

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

No.: 500-11-057985-208

DATE: November 25, 2020

BEFORE THE HONOURABLE MICHEL A. PINSONNAULT, J.S.C.

IN THE MATTER OF THE COMPROMISE AND ARRANGEMENT OF:

STOKES INC.

Debtor / Petitioner

and

RICHTER ADVISORY GROUP INC.

Monitor

PLAN FILING AND MEETING ORDER

- [1] **CONSIDERING** the *Application for an Extension of the Stay of Proceedings and for the Issuance of a Plan Filing and Meeting Order* (the “**Application**”) pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (“**CCAA**”), of the Debtor / Petitioner Stokes Inc. (the “**Petitioner**”) and the affidavit of Mr. Mohammad Rahaman, filed in support thereof;
- [2] **CONSIDERING** the representations of counsel made by videoconference;

[3] **CONSIDERING** the Seventh Report of the Monitor and the testimony of Mr. Olivier Benchaya;

[4] **CONSIDERING** the provisions of the CCAA;

THE COURT HEREBY:

[5] **GRANTS** the Application.

[6] **ISSUES** an order pursuant to the CCAA (the "**Order**"), divided under the following headings:

- (a) Service;
- (b) Definitions;
- (c) Plan of Compromise and Arrangement;
- (d) Form of Documents;
- (e) Notification Procedures;
- (f) Creditors' Meeting;
- (g) Notice of Transfers;
- (h) Notices and Communications;
- (i) Sanction Hearing;
- (j) Role of the Monitor;
- (k) Aid and Assistance of Other Courts;
- (l) General Provisions.

A. SERVICE

[7] **ORDERS** that any prior delay for the presentation of this Application is hereby abridged and validated so that the Application is properly returnable today and dispenses with further service thereof.

[8] **DECLARES** that sufficient prior notice of the presentation of this Application has been given by the Petitioner.

B. DEFINITIONS

- [9] **DECLARES** that the capitalized terms not otherwise defined in this Order shall have the meanings ascribed in **Schedule A** hereto. The following terms shall have the meanings set out below:
- (a) “**Chair**” shall have the meaning ascribed to such term in Paragraph [34];
 - (b) “**Creditor Letter**” means the letter to Affected Creditors in substantially the form of **Schedule B** hereto;
 - (c) “**Meeting Materials**” shall have the meaning ascribed to such term in Paragraph [17];
 - (d) “**Notice of Creditors’ Meeting and Sanction Hearing**” means the notice which shall be given to the Affected Creditors of the Creditors’ Meeting to be held for the approval of the Plan, and of the Sanction Hearing of the Plan, being substantially in the form of **Schedule C** hereto;
 - (e) “**Proxy**” means a proxy and instructions to Affected Creditors for explaining how to complete same, substantially in the form of **Schedule D** hereto;
 - (f) “**Registration Form**” means a form required to be completed by Affected Creditors in order to attend the Creditors’ Meeting, substantially in the form of **Schedule E** hereto; and
 - (g) “**Resolution**” means the resolution substantially in the form attached as **Schedule F** hereto.

C. PLAN OF COMPROMISE AND ARRANGEMENT

- [10] **ORDERS** that the Plan of Compromise and Arrangement pursuant to the CCAA filed by the Petitioner dated November 20, 2020, in the form of **Schedule G** hereto (as it may be amended, supplemented and restated from time to time, the “**Plan**”) is accepted for filing, and the Petitioner is authorized to seek approval of the Plan from the Affected Creditors in the manner set forth herein.
- [11] **ORDERS** that the Petitioner, in consultation with the Monitor, is authorized, at any time and from time to time at or before the Creditors’ Meeting, to make any amendment, restatement, modification, deletion or supplement to, the Plan, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan.
- [12] **ORDERS** the Petitioner to file any supplementary plans referenced in the immediately preceding paragraph with the Court as soon as practicable.

- [13] **ORDERS** that the Petitioner shall give notice to Affected Creditors of the details of any amendment, restatement, modification, deletion or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan.
- [14] **DECLARES** that the Petitioner may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy.
- [15] **ORDERS** that after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Petitioner is authorized, with the consent of the Monitor, at any time and from time to time vary, amend, restate, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, restatement, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order.
- [16] For greater certainty, **DECLARES** that all of the steps provided for in the immediately preceding paragraph shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

D. FORM OF DOCUMENTS

- [17] **ORDERS** that the forms of: (i) the Notice of Creditors' Meeting and Sanction Hearing, (ii) the Creditor Letter, (iii) the Proxy, (iv) the Registration Form and (v) the Resolution are each approved, and the Monitor, in consultation with the Petitioner, is authorized to make such minor changes to such forms of documents as it consider necessary or desirable, notably to conform the content thereof to the terms of the Plan or this Order or any further Orders of the Court.

E. NOTIFICATION PROCEDURES

- [18] **ORDERS** that the Monitor shall cause to be sent, by regular mail, courier or e-mail a copy of the Notice of Creditors' Meeting and Sanction Hearing, the Creditor Letter, the Proxy, the Resolution, the Registration Form, the Plan, and this Order (collectively, with the Report of the Monitor to be filed in connection with the Creditors' Meeting, the "**Meeting Materials**"), in English and in French, as soon as reasonably practicable after the granting of this Order and, in any event, no later than 5:00 p.m. (Montréal time) on November 27, 2020 to each Affected Creditor as of the date of this Order at the address for such Affected Creditor set out in such Affected Creditor's Proof of Claim or to such other address that has been provided to the Monitor by such Affected Creditor pursuant to Paragraph [37] or [40].
- [19] **ORDERS** that the Monitor shall:

- (a) Forthwith publish on the Website an electronic copy of the Meeting Materials;
- (b) Email a copy of the Meeting Materials to the Service List; and
- (c) Provide a copy of the Meeting Materials to any Affected Creditor upon written request by such Affected Creditor, provided that such written request is received by the Monitor no later than three (3) Business Days prior to the Creditors' Meeting (or any adjournment thereof).

[20] **ORDERS** that the Petitioner and the Monitor are hereby authorized to provide such supplemental information ("**Additional Information**") to the Meeting Materials as the Petitioner may determine, with the consent of the Monitor, and such Additional Information shall be distributed or made available by posting on the Website and served on the Service List, and any such other method of delivery that the Petitioner, with the consent of the Monitor, determines is appropriate.

[21] **ORDERS** that the publications and/or delivery referred to in Paragraphs [17], [18] and [19] hereof, shall constitute good and sufficient service of the Meeting Materials on all Persons who may be entitled to receive notice thereof, 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.

[22] **ORDERS** that the non-receipt of a copy of the Meeting Materials beyond the reasonable control of the Monitor shall not constitute a breach of this Order and the non-receipt shall not invalidate any resolution passed or proceedings taken at the Creditors' Meeting.

F. CREDITORS' MEETING

[23] **ORDERS** that the Monitor is hereby authorized to call, hold and conduct the Creditors' Meeting on **December 22, 2020**, by videoconference or teleconference, for the purpose of voting upon, with or without variation, the Resolution to approve the Plan considering and, if appropriate, approving the Plan at a place, date and time as shall be set forth in the Notice of Creditors' Meeting and Sanction Hearing.

[24] **ORDERS** that the only Persons entitled to attend the Creditors' Meeting are:

- (a) Affected Creditors, their legal representatives and their Proxy holders, provided that in each case, such Person has completed and submitted by email the required Registration Form by the Proxy Deadline (as defined below);
- (b) representatives of the Petitioner, members of the board of directors of the Petitioner and their representatives, representatives of the Monitor, the Chair and their respective legal and financial advisors; and

- (c) any other Person admitted to the Creditors' Meeting on invitation of the Petitioner or the Monitor.
- [25] **ORDERS** that any Proxy which any Affected Creditor wishes to submit in respect of a Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) must be substantially in the form attached hereto as **Schedule "D"** (or in such other form acceptable to the Monitor or the Chair).
- [26] **ORDERS** that any Proxy in respect of the Creditors' Meeting (or any adjournment, postponement or other rescheduling thereof) must be received by the Monitor in accordance with Paragraph [40] hereof **by 5:00 p.m. (Montréal time) December 18, 2020** (the "**Proxy Deadline**"), being two (2) Business Days prior to the date set for the Creditors' Meeting in Paragraph [22] hereof. The Monitor is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which a Proxy is completed.
- [27] **ORDERS** that, in the absence of instruction to vote for or against the approval of the Resolution in a duly signed and returned Proxy that appoints a representative of the Monitor as Proxy holder, the Proxy shall be deemed to include instructions to vote for the approval of the Resolution, provided the Proxy holder does not otherwise revoke the Proxy by written notice to the Monitor delivered so that it is received by the Monitor no later than the Proxy Deadline.
- [28] **ORDERS** that the quorum required at the Creditors' Meeting shall be one Affected Creditor having a Voting Claim present at such meeting in person or by proxy. If the requisite quorum is not present 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.
- [29] **ORDERS** that the Chair, with the consent of the Petitioner, not to be unreasonably withheld, is 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, with the consent of the Petitioner deems necessary or desirable (without the need to first convene any such Creditors' Meetings for the purpose of any adjournment, postponement or other rescheduling thereof). None of the Petitioner, the Chair or the Monitor shall be required to deliver any notice of the adjournment, postponement or rescheduling of the Creditors' Meeting or adjourned Creditors' Meeting, as applicable, provided that the Monitor shall:
- (a) announce the adjournment, postponement or rescheduling of the Creditors' Meeting or adjourned Creditors' Meeting to the participants, if the commencement of the Creditors' Meeting(s) has occurred prior to the adjournment, postponement or rescheduling;
 - (b) forthwith post notice of the adjournment, postponement or rescheduling on the Website; and
 - (c) forthwith provide notice of the adjournment, postponement or rescheduling to the Service List. Any Proxies validly delivered in connection with the

Creditors' Meeting(s) shall be accepted as Proxies in respect of any adjourned, postponed or rescheduled Meeting(s).

