 11, 2023 (as amended or supplemented from time-to-time, the "**Second Intercreditor Agreement**" and, together with the Initial Intercreditor Agreement, the "**Intercreditor Agreement**"), (and any side letter, agreement, indenture or document existing prior to the CCAA filing date and relating directly to the Intercreditor Agreement), except for any such claim against the persons identified in part (a) or (b) of this paragraph 26.

THE MONITOR

27. **THIS COURT ORDERS** that the Monitor, its employees and representatives shall not be deemed directors of ResidualCo, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of the Monitor.

28. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor under the present paragraph.

29. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby: (a) be deemed to have taken part in the management or supervision of the management of the Applicant or ResidualCo, or to have taken or maintained possession or control of the business or property of any of the Applicant or ResidualCo, or any part thereof; or (b) be deemed to be in Possession (as defined in the Initial Order) of any property of the Applicant or ResidualCo within the meaning of any applicable Environmental Legislation (as defined in the Initial Order) or otherwise.

30. **THIS COURT ORDERS** that, within ten (10) days of the Closing Date, the Monitor shall release the KERP Funds (as defined by the Initial Order) to the Applicant and the Applicant is authorized and directed to pay the KERP Funds, net of applicable withholdings and remittances payable, to the Key Employees (as defined by the Initial Order) which are entitled to receive such KERP Funds under the KERP (as defined by the Initial Order), as may be reallocated pursuant to the Order granted by this Court on July 5, 2024.

31. **THIS COURT ORDERS** that nothing in this Order shall affect, vary, derogate from, limit or amend any rights, approvals and protections afforded to the Monitor in these CCAA Proceedings and FTI shall continue to have the benefit of any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, and any other Orders in these CCAA Proceedings or otherwise, including all approvals, protections and stays of proceedings in favour of FTI in its capacity as Monitor, all of which are expressly continued and confirmed.

GENERAL

32. **THIS COURT ORDERS** that, following the Effective Time, the Investors and the Applicant shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Applicant, the New Common Shares, Secured Priority Notes (as applicable), New Warrants, Unsecured Takeback Notes and the Retained Assets.

33. **THIS COURT ORDERS** that, following the Effective Time, the title of these proceedings is hereby changed to:

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 [●]

34. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date that it is made and is enforceable without any need for entry and filing. In accordance with Rules 77.07(6) and 1.04, no formal order need to be entered and filed unless an appeal or a motion for leave to appeal is brought to an appellate court.

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

36. **THIS COURT ORDERS** that the Applicant shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and the Monitor as may be deemed necessary or appropriate for that purpose.

37. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicant, the Monitor 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 Applicant and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order.

38. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Prevailing Eastern Time on the date hereof, provided that the transaction steps set out in paragraph 6 hereof shall be deemed to have occurred sequentially, one after the other, in the order set out in paragraph 6 hereof.

Kimmel J.

Digitally signed
by Jessica Kimmel
Date: 2024.07.26
15:30:41 -04'00'

SCHEDULE "A"

Investors

1. Millstreet Capital Management LLC, as investment manager on behalf of multiple noteholders
2. OSP, LLC (on behalf of certain managed funds).
3. Cargill, Incorporated

Other Parties to the Restructuring Support Agreement

1. Brigade Capital Management, LP
2. MSD Partners, LP

SCHEDULE "B" – FORM OF MONITOR'S CERTIFICATE

Court File No. CV-23-00707394-00CL

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 TACORA RESOURCES INC.

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Initial Order of the Ontario Superior Court of Justice (the "**Court**") dated October 10, 2023 (the "**Initial Order**"), Tacora Resources Inc. (the "**Applicant**") was granted creditor-protection pursuant to the *Companies' Creditors Arrangement Act* R.S.C. 1985, c. C-36, as amended (the "**CCAA**") and FTI Consulting Canada Inc. was appointed as court-appointed monitor of the Applicant.

