

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

AMENDED PLAN OF COMPROMISE AND ARRANGEMENT

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

~~November 20~~ December 11, 2020

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION.....	<u>12</u>
1.1 Definitions.....	<u>12</u>
1.2 Interpretation.....	8
1.3 Date and Time For Any Action.....	<u>89</u>
ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN.....	9
2.1 Purpose.....	9
2.2 Persons Affected.....	<u>910</u>
2.3 Persons Not Affected.....	<u>910</u>
2.4 Scotia Not Affected.....	<u>910</u>
ARTICLE 3 CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS.....	10
3.1 Claims Procedure.....	10
3.2 Classification of Creditors.....	<u>101</u>
3.3 Claims of Affected Creditors.....	<u>101</u>
3.4 Treatment of Affected Claims.....	<u>101</u>
3.5 Extension of Payment Dates.....	<u>112</u>
3.6 Claims of Unaffected Creditors.....	<u>112</u>
3.7 Creditors' Meeting.....	<u>123</u>
3.8 Voting.....	<u>123</u>
3.9 Procedure for Valuing Voting Claims.....	13
3.10 Approval by Affected Creditors.....	13
3.11 Guarantees and Similar Covenants.....	<u>134</u>
3.12 Compensation and Set-Off.....	<u>134</u>
ARTICLE 4 TREATMENT OF DISPUTED CLAIMS.....	<u>134</u>
4.1 No Distributions Pending Allowance.....	<u>134</u>
4.2 Distribution From the Disputed Claims Reserve.....	<u>134</u>
ARTICLE 5 PROVISIONS REGARDING DISTRIBUTIONS.....	14
5.1 Distribution to Affected Creditors.....	14
5.2 Timing of Distributions.....	14
5.3 Assignment of Claims Prior to the Creditors' Meeting.....	<u>145</u>
5.4 Assignment of Claims After the Creditors' Meeting.....	<u>145</u>
5.5 Interest and Expenses.....	<u>145</u>
5.6 Calculation.....	15
5.7 Treatment of Undelivered Distributions.....	<u>156</u>
5.8 Tax Matters.....	<u>156</u>
ARTICLE 6 RELEASES.....	<u>167</u>
6.1 Releases upon Plan Implementation.....	<u>167</u>
6.2 Releases upon Plan Performance.....	<u>167</u>
6.3 Limitation on Insured Claims.....	<u>178</u>
6.4 Injunctions.....	<u>178</u>

ARTICLE 7 IMPLEMENTATION OF THE PLAN	178
7.1 Application for Sanction Order	178
7.2 Conditions Precedent to Implementation of Plan	18
7.3 Monitor's Certificates	189
7.4 Nullity of Plan	189
ARTICLE 8 GENERAL	189
8.1 Binding Effect	189
8.2 Claims Bar Date	1920
8.3 Currency	1920
8.4 Paramountcy	1920
8.5 Waiver of Defaults	20
8.6 Modification of Plan	201
8.7 Deeming Provisions	201
8.8 Sections 38 and 95 to 101 BIA	21
8.9 Responsibilities of the Monitor	21
8.10 Limitations of Liability	212
8.11 Notices	212
8.12 Severability	23
8.13 Revocation, Withdrawal or Non-Consummation	234
8.14 Further Assurances	234
8.15 Governing Law	24
8.16 Successors and Assigns	245
8.17 French Translation	245
8.18 Choice of Language	245

AMENDED 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 "**BIA**"), 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;
7. On November 20, 2020, the Applicant filed a plan of compromise and arrangement under the CCAA (the "**Original Plan**");
8. On November 25, 2020, the Court issued the Meeting Order in respect of the Original Plan, *inter alia*, authorizing the Applicant to hold the Creditors' Meeting to consider and vote on a resolution to approve the Original Plan, as it may be amended;
9. The Applicant, in consultation with the Monitor, determined that certain clarifications to the Original Plan were required to clarify the voting rights of Convenience Class Creditors, the whole in accordance with section 8.6 hereof;
10. The Applicant hereby proposes this Plan to the Affected Creditors under and pursuant to the CCAA; and
11. ~~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 Convenience Class Claim](#), 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;

["Convenience Class Claim" means one or more Proven Claims of an Affected Creditor that are less than or equal to \\$2,000 in the aggregate;](#)

["Convenience Class Creditor" means an Affected Creditor having a Convenience Class Claim;](#)

"**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;

"**Original Plan**" has the meaning ascribed thereto in the recitals;

"**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 Amended 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 or who were deemed to vote 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, rescission, 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 / Convenience Class Creditors

Affected Creditors, who are not Convenience Class 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, the Plan and the CCAA ~~in respect;~~ 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.

Convenience Class Creditors shall:

- (a) prove their Convenience Class Claims in accordance with the Claims Procedure Order and the CCAA;
- (b) be deemed to vote in favour 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~~Convenience Class 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. [Convenience Class Creditors shall be deemed to vote in favour of the Plan.](#)

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@[stokesstokesstores.com](mailto:mrahaman@stokesstokesstores.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 ~~2011~~²⁰th day of ~~November~~^{December}, 2020.

LEGAL_1:63783644912954.73