- [30] **ORDERS** that by a simple vote of a majority in number of the Voting Claims of Persons present and entitled to vote at the Creditors' Meeting or by proxy, the Creditors' Meeting may be adjourned or re-adjourned to a subsequent date, time and place as determined by such vote and in such case no further notice will be necessary.
- [31] **ORDERS** that the only Persons entitled to vote at the Creditors' Meeting shall be Creditors with a Voting Claim and their proxy holders. Each Creditor with a Voting Claim will be entitled to a number of votes equal to the value in dollars of its Voting Claim.
- [32] **ORDERS** that a Voting Claim shall not include fractional numbers and shall be rounded down to the nearest whole Canadian dollar amount.
- [33] **ORDERS** that the Monitor shall keep a separate record of the votes cast by Creditors with Voting Claims determined by the Monitor for voting purposes only in accordance with Paragraph 17 of the Claims Procedure Order and shall report to the Court with respect thereto at the Sanction Application.
- [34] **ORDERS** that the results of any vote conducted at the Creditors' Meeting shall be binding on all Creditors, whether or not any such Creditor is present or voting at the Creditors' Meeting.
- [35] **ORDERS** that a representative of 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 such Creditors' Meeting. The Petitioner and any Creditor with a Voting Claim may appeal from any decision of the Chair to the Court, within three (3) Business Days of any such decision.
- [36] **DECLARES** that, at the Creditors' Meeting, the Chair is authorized to direct a vote on the Resolution to approve the Plan, and any amendments thereto made in accordance with Paragraph [10] of this Order.
- [37] **ORDERS** that the Monitor may appoint scrutineers for the supervision and tabulation of the attendance, quorum and votes cast at the Creditors' Meeting and that a Person designated by the Monitor shall act as secretary at the Creditors' Meeting.

G. NOTICE OF TRANSFERS

- [38] **ORDERS** that, for purposes of voting at the Creditors' Meeting, if a Creditor who has a Voting Claim transfers or assigns all of its Voting Claim and the transferee or assignee delivers evidence satisfactory to the Monitor of its ownership of all of such Voting Claim and a written request to the Monitor, **not later than 5:00 pm on the date that is seven (7) days prior to the date of the Creditors' Meeting**, or

such later time that the Monitor may agree to, that such transferee's or assignee's name be included on the list of Creditors entitled to vote, either in person or by proxy, the transferor's or assignor's Voting Claim at the Creditors' Meeting in lieu of the transferor or assignor.

- [39] **ORDERS** that, for purposes of distributions to be effected pursuant to the Plan, if a Creditor transfers or assigns the whole of its Voting Claim to another Person, neither the Petitioner, nor the Monitor shall be obligated to deal with the transferee or assignee of the Voting Claim as the Creditor in respect thereof unless and until notice of the transfer or assignment from either the transferor, assignor, transferee or assignee, together with satisfactory evidence showing that such transfer or assignment was valid at law, has been received by the Monitor at least five (5) Business Days prior to any distribution under the Plan.
- [40] **ORDERS** that if the holder of a Voting Claim or any subsequent holder of the whole of a Voting Claim who has been acknowledged by the Monitor as the Creditor in respect of such Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Voting Claim or Voting Claims and such Claim shall continue to constitute and be dealt with as a single Voting Claim notwithstanding such transfer or assignment, and the Monitor and the Petitioner shall in each such case not be bound to recognize or acknowledge any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim, provided such Creditor may by notice in writing to the Monitor direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and in such event, such Creditor, such transferee or assignee of the Claim as a whole shall be bound by any notices given or steps taken in respect of such Claim with such Person in accordance with this Order.

H. NOTICES AND COMMUNICATIONS

- [41] **ORDERS** that any notice or other communication to be given under this Order by an Affected Creditor to the Monitor or the Petitioner shall be in writing and will be sufficiently given only if given by fax, courier or email communication addressed to:

Monitor: **Richter Advisory Group Inc.**
1981 McGill College Avenue
Montréal, Québec H3A 0G6
Attention: Olivier Benchaya
Marc-Vincent Caillé and
Magali Dumouchel
Fax: 514.934.3408
Email: obenchaya@richter.ca
mvcaille@richter.ca and
mdumouchel@richter.ca

- [44] **ORDERS** that in the event the Plan has been approved by the Required Majority of the Affected Creditors, the Petitioner may seek the sanction of the Plan before this Court on or about **January 8, 2021** (the “**Sanction Application**”), or such later date as the Monitor may advise the Service List in these proceedings, provided that such later date shall be acceptable to the Petitioner and the Monitor.
- [45] **ORDERS** that an electronic copy of the Monitor’s Report Regarding the Creditors’ Meeting, the Plan, and a copy of the materials filed in respect of the Sanction Application shall be posted on the Website prior to the hearing in respect of the Sanction Application.
- [46] **ORDERS** that service of this Order by the Petitioner to the parties on the Service List, the delivery of the Meeting Materials in accordance with Paragraph [17] hereof and the posting of the Meeting Materials on the Website in accordance with Paragraph [18] hereof shall constitute good and sufficient service and notice of the Sanction Application.
- [47] **ORDERS** that in the event that the Sanction Application 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.
- [48] **ORDERS** that any person who wishes to oppose the Sanction Application shall serve upon the parties on the Service List, and file with the Court a copy of the materials to be used to oppose the Sanction Application **by no later than 5:00 p.m. (Montréal time) on January 4, 2021** or, if applicable, four Business Days’ prior to any adjourned or rescheduled Sanction Application.

J. ROLE OF THE MONITOR

- [49] **ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, the Initial Order and the Claims Procedure Order, is directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order.
- [50] **ORDERS** that:
- (a) In carrying out the terms of this Order, the Monitor shall have all the protections given to it by the CCAA, the Initial Order, the Claims Procedure Order, and any other Order granted in these CCAA 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 as a result of carrying out the provisions of this Order, 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 Petitioner and any information provided by the Petitioner, and any information acquired by the Monitor as a result of carrying out its duties

under this Order 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.

K. AID AND ASSISTANCE OF OTHER COURTS

[51] **REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative body in any Province of Canada and any Canadian federal court or in the United States of America and any court or administrative body elsewhere, to give effect to this Order and to assist the Petitioner, the Monitor and their respective agents in carrying out the terms of this Order. All Courts, tribunals, regulatory and administrative bodies are respectfully requested to make such orders and to provide such assistance to the Petitioner and the Monitor as may be necessary or desirable to give effect to this Order, and to act in aid of and to be complementary to this Court, in carrying out the terms of this Order.

L. GENERAL PROVISIONS

[52] **ORDERS** that the following Schedules form part of this Order:

- (a) Schedule A – Definitions;
- (b) Schedule B – Creditor Letter;
- (c) Schedule C – Notice of Creditors' Meeting and Sanction Hearing;
- (d) Schedule D – Proxy;
- (e) Schedule E – Registration Form;
- (f) Schedule F – Form of Resolution;
- (g) Schedule G – Plan;

[53] **ORDERS** that the Monitor shall use reasonable discretion as to the adequacy of completion and execution of any document completed and executed pursuant to this Order and, where the Monitor is satisfied that any matter to be proven under this Order has been adequately proven, the Monitor may waive strict compliance with the requirements of this Order as to the completion and execution of documents.

[54] **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 Order, the terms, conditions and provisions of the Plan shall govern and be paramount, and any such provision of this Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

- [55] **ORDERS** that references in this Order to the singular include the plural, to the plural include the singular.
- [56] **ORDERS** that the Monitor may apply to this Court for advice and direction in connection with the discharge or variation of its powers and duties under this Order.
- [57] **ORDERS** the provisional execution of this Order notwithstanding appeal and without security.

THE WHOLE WITHOUT COSTS.



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Michel A.
Pinsonnault
Date: 2020.11.25
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MICHEL A. PINSONNAULT, J.S.C.
JP1736

MTRE SANDRA ABITAN
MTRE JULIEN MORISSETTE
MTRE ILIA KRAVTSOV
(OSLER HOSKIN & HARCOURT LLP)
COUNSEL TO THE PETITIONER

Hearing date: November 25, 2020

SCHEDULE "A" - DEFINITIONS

"**Additional Information**" has the meaning ascribed thereto in Paragraph 19 of this Order;

"**Administration Charge**" has the meaning ascribed to such term in the Initial Order;

"**Affected Claim**" means any Claim other than an Unaffected Claim;

"**Affected Creditor**" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim;

"**BIA**" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3;

"**Business Day**" means a day, other than a Saturday, a Sunday, or a holiday (as defined in article 82 of the *Quebec Code of Civil Procedure*, RSQ., c. C-25.01, as amended);

"**CCAA Proceedings**" means the CCAA proceedings in respect of the Petitioner before the Court commenced, taken up and continued under the CCAA;

"**Certificate of Implementation**" has the meaning set forth in Section 7.3 of the Plan;

"**Chair**" has the meaning ascribed thereto in Paragraph 34 of this Order;

"**Claim**" means any right of any Person against the Petitioner in connection with any indebtedness, liability or obligation of any kind of the Petitioner owed to such Person and any interest, or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person 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 is based in whole or in part on facts existing, or transactions which occurred, prior to the Filing Date, or which would have been claims provable in bankruptcy had the Petitioner become bankrupt on the Filing Date, and shall include, without limitation, any Restructuring Claim and any Director/Officer Claim, and "Claims" means all of them. For greater certainty, "Claim" or "Claims" shall not include any Unaffected Claim;

"**Claims Bar Date**" means as set forth in the Claims Procedure Order 5:00 p.m. on November 9, 2020;

"**Claims Procedure Order**" means the Order issued by the Court in the CCAA Proceedings on September 25, 2020;

"**Creditor(s)**" means any Person(s) having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person(s);

"**Creditor Letter**" has the meaning ascribed thereto in Paragraph 8(b) of this Order;

"Creditors' Meeting" means the meeting of Affected Creditors to be convened for the purposes of voting on the Plan, or any adjournment of such meeting, as contemplated herein;

"Crown Priority Claims" means any Claims of Her Majesty the Queen in right of Canada or in right of any province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of Her Majesty the Queen in right of Canada or in right of any Province other than Crown Priority Claims shall be an Affected Claim hereunder;

"Director/Officer 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 the right or ability of any Person 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, including any right of contribution or indemnity, 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.