B. Pursuant to an Order of the Court dated July 26, 2024 (the "**Approval and Reverse Vesting Order**"), the Court, *inter alia*, (i) approved the Subscription Agreement and the Transactions, (ii) vested out of the Applicant all Excluded Assets, Excluded Contracts, Excluded Liabilities and all Claims in respect of any Senior Priority Notes, Senior Secured Notes and the APF (other than those satisfied as contemplated pursuant to Section 7.2(c) of the Subscription Agreement) and discharged all Encumbrances against the Applicant, the New Common Shares, New Secured Priority Notes (as applicable), New Warrants**,** Unsecured Takeback Notes and the Retained Assets, except only the Permitted Encumbrances; (iii) authorized and directed the Applicant to file the Articles of Reorganization; (iv) terminated and cancelled all Existing Equity (other than the Existing Common Shares which were cancelled with the Articles of Reorganization), as well as any Equity Documents for no consideration; (v) authorized and directed the Applicant to issue the (A) Subscribed Shares to the Investors and Other New Equity Investors, as applicable (or as any such Investor or Other New Equity Investor, as applicable, may direct, subject to the terms of the Subscription Agreement); (B) the New Warrants and Unsecured Takeback Notes to the Initial Noteholder Investors and the Other New Equity Investors that are, in each case, Existing Noteholders, as applicable, and vested in the Initial Noteholder

Investors and the Other New Equity Investors that are, in each case, Existing Noteholders, as applicable, (or as any such Existing Noteholder or Other New Equity Investor, as applicable, may direct, subject to the terms of the Subscription Agreement) all right, title and interest in and to the New Common Shares, New Secured Priority Notes (as applicable), New Warrants and Unsecured Takeback Notes, free and clear of any Encumbrances.

C. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Approval and Reverse Vesting Order.

THE MONITOR CERTIFIES that:

1. The Monitor has received the entire Cash Consideration;

2. The Monitor has received written confirmation from each of the Investors and the Applicant, in form and substance satisfactory to the Monitor, that all conditions to closing under the Subscription Agreement have been satisfied or waived by the Investors or the Applicant, as applicable; and

3. This Certificate was delivered by the Monitor at _____ **[TIME]** on _____ **[DATE]**.

FTI Consulting Canada Inc., in its capacity as Monitor of Tacora Resources Inc., and not in its personal capacity

Per: _____
Name:
Title:

SCHEDULE "C" – PERMITTED ENCUMBRANCES

1. Reservations, limitations, proviso and conditions, if any, expressed in any original grant from the Crown provided that they do not materially adversely affect value, use or exploration or exploitation rights.

2. Title defects or irregularities which are of minor nature, encroachments, easements, rights-of-way, rights to use, servitudes or similar interests provided that same does not materially adversely affect value, use or exploration or exploitation rights.

3. Rights-of-way for or reservations or rights of others for, sewers, drains, water lines, gas lines, electric lines, railways, telegraph, telecommunications and telephone lines, or cable conduits, poles, wires and cables, and other similar utilities, or zoning by-laws, ordinances or other restrictions as to the use of the Company's real property, that arise in the ordinary course of business and which do not individually or in the aggregate materially adversely affect value, use or exploration or exploitation rights.

4. The Mineral Tenures.

5. Encumbrances permitted in writing by the Investors.

6. Encumbrances in respect of any Retained Contracts.

Court File No. CV-21-00673304-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE 28th
	)	
MR. JUSTICE PENNY	)	DAY OF JANUARY, 2022

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 HARTE GOLD CORP.

APPROVAL AND REVERSE VESTING ORDER

THIS MOTION, made by Harte Gold Corp. (the "**Company**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order, *inter alia*: (a) approving the Second Amended and Restated Subscription Agreement (the "**Subscription Agreement**") entered into by and between the Company, as issuer, 1000025833 Ontario Inc., as investor (the "**Investor**") and Silver Lake Resources Limited, as guarantor ("**Silver Lake**"), dated January 19, 2022, a copy of which was attached as Exhibit "J" to the Bourchier Affidavit (as defined below, as well as all the Transactions, as defined in the Subscription Agreement (the "**Transactions**"); (b) adding 13699404 Canada Inc. ("**ResidualCo. 1**") and 13699447 Canada Inc. ("**ResidualCo. 2**") as applicants to these proceedings (the "**CCAA Proceedings**"); (c) vesting out of the Company all Excluded Assets, Excluded Contracts and Excluded Liabilities and discharging Encumbrances against the Company and the Retained Assets, except only the Permitted Encumbrances; (d) authorizing and directing the Company to file the Articles of Reorganization; (e) terminating and cancelling the Subject Interests for no consideration; (e) authorizing and directing the Company to issue the Subscribed Shares, and vesting in the Investor all right, title and interest in and to the Subscribed Shares, free and clear of any Encumbrances; and (f) granting certain ancillary relief, was heard this day via videoconference due to the COVID-19 pandemic;

