

Court File No. CV-19-00630241-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MADAM )  
 )  
JUSTICE CONWAY ) WEDNESDAY, THE 17<sup>TH</sup>  
 )  
 ) DAY OF JANUARY, 2024.

**IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, C. c-36, AS AMENDED**

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF NORTH AMERICAN FUR PRODUCERS INC., NAFA PROPERTIES INC.,  
3306319 NOVA SCOTIA LIMITED, NORTH AMERICAN FUR AUCTIONS INC.,  
NAFA PROPERTIES (US) INC., NAFA PROPERTIES STOUGHTON LLC,  
NORTH AMERICAN FUR AUCTIONS (US) INC., NAFPRO LLC  
(WISCONSIN LLC), NAFA EUROPE CO-OPERATIEF UA,  
NAFA EUROPE B.V., DAIKOKU SP.Z OO and NAFA POLSKA SP. Z OO

(the “**Applicants**”)

**ORDER  
(Re: Meeting Order, Stay Extension, and Sealing Order)**

**THIS MOTION**, made by the Applicants for an Order to, among other things, (i) accept the filing of the Plan; (ii) authorize the classification of creditors for the purposes of voting and distribution purposes under the Plan; (iii) authorize the Applicants to call, hold and conduct a meeting of Affected Creditors to vote on a resolution to approve the Plan (the “**Meeting**”); (iv) authorize and direct the mailing, posting and distribution of the Meeting Materials; (v) approve the procedures to be followed with respect to the Meeting; (vi) extend the stay period in these CCAA proceedings; (vii) approve the conduct and actions of the Monitor; and, (viii) seal a confidential appendix, was heard this day by video conference.

**ON READING** the Motion Record of the Applicants, the sixteenth report of the

Monitor dated January 15, 2024 (the “**Sixteenth Report**”), and upon hearing the submissions of counsel for the Applicants, counsel to the Monitor, counsel to the Canadian Imperial Bank of Commerce, as agent for the lenders party to the Fourth and Restated Credit Agreement dated as of September 27, 2019, as it may be amended or amended and restated from time to time (in such capacity, the “**Agent**”), counsel for Farm Credit Canada (“**FCC**”), and counsel for certain of the Secured Shareholders of NAFA, no one appearing for any other person on the Service List, although properly served as appears on the Affidavit of Service of Ariyana Botejue sworn January 15, 2024, filed;

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

## **DEFINITIONS**

2. **THIS COURT ORDERS** all capitalized terms not otherwise defined in this Meeting Order shall have the meanings ascribed to them in the plan of compromise and arrangement of the Applicants attached hereto as **Schedule “A”** (the “**Plan**”), and, in addition to the terms otherwise defined herein or in the Plan, the following terms in this Meeting Order shall have the following meanings:
  - a. “**Books and Records**” means the books and records of the Applicants related to the operations of the business of the Applicants, including employee records, account ledgers, transaction records, payment records, and other similar

information, either in physical or electronic form.

- b. **“Duplicate Claim”** means a Claim identified by the Monitor as *prima facie* duplicative of another Claim filed by a Creditor in respect of which the Monitor has sent a Notice of Revision or Disallowance disallowing the Claim for voting and distribution purposes.
- c. **“Meeting Date”** means February 21, 2024, provided that the Applicants may, with the consent of the Monitor, extend or adjourn the date on which the Meeting will be held in accordance with this Meeting Order.
- d. **“Meeting Materials”** means:
  - (i) an “Affected Creditor Class Proxy” and “Instructions for Completion of Proxy”, substantially in the form attached as **Schedules “B”** and **“C”**, respectively;
  - (ii) a “Notice of Meeting to Affected Creditors”, which shall be substantially in the form attached hereto as **Schedule “D”**;
  - (iii) a copy of this Meeting Order;
  - (iv) the Plan;
  - (v) the Sixteenth Report; and,
  - (vi) any other materials the Applicants wish to include.

- e. **“Plan Resolution”** means the resolution to approve the Plan and the transactions contemplated thereby and which will be voted on by the Affected Creditors Class at the Meeting.
  - f. **“Proxy” or “Proxies”** means a proxy (or proxies) and instructions to Affected Creditors explaining how to complete same, substantially in the form at **Schedules B and C** hereto.
  - g. **“Sanction Hearing Date”** means March 1, 2024 or such other date that the Court schedules the motion to sanction the Plan (or any adjournment thereof).
  - h. **“Service List”** means the list of counsel and other interested parties who have requested service of materials filed with the Court in this proceeding, as maintained by the Monitor.
  - i. **“Unresolved Duplicate Claim”** means an Unresolved Claim in respect of a Duplicate Claim.
  - j. **“Website”** means the website maintained by the Monitor located at:  
<https://www.insolvencies.deloitte.ca/en-ca/Pages/NorthAmericanFurAuctionInc.aspx>.
3. **THIS COURT ORDERS** that all references to time herein shall mean local time in Toronto, Ontario, Canada.
4. **THIS COURT ORDERS** that all references to “dollars” or “\$” herein are references to US dollars.

## THE MONITOR AND APPLICANTS

5. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under (i) the CCAA, (ii) the Initial Order, (iii) the Claims Process Order, and (iv) any further and other Order of this Court, is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Meeting Order.
  
6. **THIS COURT ORDERS** that in carrying out the terms of this Meeting Order, the Monitor shall: (i) have all the protections given to it by the CCAA, the Initial Order, including the stay of proceedings in its favour, and the inherent jurisdiction of the Court; (ii) incur no liability or obligation as a result of carrying out the provisions of this Meeting Order, save and except for any gross negligence or willful misconduct on its part; (iii) be entitled to rely on the Books and Records of the Applicants and any information provided by the Applicants and the Affected Creditors without independent investigation; and, (iv) not be liable for any claims or damages resulting from any errors or omissions in such Books and Records or information.
  
7. **THIS COURT ORDERS** that the Monitor and the Applicants are hereby authorized to retain such agents as they deem to be advisable to assist them in connection with calling and conducting the Meeting, including with respect to the distribution of the Meeting Materials, the identification of the applicable Affected Creditors, and the solicitation of Proxies from Persons entitled to vote at the Meeting.

## THE CCAA PLAN

8. **THIS COURT ORDERS** that the Plan is hereby accepted for filing and the Applicants

are hereby authorized and directed to call the Meeting for the purposes of having the Affected Creditors vote on the Plan in the manner set out herein.

9. **THIS COURT ORDERS** that the Applicants may, at any time prior to the Meeting, amend, restate, modify and/or supplement the Plan (each a “**Modification**”), with the written consent of the Monitor and the Agent, provided that:

a. if such Modification is made prior to the Meeting, notice of the Modification shall be posted on the Website and provided to the Service List; and,

b. if such Modification is made during the Meeting, notice of the Modification shall be given to all Affected Creditors present (or deemed to be present) at such Meeting in person or by Proxy, and promptly posted on the Website, provided to the Service List, and filed with the Court.

10. **THIS COURT ORDERS** that after the Meeting (and both prior to and after obtaining the Sanction Order), the Applicants may at any time, with the consent of the Monitor, effect a Modification pursuant to an Order of the Court or, where such a Modification is, in the opinion of the Applicants and the Monitor, of an administrative nature required to give effect to the implementation of the Plan and Sanction Order, or to cure any errors, omissions or ambiguities, and in either case is not materially prejudicial to the financial or economic interests of the Affected Creditors. The Monitor shall forthwith post any such Modification on the Website, with notice provided to the Service List.

#### **NOTICE OF MEETING AND DELIVERY OF MATERIALS TO AFFECTED CREDITORS**

11. **THIS COURT ORDERS** that the Applicants are hereby authorized to convene, hold and

conduct the Meeting at 10:00 a.m. (Toronto time) on the Meeting Date, which Meeting shall be held concurrently in person at the office of the Monitor located at Bay Adelaide East, 8 Adelaide Street West, Suite 200, Toronto, Ontario, M5H 0A9, Canada, and virtually by way of videoconference, for the purpose of considering and, if deemed advisable, passing the Plan Resolution unless the Chair of the Meeting (the “**Chair**”), in accordance with paragraphs 25 and 30 hereof, decides to adjourn, postpone or otherwise reschedule the Meeting.

12. **THIS COURT ORDERS** that the form of Notice of Meeting to Affected Creditors, in substantially the form attached as Schedule “D”, and the form of Proxy, substantially in the form attached at Schedules “B” and “C”, are hereby approved.
13. **THIS COURT ORDERS** that by no later than January 22, 2024 the Monitor shall publish the Meeting Materials on the Website.
14. **THIS COURT ORDERS** that the Applicants, with the consent of the Monitor (and with respect to the Plan, the consent of the Agent), are hereby authorized to:
  - a. at any time prior to or at the Meeting, amend, restate, modify or supplement any of the Meeting Materials, subject to the terms of the Plan, provided that:
    - i. the Monitor, the Applicants or the Chair shall communicate the details of any such amendments, restatements or modifications to the Affected Creditors present at the Meeting prior to any vote being taken at the Meeting;
    - ii. the Monitor shall forthwith provide notice to the Service List of

such amendments, restatements or modifications; and,

- iii. the Monitor shall forthwith post an electronic copy of any such amendments, restatements or modifications on the Website.

15. **THIS COURT ORDERS THAT** by no later than January 22, 2024, the Monitor shall send to each Affected Creditor copies of the Meeting Materials by email to the email address appearing on the Affected Creditor's Proof of Claim filed pursuant to the Claims Process Order or in the Books and Records if there is none. In the event no email address was provided on the Affected Creditor's Proof of Claim and is not in the Books and Records, the Monitor shall send the Notice of Meeting to Affected Creditors by regular mail to the Affected Creditor at the last known address appearing on the Affected Creditor's Proof of Claim, or if there is none, in the Books and Records by no later than January 29, 2024.
16. **THIS COURT ORDERS** that the Monitor shall, as soon as practicable following the issuance of this Meeting Order, (a) post on its Website a notice directing Affected Creditors to a URL with the Meeting Materials, and (b) shall solicit fur trade industry websites the Monitor, in consultation with the Applicants considers appropriate, an information bulleting advising of the Meeting Order and Plan, and directing Affected Creditors to the Meeting Materials on the Website.
17. **THIS COURT ORDERS** that the noticing and publication and transmission and delivery of the Meeting Materials in accordance with paragraphs 13, 15 and 16 hereof, shall constitute good and sufficient service of the Meeting Materials on all Persons who may be entitled to receive notice thereof, or of these proceedings, or who may wish to be present



in person (or virtually) or represented by proxy at the Meeting, or who may wish to appear in these proceedings, and no other form of notice or service needs to be made on such Persons, and no other document or material needs to be served on such Persons in respect of these proceedings, the Plan, and the Meeting.