"Directors" means all of the Petitioner's past and present directors as well as any Persons who were or are deemed to be directors of the Petitioner pursuant to any applicable Laws;

"Directors' Charge" has the meaning ascribed to such term in the Initial Order;

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Petitioner whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Petitioner:

- Claims equal to the amounts that such Employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Petitioner had become bankrupt on the Filing Date; and
- Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees 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;

"Excluded Claim" means any right or claim that would otherwise be a Claim that is:

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

- a Claim secured by the Administration Charge and any indemnity claims of Directors that are secured by the Directors' Charge;

"Filing Date" means February 18, 2020, being the date on which the Petitioner commenced proceedings under the BIA, which proceedings were subsequently taken up and continued by the CCAA Proceedings under the CCAA;

"Gift Card Claim" means any claim with respect to gift-cards, gift certificates, lay-away deposits and other customer certificates;

"Initial Order" means the Order issued by the Court in the CCAA Proceedings on July 27, 2020;

"Insurance Policy" means any insurance policy maintained by the Petitioner pursuant to which the Petitioner or any Director or Officer is insured.

"Insured Claim" means all or that portion of a Claim arising from a cause of action for which the applicable insurer or a court of competent jurisdiction has definitively and unconditionally confirmed that the Petitioner or any Director or Officer is insured under an Insurance Policy, to the extent that such Claim, or portion thereof, is so insured;

"Meeting Materials" has the meaning ascribed thereto in Paragraph 17 of this Order;

"Monitor" means Richter Advisory Group Inc., in its capacity as Court-appointed monitor of the Petitioner and not in its personal or corporate capacity;

"Monitor's Report Regarding the Creditors' Meeting" has the meaning ascribed thereto in Paragraph 42 of this Order;

"Notice of Creditors' Meeting and Sanction Hearing" has the meaning ascribed thereto in Paragraph 8(d) of this Order;

"Officers" means all of the Petitioner's past and present officers as well as any Persons who were or are deemed to be officers of the Petitioner pursuant to any applicable Laws;

"Person" means any individual, corporation, limited or unlimited liability Petitioner, general or limited partnership, association, trust, trustee, executor, administrator, legal personal representative, estate, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Plan" has the meaning ascribed thereto in Paragraph 9 of this Order;

"Plan Implementation Conditions" has the meaning set forth in Section 7.2 of the Plan;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have fulfilled or waived and the Plan has become effective, as evidenced by the Certificate of Implementation, to be filed with the Court;

"Post-Filing Trade Payables" means trade payables that were incurred by the Petitioner (a) in respect of goods or services provided to the Petitioner 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;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means, in respect of a Creditor, the amount of the Claim of such Creditor as finally determined for distribution purposes in accordance with the provisions of the Plan, the CCAA and the Claims Procedure Order and "Proven Claims" means all of them;

"Proxy" has the meaning ascribed thereto in Paragraph 8(e) of this Order;

"Proxy Deadline" has the meaning ascribed thereto in Paragraph 25 of this Order;

"Registration Form" has the meaning ascribed thereto in Paragraph 8(f) of this Order;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Resolution" has the meaning ascribed thereto in Paragraph 8(g) of this Order;

"Restructuring Claim" means any right or claim of any Person against the Petitioner in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Petitioner's disclaimer, resiliation, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Sanction Application" has the meaning ascribed thereto in Paragraph 43 of this Order;

"Sanction Hearing" means the Court hearing in respect of the Sanction Application;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Petitioner, acting reasonably;

"Scotia" means The Bank of Nova Scotia;

"Scotia Agreements" means (i) the "Restated Scotia Agreements" (as defined in the Application), and (ii) any and all other present and future agreements, instruments or documents now or in the future executed in Scotia's favour by the Petitioner or any other Person in respect of any of the Scotia Claims, all as may hereafter be amended, supplemented, replaced and/or restated;

"Scotia Claims" means any Claims of Scotia or any other past, present or future debts or obligations owing or to become owing by the Petitioner to Scotia, whether under the Scotia Agreements or otherwise;

"Secured Claim" means the Claim of a Secured Creditor, to the extent of the value of such Secured Creditor's security;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor's mortgage, hypothec, pledge, charge, lien, privilege, security interest or other rights over the property of the Petitioner was valid, opposable, perfected, and could be set up against third parties, including a trustee to the Petitioner's bankruptcy, on both the Filing Date and the Claims Bar Date, failing which that Secured Creditor will be deemed to be an **"Unsecured Creditor"**, as defined in the CCAA. For greater certainty, all purposes under the Plan, Scotia is a Secured Creditor;

"Service List" means the service list in the CCAA Proceedings;

"Unaffected Claim" means:

- any Employee Priority Claims;
- any Excluded Claims;
- any Gift Card Claims;
- any Insured Claims;
- any Post-Filing Trade Payables;
- any Crown Priority Claims; and
- any Secured Claims, including any Scotia Claims;

"Voting Claim" means, in respect of an Affected Creditor, the amount of such Affected Creditor's claim which has been accepted for voting purposes in accordance with the provisions of the Plan, the Claims Procedure Order and the CCAA, and includes, for greater certainty, a Proven Claim;

"Website" means <https://www.richter.ca/insolvencycase/stokes-inc/>.

**SCHEDULE “B” - CREDITOR LETTER
[STOKES LETTERHEAD]**

November ●, 2020

TO: Creditors of Stokes Inc. (“Stokes” or “we”)

Dear Sir/Madam:

Proposed Plan of Compromise and Arrangement

As you are aware, on February 18, 2020, Stokes filed for protection under the *Bankruptcy and Insolvency Act* and, Richter Advisory Group Inc. (the “**Monitor**”) was appointed as proposal trustee. On July 27, 2020, with the approval of the Court, our insolvency proceedings were continued under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”).

Since the beginning of our insolvency proceedings, we have worked tirelessly to restructure our affairs for the benefit of all stakeholders, including through the closure of underperforming stores, the implementation of cost-reduction measures, and negotiations with our key partners. We pursued our efforts in the face of the Covid-19 pandemic and are confident that the steps we have taken to restructure our business have best positioned us for the future.

With the assistance and support of the Monitor, Stokes developed the enclosed Plan of Compromise and Arrangement (the “**Plan**”). Stokes is pleased to present the Plan to its creditors. If approved by the creditors and sanctioned by the Court, the Plan will:

- Provide for the distribution of an aggregate amount of \$2.3 million to the creditors;
- Effect a compromise, settlement and payment of proven claims in an efficient and cost-effective fashion;
- Ensure our continued operations; and
- Resolve our CCAA proceedings with certainty and finality.

We firmly believe that the recoveries contemplated under the Plan are greater than the recoveries creditors would receive in a bankruptcy. Equally important, the Plan provides Stokes and its many stakeholders including employees, suppliers, customers and landlords with the continued opportunity to work and do business together.

The meeting of creditors to consider and vote on the Plan will be held virtually on **December 22, 2020 at 9:30 am (Eastern time)**, as more fully set forth in the Notice of Creditors’ Meeting and Sanction Hearing enclosed herewith. If the creditors approve the Plan at the creditors’ meeting, we expect to apply to the Court on or about **January 8, 2021**, for an order sanctioning the Plan. If the order is granted by the Court, we intend to remit the first instalment of the Aggregate Distribution, namely the amount of \$1 million to the Monitor on or before **February 28, 2021**, for distribution to the creditors as soon as possible.

We urge you to review the Plan and the Monitor’s report in connection therewith. You will note that the Monitor recommends that creditors vote in favour of the Plan. Please note that the deadline to provide your voting proxies to the Monitor is **December 18, 2020 at 5:00 PM** (Montréal time).

Additional information is available on the website that is maintained by the Monitor in respect of these CCAA proceedings at <https://www.richter.ca/insolvencycase/stokes-inc/>.

We thank you for your continued support, cooperation and confidence through our restructuring process. We hope that you will vote for the Plan.

Yours very truly,

Stokes Inc.

Per:

Mohammad Rahaman
Senior Vice-President of Finance and Administration

SCHEDULE "C" – NOTICE OF CREDITORS' MEETING AND SANCTION HEARING

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
COURT NO.: 500-11-057985-208

SUPERIOR COURT
(Commercial Division)
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act,
R.S.C. 1985, c. C-36, as amended)

IN THE MATTER OF THE PLAN OF COMPROMISE
AND ARRANGEMENT OF:

STOKES INC.

Petitioner

- and -

RICHTER ADVISORY GROUP INC.

Monitor

NOTICE TO THE CREDITORS OF STOKES INC.
OF
THE MEETING OF CREDITORS AND THE SANCTION HEARING

TAKE NOTICE THAT Stokes Inc. has filed a Plan of compromise and arrangement (the "**Plan**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**"), with Richter Advisory Group Inc. as the Monitor. Capitalized terms used and not otherwise defined in this Notice have the meaning ascribed to them in the Plan and in the Plan Filing and Meeting Order issued by the Superior Court of Québec (Commercial Division) (the "**CCAA Court**") on November 25, 2020 (the "**Meeting Order**").

