

CANADA

SUPERIOR COURT

PROVINCE OF QUÉBEC  
DISTRICT OF QUÉBEC  
DIVISION N°: 01-Beauharnois  
COURT N°: 760-11-005445-123  
FILE N°: 41-1698291

IN THE MATTER OF THE PROPOSAL OF LES ALIMENTS NEWLAND  
NORTH AMERICA INC., a company, having its head office at 1000 Saint-  
Charles Avenue, Suite 901, Vaudreuil-Dorion, Quebec, J7V 8P5

DEBTOR

### PROPOSAL

We, **LES ALIMENTS NEWLAND NORTH AMERICA INC.**, hereby submit the following proposal pursuant to the *Bankruptcy and Insolvency Act*:

1. For the purposes hereof:

“**ACT**” means the *Bankruptcy and Insolvency Act*;

“**APPROVAL OF THE PROPOSAL**” means the approval of the PROPOSAL by the prescribed majority of the CREDITORS of the COMPANY, and by an order of the COURT which is executory and for which all delays to appeal have expired;

“**CLAIM**” has the meaning given to such term in section 2 of the ACT, and shall also include any claim of any PERSON against the COMPANY with regard to any debt, liability or obligation of any kind owed to such PERSON arising out of the COMPANY’s current restructuring, disclaimer or termination of any contract, lease, employment agreement or any other agreement, whether written or oral, by the COMPANY, as well as any claims by any GOVERNMENTAL AUTHORITY arising directly or indirectly from APPROVAL OF THE PROPOSAL, including all claims related to TAXES, to the goods and services tax and to provincial sales taxes payable following a reduction of or arrangement concerning the liability of the COMPANY inherent to the APPROVAL OF THE PROPOSAL and all claims (real or projected) resulting from application of articles 79 to 80.04 of the *Income Tax Act* (Canada) (or equivalent provisions in the relevant provincial tax laws) with regard to the COMPANY and related to the APPROVAL OF THE PROPOSAL;

“**COMMITTEE**” means the committee formed of at most three (3) individuals pursuant to paragraph 9 hereof;

**“COMPANY”** means Les Aliments Newland North America Inc;

**“COURT”** means the Superior Court of Quebec (Commercial Division), District of Beauharnois;

**“CREDITOR”** means any PERSON having a CLAIM or a claim against the DIRECTORS and may, where the context requires, include the assignee of a CLAIM or a trustee, interim receiver, receiver, receiver and manager, or other PERSON acting on behalf of such PERSON. A CREDITOR shall not include a PERSON entitled to a CLAIM for PROPOSAL COSTS;

**“DIRECTORS”** means all of past and present directors and officers of the COMPANY and any other PERSON deemed to have acted in such capacity;

**“GOVERNMENTAL AUTHORITY”** means any (i) provincial, federal, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, official, minister, bureau or agency, domestic, (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;

**“GROSS AMOUNT”** means C \$1,600,000;

**“LESSORS CLAIMS”** means the CLAIMS of lessors of real property for the damage resulting from the resiliation or termination of a lease with the DEBTOR following receipt of a notice pursuant to s. 65.2 of the Act. Such CLAIMS shall be limited to the actual losses suffered by such lessors as result of that resiliation or termination;

**“NET AMOUNT”** means the GROSS AMOUNT after payment of all PROPOSAL COSTS, POST-FILING OBLIGATIONS, the SECURED CLAIMS, the PRIORITY CLAIMS, and all other amounts to be paid in priority to the UNSECURED CLAIMS;

**“NOTICE OF INTENTION”** means the notice of intention to make a proposal pursuant to the ACT, which notice was filed on December 18, 2012;

**“ORDINARY CREDITORS”** means those PERSONS having UNSECURED CLAIMS against the COMPANY, including, for greater certainty, PERSONS having LESSORS' CLAIMS;

**“PERSON”** means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, trustee,

unincorporated organization, joint venture, governmental body or agency, or any other entity;

**“POST-FILING OBLIGATIONS”** means all unpaid obligations incurred by the COMPANY in the course of its activities since the filing of the NOTICE OF INTENTION, and those which it foresees up to the moment of execution of the PROPOSAL;

**“PRIORITY CLAIMS”** means all CLAIMS which must by the ACT be paid in priority to all other CLAIMS sharing in the estate of an insolvent debtor;

**“PROPOSAL”** means the present proposal, as may be amended;

**“PROPOSAL COSTS”** means all fees, costs, undertakings and obligations of the TRUSTEE, and all the legal fees due to its advisors or those of the COMPANY and accounting fees relating to or resulting from the NOTICE OF INTENTION, the PROPOSAL and/or the TRANSACTION;

**“PROPOSAL MEETING”** means the meeting of CREDITORS of the COMPANY in order to consider the PROPOSAL;

**“RESERVE”** has the meaning set forth in paragraph 8 hereof;

**“SECURED CLAIMS”** means CLAIMS of SECURED CREDITORS;

**“SECURED CREDITORS”** has the meaning given in the ACT;

**“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 (a) 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, anti-dumping, countervail, excise, severance, stamp, occupation, or premium tax, (b) all withholdings on amounts paid to or by the relevant PERSON, (c) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums, (d) any fine, penalty, interest, or addition to tax, (e) 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 (f) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract or by operation of law;