18. **THIS COURT ORDERS** that the accidental failure to transmit or deliver the Meeting Materials by the Monitor in accordance with this Meeting Order or the non-receipt of such materials by any Person entitled to delivery of such materials shall not invalidate the passing of the Plan Resolution or any other proceedings taken at the Meeting.

#### **VOTING BY CREDITORS**

19. **THIS COURT ORDERS** that for the purposes of considering and voting on the Plan Resolution, there shall be one class of creditors consisting of the Affected Creditors with Voting Claims (the “**Affected Creditors Class**”).

**CONDUCT OF MEETING AND DELIVERY OF PROXIES**

20. **THIS COURT ORDERS** that only the Eligible Voting Creditors, or their duly appointed proxyholders, are entitled to vote at the Meeting.
21. **THIS COURT ORDERS** that, subject to paragraph 35, the amount of an Eligible Voting Claim which may be voted by an Eligible Voting Creditor shall be the amount of that Eligible Voting Claim set out in the Proof of Claim.
22. **THIS COURT ORDERS** that at the Meeting, for each Unresolved Duplicate Claim, the Monitor shall record the voting intentions with respect to the amount of such Unresolved Duplicate Claim. The votes cast in respect of any Unresolved Duplicate Claim shall not be counted for any purpose unless, until and only to the extent that such Unresolved Duplicate Claim is Finally Determined to be a Proven Claim.
23. **THIS COURT ORDERS** that for purposes relating to voting on the Plan, Affected Claims denominated in currencies other than USD in any Proof of Claim filed with the Monitor, shall be converted by the Monitor to USD in accordance with the Claims Process Order.
24. **THIS COURT ORDERS** that a representative of the Monitor, as designated by the Monitor, shall preside as the Chair, and, subject to this Meeting Order or any further order of this Court, shall decide all matters relating to the conduct of the Meeting.
25. **THIS COURT ORDERS** that the Applicants may, with the consent of the Monitor, adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present, if applicable) and for such period or periods of time as the Applicants deem advisable, without the necessity of first convening the Meeting or first obtaining any vote

of the Affected Creditors, in respect of the adjournment or postponement. Notice of such adjournment or postponement may be given by such method as the Applicants determine to be appropriate in the circumstances. If the Meeting is adjourned or postponed in accordance with this Order, the references to such Meeting, the Meeting Date, and Sanction Hearing Date in this Order shall be deemed to be the Meeting and the Sanction Hearing Date, if applicable, as adjourned or postponed, as the context allows.

26. **THIS COURT ORDERS** that the Monitor may appoint scrutineers for the supervision and tabulation of the attendance, quorum and votes cast at the Meeting and any Person to act as secretary at the Meeting.
27. **THIS COURT ORDERS** that the only Persons entitled to attend the Meeting are: (i) Eligible Voting Creditors (or their respective duly-appointed proxyholders) and their legal and financial advisors; (ii) the Applicants and their legal and financial advisors; (iii) the Directors and their legal and financial advisors; (iv) the Monitor and their representatives and legal and financial advisors; and, (v) the Chair, scrutineers, and secretary. Any other Person may be admitted on invitation of the Applicants or Monitor.
28. **THIS COURT ORDERS** that in order to be voted at the Meeting, Proxies must be: (a) received by the Monitor prior to February 16, 2024, either by: (1) email to [nafa@deloitte.ca](mailto:nafa@deloitte.ca); or, (2) delivery to the Monitor's Office located at Bay Adelaide East, 8 Adelaide Street West, Suite 200, Toronto, Ontario, M5H 0A9, Canada (Attention: Todd Ambachtsheer). Alternatively, it can be deposited with the Chair before the beginning of the Meeting (or any such adjournment, postponement or other rescheduling thereof).

29. **THIS COURT ORDERS** that in the absence of instruction to vote in favour of or against the Plan Resolution, any Proxies received by the Monitor in accordance with paragraph 28 hereof shall be deemed to include instructions to vote in favour of the Plan Resolution.
30. **THIS COURT ORDERS** that the quorum required at the Meeting shall be one Voting Creditor present in person or by Proxy and entitled to vote at the Meeting. If the requisite quorum is not present at the Meeting, then the Meeting shall be adjourned by the Chair to such date, time and place as may be decided by the Chair in his or her sole discretion. The Chair shall decide on the manner of giving notice to the Affected Creditors of the rescheduled Meeting and may, if he or she deems it appropriate, restrict such notice to a notice posted on the Website.

#### **VOTING PROCEDURE**

31. **THIS COURT ORDERS** that at the Meeting, the Affected Creditors Class shall vote on the Plan Resolution, and the approval of the Plan Resolution will be decided by the Required Majority on a ballot vote, and any other matter submitted for a vote at the Meeting shall be decided by a simple majority of votes cast on a vote by a show of hands.
32. **THIS COURT ORDERS** that the only Persons entitled to vote at the Meeting shall be Eligible Voting Creditors and their Proxy holders.
33. **THIS COURT ORDERS** that the Monitor shall keep records and tabulations of all votes cast at the Meeting.
34. **THIS COURT ORDERS** that for the purposes of counting and tabulating the votes, subject to any other provision in this Order, each Affected Creditor shall have one vote

and the weight attributed to such vote (for the purposes of determining the Required Majority of the Affected Creditors Class) shall be equal to the aggregate USD value of such Affected Creditor's Voting Claims (if necessary, converted into USD in accordance with paragraph 23 of the Claims Process Order).

35. **THIS COURT ORDERS** that Eligible Voting Claims shall not include fractional numbers and shall be rounded down to the nearest whole dollar amount without compensation.
36. **THIS COURT ORDERS** that no Affected Creditor shall be entitled to bifurcate or subdivide an Affected Claim for purposes of voting or distribution.

#### **TRANSFERS AND ASSIGNMENTS**

37. **THIS COURT ORDERS** that, for purposes of voting at the Meeting, if an Eligible Voting Creditor transfers or assigns all of its Eligible Voting Claim as a whole, and the transferee or assignee delivers evidence satisfactory to the Monitor of such transfer or assignment as a whole of such Eligible Voting Claim, together with a written request to the Monitor to recognize such transfer or assignment, no later than 5:00 pm on the date that is seven (7) Business Days prior to the date of the Meeting, or such later time that the Monitor may agree to, that such transferee or assignee's name be included on the list of Eligible Voting Creditors, either in person or by proxy, the transferors or assignors' Eligible Voting Claim at the Meeting in lieu of the transferor or assignor.
38. **THIS COURT ORDERS** that if, prior to the Meeting Date, the holder of an Eligible Voting Claim or any subsequent holder of the whole of an Eligible Voting Claim who has been acknowledged by the Monitor as the Creditor in respect of such Eligible Voting Claim

pursuant to paragraph 37, transfers or assigns the whole of such Eligible Voting 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 Eligible Voting Claim or Eligible 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 Applicants 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 and such specified Person, and any transferee or assignee of the Claim as a whole in accordance with this paragraph 38 shall be bound by any notices given or steps taken in respect of such Claim with such Person in accordance with this Order.

39. **THIS COURT ORDERS** that prior to the Meeting, an Affected Creditor may transfer or assign the whole, but not part, of its Proven Claim by delivering to the Applicants and the Monitor satisfactory evidence of such transfer or assignment. The Monitor shall not be obligated to deal with such transferee or assignee unless and until the Monitor and the Applicants have received satisfactory evidence of transfer and assignment prior to 5:00 p.m. on that day that is at least seven (7) Business Days prior to the Meeting Date. Upon transfer or assignment of a Claim in accordance herewith, each applicable assignee or transferee shall, for all purposes constitute an Affected Creditor and shall be bound by notices given and steps taken in respect of such Claim

40. **THIS COURT ORDERS** that after the date of the Meeting, an Affected Creditor may transfer or assign the whole, but not part, of its Proven Claim by delivering to the Applicants and the Monitor satisfactory evidence of such transfer or assignment. The Monitor shall not be obligated to deal with such transferee or assignee unless and until the Monitor and the Applicants have received satisfactory evidence of transfer and assignment prior to 5:00 p.m. on that day that is at least seven (7) Business Days prior to the Plan Implementation Date. Upon transfer or assignment of a Claim in accordance herewith, each applicable assignee or transferee shall, for all purposes constitute an Affected Creditor and shall be bound by notices given and steps taken in respect of such Claim.
41. **THIS COURT ORDERS** that the transferee or assignee of a Proven Claim shall not be entitled to set-off, apply, merge, consolidate, or combine any such Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such transferee or assignee to any of the Applicants.

#### **SANCTION ORDER APPLICATION**

42. **THIS COURT ORDERS** that as soon as practicable following the Meeting, the Monitor shall report to this Court on: (i) the voting results with respect to the approval of the Plan Resolution; and (ii) any other matter the Monitor considers relevant with respect to the Meeting or the Applicants' application for the Sanction Order.
43. **THIS COURT ORDERS** that if the Plan is approved by the Required Majority at the Meeting, the Applicants may apply to the Court at a time to be determined on the Sanction Hearing Date for the Sanction Order (the **Sanction Hearing**).