TAKE FURTHER NOTICE THAT a general meeting of the creditors for the purpose of considering and approving the Plan **will be held on the 22nd day of December 2020, at 9:30 a.m.** (Montréal time) Given the current pandemic situation and the gathering restrictions issued by the authorities, the meeting will be held by videoconference.

We ask that **creditors who wish to attend the meeting complete the attached registration form** and return it by email to the following email address: claims@richter.com, **no later than 5:00 p.m. (Montréal time) on December 18, 2020.**

For creditors, or their representatives who have registered, you will receive a link by email, which will allow you to attend the meeting. Please note that only those who have registered will be able to attend the meeting.

The purpose of the Meeting is to:

- a) consider, and if deemed advisable, to pass, with or without variation, a resolution (the "**Resolution**") approving the Plan; and
- b) transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The Meetings are being held pursuant to the Meeting Order of the CCAA Court, which establishes the procedures for Richter Advisory Group Inc. (in such capacity and not in its personal or corporate capacity, the "Monitor") to call, hold and conduct the Meeting.

The Plan provides for the compromise of the Affected Claims. The quorum for the Meeting will be one Affected Creditor holding a Voting Claim (each such creditor, an "**Eligible Voting Creditor**") present in person or by proxy.

In order for the Plan to be approved and binding in accordance with the CCAA, the Resolution must be approved by a majority in number of Affected Creditors representing at least two-thirds in value of the Claims of Affected Creditors who actually vote (in person or by proxy) on the Resolution at the applicable Meeting (the "**Required Majority**").

All Eligible Voting Creditors are entitled to vote on the Plan. The votes cast by Creditors with Voting Claims as determined by the Monitor for voting purposes only in accordance with Paragraph 17 of the Claims Procedure Order will be separately tabulated by the Monitor. Holders of an Unaffected Claim will not be entitled to attend and vote at any Meeting.

Forms and Proxies for Affected Unsecured Creditors

Any Eligible Voting Creditor who is unable to attend the Meeting may appoint a proxy to vote on its behalf. A form of Proxy is included as part of the Meeting Materials being distributed by the Monitor to each Affected Creditor.

Proxies, once duly completed, dated and signed, must be sent by email to the Monitor, or if cannot be sent by email, delivered to the Monitor at the address of the Monitor as set out on the Proxy form. Proxies must be received by the Monitor by **no later than 5:00 p.m. (Montréal time) on December 18, 2020**.

Notice of Sanction Hearing

TAKE FURTHER NOTICE THAT that if the Plan is approved by the Required Majority of Affected Creditors at the Meeting, **the Petitioner intends to virtually bring the Sanction Application before the CCAA Court on or around January 8, 2020** (the "**Sanction Hearing**"). Time and the coordinates of the videoconference will be posted on the monitor's website and communicated to the Service List.

The Sanction Application will be seeking the granting of the Sanction Order sanctioning the Plan under the CCAA and for ancillary relief consequent upon such sanction. Any person wishing to oppose the Sanction Application for the Sanction Order must serve upon the parties on the Service List as posted on the Monitor's Website and file with the CCAA Court, a copy of the materials to be used to oppose the Sanction Order by no later than January 4, 2020 at 5:00 P.M. (Montréal Time), or, if applicable, four Business Days' prior to any adjourned or rescheduled Sanction Hearing.

This Notice is given by the Petitioner pursuant to the Meeting Order. Additional copies of the Meeting Materials, including the Plan and the Monitor's report thereon may be obtained from the Monitor's Website (<https://www.richter.ca/insolvencycase/stokes-inc/>), or by requesting one from the Monitor by email at claims@richter.ca.

Dated at Montreal, this ●rd day of November 2020.

Richter Advisory Group Inc.

Court-appointed Monitor

SCHEDULE "D" - PROXY

Richter Advisory Group Inc.
1981 McGill College Avenue
Montréal, Québec H3A 0G6
Fax: 514.934.8603
E-mail: claims@richter.ca

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
COURT NO. : 500-11-057985-208**

S U P E R I O R C O U R T
(Commercial Division)
(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act,
R.S.C. 1985, c. C-36, as amended)

**IN THE MATTER OF THE PLAN OF
COMPROMISE AND ARRANGEMENT OF:**

STOKES INC.

Petitioner

- and -

RICHTER ADVISORY GROUP INC.

Monitor

AFFECTED CREDITORS AND PROXY AND VOTING FORM

Before completing this Proxy, please read carefully the accompanying instructions for the proper completion and return of the form.

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Plan of Compromise and Arrangement of the Petitioner dated November 20, 2020 (as may be further amended, supplemented and/or restated from time to time, the "**Plan**") accepted for filing pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") with the Quebec Superior Court (the "**CCAA Court**") on November 25, 2020.

In accordance with the Plan, Proxies may only be filed by Affected Creditors having a Voting Claim (the "**Eligible Voting Creditors**").

PROXIES, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT BY EMAIL TO THE MONITOR, OR IF CANNOT BE SENT BY EMAIL, DELIVERED TO THE MONITOR BY NO LATER THAN 5:00 P.M. (EASTERN TIME) ON DECEMBER 18, 2020 (THE "PROXY DEADLINE").

THE UNDERSIGNED ELIGIBLE VOTING CREDITOR hereby revokes all proxies previously given, if any, and nominates, constitutes, and appoints Mr. Olivier Benchaya of Richter Advisory Group Inc., in its capacity as Monitor, or such Person as he, in his sole discretion, may designate or, instead of the foregoing, appoints:

Print name of proxy holder if wishing to appoint someone other than Mr. Olivier Benchaya

to attend on behalf of and act for the Eligible Voting Creditor at the Creditors' Meeting to be held in connection with the Plan and at any and all adjournments, postponements or other rescheduling

of the Creditors' Meeting, and to vote the dollar value of the Voting Claim as determined by and accepted for voting purposes in accordance with the Meeting Order and as set out in the Plan as follows:

A. (mark one only):

Vote **FOR** approval of the resolution to accept the Plan; or

Vote **AGAINST** approval of the resolution to accept the Plan.

If a box is not marked as a vote for or against approval of the Plan and Mr. Olivier Benchaya or his designate is appointed as proxy holder, this Proxy shall be voted for approval of the Plan.

- and -

B. Vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Eligible Voting Creditor with respect to any amendments or variations to the matters identified in the notice of the Creditors' Meeting and in this Plan, and with respect to other matters that may properly be presented at the Creditors' Meeting.

DATED AT _____, this _____ day of _____ 2020.

(Name of Eligible Voting Creditor)

Signature of authorized person
(indicate title or function, if any)

Signature of witness

(Please print name)

(Please print name)

INSTRUCTIONS FOR COMPLETION OF PROXY

This Proxy should be read in conjunction with the Plan of Compromise and Arrangement of the Applicant dated November 20, 2020 (as it may be amended, restated or supplemented from time to time, the "**Plan**") accepted for filing pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") with the Quebec Superior Court (the "**CCAA Court**") on November 25, 2020 and the Meeting Order. Capitalized terms used herein not otherwise defined shall have the meanings ascribed to them in the Plan.

Each Eligible Voting Creditor has the right to appoint a person (who need not be a Creditor) (a "**Proxy holder**") to attend, act and vote for and on behalf of such Eligible Voting Creditor and such right may be exercised by inserting the name of the Proxy holder in the blank space provided on the Proxy.

If no name has been inserted in the space provided to designate the Proxy holder on the Proxy, the Eligible Voting Creditor will be deemed to have appointed Mr. Olivier Benchaya of Richter Advisory Group Inc., in its capacity as Monitor (or such other Person as he, in his sole discretion, may designate), as the Eligible Voting Creditor's Proxy holder.

An Eligible Voting Creditor who has given a Proxy may revoke it by an instrument in writing executed by such Eligible Voting Creditor or by its attorney, duly authorized in writing or, if an Eligible Voting Creditor is not an individual, by an officer or attorney thereof duly authorized, and deposited with the Monitor in each case before the Proxy Deadline.

If this Proxy is not dated in the space provided, it shall be deemed to be dated as of the date on which it is received by the Monitor.

A valid Proxy from the same Eligible Voting Creditor bearing or deemed to bear a later date than this Proxy will be deemed to revoke this Proxy. If more than one valid Proxy from the same Eligible Voting Creditor and bearing or deemed to bear the same date are received by the Monitor with conflicting instructions, such Proxies shall not be counted for the purposes of the vote.

This Proxy confers discretionary authority upon the Proxy holder with respect to amendments or variations to the matters identified in the notice of the Meeting and in the Plan, and with respect to other matters that may properly come before the Meeting.

The Proxy holder shall vote the Eligible Voting Claim of the Eligible Voting Creditor in accordance with the direction of the Eligible Voting Creditor appointing him/her on any ballot that may be called for at the applicable Meeting. **IF AN ELIGIBLE VOTING CREDITOR FAILS TO INDICATE ON THIS PROXY A VOTE FOR OR AGAINST APPROVAL OF THE RESOLUTION TO ACCEPT THE PLAN, AND MR. OLIVIER BENCHAYA OR HIS DESIGNATE IS APPOINTED AS PROXY HOLDER, THIS PROXY WILL BE VOTED FOR THE RESOLUTION TO APPROVE THE PLAN, INCLUDING ANY AMENDMENTS, VARIATIONS OR**

SUPPLEMENTS THERETO. IF AN ELIGIBLE VOTING CREDITOR FAILS TO INDICATE ON THIS PROXY A VOTE FOR OR AGAINST APPROVAL OF THE RESOLUTION TO ACCEPT THE PLAN AND APPOINTS A PROXY HOLDER OTHER THAN MR. OLIVIER BENCHAYA OR HIS DESIGNATE, THE PROXY HOLDER MAY VOTE ON THE RESOLUTION AS HE OR SHE DETERMINES AT THE APPLICABLE MEETING.