**“TRANSACTION”** means one or more transactions whereby funds are generated by the sale of all or part of the assets of the COMPANY;

**“TRUSTEE”** means Richter Advisory Group Inc. / Richter Groupe Conseil Inc. (formerly RSM Richter Inc.) licensed trustee, acting as trustee to the PROPOSAL;

**“UNSECURED CLAIMS”** means the CLAIMS of any CREDITOR, which are not SECURED CLAIMS, PRIORITY CLAIMS, CLAIMS for PROPOSAL COSTS or POST-FILING OBLIGATIONS, including CLAIMS of any kind whatsoever, whether due or not on the date of the filing of the NOTICE OF INTENTION, including contingent or unliquidated CLAIMS resulting from any transaction concluded by the COMPANY prior to the filing of the NOTICE OF INTENTION and, as the case may be, all damages or other amounts due to the coming into force of the PROPOSAL that could be claimed by any CREDITOR of the COMPANY;

2. The SECURED CLAIMS shall be paid in priority to any other CLAIMS from the GROSS AMOUNT.
3. The amounts:
  - (a) due to Her Majesty the Queen in right of Canada or of any province, which are subject to a demand under subsection 224(1.2) of the *Income Tax Act* or of any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts, or of any provision of provincial legislation essentially similar to the foregoing provisions as provided in paragraph 60(1.1)(c) of the ACT, and that were outstanding at the time of the filing of the NOTICE OF INTENTION shall be paid in their entirety, without interest, from the GROSS AMOUNT, within six months after the APPROVAL OF THE PROPOSAL;
  - (b) which employees (past and present) would be entitled to receive pursuant to paragraph 136(1)(d) of the ACT if the COMPANY had been declared bankrupt on the date of the APPROVAL OF THE PROPOSAL shall be paid in their entirety immediately after the APPROVAL OF THE PROPOSAL from the GROSS AMOUNT.
4. The PROPOSAL COSTS shall be paid using either the RESERVE or the GROSS AMOUNT in priority to all CLAIMS other than the SECURED CLAIMS.
5. The PRIORITY CLAIMS, without interest or penalty, shall be paid in their entirety from the GROSS AMOUNT in priority to all UNSECURED CLAIMS, within sixty (60) days following the APPROVAL OF THE PROPOSAL.

6. The POST-FILING OBLIGATIONS shall be paid in the ordinary course of business.
7. Each ORDINARY CREDITOR shall receive, in full and final payment of its UNSECURED CLAIM, without interest or penalty:
  - (a) Within ninety (90) days of the APPROVAL OF THE PROPOSAL, a pro rata share of the balance of the NET AMOUNT at the moment the dividend is to be paid less any amount set aside for the RESERVE; and
  - (b) When so decided by the COMMITTEE or, if no such COMMITTEE is in place, when the TRUSTEE so decides and subject to the TRUSTEE being satisfied that no CLAIM will be made pursuant to paragraph 149(3) of the ACT a pro rata share of the NET AMOUNT then available and of the balance of the RESERVE shall be distributed.
8. In order to proceed with the payments set forth above, the COMPANY is hereby authorized to set up a reserve to be held by the TRUSTEE to facilitate the payment by the COMPANY of any and all PROPOSAL COSTS and POST-FILING OBLIGATIONS (the "RESERVE").
9. The COMPANY consents to the creation of a committee which shall be formed of at most three (3) individuals designated by the CREDITORS at the PROPOSAL MEETING, if they so wish. The COMMITTEE shall have the following powers:
  - (a) to advise the TRUSTEE with respect to the administration of the PROPOSAL;
  - (b) to waive any default in the execution of the PROPOSAL;
  - (c) to confirm that the COMPANY has satisfied all of the terms and conditions of the PROPOSAL; and
  - (d) to adjourn the payment of all dividends to ORDINARY CREDITORS provided for hereunder.
10. In conformity with section 101.1 of the ACT, sections 95 to 101 will not apply to the PROPOSAL.
11. Upon the APPROVAL OF THE PROPOSAL, all CREDITORS of the COMPANY will be deemed to have released, and to have given a full and final discharge of all rights, claims or other recourses of any nature whatsoever which they had, have, or could have had against the COMPANY, its legal counsel, financial advisors, including, as regards the DIRECTORS, of any and all CLAIMS for which they would be the DIRECTORS, management, representatives, agents and assignees.

12. All amounts payable under the PROPOSAL shall be remitted to the TRUSTEE so that it may distribute the dividends pursuant to the PROPOSAL.

IN CASE OF DISCREPANCY BETWEEN THE FRENCH AND ENGLISH VERSIONS OF THE PROPOSAL, THE ENGLISH VERSION SHALL PREVAIL.

MADE IN MONTREAL, QUEBEC, THIS 16<sup>th</sup> DAY OF JANUARY, 2013.

**LES ALIMENTS NEWLAND NORTH  
AMERICA INC.**



Witness

By:

  
Jonathan Morgan  
Duly authorized