44. **THIS COURT ORDERS** that service of this Meeting Order by the Monitor or the Applicants to the parties on the Service List shall constitute good and sufficient service of notice of the Sanction Hearing on all Persons entitled to receive such service and no other form of notice or service need be made and no other materials need be served in respect of the Sanction Hearing, except that, subject to paragraph 45 any party shall also serve the Service List with any additional materials that it intends to use in support of the Sanction Hearing by the later of: (i) 5:00 p.m. (Eastern Time) on February 23, 2024; and, (ii) seven (7) calendar days before the Sanction Hearing Date.
45. **THIS COURT ORDERS** that any Person who wishes to oppose the Sanction Hearing shall serve on the Applicants, the Monitor and the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose the Sanction Hearing by the later of: (i) 5:00 p.m. (Eastern Time) on February 27, 2024; and, (ii) three (3) calendar days before the Sanction Hearing Date.

#### **EXTENSION OF STAY PERIOD**

46. **THIS COURT ORDERS** that the Stay Period is hereby extended from January 19, 2024 to and including April 1, 2024.

#### **APPROVAL OF MONITOR REPORTS AND ACTIONS**

47. **THIS COURT ORDERS** that the Sixteenth Report and the actions, decisions and conduct of the Monitor, and its counsel Miller Thomson LLP, as set out in the Sixteenth Report be and are hereby authorized and approved.

#### **SEALING OF CONFIDENTIAL APPENDIX “1”**

48. **THIS COURT ORDERS** that Confidential Appendix “1” to the Sixteenth Report




shall be and are hereby sealed, kept confidential and shall not form part of the public record pending further Order of this Court.

## **GENERAL PROVISIONS**

49. **THIS COURT ORDERS** that notwithstanding anything contained in this Meeting Order, the Applicants may decide not to call, hold and conduct the Meeting, provided that:
- a. if the decision is made at the Meeting, the Monitor, the Applicants or the Chair shall communicate such decision to Affected Creditors present at the Meeting prior to any vote being taken at the Meeting;
  - b. if the decision is made prior to the Meeting being held or at the Meeting, the Applicants shall provide notice to the Service List of any such decision; and
  - c. in either case of a. and b. above, the Monitor shall post an electronic copy of any such decision on the Website prior to the Sanction Hearing.
50. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Monitor and the Applicants and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, and the Applicants as may be necessary or desirable to give effect to this Order or to assist the Monitor and the Applicants and their agents in carrying out the terms of this Order.

51. **THIS COURT ORDERS** that subject to further Order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Plan and this Meeting Order, the terms, conditions and provisions of the Plan shall govern and be paramount, and any such provision of this Meeting Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.
52. **THIS COURT ORDERS** that the Applicants and the Monitor may apply to this Court from time to time for directions from this Court with respect to this Meeting Order and the Plan, including with respect to the Meeting and Schedules to this Meeting Order, or for such further order(s) as either of them may consider necessary or desirable to amend, supplement or replace this Meeting Order or the Plan, including any Schedule hereto.

  
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*Signature of Judge*

**SCHEDULE "A"**

THE PLAN (ATTACHED)

Court File No. CV-19-00630241-00CL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF NORTH AMERICAN FUR PRODUCERS INC., NAFA PROPERTIES INC.,  
3306319 NOVA SCOTIA LIMITED, NORTH AMERICAN FUR AUCTIONS INC.,  
NAFA PROPERTIES (US) INC., NAFA PROPERTIES STOUGHTON LLC,  
NORTH AMERICAN FUR AUCTIONS (US) INC., NAFPRO LLC (WISCONSIN  
LLC), NAFA EUROPE CO-OPERATIEF UA, NAFA EUROPE B.V., DAIKOKU  
SP.Z OO and NAFA POLSKA SP. Z OO

(the “**Applicants**”)

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**PLAN OF COMPROMISE AND ARRANGEMENT**  
**pursuant to the *Companies' Creditors Arrangement Act***

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January 11, 2024

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## PLAN OF COMPROMISE AND ARRANGEMENT

### WHEREAS

- A. On October 31, 2019 (the “**Filing Date**”), the Applicants commenced proceedings under the *Companies’ Creditors Arrangement Act* (Canada) (“**CCAA**”) bearing Court File No. CV-19-00630241-00CL pursuant to the initial order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) (as amended and restated pursuant to an amended and restated initial order issued by the Court on November 8, 2019 and as may be further amended, restated or supplemented from time to time, the “**Initial Order**”).
- B. Pursuant to the Initial Order, Deloitte Restructuring Inc. was appointed as monitor of the Applicants (in such capacity, the “**Monitor**”).
- C. As at the date hereof, the majority of the assets of the Applicants have been sold and the Applicants continue to be indebted to the Syndicated Lenders, FCC and the Secured Shareholders (each as defined below).
- D. The Applicants wish to pursue a plan of compromise and arrangement which would result in distributions to their unsecured creditors and each of the Syndicated Lenders, FCC and Secured Shareholders have agreed to have all, or in the case of the Syndicated Lenders the majority, of their remaining secured claims treated as unsecured for the purposes of the Plan.
- E. Pursuant to the Initial Order, the Applicants have the authority to file with the Court, a plan of compromise and arrangement in accordance with the CCAA.

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In the Plan and the Recitals therein, all capitalized terms used therein shall have the following meanings:

“**Administration Charge**” has the meaning given to it in the Initial Order, as such amount may be reduced from time to time by further Court Order.

“**Administration Reserve**” means a Cash reserve from the Available Cash, in amount to be adjusted from time to time as agreed to by the Monitor, Applicants and, until the Unaffected Secured Syndicate Claim is repaid in full, the Agent.

“**Administration Reserve Costs**” means costs incurred and in respect of: (i) the Monitors’ fees and disbursements (including of its legal counsel and other consultants and advisors) in connection with the performance of its duties under the Plan and in the CCAA Proceedings; (ii) payments under the Plan (including pursuant to the Section 5.2 and 5.3); (iii) Post-Filing Claims; (iv) fees and disbursements of Applicants’ legal counsel and other advisors; (v) fees and disbursements of the Agent and Syndicated Lenders’ legal counsel and other advisors; (vi) Unaffected Claims which are Proven Claims, to the extent not already paid; and (vii) any other reasonable amounts in respect of any determinable contingency the Monitor may determine in consultation with the Applicants and,



until the Unaffected Syndicate Debt is repaid in full, the Agent.

“**Affected Claims**” means all Claims other than Unaffected Claims, and “**Affected Claim**” means anyone of them.

“**Affected Creditors**” means all Creditors that are not Unaffected Creditors, and “**Affected Creditor**” means anyone of them.

“**Affected Creditors Under \$10K**” means all Creditors that have a Proven Claim of \$10,000 or less.

“**Affected General Unsecured Creditor**” means an Affected Unsecured Creditor, other than the Secured Creditors in respect of their deemed Affected Unsecured Claim under the Plan.

“**Affected Secured Syndicate Claim**” means the amount of \$2.4 million which is to be deemed under the Plan for voting and distribution purposes under the Plan to be an Affected Unsecured Claim.

“**Affected Unsecured Claim**” means an Unsecured Claim that is an Affected Claim.

“**Affected Unsecured Creditor**” means a Creditor holding an Affected Unsecured Claim, including, for greater certainty, the Affected Creditors Under \$10K.

“**Affiliate**” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by or is under direct or indirect common control with such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to control a Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the term “controlled” shall have a similar meaning.

“**Agent**” means the Canadian Imperial Bank of Commerce, in its capacity as agent for the Syndicated Lenders under the Syndicated Loan Agreement.

“**AMC**” means the American Mink Council.

“**Amended and Restated Claims Process Order**” means the Order of the Court to be obtained in the CCAA Proceedings concurrently with the Meeting Order, amending and restating the Claims Process Order to, *inter alia*, (i) deem the Secured Claims of the Syndicated Lenders to be Proven Claims in the amounts set out on Schedule “A”, (ii) provide that the Secured Claims of the Syndicated Lenders (other than the Unaffected Secured Syndicate Claim) are not “Excluded Claims” under the Plan, (iii) deem the Secured Claims of FCC and the Shareholders to be Proven Claims, in the amounts set out on Schedule “A”, (iv) provide for a process for the Monitor to revise or disallow Claims, for Affected Creditor to dispute such determination and for the resolution of any Disputed Claims, in form and substance acceptable to the Applicants, the Agent and FCC.

“**Applicable Law**” means:

- (i) any applicable domestic or foreign law, (including any principles of civil law, common law or equity) including any statute, legislation or treaty; and
- (ii) any applicable and enforceable rule, regulation, requirement, order, judgment, injunction, ordinance, award or decree of a Governmental Authority.

“**Applicants**” means North American Fur Producers Inc., NAFA Properties Inc., 3306319 Nova Scotia Limited, North American Fur Auctions Inc., NAFA Properties (US) Inc., NAFA Properties Stoughton LLC, North American Fur Auctions (US) Inc., NAFPRO LLC (Wisconsin LLC), NAFA Europe Co-Operatief UA, NAFA Europe B.V., Daikoku SP.Z OO and NAFA Polska SP. Z OO, and “**Applicant**” means any one of them.

“**Available Cash**” means all Cash of the Applicants as at the Plan Implementation Date, including but not limited to the Applicants’ Cash on hand, and all Cash that is received by any of the Applicants following the Plan Implementation Date, whether from the sale, disposition or monetization of any remaining assets, receipt of any Tax Refund or any other Cash received by the Applicants from time to time, less amounts owing to the Syndicated Lenders on account of the Unaffected Secured Syndicate Claim to be required in accordance with Section 5.2 any amounts held by the Monitor in the Reserves in accordance with this Plan.

“**BIA**” means the *Bankruptcy and Insolvency Act* (Canada).

“**Business Day**” means a day other than a Saturday, Sunday, statutory or civic holiday in Toronto, Ontario, Canada.

“**Cash**” means cash, certificates of deposit, bank deposits, commercial paper, treasury bills and other cash equivalents.

“**CCAA**” has the meaning given to it in Recital A hereto.

“**CCAA Charges**” means all court-ordered charges created by the Initial Order or subsequent orders in the CCAA Proceedings.

“**CCAA Priority Payment Claims**” means Claims for amounts required to be paid by sections 6(3), (5) and (6) of the CCAA.

“**CCAA Proceedings**” has the meaning given to it in Recital A hereto.

“**CFBA**” means the Canada Fox Breeders Association.