If the Eligible Voting Creditor is an individual, this Proxy must be signed by the Eligible Voting Creditor or by a person duly authorized (by power of attorney) to sign on the Eligible Voting Creditor's behalf. If the Eligible Voting Creditor is a corporation, partnership or trust, this proxy must be signed by a duly authorized officer or attorney of the corporation, partnership or trust. If you are voting on behalf of a corporation, partnership or trust or on behalf of another individual at a Meeting, you must have been appointed as a proxy holder by a duly completed proxy submitted to the Monitor by the Proxy Deadline. You may be required to provide documentation evidencing your power and authority to sign this Proxy.

PROXIES, ONCE DULY COMPLETED, DATED AND SIGNED, MUST BE SENT BY EMAIL TO THE MONITOR, OR IF CANNOT BE SENT BY EMAIL, DELIVERED TO THE MONITOR BY NO LATER THAN 5:00 P.M. (MONTRÉAL TIME) ON DECEMBER 18, 2020 (THE "PROXY DEADLINE").

By email: claims@richter.ca

By mail or courier: RICHTER ADVISORY GROUP INC.
1981 McGill College Avenue
Montréal QC H3A 0G6

The Applicant and the Monitor are authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any Proxy is completed and executed, and may waive strict compliance with the requirements in connection with the deadlines imposed by the Amended and Restated Meeting Order.

SCHEDULE "E" – REGISTRATION FORM

Richter Advisory Group Inc.
1981 McGill College Avenue
Montréal, Québec H3A 0G6
Fax: 514.934.8603
E-mail: claims@richter.ca

REGISTRATION FORM TO THE CREDITORS' MEETING

In the Matter of the Plan of Compromise and Arrangement of: Stokes Inc.

Name of the creditor: _____

Name of the creditor's representative: _____

Email address: _____

Phone Number: _____

Signature: _____

Please note that to attend the creditors' meeting, you must send this form to the monitor by email to the following address: claims@richter.ca, no later than 5:00 p.m. (Montréal time) on December 18, 2020.

SCHEDULE “F” – FORM OF RESOLUTION

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act,
RSC 1985, c C-36)

No.: 500-11-057985-208

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

STOKES INC.

Debtor / Petitioner

-and-

RICHTER ADVISORY GROUP INC.

Monitor

RESOLUTION OF AFFECTED CREDITORS AT THE CREDITORS' MEETING

BE IT RESOLVED THAT:

1. the Plan of Compromise and Arrangement dated November 20, 2020 filed by the Petitioner under the Companies' Creditors Arrangement Act, RSC 1985, c C-36, as may be further amended, restated or supplemented from time to time in accordance with its terms (the "**Plan**"), which Plan has been presented to this Meeting, be and is hereby accepted, approved and authorized;
2. any director or officer of the Petitioner be and is hereby authorized, empowered and instructed, acting for, and in the name of and on behalf of the Petitioner, to execute and deliver, or cause to be executed and delivered, all such documents, agreements and instruments and to do or cause to be done all such other acts and things as such director or officer determines to be necessary or desirable in order to carry out the Plan, such determination to be conclusively evidenced by the execution and delivery by such directors or officers of such documents, agreements or instruments or the doing of any such act or thing.
3. notwithstanding that this Resolution has been passed and the Plan has been approved by the Affected Creditors and the Court, the directors of the Petitioner be and are hereby authorized and empowered to amend the Plan or not proceed to implement the Plan subject to and in accordance with the terms thereof.

SCHEDULE "G" - PLAN

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

SUPERIOR COURT
(Commercial Division)

(Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act,
RSC 1985, c C-36)

No.: 500-11-057985-208

**IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF:**

STOKES INC.

Debtor / Petitioner

-and-

RICHTER ADVISORY GROUP INC.

Monitor

PLAN OF COMPROMISE AND ARRANGEMENT

Under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36

November 20, 2020

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PLAN OF COMPROMISE AND ARRANGEMENT

WHEREAS

1. Stokes Inc. (the "**Applicant**") is insolvent;
2. On February 18, 2020, the Applicant filed a Notice of intention to make a proposal ("**NOI**") under the relevant provisions of the Bankruptcy and Insolvency Act, RSC 1985, c B-3 (the "**IA**"), and Richter Advisory Group Inc. ("**Richter**") was appointed as trustee thereto;
3. On July, 27, 2020, the Applicant obtained an Order (as may be further amended, restated or varied from time to time, the "**Initial Order**") of the Superior Court, sitting in the Commercial Division, in the judicial district of Montréal (the "**Court**"), continuing the Applicant's NOI proceedings under the Companies' Creditors Arrangement Act, RSC 1985, c C-36, as amended (the "**CCAA**");
4. Pursuant to the Initial Order, the Applicant has the authority to file with the Court a plan of compromise or arrangement with its creditors, which plan will provide, among other things, a method of distribution to Affected Creditors with Proven Claims and the framework for the completion of the CCAA Proceedings;
5. On September 25, 2020, the Applicant obtained an Order from the Court, which, among other things, provided for a claims process and set the Claims Bar Date (as may be further amended, restated or varied from time to time, the "**Claims Procedure Order**");
6. Pursuant to the Claims Procedure Order, the Court established a procedure which, among other things, required all Persons having an Affected Claim to file a proof of such Affected Claim with the Monitor on or before the Claims Bar Date; and
7. Defined terms used above and not otherwise defined have the meanings ascribed thereto below.

ARTICLE 1- INTERPRETATION

1.1 Definitions

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

"Administration Charge" has the meaning ascribed to such term in the Initial Order;

"Administration Claim" means a claim or any other indebtedness or obligation secured by the Administration Charge;

"Affected Claim" means any Claim other than an Unaffected Claim;

"Affected Creditor" means any Creditor with an Affected Claim, but only with respect to and to the extent of such Affected Claim.

"Aggregate Distribution" means the amount of \$2.3 Million to be distributed as set forth herein;

"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;

"Applicant" means Stokes Inc.;

"BIA" has the meaning ascribed thereto in the recitals;

"Business Day" means a day, other than a Saturday, a Sunday, or a holiday (as defined in article 82 of the Quebec Code of Civil Procedure, RSQ., c. C-25.01, as amended);

"CCAA Proceedings" means the CCAA proceedings in respect of the Applicant before the Court commenced, taken up and continued under the CCAA;

"CCAA" has the meaning ascribed thereto in the recitals;

"Certificate of Implementation" has the meaning set forth in Section 7.3 hereof;

"Certificate of Non-Implementation" has the meaning set forth in Section 7.4 hereof;

"Certificate of Performance" has the meaning set forth in Section 7.3 hereof;

"Claim" means any right of any Person against the Applicant in connection with any indebtedness, liability or obligation of any kind of the Applicant owed to such Person and any interest, or penalties accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person 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 is based in whole or in part on facts existing, or transactions which occurred, prior to the Filing Date, or which would have been claims provable in bankruptcy had the Applicant become bankrupt on the Filing Date, and shall include, without limitation, any Restructuring Claim and any Director/Officer Claim, and "Claims" means all of them. For greater certainty, "Claim" or "Claims" shall not include any Unaffected Claim;

"Claims Bar Date" means as set forth in the Claims Procedure Order 5:00 p.m. on November 9, 2020;

"Claims Procedure Order" has the meaning ascribed thereto in the recitals;

"Court" has the meaning ascribed thereto in the recitals;

"Creditor(s)" means any Person(s) having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person(s);

"Creditors' Meeting" means the meeting of Affected Creditors to be convened for the purposes of voting on the Plan, or any adjournment of such meeting, as contemplated by the Meeting Order;

"CRO" means FAAN Advisors Group Inc., acting in its capacity as chief restructuring advisor to the Applicant;

"Crown Priority Claims" means any Claims of Her Majesty the Queen in right of Canada or in right of any province as described in Section 6(3) or Section 38(2) of the CCAA. For greater certainty, any Claim of Her Majesty the Queen in right of Canada or in right of any Province other than Crown Priority Claims shall be an Affected Claim hereunder;

"Directors Charge" has the meaning ascribed to such term in the Initial Order;

"Director/Officer 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 the right or ability of any Person 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, including any right of contribution or indemnity, 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.

"Directors" means all of the Applicant's past and present directors as well as any Persons who were or are deemed to be directors of the Applicant pursuant to any applicable Laws;

"Disputed Claim" means a Claim or that portion thereof that is the object of a Notice of Revision or Disallowance and, in either case, has not become a Proven Claim in accordance with the Claims Procedure Order, the Meeting Order, or any other Order made in the CCAA Proceedings;

"Disputed Claims Reserve(s)" means the cash reserve(s) to be established and maintained under the Plan by the Monitor by holding, on account of Disputed Claims, an amount equal to the aggregate amount that the holders of Disputed Claims would be entitled to receive if all such Disputed Claims had been Proven Claims as of any Payment Date, which cash reserve shall be held by the Monitor for distribution in accordance with the Plan;

"Distribution" has the meaning set forth in Section 5.2 hereof;

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

"Employee" means anyone who is or was or may be deemed to be or have been, whether by statute, operation of law or otherwise, a current or former employee of the Applicant whether on a full-time, part-time or temporary basis, other than a Director or Officer, including any individuals on disability leave, parental leave or other absence;

"Employee Priority Claims" means the following Claims of Employees of the Applicant:

- (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 Applicant had become bankrupt on the Filing Date; and
- (b) Claims for unpaid wages, salaries, commissions or compensation for services rendered by such Employees 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;

"Excluded Claim" means any right or claim that would otherwise be a Claim that is:

- (a) a Claim enumerated in sections 5.1(2) and 19(2) of the CCAA; and
- (b) a Claim secured by the Administration Charge and any indemnity claims of Directors that are secured by the Directors' Charge;

"Filing Date" means February 18, 2020, being the date on which the Applicant commenced proceedings under the BIA, which proceedings were subsequently taken up and continued by the CCAA Proceedings under the CCAA;

"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 or motion for leave to appeal and as to which Order any appeal periods relating thereto shall have expired;

"Gift Card Claim" means any claim with respect to gift-cards, gift certificates, lay-away deposits and other customer certificates;

"Governmental Authority" means any (i) multinational, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Implementation Date Released Party" and **"Implementation Date Released Parties"** have the meanings set forth in Section 6.1 hereof;

"Initial Order" has the meaning ascribed thereto in the recitals;

"Insurance Policy" means any insurance policy maintained by the Applicant pursuant to which the Applicant or any Director or Officer is insured.