ON READING the Motion Record of the Company, including the affidavit of Frazer Bourchier sworn January 24, 2022 (the "**Bourchier Affidavit**") and the Exhibits thereto, the Second Report (the "**Second Report**") of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as the Court-appointed Monitor of the Company (the "**Monitor**"), and on being advised that the secured creditors who are likely to be affected by this Order herein were given notice;

ON HEARING the submissions of counsel for the Company, counsel for the Monitor, counsel for BNP Paribas, counsel for the Investor and Silver Lake, and counsel for the Appian Parties (as defined in the Bourchier Affidavit), counsel for the Company's directors and officers and such other counsel that were present, no one else appearing for any party although duly served as appears from the affidavit of service of Lee Nicholson dated January 25, 2022;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meanings given to them in the Subscription Agreement.

STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period, as defined in the Initial Order granted by this Court on December 7, 2021 (as amended and restated on December 20, 2021, and as may further be amended and/or restated, from time to time, the "**Initial Order**"), is hereby extended until March 29, 2022.

APPROVAL AND VESTING

4. **THIS COURT ORDERS AND DECLARES** that the Subscription Agreement and the Transactions are hereby approved and the execution of the Subscription Agreement by the Company is hereby authorized and approved, with such minor amendments as the Company and the Investor may deem necessary or otherwise agree to, with the approval of the Monitor. The Company is hereby authorized and directed to perform its obligations under the

Subscription Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, including the filing of the Articles of Reorganization, the cancellation of the Subject Interests and the issuance of the Subscribed Shares to the Investor, including any such additional documents contemplated in the Subscription Agreement.

5. **THIS COURT ORDERS AND DECLARES** that notwithstanding any provision hereof, the closing of the Transactions shall be deemed to occur in the manner, order and sequence set out in the Subscription Agreement, including in accordance with the Closing Sequence, with such alterations, changes or amendments as may be agreed to by the Investor and the Company, with the consent of the Monitor, including to provide for the amalgamation of the ResidualCos. as part of the Closing Sequence, provided that such alterations, changes or amendments do not materially alter or impact the Transactions or the consideration which the Company and/or its applicable stakeholders will benefit from as part of the Transactions.

6. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Company to proceed with the Transactions and that no shareholder or other approval shall be required in connection therewith.

7. **THIS COURT ORDERS AND DECLARES** that, upon the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to the Company and the Investor (the "**Effective Time**"), substantially in the form attached as Schedule "A" hereto, the following shall occur and shall be deemed to have occurred at the Effective Time, all in accordance with the Closing Sequence set out in the Subscription Agreement and the steps contemplated thereunder:

(a) the Company shall be released, from all amounts and obligations owing to the Investor by the Company under: (i) the BNPP Credit Agreement (and any other ancillary agreement or document thereto), including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the BNPP Credit Agreement or any other ancillary agreement or document thereto, and (ii) the DIP Term Sheet including the principal amount of indebtedness outstanding thereunder and interest accrued thereon as of the Closing Date, plus any other fees owing by the Borrower under the DIP Term Sheet;

(b) the Company shall be deemed to have: (i) transferred to ResidualCo. 1 the Excluded Assets and the Excluded Contracts in consideration of the Excluded Assets and Contracts Promissory Note to ResidualCo. 1, and (ii) transferred to ResidualCo. 2 the Excluded Liabilities, as a single debt obligation, in consideration of the Excluded Liability Promissory Note to ResidualCo. 2;

(c) all Existing Shares as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Company (the "**Subject Interest**") shall be deemed terminated and cancelled for no consideration; and

(d) all of the right, title and interest in and to the Subscribed Shares issued by the Company to the Investor shall vest absolutely in the Investor, and the Retained Assets will be retained by the Company, in each case free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), or any other personal property registry system or pursuant to the *Lands Title Act* (Ontario) or the *Mining Act* (Ontario) (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "B" hereto (the "**Permitted Encumbrances**")) and, for greater certainty, all of the Encumbrances affecting or relating to the Subscribed Shares and/or the Retained Assets are hereby expunged and discharged as against the Subscribed Shares and Retained Assets, as applicable.

8. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof in connection with the Transactions.

9. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Company and the Investor regarding the satisfaction of the Subscription Price and satisfaction or waiver of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

10. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Cash Consideration, with the same priority as they had with respect to the Retained Assets immediately prior to the sale, as if the Excluded Contracts and Excluded Liabilities had not been transferred to ResidualCo. 1 and ResidualCo. 2, as applicable, and remained liabilities of the Company immediately prior to the foregoing transfer.

11. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Company or the Monitor, as the case may be, is authorized, permitted and directed to, at the Effective Time, disclose to the Investor all human resources and payroll information in the Company records pertaining to past and current employees of the Company. The Investor shall maintain and cause the Company, after Closing, to maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by Company prior to Closing.

12. **THIS COURT ORDERS AND DECLARES** that, at the Effective Time and without limiting the provisions of paragraph 6 hereof, the Company and the Investor shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Company, including without limiting the generality of the foregoing all taxes that could be assessed against the Company or the Investor (including its affiliates and any predecessor corporations) pursuant to section 160 of the *Income Tax Act* (Canada), or any provincial equivalent, in connection with the Company (provided, as it relates to the Company, such release shall not apply to (i) Transaction Taxes, or (ii) Taxes in respect of the business and operations conducted by the Company after the Effective Time).

13. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Subscription Agreement, all Contracts (excluding the Excluded Contracts) to which the Company is a party upon delivery of the Monitor's Certificate will be and remain in full force and

effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Company);

(b) the insolvency of the Company or the fact that the Company sought or obtained relief under the CCAA;

(c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transactions or the provisions of this Order, or any other Order of the Court in these proceedings; or

(d) any change of control of the Company arising from the implementation of the Subscription Agreement, the Transactions or the provisions of this Order.

14. **THIS COURT ORDERS**, for greater certainty, that: (a) nothing in paragraph 13 hereof shall waive, compromise or discharge any obligations of the Company in respect of any Assumed Liabilities, and (b) the designation of any Claim as an Assumed Liability is without prejudice to the Company's right to dispute the existence, validity or quantum of any such Assumed Liability, and (c) nothing in this Order or the Subscription Agreement shall affect or waive the Company's rights and defences, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.

15. **THIS COURT ORDERS** that from and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company, or caused by the Company, directly or indirectly, or non-

compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Contract, existing between such Person and the Company arising directly or indirectly from the filing by the Company under the CCAA and the implementation of the Transactions, including without limitation any of the matters or events listed in paragraph 13 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Company or the Investor from performing its obligations under the Subscription Agreement or be a waiver of defaults by the Company under the Subscription Agreement and the related documents.

16. **THIS COURT ORDERS** that from and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Company or the Retained Assets relating in any way to or in respect of any Excluded Assets, Excluded Contracts or Excluded Liabilities and any other claims, obligations and other matters which are waived, released, expunged or discharged pursuant to this Order.

17. **THIS COURT ORDERS** that, from and after the Effective Time:

(a) the nature of the Assumed Liabilities retained by the Company, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;

(b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo. 2;

(c) any Person that prior to the Effective Time had a valid right or claim against the Company under or in respect of any Excluded Contract or Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have such right or claim against the Company but will have an equivalent Excluded Liability Claim against ResidualCo. 1 or ResidualCo. 2, as applicable, in respect of the Excluded

Contract and Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo. 1 and/or ResidualCo. 2, as applicable; and

(d) the Excluded Liability Claim of any Person against ResidualCo. 2 following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Company prior to the Effective Time.

18. **THIS COURT ORDERS AND DECLARES** that:

(a) as of the Effective Time, the Company shall cease to be an applicant in these CCAA Proceedings and the Company shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted these CCAA Proceedings, save and except for this Order the provisions of which (as they relate to the Company) shall continue to apply in all respects;

(b) as of the date of this Order, ResidualCo. 1 and ResidualCo. 2 shall be companies to which the CCAA applies, and ResidualCo. 1 and ResidualCo. 2 shall be added as applicants in these CCAA Proceedings and all references in any Order of this Court in respect of these CCAA Proceedings to (i) an "*Applicant*" shall refer to and include ResidualCo. 1 and ResidualCo. 2, *mutatis mutandis*, (ii) "*Property*", as defined in the Initial Order, shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of ResidualCo. 1 and ResidualCo. 2 (including the Cash Consideration) (collectively, the "**ResidualCos. Property**"), and, for greater certainty, each of the Charges (as defined in the Initial Order) shall constitute a charge on the ResidualCos. Property.