“**Claim**” means:

- (i) a Pre-Filing Claim;
- (ii) a Restructuring Claim;
- (iii) a D&O Claim;

- (iv) a D&O Indemnity Claim;
- (v) a CCAA Priority Payment Claim; and
- (vi) a Secured Claim.

provided, however, (A) that “Claim” shall not include any investigation, action, suit, order or proceeding in respect of the Applicants by or before a regulatory body (as defined in the CCAA), unless such investigation, action, suit, order or proceeding constitutes a “claim” within the meaning of the CCAA, (B) “Claim” shall not include an Excluded Claim, and (C) a Claim includes any claim arising through subrogation or assignment against any Applicant or Director.

“**Claims Bar Date**” has the meaning given to it in the Claims Process Order.

“**Claims Process Order**” means the Claims Process Order dated May 25, 2023, as amended and restated pursuant to the Amended and Restated Claims Process Order, as it may be further amended, restated or supplemented from time to time.

“**CMBA**” means the Canada Mink Breeders Association.

“**Court**” has the meaning given to it in Recital A hereto.

“**Creditor**” means a Person having a Claim and includes the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with the Claims Process Order, or a trustee, liquidator, receiver, receiver and manager or other Person acting on behalf of such Person.

“**Creditor Distribution Pool**” has the meaning given to it in Section 5.4.

“**Director**” means any Person who is a former or present director or officer of any of the Applicants, or any other Person of a similar position or who by Applicable Law is deemed to be or is treated similarly to a director or officer of any of the Applicants or who currently manages or supervises the management of the business and affairs of any of the Applicants or did so in the past.

“**D&O Claim**” means any right or claim of any Person against one or more of the Directors howsoever arising on or before the Claims Bar Date, for which any of the Directors are by statute or otherwise by law liable to pay in their capacity as Directors or which are secured by the D&O Charge.

“**D&O Charge**” means the “**Directors Charge**” as defined in the Initial Order.

“**D&O Indemnity Claim**” means any existing or future right of any Director against one or more of the Applicants which arose or arises as a result of any Person filing a Proof of Claim in respect of such Director for which such Director is entitled to be indemnified by one or more of the Applicants.

“**Distribution Date**” means the Business Day or Business Days upon which distributions are made by the Monitor to the Affected Creditors in accordance with the provisions of the Plan.

“**Effective Time**” means 12:00 a.m. (Toronto time) on the Plan Implementation Date.

“**Eligible Voting Claims**” means a Voting Claim or an Unresolved Voting Claim.

“**Eligible Voting Creditors**” means Affected Creditors holding Eligible Voting Claims.

“**Encumbrance**” means any mortgage, charge, pledge, lien (statutory or otherwise), hypothec, security interest (whether contractual, statutory or otherwise), encumbrance, statutory or possessory lien, trust, constructive trust or deemed trust (whether contractual, statutory, or otherwise), execution, levy, charge, interest in property, or other financial or monetary claim or lease of personal property that creates a security interest, in respect of any assets that the Applicants own or control or to which the Applicants are entitled or that secures payment or performance of an obligation, or similar charge of any kind.

“**Excluded Claim**” means, subject to further Order of the Court:

- (i) any Post-Filing Claim;
- (ii) any claim secured by any CCAA Charge, including, without limitation, the fees and disbursements of advisors to the Syndicated Lenders, including legal counsel and the financial advisors to the Syndicated Lenders (which are secured by the Administration Charge); and
- (iii) any claim with respect to fees and disbursements incurred by counsel for any Applicant, Director or the Monitor and any financial advisor retained by any of the foregoing.

“**FCC**” means Farm Credit Canada.

“**Filing Date**” has the meaning given to it in Recital A hereto.

“**Final Determination**” and “**Finally Determined**” as pertains to a Claim, matter or issue, means either: (a) in respect of a Claim, such Claim has been finally determined as provided for in the Claims Process Order for voting and/or distribution purposes, as applicable; (b) there has been a Final Order in respect of the matter or issue; or (c) there has been an agreed settlement of the issue or matter by the relevant parties, which settlement has been approved by a Final Order, to the extent required to be approved by the Court or as determined by the Monitor, in consultation with the Applicants, to be subject to Court approval.

“**Final Distribution**” means the final distribution made under the Plan by the Monitor, on behalf of the Applicants.

“**Final Distribution Date**” means the date on which the Final Distribution is made by the Monitor, on behalf of the Applicants, which date shall be (a) at least six (6) months after the prior most recent Distribution Date if there are multiple Distribution Dates or (b) at least six (6) months after the Effective Time if only one Distribution Date.

“**Final Order**” means an Order of the Court, which has not been reversed, modified or vacated, and is not subject to any stay or appeal, and for which any and all applicable appeal periods have expired.

**“Governmental Authority”** means any domestic or foreign legislative, executive, judicial or administrative body or person having jurisdiction in the relevant circumstances.

**“Initial Order”** has the meaning given to it in Recital A hereto.

**“Intercompany Claims”** means the Claims of any Applicant in respect of, or relating to, any of the other Applicants.

**“Litigation Claims”** means any and all claims, causes of action, demands, lawsuits, arbitrations, inquiries, audits, proceedings, litigation of any nature, that the Applicants have or may hereinafter have, whether contingent or otherwise, including, without limitation, the litigation and insurance claims outlined in the Affidavit of Doug Lawson affirmed on April 21, 2023 in the CCAA Proceedings.

**“Meeting”** means the meeting of the Eligible Voting Creditors with Voting Claims to consider and vote on the Plan pursuant to the Meeting Order.

**“Meeting Order”** means an order of the Court in the CCAA Proceedings directing the calling and holding of one Meeting of Affected Creditors with Proven Claims to consider and vote on the Plan.

**“Monitor”** has the meaning given to it in Recital B hereto.

**“Order”** means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Authority.

**“Person”** means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity.

**“Plan”** means this Plan of Compromise and Arrangement pursuant to the CCAA concerning, affecting and involving the Applicants, including all Schedules hereto.

**“Plan Implementation Conditions”** has the meaning given to it in Section 10.1.

**“Plan Implementation Date”** means the Business Day on which the Plan becomes effective, which, for greater certainty, shall be the Business Day designated by the Applicants in consultation with the Monitor pursuant to Section 10.2 and as reflected in the Plan Implementation Certificate contemplated in Section 10.3

**“Plan Implementation Certificate”** has the meaning given to it in Section 10.3.

**“Post-Filing Claim”** means any right or claim of any Person that may be asserted or made in whole or in part against the Applicants (or any one of them) in connection with any indebtedness, liability or obligation of any kind which arose in respect of obligations first incurred on or after the Filing Date (other than Restructuring Claims and D&O Claims and D&O Indemnity Claims), and any interest thereon, including any obligation of the Applicants toward creditors who have supplied or may supply services, utilities, goods or materials, or who have advanced or may advance funds to the Applicants on or after the Filing Date, but only to the extent of their claims in respect of the supply or advance of such services, utilities, goods, materials or funds on or after the Filing Date.

**“Pre-Filing Claim”** means any right or claim of any Person against the Applicants (or any one of them), in connection with any indebtedness, liability or obligation of any kind whatsoever and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including, by reason of any breach of contract (whether oral or written), any breach of duty (including, any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to property, contracts or assets or right to a trust or deemed trust (whether statutory, express, implied, resulting, constructive or otherwise) the right or ability of any Person to advance a claim for contribution or indemnity (other than D&O Indemnity Claims) for or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation (A) is based in whole or in part on facts existing prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) would have been a claim provable in bankruptcy had the Applicants become bankrupt on the Filing Date.

**“Proof of Claim”** means a proof of claim filed in accordance with the Claims Process Order.

**“Proven Claim”** means a Claim (or the portion thereof) that has been Finally Determined for voting and distribution purposes under the Plan.

**“Proven Secured Claim”** means a Proven Claim of a Secured Creditor in respect of that portion of their claim which is claimed by the Creditor and found, pursuant to the Claims Process Order, to be a valid and enforceable Secured Claim against an Applicant.

**“Realization Efforts”** has the meaning given to it in Section 5.1.

**“Released Claims”** has the meaning given to it in Section 8.1.

**“Released Parties”** has the meaning given to it in Section 8.1.

**“Representatives”** means, in relation to a Person, such Person’s current and former directors, officers, partners, employees, consultants, legal counsel, actuaries, advisers and agents, including their respective heirs, executors, administrators and other legal representatives, successors and assigns, and each of their respective employees and partners.

**“Required Majority”** means a majority in the number of Affected Creditors representing at least two-thirds of the value of the aggregate amount of all Voting Claims held by the Eligible Voting Creditors that are present and voting, either in person or by proxy, at the Meeting in accordance with section 6(1) of the CCAA.

“**Reserves**” means the Administration Reserve and the Unresolved Claims Reserve.

“**Restructuring Claim**” means any indebtedness, liability or obligation of any kind with respect to the Applicants arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement or obligation on or after the Filing Date and whether such restructuring, termination, repudiation or disclaimer took place or takes place before or after the date of the Claims Process Order.

“**Sanction Order**” means an Order of the Court in the CCAA Proceedings sanctioning and approving the Plan pursuant to section 6(1) of the CCAA and the releases contemplated by the Plan, which shall include such terms as may be necessary or appropriate to give effect to the Plan.

“**Secured Claims**” means Claims or any portions thereof that are: (i) secured by security validly charging or encumbering property or assets of the Applicants (including statutory and possessory liens that create security interests); and (ii) duly and properly perfected in accordance with the relevant legislation in the appropriate jurisdiction prior to the Claims Bar Date.

“**Secured Creditors**” means the Agent and the Syndicated Lenders (only with respect to their Unaffected Secured Syndicate Claim), FCC and the Secured Shareholders.

“**Secured Shareholder Claims**” means the Proven Secured Claims of the Secured Shareholders in the amounts set out in Schedule “A” hereto.

“**Secured Shareholders**” means AMC, CMBA, WFSC and CFBA.

“**Syndicated Lenders**” means the lenders party to the Syndicated Loan Agreement.

“**Syndicated Loan Agreement**” means the Fourth and Restated Credit Agreement dated as of September 27, 2019, as may be amended, restated or supplemented from time to time, among Canadian Imperial Bank of Commerce, as agent for the Syndicated Lenders, North American Fur Auctions Inc., as borrower, and the Syndicated Lenders.