"Insured Claim" means all or that portion of a Claim arising from a cause of action for which the applicable insurer or a court of competent jurisdiction has definitively and unconditionally confirmed that the Applicant or any Director or Officer is insured under an Insurance Policy, to the extent that such Claim, or portion thereof, is so insured;

"Meeting Order" means the Order under the CCAA that, among other things, sets the date for the Creditors' Meeting, as same may be amended, restated or varied from time to time;

"Monitor" means Richter Advisory Group Inc., in its capacity as Court-appointed monitor of the Applicant and not in its personal or corporate capacity;

"Notice of Revision or Disallowance" has the meaning as set forth in the Claims Procedure Order;

"Officers" means all of the Applicant's past and present officers as well as any Persons who were or are deemed to be officers of the Applicant pursuant to any applicable Laws;

"Order" means any order of the Court in the CCAA Proceedings;

"Payment Dates" have the meaning set forth in Section 3.4 hereof;

"Person" means any individual, corporation, limited or unlimited liability Applicant, general or limited partnership, association, trust, trustee, executor, administrator, legal personal representative, estate, unincorporated organization, joint venture, governmental body or agency, or any other entity;

"Plan Implementation Conditions" has the meaning set forth in Section 7.1 hereof;

"Plan Implementation Date" means the Business Day on which all of the Plan Implementation Conditions have fulfilled or waived and the Plan has become effective, as evidenced by the Certificate of Implementation, to be filed with the Court;

"Plan" means the present Plan of Compromise and Arrangement of the Applicant pursuant to the provisions of the CCAA, as may be amended, varied or supplemented by the Applicant from time to time in accordance with its terms;

"Plan Performance Released Party" and "Plan Performance Released Parties" have the meanings set forth in Section 6.2 hereof;

"Post-Filing Trade Payables" means trade payables that were incurred by the Applicant (a) in respect of goods or services provided to the Applicant 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;

"Proof of Claim" has the meaning set forth in the Claims Procedure Order;

"Proven Claim" means, in respect of a Creditor, the amount of the Claim of such Creditor as finally determined for distribution purposes in accordance with the provisions of the Plan, the CCAA and the Claims Procedure Order and "Proven Claims" means all of them;

"Released Parties" means collectively the Implementation Date Released Parties and the Plan Performance Released Parties;

"Required Majority" means a majority in number of the Affected Creditors representing not less than 66-2/3% in value of the Voting Claims of such Affected Creditors who actually vote (in person or by proxy) at the Creditors' Meeting in accordance with the Plan and the Meeting Order;

"Restructuring Claim" means any right or claim of any Person against the Applicant in connection with any indebtedness or obligation of any kind owed to such Person arising out of the Applicant's disclaimer, resiliation, termination of any contract, lease or other agreement whether written or oral, and includes any right or claim resulting, directly or indirectly, from the consequences and effects of the Plan's acceptance by the Affected Creditors, the Plan's sanction by the Sanction Order, the Plan's implementation and any debt forgiveness resulting from any of the foregoing; provided, however, that a Restructuring Claim shall not include an Excluded Claim. For greater certainty, a Restructuring Claim is an Affected Claim;

"Sanction Date" means the date on which the Sanction Order is issued;

"Sanction Order" means the Order to be made under the CCAA sanctioning the Plan, as such Order may be affirmed, amended or modified by the Court at any time prior to the Plan Implementation Date, in form and content which is satisfactory to the Applicant, acting reasonably;

"Scotia" means The Bank of Nova Scotia;

"Scotia Agreements" means (i) the "Restated Scotia Agreements" (as defined in the "Application" leading to and as defined in the Initial Order), and (ii) any and all other present and future agreements, instruments or documents now or in the future executed in Scotia's favour by the Applicant or any other Person in respect of any of the Scotia Claims, all as may hereafter be amended, supplemented, replaced and/or restated;

"Scotia Claims" means any Claims of Scotia or any other past, present or future debts or obligations owing or to become owing by the Applicant to Scotia, whether under the Scotia Agreements or otherwise;

"Secured Claim" means the Claim of a Secured Creditor, to the extent of the value of such Secured Creditor's security;

"Secured Creditor" has the meaning set forth in the CCAA, but only to the extent that such Creditor's mortgage, hypothec, pledge, charge, lien, privilege, security interest or other rights over the property of the Applicant was valid, opposable, perfected, and could be set up against third parties, including a trustee to the Applicant's bankruptcy, on both the Filing Date and the Claims Bar Date, failing which that Secured Creditor will be deemed to be an "Unsecured Creditor", as defined in the CCAA. For all purposes under the Plan, Scotia is a Secured Creditor;

"Taxes" means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land transfer, personal property, ad valorem, transfer, licence, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, antidumping, countervail, excise, severance, stamp, occupation, or premium tax, (ii) all withholdings on amounts paid to or by the relevant Person, (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (iv) any fine, penalty, interest, or addition to tax, (v) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency, or fee, and (vi) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

"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;

"Unaffected Claim" means:

- (a) any Employee Priority Claims;
- (b) any Excluded Claims;
- (c) any Gift Card Claims;
- (d) any Insured Claims;
- (e) any Post-Filing Trade Payables;
- (f) any Crown Priority Claims; and
- (g) any Secured Claims, including any Scotia Claims;

"Undelivered Distribution" has the meaning set forth in Section 5.7 hereof;

"Voting Claim" means, in respect of an Affected Creditor, the amount of such Affected Creditor's claim which has been accepted for voting purposes in accordance with the provisions of the Plan, the Claims Procedure Order and the CCAA, and includes, for greater certainty, a Proven Claim;

"Website" means <https://www.richter.ca/insolvencycase/stokes-inc/>.

1.2 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, modified, or supplemented;
- (c) all references in the Plan to Sections are references to Sections of the Plan;
- (d) unless otherwise specified, the words "hereof", "herein" and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan;
- (e) 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;
- (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; and
- (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.

1.3 Date and Time For Any Action

For the purposes of the Plan:

- (a) In the event that any date (including any Payment Date) on which any action (including any payment) is required to be taken under the Plan by any of the parties is not a Business Day, that action (including any payment) shall be required to be taken on the next succeeding day which is a 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.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is:

- (a) to effect a compromise and settlement of all Affected Claims as finally determined for voting and distribution purposes pursuant to the Claim Procedure Order and the Meeting Order in an efficient and streamlined fashion; and
- (b) to ensure the continued operations of the Applicant,

in the expectation that the Persons who have a valid economic interest in the Applicant will derive a greater benefit from the implementation of the Plan than they would derive from a bankruptcy of the Applicant.

2.2 Persons Affected

Except as specifically provided for in the Plan, the Plan will become effective on the Plan Implementation Date in accordance with its terms, and all Affected Claims against the Applicant will be fully and finally, settled, compromised and released to the extent provided for under the Plan. The Plan shall be binding on and enure to the benefit of the Applicant, the Affected Creditors, the Plan Implementation Released Parties, the Plan Performance Released Parties, any trustee, agent or other Person acting on behalf of any Affected Creditor and such other Persons named or referred to in, receiving the benefit of, or subject to, the Plan.

2.3 Persons Not Affected

Except as otherwise set out in the Plan, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims, subject to the express provisions hereof providing for the treatment of Insured Claims. Nothing in the Plan shall affect the Applicant'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 Scotia Not Affected

Without restricting the generality of Section 2.3:

- (a) neither the Plan, the Claims Procedure Order, the Claims Bar Date, nor the Sanction Order will, in any manner or under any circumstances whatsoever, affect Scotia or the Scotia Claims;
- (b) the Scotia Agreements will be and remain valid and enforceable and completely unaffected by the Plan or the Sanction Order and Scotia will, at all times and under all circumstances whatsoever, be fully entitled to exercise all of its rights, remedies and recourses under the Scotia Agreements; and
- (c) nothing in the Plan, in general, or in Section 6.2 hereof, in particular, will constitute any release or discharge of any Plan Performance Released Parties for any present or future debt liability or obligation of whatever nature which any Plan Performance Released Party may, presently or in the future, owe to Scotia.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, the Plan and any further Order of the Court.

3.2 Classification of Creditors

There shall only be one class of Affected Creditors for the purpose of voting on, and receiving distributions pursuant to the Plan.

3.3 Claims of Affected Creditors

Affected Creditors shall:

- (a) prove their Affected Claims in accordance with the Claims Procedure Order and the CCAA;
- (b) be entitled to vote their Voting Claims at the Creditors' Meeting in accordance with the Meeting Order and the CCAA in respect of the Plan; and
- (c) receive the rights and distributions provided for under and pursuant to the Plan and the Sanction Order and in accordance with the CCAA.