19. **THIS COURT ORDERS** that for greater certainty, nothing in this Order, including the release of the Company from the purview of these CCAA Proceedings pursuant to paragraph 18(a) hereof and the addition of ResidualCo. 1 and ResidualCo. 2 as applicants in these CCAA Proceedings shall affect, vary, derogate from, limit or amend, and FTI shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, this Order, any other Orders in these CCAA

Proceedings or otherwise, including all approvals, protections and stays of proceedings in favour of FTI in its capacity as Monitor, all of which are expressly continued and confirmed.

20. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these CCAA Proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Company, ResidualCo. 1 or ResidualCo. 2 and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Company, ResidualCo.1 or ResidualCo. 2;

the Subscription Agreement, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo. 1 and ResidualCo. 2, as applicable, and the issuance of the Subscribed Shares to the Investor), and any payments by the Investor authorized herein or pursuant to the Subscription Agreement shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company, ResidualCo. 1 and/or ResidualCo. 2, and shall not be void or voidable by creditors of the Company, ResidualCo. 1 or ResidualCo. 2, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

RELEASES

21(A) **THIS COURT ORDERS** that effective upon the delivery of the Monitor's Certificate to the Company and the Investor, (i) the present and former directors, officers, employees, legal counsel and advisors of the Company and of ResidualCo. 1 and ResidualCo. 2, (ii) the Monitor and its legal counsel, and their respective present and former directors, officers, partners, employees and advisors, and (iii) the Investor, its directors, officers, employees, legal counsel and advisors (the Persons listed in (i), (ii) and (iii) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims whatsoever (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages,

judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, offer, investment proposal, dealing, or other fact, matter, occurrence or thing existing or taking place prior to the delivery of the Monitor's Certificate or completed pursuant to the terms of this Order and/or in connection with the Transactions in respect of the Company or its assets, business or affairs, prior dealings with the Company (wherever or however conducted or governed), or the administration and/or management of the Company or these proceedings (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to ResidualCo.1 or ResidualCo. 2 or to any other entity and are extinguished, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim for fraud or wilful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

21(B). **THIS COURT ORDERS** that nothing in this Order waives, discharges or in any way releases any person, including the Released Parties, from any responsibility or obligation, including any Encumbrance, that was, is or may be owed to or enforceable by the Province of Ontario or any Ministry or agency thereof (collectively, "**Ontario Governmental Authorities**"), that is not a "claim" as defined in section 2(1) of the CCAA, including from any environmental Liability that was, is or may be owed to or enforceable by any Ontario Governmental Authority that is not a "claim" as defined in section 2(1) of the CCAA, and nothing in this order in any way bars, estops, stays or enjoins any and all steps or proceedings by any Ontario Governmental Authorities or any servant, agent or employee thereof in respect thereof; it being understood that nothing in this paragraph 21(B) shall impact the protections in favour of the Monitor pursuant to paragraph 25 hereof.

THE MONITOR

22. **THIS COURT ORDERS** that the Second Report and the activities of the Monitor set out in the Second Report, are hereby approved, provided however, that only the Monitor, in its personal capacity and only with respect to its own liability, shall be entitled to rely upon or utilize in any way such approval.

23. **THIS COURT ORDERS** that the Monitor, its employees and representatives shall not be deemed directors of ResidualCo. 1 or Residual Co. 2, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising out of or in connection with the gross negligence or wilful misconduct of the Monitor.

24. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor under the present paragraph.

25. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby: (i) be deemed to have taken part in the management or supervision of the management of the Company, ResidualCo. 1 or ResidualCo. 2, or to have taken or maintained possession or control of the business or property of any of the Company, ResidualCo. 1 or ResidualCo. 2, or any part thereof; or (ii) be deemed to be in Possession (as defined in the Initial Order) of any property of the Company, ResidualCo. 1 or ResidualCo. 2 within the meaning of any applicable Environmental Legislation (as defined in the Initial Order) or otherwise.

CURE COSTS

26. **THIS COURT ORDERS** that all Cure Costs payable in accordance with the Subscription Agreement shall be paid by or on behalf of the Company to the relevant counterparty to a Retained Contract on or before the date that is 30 days following the Effective Time or such later date as may be agreed to by the Company and the relevant counterparty to a Retained Contract.

GENERAL

27. **THIS COURT ORDERS** that, following the Effective Time, the Investor shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Subscribed Shares and the Retained Assets.

28. **THIS COURT ORDERS** that, following the Effective Time, the title of these proceedings is hereby changed to:

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 13699404 CANADA INC. AND 13699447 CANADA INC.

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

30. **THIS COURT DECLARES** that the Company shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Company and the Monitor as may be deemed necessary or appropriate for that purpose.

31. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Company, the Monitor 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 Company and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Company, the Monitor and their respective agents in carrying out the terms of this Order.

32. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Prevailing Eastern Time on the date hereof, provided that the transaction steps set out in paragraph 7 hereof shall be deemed to have occurred sequentially, one after the other, in the order set out in paragraph 7 hereof.



SCHEDULE A

Form of Certificate of Monitor

(see attached)

Court File No. CV-21-00673304-00CL

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 HARTE GOLD CORP.

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Initial Order of the Ontario Superior Court of Justice (the "**Court**") dated December 7, 2021, which was amended and restated on December 16, 2021 (the "**Initial Order**"), Harte Gold Corp. (the "**Company**") was granted creditor-protection pursuant to the Companies' Creditors Arrangement Act (the "**CCAA**") and FTI Consulting Canada Inc. was appointed as court-appointed monitor of the Company.

B. Pursuant to an Order of the Court dated January 28, 2022 (the "**Approval and Reverse Vesting Order**"), the Court approved the Second Amended and Restated Subscription Agreement made as of January 19, 2022 (the "**Subscription Agreement**") between the Company, as issuer, 1000025833 Ontario Inc., as investor (the "**Investor**") and Silver Lake Resources Limited, as guarantor ("**Silver Lake**"), as well as the Transactions as defined in the Subscription Agreement, which, *inter alia*, provided for : (a) the approval of the Subscription Agreement and the Transactions contemplated thereunder (b) adding 13699404 Canada Inc. and 13699447 Canada Inc. as applicants to these proceedings; (c) vesting out of the Company all Excluded Assets, Excluded Contracts and Excluded Liabilities and discharging Encumbrances against the Company and the Retained Assets, except only the Permitted Encumbrances; (d) authorizing and directing the Company to file the Articles of Reorganization; (e) terminating and cancelling the Subject Interests for no consideration; (e) authorizing and directing the Company to issue the Subscribed Shares, and vesting in the Investor all right, title and interest in and to the Subscribed Shares, free and clear of any Encumbrances (as defined below); and (f) granting certain ancillary relief, was heard this day via videoconference due to the COVID-19 pandemic;

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Approval and Reverse Vesting Order.

THE MONITOR CERTIFIES that it was advised by the Company and the Investor that:

1. The Investor has satisfied the Subscription Price (as defined in the Subscription Agreement) in accordance with the Subscription Agreement;

2. The conditions to Closing as set out in the Subscription Agreement have been satisfied or waived by the Company and the Investor; and

4. This Certificate was delivered by the Monitor at _____ **[TIME]** on _____ **[DATE]**.

FTI Consulting Canada Inc., in its capacity as Monitor of Harte Gold Corp., and not in its personal capacity

Per: _____

Name:

Title:

SCHEDULE B

Permitted Encumbrances

1. Reservations, limitations, provisions and conditions, if any, expressed in any original grant from the Crown

2. Title defects or irregularities which are of minor nature, encroachments, easements, rights-of-way, rights to use, servitudes or similar interests provided that same does not materially adversely affect value, use or exploitation

3. Rights-of-way for or reservations or rights of others for, sewers, drains, water lines, gas lines, electric lines, railways, telegraph, telecommunications and telephone lines, or cable conduits, poles, wires and cables, and other similar utilities, or zoning by-laws, ordinances or other restrictions as to the use of the Freehold Properties contained in Schedule "K", that arise in the ordinary course of business and which do not individually or in the aggregate materially adversely affect value, use or exploitation

4. Encumbrances in respect of any Retained Contracts

5. Encumbrances permitted in writing by the Investor

6. Any obligations of the Company under the ISDA Master Agreement and the Schedule made as of June 10, 2019 (as subsequently supplemented) between BNP Paribas and the Company, all related confirmations thereunder, and the security granted in association therewith

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 HARTE GOLD

Court File No.: CV-21-00673304-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

APPROVAL AND REVERSE VESTING ORDER

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Guy P. Martel
Tel: (514) 397-3163
E-mail: gmartel@stikeman.com

Danny Duy Vu
Tel: (514) 397-6495
E-mail: ddvu@stikeman.com

Lee Nicholson LSO#66412I
Tel: (416) 869-5604
E-mail: leenicholson@stikeman.com

William Rodier-Dumais
Tel: 514-397-3298
Email: wrodierdumais@stikeman.com

Lawyers for the Applicant