“**Unaffected Claim**” means the following claims:

- (i) Excluded Claims;
- (ii) CCAA Priority Payment Claims;
- (iii) D&O Claims that are not permitted to be compromised under section 5.1(2) of the CCAA; and
- (iv) the Unaffected Secured Syndicate Claim.

“**Unaffected Creditor**” means a Creditor with an Unaffected Claim.

“**Unaffected Secured Syndicate Claim**” means the Secured Claim of the Agent and Syndicated Lenders equal to \$1,260,772.68 as at January 9, 2023, being the portion of indebtedness owed to the Agent and Syndicated Lenders as at the date of the Plan that is in excess of \$2.4 million.

“**Undeliverable Distribution**” has the meaning set out in Section 7.6.

“**Unresolved Affected Unsecured Claim**” means an Affected Unsecured Claim that is an Unresolved Claim.

“**Unresolved Claim**” means an Affected Claim (or the portion thereof) that at the relevant time, in whole or in part: (i) has not been Finally Determined to be a Proven Claim in accordance with the Claims Process Order and this Plan; and (ii) is validly disputed in accordance with the Claims Process.

“**Unresolved Claims Reserve**” has the meaning given to it in Section 5.1.

“**Unresolved Voting Claim**” means the amount of the Unresolved Affected Unsecured Claim for voting purposes of an Affected Unsecured Creditor as determined in accordance with the terms of the Claims Process Order entitling such Affected Unsecured Creditor to vote at the Meeting in accordance with the provisions of the Meeting Order, the Plan and the CCAA.

“**Voting Claim**” means the amount of the Affected Claim of an Affected Creditor as Finally Determined for voting purposes in the manner set out in the Claims Process Order entitling such Affected Unsecured Creditor to vote at the Meeting in accordance with the provisions of the Meeting Order, the Plan and the CCAA. For greater certainty, the Secured Creditors shall be entitled to vote their Proven Claims (with the exception of the Unaffected Secured Syndicate Claim, which shall not be voted) in the single class of Affected Creditors in accordance with Section 3.3(1) hereof.

“**Unsecured Claim**” means a Claim that is not secured by any Encumbrance, and shall include for the purposes of the Plan only, the Proven Claims of the Secured Shareholders, FCC and the Syndicated Lenders (with the exception of the Unaffected Secured Syndicate Claim) which shall be deemed pursuant to the Plan to be Unsecured Claims for voting and distribution purposes under the Plan in accordance with Section 4.1.

“**WFSA**” means the Wild Fur Shippers Council.

## **1.2 Certain Rules of Interpretation**

For the purposes of the Plan:

- (i) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions;
- (ii) 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;
- (iii) unless otherwise specified, all references to currency are in U.S. dollars;



- (iv) 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;
- (v) the use of words in the singular or plural, or with a particular gender, including a definition, will not limit the scope or exclude the application of any provision of the Plan or a Schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (vi) the words “includes” and “including” and similar terms of inclusion will not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather will mean “includes but is not limited to” and “including but not limited to”, so that references to included matters will be regarded as illustrative without being either characterizing or exhaustive;
- (vii) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day means prior to 5:00 p.m. (Toronto time) on such Business Day;
- (viii) unless otherwise specified, time periods within or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;
- (ix) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature or Governmental Authority includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation; and,
- (x) references to a specified “article” or “section” will, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of the Plan, whereas the terms “the Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions will be deemed to refer generally to the Plan and not to any particular article, section or other portion of the Plan and includes any documents supplemental hereto;

### **1.3 Successors and Assigns**

The Plan will be binding upon and enure to the benefit of the heirs, administrators, executors, Representatives, successors and permitted assigns of any Person named or referred to in or subject to the Plan.

#### **1.4 Governing Law and Jurisdiction**

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

#### **1.5 Schedules**

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

Schedule “A” – Secured Claims

### **ARTICLE 2** **PURPOSE AND EFFECT OF THE PLAN**

#### **2.1 Purpose**

The purpose of the Plan is to:

- (a) permit the Applicants to realize upon their remaining assets, including pursuing remaining Litigation Claims (including contingent claims), on a more cost-effective basis;
- (b) provide for a compromise of all Affected Claims;
- (c) provide for a distribution to all holders of Affected Claims that are Proven Claims after the payment in full of the Unaffected Secured Syndicate Claim in accordance with the terms set out herein;
- (d) effect a release and discharge of all Claims and Released Claims;
- (e) with the agreement of the Syndicated Lenders, the Secured Shareholders and FCC, to deem all of their Secured Claims (with the exception of the Unaffected Secured Syndicate Claim) to be Unsecured Claims for voting and distribution purposes under the Plan so that Affected General Unsecured Creditors with Proven Claims will obtain a greater benefit from implementation of the Plan than they would derive from a bankruptcy or liquidation of the Applicants if such Secured Claims were not deemed to be Unsecured Claims for the purposes of the Plan; and
- (f) facilitate the termination of the CCAA Proceedings following the Court granting an Order terminating the CCAA Proceedings and discharging the Monitor in accordance with the terms of the Plan, which termination and discharge will occur when, in the opinion of the Applicants and the Monitor, there are no more realizable assets or the costs of realizing upon any remaining assets will be equal to or greater than the amounts to be realized.

## **2.2 Persons Affected and Released Claims**

The Plan provides for the compromise of the Affected Claims and a full, final and irrevocable release and discharge of the Affected Claims and the Released Claims. The Plan will become effective at the Effective Time on the Plan Implementation Date in accordance with its terms and shall be binding on and enure to the benefit of the Applicants, the Affected Creditors, the Released Parties and all other Persons directly or indirectly named or referred to therein, receiving the benefit of, or subject to, the Plan, and each of their respective heirs, executors, administrators, Representatives, successors, and assigns in accordance with the terms of the Plan.

## **2.3 Persons Not Affected**

The Plan does not affect Unaffected Claims. Persons with Unaffected Claims will not be entitled to vote on or receive any distributions under the Plan in respect of such Unaffected Claims, but, for greater certainty, shall be entitled to vote on and receive distributions under the Plan in respect of any Affected Claims which are Proven Claims. Nothing in the Plan shall (a) affect any of the Applicants' rights and defences, both legal and equitable, with respect to any Unaffected Claim, including all rights with respect to legal and equitable defences or entitlements to set-offs and recoupments against such Unaffected Claims or (b) constitute a waiver of any right of either the Monitor or the Applicants to dispute the validity or quantum of any Unaffected Claim.

# **ARTICLE 3** **CLASSIFICATION AND CLASSES OF AFFECTED CREDITORS AND RELATED MATTERS**

## **3.1 Claims Procedure**

The procedure for determining the validity and quantum of the Affected Claims for voting and/or distribution purposes under the Plan will be governed by the Claims Process Order, the Meeting Order, the provisions of the CCAA, the Plan, and any further Order of the Court. For greater certainty, the Claims Process Order will remain in full force and effect from and after the Plan Implementation Date. The validity and quantum of the Affected Claims will be established, for voting purposes, by the Claims Process Order, subject to the following:

- (a) The Affected Secured Syndicate Claim shall be allowed for voting and distribution purposes in the amounts set out in **Schedule "A"**;
- (b) The FCC Claim shall be allowed for voting and distribution purposes in the amount set out in **Schedule "A"**; and
- (c) The Secured Shareholders Claims shall be allowed for voting and distribution purposes in the amounts set out in **Schedule "A"**.

### **3.2 Classification of Creditors**

In accordance with the Meeting Order, all Affected Creditors (including all Affected General Unsecured Creditors, FCC, the Syndicated Lenders (other than in respect of the Unaffected Secured Syndicate Claim) and the Secured Shareholders) shall be placed into a single class with respect to their Affected Claims which are Proven Claims.

### **3.3 Voting**

- (1) Except as otherwise provided in the Meeting Order, and subject to the provisions of the Plan, Affected Creditors (including the Affected General Unsecured Creditors, FCC, the Syndicated Lenders (other than in respect of the Unaffected Secured Syndicate Claim) and the Secured Shareholders) shall be entitled to vote their Eligible Voting Claims at the Meeting in respect of the Plan.
- (2) In accordance with the CCAA, the Secured Shareholders, as related parties, will only be permitted to vote their Eligible Voting Claims, if any, against, but not for, the Plan.

### **3.4 Unaffected Claims**

Unaffected Claims, including for greater certainty, the Unaffected Secured Syndicate Claim, shall not be compromised under the Plan. No holder of an Unaffected Claim shall be: (a) entitled to vote on or approve the Plan or attend at the Meeting in respect of such Unaffected Claim; or (b) entitled to or receive any distributions pursuant to the Plan in respect of such Unaffected Claim.

### **3.5 Creditors' Meeting**

- (1) The Meeting will be held in accordance with the Plan, Meeting Order and any further Order of the Court. The only Persons entitled to attend the Meeting are those specified in the Meeting Order and any further Order of the Court. In order to be approved, the Plan must receive the affirmative vote of the Required Majority from of Affected Creditors voting Eligible Voting Claims.
- (2) The only Persons entitled to notice of, to attend or to speak at the Meeting are the Eligible Voting Creditors (or their respective duly-appointed proxyholders), Representatives of the Monitor, the Applicants, all such parties' financial and legal advisors, the chair, and secretary and scrutineers thereof. Any other Person may be admitted to the Meetings only by invitation of the Applicants or the Monitor or as permitted under the Meeting Order or any further Court Order.
- (3) If the Plan is approved by the Required Majority of the single class of Affected Creditors, then the Plan shall be deemed to have been agreed to, accepted and approved by all Affected Creditors and, if sanctioned by the Court, shall be binding upon all Affected Creditors immediately upon the delivery of the Plan Implementation Certificate in accordance with Section 10.3.