3.4 Treatment of Affected Claims

By no later than each of the payment dates hereafter set forth (collectively the "**Payment Dates**" or individually a "**Payment Date**"), the aggregate sum of \$2.3 Million, without any interest whatsoever thereon, shall be paid by the Applicant to the Monitor and shall thereafter be distributed by the Monitor to the Affected Creditors, according to the amount of their respective Proven Claims as hereafter set forth, namely:

- (a) by no later than February 28, 2021, \$1 Million shall be paid by the Applicant to the Monitor, which shall thereafter be distributed by the Monitor as follows:
 - (i) an amount equal to the lesser of (A) \$2,000, or (B) the amount of the Proven Claim of each Affected Creditor, shall be distributed by the Monitor to the Affected Creditors; and
 - (ii) an amount equal to the difference between (A) \$1 Million, and (B) the aggregate amount to be distributed by the Monitor pursuant to Section 3.4(a)(i) above, shall be distributed by the Monitor to the Affected Creditors on a pro rata basis, according to the amounts of their respective Proven Claims, less any amounts received in respect of the amounts set forth in Section 3.4(a)(i) above;
- (b) by no later than February 28, 2022, \$750,000 shall be paid by the Applicant to the Monitor, which shall thereafter be distributed by the Monitor to the Affected Creditors on a pro rata basis, according to the amounts of their respective Proven Claims, less any amounts received in respect of the distribution under Section 3.4(a) hereof;
- (c) by no later than February 28, 2023, \$550,000 shall be paid by the Applicant to the Monitor, which shall thereafter be distributed by the Monitor to the Affected Creditors on a pro rata basis, according to the amounts of their respective Proven Claims, less any amounts received in respect of the distribution under Sections 3.4(a) and 3.4(b) hereof;

3.5 Extension of Payment Dates

Any or all of the Payment Dates may be extended by the Company with the consent of the Monitor, by additional periods not exceeding, in each case, 120 days. On application by the Company or the Monitor made prior to a Payment Date or, if applicable, prior to the expiry of any extension thereof as described above, the Court may issue Orders extending (or further extending) any or all of the Payment Dates for any additional period(s) deemed appropriate by the Court in the then existing circumstances.

3.6 Claims of Unaffected Creditors

Unaffected Claims shall not be compromised, released, discharged, cancelled, barred or otherwise affected by the Plan. Unaffected Creditors will not receive any consideration or distributions under the Plan in respect of their Unaffected Claims, and they shall not be entitled to vote on the Plan at the Creditors' Meeting in respect of their Unaffected Claims.

The following treatment shall be afforded to specific categories of Unaffected Claims:

- (a) All Employee Priority Claims, if any, will be paid in such amounts as required under the CCAA immediately after the Sanction Date.
- (b) The Excluded Claims will remain in full force and effect in accordance with their terms after the Plan Implementation Date, and will be paid in full by the Applicant in the normal course of its business as and when they become due.
- (c) The Gift Card Claims will be honored in accordance with the terms of the relevant policies in respect of same.
- (d) Insured Claims shall not be compromised, released, discharged, cancelled or barred 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 proceeds of the applicable Insurance Policies, 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 any Person, including any of the Applicant, Director or Officer, or any of 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. This section 3.6(d) may be relied upon and raised or pled by any of the Applicant, a Director or Officer, or any Released Party in defence or estoppel of or to enjoin or stay any claim, action or proceeding brought in contravention of this section. Nothing in the Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insurer in respect of an Insurance Policy or any insured in respect of an Insured Claim.
- (e) The Post-Filing Trade Payables will be paid in full by the Applicant in the normal course of its business as and when they become due.

- (f) The Crown Priority Claims described in Section 6(3) of the CCAA, if any, will be paid in full by the Applicant within 6 months immediately following the Sanction Date.
- (g) The Secured Claims (other than the Administration Claim) will be dealt with as provided for under agreements entered into or as may be hereafter entered into between the Applicant and the relevant Secured Creditor, or as may be ordered by the Court.
- (h) Without restricting the generality of Section (g) hereof, the Scotia Claims will be dealt with as provided for under the Scotia Agreements.

3.7 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 and vote at the Creditors' Meeting are those specified in the Meeting Order.

3.8 Voting

Each Affected Creditor 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.

3.9 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 Applicant, 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.

3.10 Approval by Affected Creditors

The Applicant will seek approval of the Plan by the affirmative vote of the Required Majority, as set forth at the Meeting Order. The result of any vote will be binding on all Affected Creditors, whether or not any such Affected Creditor is present and voting (in person or by proxy) at the Creditors' Meeting.

3.11 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 shall be entitled to any greater rights than the Person whose Claim is compromised under the Plan.

3.12 Compensation and Set-Off

The law of compensation and set-off applies to all Claims.

ARTICLE 4 TREATMENT OF DISPUTED CLAIMS

4.1 No Distributions Pending Allowance

Notwithstanding any other provision of the Plan, no distributions of the Aggregate Distribution hereunder shall be made by the Monitor with respect to a Disputed Claim unless and until it has become a Proven Claim. Disputed Claims shall be dealt with in accordance with the Claims Procedure Order and the Plan.

4.2 Distribution From the Disputed Claims Reserve

Prior to each Distribution, the Monitor shall establish the Disputed Claims Reserve in accordance with the Plan. To the extent that Disputed Claims become Proven Claims, the Monitor shall, from time to time at its sole discretion, distribute from the Disputed Claims Reserve to the holders of such Proven Claims, the amount which they would have been entitled to receive in respect of such Proven Claims had such Claims been Proven Claims on any relevant date(s) of Distribution. On the date that all Disputed Claims have been finally resolved in accordance with the Claims Procedure Order, the Monitor shall, at any time which it deems appropriate in the circumstances, distribute any balance remaining in the Disputed Claims Reserve to the Affected Creditors with Proven Claims, on a pro rata basis.

ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS

5.1 Distribution to Affected Creditors

Distributions shall be made by the Monitor (i) at the addresses set forth on the Proof of Claim form filed by the Affected Creditors, (ii) at the addresses set forth in any written notice of address change delivered to the Monitor after the date of any related Proof of Claim.

5.2 Timing of Distributions

Except as otherwise provided herein or as ordered by the Court, distributions of the Aggregate Distribution shall be made by the Monitor at the time and in the manner deemed reasonable by the Monitor, including partial distributions (each, a "**Distribution**"). In such a case, all such partial payments shall represent the pro rata amount of the distribution to which the holders of a Proven Claim would otherwise be entitled to receive.

5.3 Assignment of Claims 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 Applicant 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.

5.4 Assignment of Claims After the Creditors' Meeting

An Affected Creditor may transfer or assign the whole of its Claim for distribution purposes after the Creditors' Meeting provided that the Applicant 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 no later than 5:00 p.m. on the date that is five (5) days prior to any Distribution; 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 taken in respect of such Claim.

5.5 Interest and Expenses

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.

5.6 Calculation

All amounts of consideration to be received hereunder will be calculated to the nearest cent (\$0.01). All calculations and determination made by the Monitor and/or the Applicant and agreed to by the Monitor for the purposes of and in accordance with the Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Applicant.

5.7 Treatment of Undelivered Distributions

If any distribution to an Affected Creditor is returned as undeliverable, or is not cashed ("**Undelivered Distribution**"), no further distributions to such Creditor shall be made unless and until the Monitor is notified in writing of the then-current address of such Creditor, at which time all missed distributions shall be made to such Creditor. Nothing contained in the Plan or the Sanction Order shall require the Applicant or the Monitor to attempt to locate any Person to whom a distribution is payable hereunder. No interest is

payable in respect of an Undelivered Distribution. Any claim for an Undelivered Distribution must be made on or before the date that is 3 months following the final Payment Date, after which date, any entitlement with respect to such Undelivered Distribution shall be forever discharged and forever barred, without any compensation therefor, at which time, any such Undelivered Distributions shall be returned to the Applicant.

5.8 Tax Matters

- (a) Any terms and conditions of any Affected Claims which purport to deal with the ordering 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, and except as otherwise provided in this Section 5.8, 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 the Applicant such documentation prescribed by Applicable Law or otherwise reasonably required by the Applicant as will enable the Applicant 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 the Monitor 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 6 RELEASES

6.1 Releases upon Plan Implementation

At the Effective Time, (i) the Applicant's legal counsel, CRO, financial advisors, consultants and agents, (ii) the Monitor, the Monitor's legal counsel, and (iii) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, employee, consultant and agent of any of the foregoing Persons (collectively the "**Implementation Date Released Parties**"), shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor, Unaffected Creditor, or any 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 act or 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 constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of the Applicant, the Plan and the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by Applicable Law.

6.2 Releases upon Plan Performance

Effective upon the issuance by the Monitor of the Certificate of Performance, each of :

- (a) the Applicant; and
- (b) the Directors and Officers and employees of the Applicant,

(each a "**Plan Performance Released Party**" and collectively the "**Plan Performance Released Parties**") shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person (including any Secured Creditor other than Scotia in respect of each Plan Performance Released Party, except the Applicant and solely in respect to its Secured Claim), may be entitled to assert (including any and all Claims in respect of statutory liabilities and any Director/Officer Claims of all Directors and Officers and employees of the Applicant and any alleged fiduciary or other duty), whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, 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 constitute or are in any way relating to, arising out of or in

connection with any Claims, the business and affairs of the Applicant, the Plan and the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be forever waived and released (other than the right to enforce the Applicant's obligations under the Plan or any related document), all to the fullest extent permitted by Applicable Law, provided that nothing herein shall release or discharge (i) the Directors with respect to matters set out in Section 5.1(2) of the CCAA, (ii) the Applicant from and in respect of any Unaffected Claim.

6.3 Limitation on Insured Claims

Notwithstanding anything to the contrary in section 6.2, Insured Claims shall not be compromised, released, discharged, cancelled or barred 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 proceeds of the applicable Insurance Policies, and Persons with an Insured Claim shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries in respect thereof from the Applicant, any Director or Officer, or any other Released Party, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies.

6.4 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 IMPLEMENTATION OF THE PLAN

7.1 Application for Sanction Order

If the Required Majority of the Affected Creditors approved the Plan, the Applicant may apply for the Sanction Order on or about January 8, 2021 or such later date as may be determined to by the Applicant, in consultation with the Monitor, or such other day that the Court may set.

7.2 Conditions Precedent to Implementation of Plan

The implementation of the Plan shall be conditional upon the fulfillment of the following conditions precedent (the "**Plan Implementation Conditions**") by the date specified therefor:

- (a) the Plan shall have been approved by the Required Majority of Affected Creditors at the Creditors Meeting;

- (b) the Sanction Order shall have been granted by the Court by January 30, 2021, or such later date as shall be acceptable to the Applicant, in consultation with the Monitor; and
- (c) unless otherwise agreed to by the Applicant and the Monitor, the Sanction Order shall have become a Final Order;

upon satisfaction of the foregoing Plan Implementation Conditions by the date specified therefor, the Applicant shall provide to the Monitor written notice confirming same.

7.3 Monitor's Certificates

- (a) Upon receipt by the Monitor of written notice from the Applicant of the fulfillment of all of the Plan Implementation Conditions (or waiver thereof, as the case may be), as set out in section 7.2 of the Plan, the Monitor shall issue and file with the Court a certificate to such effect (the "Certificate of Implementation"), and shall post a copy of same on the Website.
- (b) Forthwith upon receipt of the Aggregate Distribution by the Monitor, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Performance**").

7.4 Nullity of Plan

In the event that all of the Plan Implementation Conditions have not occurred and/or been fulfilled (or waived, as the case may be) as set forth in section 7.2 hereof, the Monitor shall issue and file with the Court a certificate to such effect (the "**Certificate of Non-Implementation**"). Upon the issuance of such Certificate of Non Implementation, any settlement of the Affected Claims shall automatically become null, void and of no effect whatsoever and shall remain owing by the Applicant and neither the Applicant, the Affected Creditors, the Monitor nor any other Person affected by the Plan shall be bound, obliged or affected by any of the provisions of the Plan.

ARTICLE 8 GENERAL

8.1 Binding Effect

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

- (a) the Plan will become effective at the Effective Time;
- (b) The treatment of Claims under the Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Applicant, all Affected Creditors, the Released Parties, and all other Persons or parties directly or indirectly named or referred to in or subject to Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

- (c) all Affected Claims shall be forever discharged and released;
- (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 Applicant and to the Released Parties, as applicable, all consents, releases, 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 Applicant all statements, notices, declarations and notifications, statutory or otherwise, required to implement and carry out the Plan in its entirety.

8.2 Claims Bar Date

Nothing in the 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.

8.3 Currency

Unless specifically provided for in the Plan or the Sanction Order, all monetary amounts referred to in the Plan shall be denominated in Canadian dollars and, for the purposes of distributions under the Plan, Claims shall be denominated in Canadian dollars and all payments and distributions provided for in the Plan shall be made in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily exchange rate in effect at the Filing Date.

8.4 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between the Plan and/or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, mortgage, security agreement, and/or indenture, trust indenture, loan agreement, commitment letter, agreement for sale, the by-laws of the Applicant, lease or other agreement, undertaking or any other source of obligations, 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 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. For greater certainty, all Affected Creditors shall be deemed irrevocably for all purposes to consent to all transactions contemplated in and by the Plan.

8.5 Waiver of Defaults

From and after the Plan Implementation Date, 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, or arising, directly or indirectly from non-compliance with any covenant, positive or negative pledge, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Applicant arising from the Applicant's insolvency, the Applicant's filing a notice of intention to make a proposal under the BIA, the filing by the Applicant under the CCAA or the transactions contemplated by the Plan or otherwise, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith shall be deemed to have been rescinded, provided that nothing 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.

8.6 Modification of Plan

The Applicant:

- (a) in consultation with the Monitor, reserves the right, at any time and from time to time, to make any amendment, restatement, modification or supplement to, the Plan at or before the Creditors' Meeting, in which case any such amendment, restatement, modification or supplement, shall, for all purposes, be and be deemed to form part of and be incorporated into the Plan. The Applicant shall file any supplementary plans with the Court as soon as practicable. The Applicant shall give notice to Affected Creditors of the details of any such modification, amendment or supplement at the Creditors' Meeting prior to the vote being taken to approve the Plan. The Applicant may give notice of a proposed modification, amendment or supplement to the Plan at or before the Creditors' Meeting by notice which shall be sufficient if given to those Affected Creditors present at such meeting in person or by proxy; and/or
- (b) after the Creditors' Meeting (and both prior to and subsequent to the obtaining of the Sanction Order), the Applicant may, with the consent of the Monitor, at any time and from time to time vary, amend, modify or supplement the Plan, without the need for obtaining an Order of the Court or providing notice to the Affected Creditors if the Monitor determines that such variation, amendment, modification or supplement would not be materially prejudicial to the interests of the Affected Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. All of the foregoing shall not require any further vote by or approval by the Affected Creditors or any approval by the Court.

8.7 Deeming Provisions

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

8.8 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Section 38 and Sections 95 through 101 of the BIA and any other federal and provincial law relating to preferences, fraudulent conveyances, transfers at undervalue or paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of the Applicant, 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.

8.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Applicant and not in its personal or corporate capacity and will not be responsible or liable for any responsibilities or obligations of the Applicant under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by any Creditor or any other Person pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order, the Sanction Order and any other Orders.

8.10 Limitations of Liability

The Monitor, its legal counsel, the Applicant's legal counsel and the CRO, shall not be liable to any Person for any act or omission in connection with, or arising out of, the CCAA Proceedings, the Plan, the pursuit of sanctioning of the Plan, the consummation and implementation of the Plan or the administration of the Plan or the funds to be distributed under the Plan, except for their own wilful misconduct or gross negligence.

8.11 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 facsimile or email addressed to the respective parties as follows:

If to the Applicant:

c/o Stokes Inc.
5660 Ferrier Street
Montréal QC H4P 1M7

Attention: Mohammad Rahaman
Fax: (514) 341-1081
Email: mrahaman@stokes.com

with a copy to:

Osler Hoskin & Harcourt LLP
1000 De La Gauchetière Street West
Suite 2100
Montréal QC H3B 4W5

Attention: Sandra Abitan / Julien Morissette / Ilia Kravtsov
Fax: (514) 904-8101
Email: sabitan@osler.com / jmorissette@osler.com / ikravtsov@osler.com

If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

If to the Monitor:

Richter Advisory Group Inc.
1981 McGill College Avenue
Montréal, Québec H3A 0G6

Attention: Olivier Benchaya / Marc-Vincent Caillé / Magali Dumouchel
Fax: (514) 934-3408
Email: obenchaya@richter.ca / mvcaille@richter.ca / mdumouchel@richter.ca

with a copy to:

Stikeman Elliott LLP
1155 René-Lévesque Boulevard West
Suite 4100
Montréal, Québec H3B 3V2

Attention: Joseph Reynaud / Vincent Lanctôt-Fortier
Fax: (514) 397-3222
Email: jreynaud@stikeman.com / vlanctotfortier@stikeman.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 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. (Montréal 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.

Any notices or communication to be made or given hereunder by the Monitor or the Applicant to a Creditor may be sent by fax, e-mail, ordinary mail, registered mail, courier or facsimile transmission to the e-mail address, address or fax number specified by such

Creditor in its Proof of Claim, or in any subsequent written notice of change of address given to the Monitor. A Creditor shall be deemed to have received any document sent pursuant to the Plan four (4) Business Days after the document is sent by ordinary or registered mail and on the Business Day immediately following the day on which the document is sent by courier, fax or e-mail.

8.12 Severability

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 the Applicant which request shall be made in consultation with the Monitor, shall 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 as of and with effect from the Plan Implementation Date; or
- (b) alter and interpret such term or provision to make it valid and 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 severing, holding, alteration or interpretation, and provided the Applicant 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 severing, holding, alteration or interpretation.

8.13 Revocation, Withdrawal or Non-Consummation

The Applicant, upon consultation with the Monitor, reserves the right to revoke or withdraw the Plan at any time prior to the Sanction Date and to file subsequent plans of arrangement and compromise. If the Applicant revokes or withdraws the Plan, or if the Sanction Order is not issued:

- (a) the Plan shall be null, void and inoperative in all respects;
- (b) any Claim, any settlement or compromise embodied in the Plan (including the fixing or limiting of any Claim to an amount certain), assumption or termination by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null, void and inoperative; and
- (c) nothing contained in the Plan, and no act 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 the Applicant or any other Person;
 - (ii) prejudice in any manner the rights of the Applicant or any Person in any further proceedings involving the Applicant; or

(iii) constitute an admission of any sort by the Applicant or any other Person.

8.14 Further Assurances

Each of the Persons directly or indirectly named or referred to in or subject to 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.

8.15 Governing Law

The Plan shall be governed by and construed in accordance with the law of the Province of Quebec and the federal laws of Canada applicable therein. Any questions as to the interpretation 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.

8.16 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 permitted assigns of the Applicant, the Directors and Officers, the Affected Creditors or any other Persons affected by or benefiting from the provisions of the Plan.

8.17 French Translation

In the event of any discrepancy between any of the provisions of the English language version of the Plan and any French translation thereof, the provisions of the English version of the Plan shall, under all circumstances, prevail and govern.

8.18 Choice of Language

The Applicant acknowledges that it has required that the Plan and all related documents be prepared in English. *La Compagnie reconnaît avoir exigé que ce Plan et tous les documents connexes soient rédigés en anglais.*

DATED as of the 20th day of November, 2020.