**ARTICLE 4**  
**TREATMENT OF CLAIMS**

**4.1 Treatment of Proven Secured Claims**

- (1) The Proven Secured Claims of the Secured Shareholders, FCC and the Syndicated Lenders (other than the Unaffected Secured Syndicate Claim) shall be (i) deemed for the purposes of the Plan to be Affected Unsecured Claims for voting and distribution purposes, and (ii) entitled to distribution as an Affected Unsecured Claim which is a Proven Claim in accordance with Section 7.1.
- (2) The Unaffected Secured Syndicate Claim shall be entitled to payment in full from the proceeds of the Realization Efforts in accordance with Section 5.2 hereof.
- (3) From and after the Plan Implementation Date, each Secured Creditor is deemed hereunder to have agreed that no further interest or fees shall have accrued or be deemed to be earned in respect of its Secured Claim (including, for greater certainty, in respect of the Unaffected Secured Syndicate Claim, and each deemed Affected Unsecured Claim of such Secured Creditors (i) from and after October 1, 2023, in respect of the Secured Claims of the Syndicated Lenders, and (ii) from and after the Filing Date in respect of the Secured Claims of the Secured Shareholders and FCC. For greater certainty, nothing herein shall impact any fees or interest accrued on the Proven Secured Claims of the Syndicated Lenders for the period prior to October 1, 2023 and paid by the Applicants in November of 2023.
- (4) Notwithstanding anything else contained in the Plan, including this Section 4.1, the Agent and Syndicated Lenders may continue to retain advisors, including counsel and financial advisor, and to continue to have the fees and disbursements of such counsel and financial advisor paid by the Applicants and secured by the Administration Charge until such time as the Unaffected Secured Syndicate Claim has been paid in full.

**4.2 Treatment of Affected Unsecured Claims**

At the Effective Time and in accordance with the sequence of steps set out in Article 6 hereof, in exchange for their Affected Claims, each Affected Creditor will receive the distributions as set out in the Plan.

**4.3 Treatment of Intercompany Claims**

Notwithstanding anything to the contrary in the Plan, on the Effective Date, each of the Applicants shall (a) be deemed to have subordinated the entirety of any Intercompany Claim in favour of the Proven Claims of all Affected Creditors, and (b) not be entitled to any distributions under the Plan in

respect of any Intercompany Claim.

#### **4.4 Unresolved Claims**

- (1) No holder of an Unresolved Claim shall be entitled to receive any payment or distribution hereunder with respect to an Unresolved Claim or any portion thereof unless and until, and then only to the extent that, such Unresolved Claim is finally determined pursuant to the Claims Process Order or any other Order and becomes a Proven Claim. Pursuant to the Meeting Order, the Monitor will tabulate votes of Creditors with Unresolved Voting Claims separately and will assess the impact of the Unresolved Voting Claims becoming Voting Claims on the vote conducted at the Meeting.
- (2) To the extent that any Unresolved Claim has become a Proven Claim, the holder of such Unresolved Claim shall be entitled to receive a distribution in respect of such Proven Claim in accordance with Section 7.1.

#### **4.5 Interest, fees and expenses**

In addition to and not in contradiction of Section 4.1(3), Interest shall not accrue or be paid on Claims after the Filing Date, and no holder of a Claim shall be entitled to interest accruing nor to fees and expenses incurred in respect of a 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; provided, however, that the Syndicated Lenders Claim shall be entitled to payment of (a) interest and the Agent's annual agency fee, due and payable monthly after the Filing Date up to and including October 31, 2023 and (b) the fees and expenses of the Agent and Syndicated Lenders advisors, including legal counsel and financial advisor, pursuant to Section 4.1 until the Final Distribution and termination of the CCAA Proceedings have occurred.

#### **4.6 Extinguishment of Claims**

At the Effective Time, in accordance with the terms of the Plan, including Article 5 hereof, and Sanction Order, the treatment of Affected Claims (including Unresolved Claims) and Released Claims, in each case as set forth herein, will be final and binding on the Applicants, Affected Creditors and any Person holding a Released Claim. All Affected Claims and all Released Claims will be fully, finally, irrevocably and forever released, discharged, extinguished, cancelled and barred and the Released Parties will thereupon have no further obligation or liability whatsoever in respect of the Affected Claims and the Released Claims, as applicable; provided that (a) nothing herein releases the Applicants from the obligation to make payments and distributions or provide entitlements in the manner and to the extent provided for in the Plan; and (b) such discharge and release shall be without prejudice to the right of an Affected Creditor in respect of an Unresolved Claim to prove such Unresolved Claim in accordance with the Claims Process Order.

#### **4.7 Guarantees and Similar Covenants**

No Person who has a claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim which is compromised and/or released under the Plan, including, for greater certainty, the Released Claims (such compromised Claim being the "**Principal Claim**"), 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 which is compromised under the Plan (including, for greater certainty, the Released Claims) will (a) be

entitled to any greater rights as against any Released Party than the Person whose Claim (including, for greater certainty, the Released Claims) is compromised and/or released under the Plan; (b) be entitled to vote on the Plan to the extent that the Person holding the Principal Claim votes on the Plan; or (c) be entitled to receive any distribution under the Plan to the extent that the Person holding the Principal Claim is receiving a distribution.

#### **4.8 Set-Off**

The law of set-off applies to all Claims in accordance with Applicable Law. Without limiting the generality of the foregoing, the Applicants will be and are hereby entitled to set-off from any payments or distributions to be made to a Creditor hereunder any amount due and owing to the Applicants from such Creditor. The Applicants acknowledge and confirm that they have no right of set-off against any of the Secured Creditors in respect of their Secured Claims, deemed Affected Unsecured Claims or the Unaffected Secured Syndicate Claim.

### **ARTICLE 5** **REALIZATION EFFORTS, PAYMENTS AND DISTRIBUTIONS**

#### **5.1 Realization Efforts**

Following the Effective Time, the Applicants shall continue with the liquidation of their assets and to pursue the Litigation Claims, in each case, in good faith and subject to the supervision and direction of the Monitor (the “**Realization Efforts**”).

#### **5.2 Payment of Unaffected Secured Syndicate Claim**

All proceeds derived from the Realization Efforts, net of reasonable fees and disbursements of counsel to the Applicants, the Monitor, counsel to the Monitor and the advisors of the Syndicated Lenders shall be applied firstly towards payment of the Unaffected Secured Syndicate Claim in full before any distribution to Affected Unsecured Creditors under the Plan. Such payments on account of the Unaffected Secured Syndicate Claim shall be made by the Applicants at such time and from time to time that the Monitor, in consultation with the Agent, is of the view that there are otherwise sufficient funds to satisfy the CCAA Priority Payment Claims. Notwithstanding any other provision of the Plan, no proceeds from Realization Efforts or otherwise shall be contributed to the Creditor Distribution Pool until the Unaffected Secured Syndicate Claim is paid in full.

#### **5.3 Payment of CCAA Priority Payment Claims**

The Applicants shall pay the CCAA Priority Payment Claims, if any, in full within six months after the date of the Sanction Order.

#### **5.4 Creditor Distribution Pool**

- (1) From and after the date upon which (i) the Unaffected Secured Syndicate Claim is repaid in full, (ii) the Administration Reserve is established and fully funded in accordance with Section 6.1, the Applicants shall, on a quarterly basis, pay all Available Cash then in their possession to the Monitor to be held in trust for the benefit of the Affected Creditors with Proven Claims (the “**Creditor Distribution Pool**”).

- (2) The Monitor, on behalf of the Applicants will, subject to Section 7.1 and in accordance with Article 7 hereof, make a distribution from the funds in the Creditor Distribution Pool to the Affected Creditors with Proven Claims from time to time when determined reasonable by the Monitor, in consultation with the Applicants, which distribution amount will be paid to them in accordance with the distribution provisions of Article ARTICLE 7 hereof.
- (3) On the Effective Time, all Affected Claims and Released Claims will be fully, finally, irrevocably and forever released, discharged, extinguished, cancelled and barred in accordance with the Plan, and all notes, certificates and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing) will be deemed cancelled and extinguished and be null and void in accordance with Section 4.6 hereof. For greater certainty, the releases set out in the Plan shall be effective upon the Effective Time regardless of whether any amounts are ultimately distributed to the Affected Creditors with Proven Claims under the Plan.

### **5.5 Corporate Approvals**

The execution, delivery, implementation, and consummation of all matters contemplated under the Plan involving corporate action of the Applicants, shall be authorized and approved under the Plan, as such Plan is authorized and approved by the Court as part of the Sanction Order in all respects and for all purposes without any requirement of further action by any Person.

### **5.6 Cessation of Realization Efforts and Termination of CCAA Proceedings**

The Monitor shall determine, in consultation with the Applicants and, until the Unaffected Secured Syndicate Claim is repaid in full, the Agent, when it is no longer reasonable to expect any further realizations or collections from the assets of the Applicants. At that time the Monitor shall apply to the Court, on notice to the service list in the CCAA Proceedings, for an order seeking a termination of the CCAA Proceedings and its discharge as Monitor.

## **ARTICLE 6**

### **UNRESOLVED CLAIMS RESERVE AND ADMINISTRATION RESERVE**

#### **6.1 Reserves and Distribution Cash Pool**

- (1) After the repayment in full of the Unaffected Secured Syndicate Claim pursuant to Section 5.2, the Monitor shall establish from Available Cash and maintain each of the Reserves required under the Plan and the Distribution Cash Pool for the Applicants, in trust, for the beneficiaries thereof under the Plan, and will oversee distributions from the Unresolved Claims Reserve and the Administration Reserve in accordance with the provisions of this Article 6.
- (2) The Monitor shall allocate each of such Reserves and the Distribution Cash Pool in accordance with the Plan, in each case on an accounting basis only. No separate bank account or accounts will be established for any of the Reserves, or in connection with the Distribution Cash Pool.



## **6.2 Administration Reserve**

- (1) An Administration Reserve shall be established by the Monitor, on behalf of the Applicants, after the Unaffected Secured Syndicate Claim has been repaid in full pursuant to Section 5.2, from Available Cash in an aggregate amount sufficient to fund the Administration Reserve Costs and the Monitor shall have the ability to replenish the amount of the Administration Reserve from Available Cash in order to ensure that it is at all times sufficient to fund the Administration Reserve Costs.
- (2) The Monitor shall hold and maintain the Administration Reserve for the purposes of paying the Administration Reserve Costs, from time to time, in accordance with the Plan and shall distribute the remaining balance in the Administration Reserve, if any, after the Final Distribution in accordance with Section 6.2(4) of the Plan.
- (3) The beneficiaries to the Administration Charge shall be entitled to payment from the Administration Reserve of their fees and expenses in connection with the implementation of the Plan, including administering the resolution of Unresolved Claims in accordance with the Claims Process Order and performing any other work required after the Effective Time to pursue Realization Efforts (including prosecution of the Litigation Claims), addressing questions of Creditors and otherwise administering the balance of the CCAA Proceedings.
- (4) Any amount remaining in the Administration Reserve immediately prior to termination of the CCAA Proceedings and discharge of the Monitor shall be donated to one or more registered charitable organizations chosen by the Applicants, in consultation with the Monitor.

## **6.3 Unresolved Claims Reserve**

An Unresolved Claims Reserve shall be established by the Monitor, on behalf of the Applicants, after the Unaffected Secured Syndicate Claim has been repaid in full pursuant to Section 5.2, from Available Cash in an aggregate amount sufficient to fund, without duplication (i) distributions should all Unresolved Claims be Finally Determined to be Proven Affected Unsecured Claims; and (ii) payments on account of unresolved CCAA Priority Payment Claims should all such unresolved CCAA Priority Payment Claims be Finally Determined to be valid CCAA Priority Claims; and the Monitor shall hold and maintain the Unresolved Claim Reserve for the purposes of paying all such aforesaid claims once such claims are Finally Determined to be Proven Claims in accordance with the Claims Process Order or other Order of the Court.

## **ARTICLE 7** **PROVISIONS REGARDING DISTRIBUTIONS & PAYMENTS**

### **7.1 Distributions Generally**

All distributions to Affected Creditors with Proven Claims and other payments to be effected pursuant to the Plan will be made pursuant to this Article 7. For greater certainty, all payments and distributions pursuant to this Article 7 will be subject to satisfaction or waiver of the conditions specified in Article 7 hereof.

## **7.2 Payment to Affected Creditors with Proven Claims**

The Monitor, for and on behalf of each of the Applicants, shall make a U.S. denominated cash distribution to the Affected Creditors with Proven Claims from the Creditor Distribution Pool, after payment in full of the Unaffected Secured Syndicate Claim and the establishment of the Unresolved Claims Reserve and the Administration Reserve, by cheque sent by pre-paid ordinary mail: (i) in the case of an Affected Creditor, to address recorded in the Affected Creditors Proof Claim or such other address that has been provided to the Applicants in writing in accordance with Section 11.7 hereof at least 10 days' prior to the Distribution Date, and (ii) in the case of an Affected Creditor that has received its Proven Claim by transfer, to the address set out in such transferee's notice of transfer or assignment sent to the Monitor and the Applicants.

## **7.3 Payments of Unaffected Claims**

In accordance with and at the time specified in the Plan hereof (which for greater certainty is prior to payment of any distributions to Affected Creditors), the Applicants will make the following payments as soon as sufficient funds are available, to discharge of the following:

- (a) payment to the Agent on behalf of the Syndicated Lenders an amount sufficient to repay in full the Unaffected Secured Syndicate Claim in accordance with Section 5.2;
- (b) payment of an amount sufficient to fund the Administration Reserve in accordance with Section 6.2; and
- (c) payment of the CCAA Priority Payment Claims, if any, in full in accordance with Section 5.3.

## **7.4 De Minimis Proven Claim Amount for Distribution**

- (1) Notwithstanding anything contained in the Plan, the Monitor, on behalf of the Applicants, shall not be required to make any distribution hereunder to any Affected Creditor with a Proven Claim whose calculated pro rata share of the amount available for distribution would result in a distribution of less than \$25 from any distribution and such Affected Creditor shall not be entitled to receive a distribution, provided that the amount of the distribution that would otherwise be paid to such Affected Creditor will be recorded by the Monitor to the credit of the Affected Creditor and the Monitor will hold back such amount from the amount otherwise being distributed. If in a subsequent distribution, the sum of the outstanding unpaid distribution to such Affected Creditor from the previous distribution plus the amount such Affected Creditor is entitled to under the subsequent distribution or distributions is greater than \$25, then the Monitor, on behalf of the Applicants, shall make the distribution for the Affected Creditor of the combined amount.
- (2) By way of example, if an Affected Creditor is entitled to \$18 based on its pro rata share of the funds available for distribution, then no distribution would be made to that Affected Creditor and the Monitor will continue to hold the \$18. If, on a subsequent distribution the amount payable on that distribution to the same Affected Creditor would be \$10, such that the total amount after accounting for their pro rata share of the first distribution totals \$28, then a distribution in the amount of \$28 will be made with the subsequent distribution.

- (3) When the Monitor, in consultation with the Applicants, has determined that it is making the Final Distribution under the Plan, it will determine the *pro rata* distribution to the Affected Creditors and all amounts that would result in distributions under \$25 to an Affected Creditor (after taking into account any prior amounts held for future distributions to that Affected Creditor as set out above) shall be remitted to the Creditor Distribution Pool and redistributed on a *pro rata* basis to the Affected Creditors with *pro rata* distributions above \$25 as part of the next Distribution.

### **7.5 Distributions in Respect of Unresolved Claims**

- (1) The Monitor shall hold the Unresolved Claims Reserve in trust (as may be reduced from time to time as Unresolved Claims are Finally Determined as disallowed in whole or in part) for the Applicants.
- (2) If any portion of an Unresolved Claim becomes Finally Determined to be disallowed in whole or in part, the amount related to any such portion of such Unresolved Claim shall be released from the Unresolved Claim Reserve into the applicable Creditor Distribution Pool for distribution to Affected Creditors with Proven Claims in accordance with Section 7.2.
- (3) After all Unresolved Claims have been Finally Determined in accordance with the Claims Process Order and any required distributions have been made with respect to Proven Claims, any remaining funds in the Unresolved Claims Reserve shall become part of the Creditor Distribution Pool. To the extent that an Unresolved Claim becomes a Proven Claim, the Monitor, on behalf of the Applicants, will distribute to the holder thereof, from the Unresolved Claims Reserve, the amount which such Creditor would have been entitled to receive in respect of its Proven Claim on the Distribution Date had such Unresolved Claim been a Proven Claim on the Distribution Date, subject to Section 7.4.

### **7.6 Treatment of Undeliverable Distributions**

If any distribution to an Affected Creditor under this Article 7 is not cashed or is returned as undeliverable (an “**Undeliverable Distribution**”), then neither the Applicants nor the Monitor will be required to make further efforts to deliver the distribution to such Creditor unless and until the Applicants and Monitor are notified in writing by such Affected Creditor of their current address, at which time such Undeliverable Distribution shall be mailed to such Affected Creditor at such address and in which case, no interest will accrue or be payable in respect of an Undeliverable Distribution. The obligations of the Applicants and Monitor to an Affected Creditor with an Undeliverable Distribution will expire ten (10) Business Days prior to the Final Distribution Date, after which date, any cheques in respect of any such Undeliverable Distributions may be cancelled and rendered non-negotiable by the Applicants or Monitor and any entitlement of an Affected Creditor with respect to any Undeliverable Distributions will be forever discharged and forever barred, without any compensation therefor, notwithstanding any Applicable Laws to the contrary. For greater clarity, nothing herein will require the Applicants or the Monitor to attempt to locate any Affected Creditor or other Person with respect to an Undeliverable Distribution. On the relevant date above, the amount of any Undeliverable Distributions shall be remitted to the Creditor Distribution Pool and redistributed on a *pro rata* basis to the Affected Creditors in accordance with this Plan.

## **7.7 Withholding Rights**

The Monitor, the Applicants and any other Person facilitating payments pursuant to the Plan will be entitled to deduct and withhold from any such payment to any Person, such amounts as may be required to be deducted or withheld under any Applicable Law and to remit such amounts to the appropriate Governmental Authority or other Person entitled thereto. To the extent that amounts are so withheld or deducted and remitted to the appropriate Governmental Authority or other Person, such withheld or deducted amounts will be treated for all purposes hereof as having been paid to such Person, together with the remainder of the payment in respect of which such withholding or deduction was made. Without in any way limiting the generality of the foregoing, the Applicants will deduct from any distribution to an Affected Creditor hereunder any amounts as indicated by Employment and Social Development Canada in a Notice of Debt, and remit such amounts to Employment and Social Development Canada pursuant to the *Employment Insurance Act* (Canada). Any Creditor whose address on its Proof of Claim or subsequently provided in writing to the Applicants at least 10 Business Days prior to a Distribution Date is not a Canadian address will be treated as a non-resident of Canada for purposes of any applicable non-resident withholding tax on all payments hereunder, subject to receipt by the Applicants and the Monitor of information satisfactory to them (in its sole discretion) at least 10 Business Days prior to the Distribution Date that such Creditor is not a non-resident. No gross-up or additional amount will be paid on any payment hereunder to the extent the Applicants or any other Person deducts or withholds amounts pursuant to this Section 7.7. Notwithstanding any withholding or deduction, each Person receiving a payment will have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Governmental Authority (including income and other tax obligations on account of such distribution).

## **7.8 Cancellation of Certificates and Notes, etc.**

At the Effective Time, all debentures, notes, certificates, indentures, guarantees, agreements, invoices and other instruments evidencing Affected Claims (and all guarantees associated with each of the foregoing), will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and will be deemed cancelled and extinguished and be null and void.

## **7.9 Calculations**

All amounts to be paid by the Monitor will be calculated with the assistance of the Applicants. All calculations made will be conclusive, final and binding upon the Affected Creditors, the Applicants, the Monitor and all other Persons, absent manifest error.

## **7.10 Currency Matters**

All Affected Claims that are made in a currency other than U.S. dollars shall be converted to U.S. dollars in accordance with the Claims Process Order for both voting and distribution purposes. Distributions to Affected Creditors with Proven Claims will be paid in U.S. dollars and any such Claims that are denominated in a currency other than the lawful money of United States of America will be converted in accordance with the Claims Process Order.

### **7.11 Assignment of Proven Claims Subsequent to the Meeting**

After the date of the Meeting, an Affected Creditor may transfer or assign the whole, but not part, of its Proven Claim by delivering to the Applicants and the Monitor a Notice of Transfer or Assignment. The Monitor shall not be obligated to make distributions to any transferee or assignee of a Proven Claim or otherwise deal with such transferee or assignee unless and until the Monitor and the Applicants have received a Notice of Transfer or Assignment prior to 5:00 p.m. on that day that is at least seven (7) calendar days prior to the Plan Implementation Date. Upon transfer or assignment of a Claim in accordance herewith, each applicable transferee shall, for all purposes constitute an Affected Creditor and shall be bound by notices given and steps taken in respect of such Claim. For greater certainty, the Monitor and the Applicants shall not recognize partial transfers or assignments of Claims. A transferee shall not be entitled to set-off, apply, merge, consolidate, or combine any such Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such transferee or assignee to any of the Applicants.

### **7.12 Binding Effect of the Plan**

- (1) The Plan (including, without limitation, the releases and injunctions contained herein) shall be binding as of the Effective Time on all Persons irrespective of the jurisdiction in which the Persons reside or in which their Claims arose, and shall constitute:
  - (a) a full, final and absolute settlement of all rights of any Affected Creditors; and
  - (b) a full, final and absolute release, extinguishment and discharge of all Affected Claims and Released Claims.

As at the Effective Time:

- (a) each Affected Creditor and each Person holding a Released Claim will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and
- (b) each Affected Creditor and each Person holding a Released Claim (to the extent that contractual releases have not been executed and delivered by such Person) will be deemed to have:
  - (i) executed and delivered to the Applicants and to the other Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;
  - (ii) waived any default by or rescinded any demand for payment against the Applicants that has occurred on or prior to the Effective Time pursuant to, based on or as a result of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor or Person holding a Released Claim and the Applicants with respect to an Affected Claim or Released Claim, respectively; and

- (iii) agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor or Person holding a Released Claim and the Applicants with respect to an Affected Claim or Released Claim, respectively, as at the moment before the Effective Time and the provisions of the Plan, then the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

### **7.13 Notice of Final Distribution**

At least fourteen (14) Business Days prior to the Final Distribution Date, the Monitor will (i) provide notice of the Final Distribution Date to the service list in the CCAA proceedings, and (ii) post the Final Distribution Date on its Website.

## **ARTICLE 8** **RELEASES**

### **8.1 Plan Releases**

At the Effective Time, (i) the Applicants' Representatives, including their Directors and Officers; (ii) the Monitor and the Monitor's counsel; and (iii) each of the Agent, the Syndicated Lenders, and their counsel, and each and every present and former affiliate, affiliated funds, subsidiary, director, officer, member, partner, employee, auditor, financial advisor, legal counsel and agent of any of the foregoing Persons (each of the Persons named in (i), (ii) or (iii) of this Section 8.1, in their capacity as such, being herein referred to individually as a "**Released Party**" and all referred to collectively as "**Released Parties**") shall be fully, finally and forever released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, including claims for contribution or indemnity, or rights of subrogation, which any Person may be entitled to assert, whether or not reduced to judgment, liquidated or unliquidated, fixed, contingent, known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, by guarantee, surety or otherwise, and whether or not executory or anticipatory in nature, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Plan Implementation Date, or following the Plan Implementation Date up to the termination of the CCAA Proceedings that relate to matters relating to implementing the Plan, or that constitute or are in any way relating to, arising out of or in connection with any Affected Claims, any D&O Claims and any indemnification obligations with respect thereto, the business and affairs of the Applicants whenever or however conducted, the administration and/or management of the Applicants, the Plan or the CCAA Proceedings, or any document, instrument, matter or transaction involving any of the Applicants taking place prior to the Plan Implementation Date or thereafter, in connection with the Plan (referred to collectively as the "**Released Claims**"), and all Released Claims shall be deemed to be fully, finally, irrevocably and forever waived, discharged, extinguished, released, cancelled and barred as against the Released Parties, all to the fullest extent permitted by Applicable Law; provided that the following shall not constitute Released Claims and nothing herein will waive, discharge, release, cancel or bar:

- (a) any Unaffected Claim;

- (b) the Applicants of or from any of their obligations under the Plan, under any Order, or under any document delivered by the Applicants on the Plan Implementation Date pursuant to the Plan; or
- (c) Released Party if the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or willful misconduct.

## **8.2 Injunctions**

From and after the Effective Time as set out in Section 4.1 hereof all Persons are permanently and forever barred, estopped, stayed and enjoined with respect to any and all Released Claims from: (i) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property; (iii) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, application, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of the Plan. All Persons who have previously commenced a Released Claim in any court, which Released Claim has not been finally determined, dismissed or discontinued prior to the Effective Time, shall forthwith after the Effective Time take steps to discontinue and/or dismiss, without costs, such Released Claim.

## **8.3 Knowledge of Claims**

Each Person to which Section 8.1 hereof applies shall be deemed to have granted the releases set forth in Section 8.1 notwithstanding that it may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such party expressly waives any and all rights that it may have under any applicable law which would limit the effect of such releases to those claims including Claims or causes of action known or suspected to exist at the time of the granting of the release.

## **ARTICLE 9** **COURT SANCTION**

### **9.1 Application for Sanction Order**

If the Plan is approved by the Required Majority of Affected Creditors, the Applicants shall apply for the Sanction Order on or before the date set for the Sanction Order hearing or such later date as the Court may set.

## 9.2 **Sanction Order**

The Sanction Order will, among other things:

- (a) declare that (i) the Plan has been approved by the Required Majority of the Affected Creditors in accordance with the CCAA; (ii) the activities of the Applicants and the Monitor have been in compliance with the provisions of the CCAA and the Orders of the Court made in this CCAA Proceedings in all respects;(iii) neither the Applicants nor the Monitor have done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated in connection therewith are fair and reasonable, and are sanctioned and approved by the Court pursuant to section 6 of the CCAA and shall be binding and effective as set out herein;
- (b) declare that the Plan, subject to the terms and conditions herein, including the Plan Implementation Conditions described in Section 9.1 and all associated steps, compromises, transactions, arrangements and releases effected thereby are sanctioned and approved, and at the Effective Time as set out in Section 4.1 hereof will be binding and effective upon and with respect to the Applicants, all Affected Creditors, the Released Parties and all other Persons named or referred to in, or subject to, the Plan or the Sanction Order;
- (c) as of the Effective Time and in accordance with the sequence of steps set out in Section 4.1 hereof, compromise, discharge and release the Applicants from any and all Affected Claims in accordance with the Plan, and declare that the ability of any Person to proceed against the Applicants in respect of or relating to any Affected Claims, whether directly, derivatively or otherwise will be forever discharged, enjoined and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims (to the extent they become Proven Claims);
- (d) as of the Effective Time discharge and release the Released Parties from any and all Released Claims of any nature in accordance with the Plan, and declare that the ability of any Person to proceed against the Released Parties, or any of them, in respect of or relating to any Released Claim will be forever discharged and restrained, and all proceedings with respect to, in connection with, or relating to such Released Claims be permanently stayed;
- (e) as of the Effective Time as set out in Section 4.1 hereof, bar, stop, stay and enjoin the commencing, taking, applying for or issuing or continuing of any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Released Claims and any matter which is released pursuant to Article 8 hereof;
- (f) declare that any Affected Claim that is not a Proven Claim or Unresolved Claim is forever barred and extinguished;



- (g) declare that any Claim for which a Proof of Claim has not been filed by the applicable Claims Bar Date in accordance with the Claims Process Order is forever barred and extinguished and order the release of all such Claims;
- (h) authorize the Applicants and the Monitor to perform their respective obligations and functions under the Plan and to perform all such other acts and execute such documents as may be required in connection with the foregoing;
- (i) declare that each of the CCAA Charges will be terminated, discharged, expunged and released, with the exception of the Administration Charge which shall continue until the termination of the CCAA Proceedings;
- (j) declare that, notwithstanding: (i) the pendency of the CCAA Proceedings; (ii) any applications for a bankruptcy, receivership or other order now or hereafter issued pursuant to the BIA, the CCAA or otherwise in respect of the Applicants and any bankruptcy, receivership or other order issued pursuant to any such applications; and (iii) any assignment in bankruptcy made or deemed to be made in respect of the Applicants, the transactions and releases contemplated by the Plan will be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Applicants or their assets and will not be void or voidable by creditors of the Applicants, nor will the Plan, or the payments and distributions contemplated pursuant thereto constitute nor be deemed to constitute a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA, CCAA or any other applicable federal or provincial legislation, nor will the Plan constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation;
- (k) declare that, subject to the performance by the Applicants of their obligations under the Plan, all contracts, leases, agreements and other arrangements to which the Applicants, or any of them, are a party and that have not been terminated or disclaimed pursuant to the applicable paragraph of the Initial Order and the related provisions of the CCAA will be and remain in full force and effect, unamended as of the Effective Time as set out in Section 4.1 hereof, and no Person who is a party to any such contractual arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:
  - (i) any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events or default arising as a result of the insolvency of the Applicants);
  - (ii) the insolvency of the Applicants or the fact that the Applicants sought or obtained relief under the CCAA; or
  - (iii) any compromises or arrangements effected pursuant to the Plan or any action taken or transaction effected pursuant to the Plan; and

- (l) declare that the stay of proceedings under the Initial Order continues until the earlier of (i) one month after the Final Distribution Date, and (ii) September 30, 2026;
- (m) approve all conduct of the Monitor in relation to the Applicants and bar all claims against it arising from or relating to the services provided to the Applicants up to and including the date of the Sanction Order; and
- (n) declare that the Applicants and the Monitor may apply to the Court for advice and directions in respect of any matters arising from or in relation to the Plan or the implementation thereof.

**ARTICLE 10**  
**PLAN CONDITIONS PRECEDENT AND IMPLEMENTATION**

**10.1 Conditions Precedent to Plan Implementation**

- (1) The Plan is subject to the satisfaction of the following conditions (the “**Plan Implementation Conditions**”):
  - (a) the Amended and Restated Claims Process Order, in form and substance satisfactory to the Applicants, Monitor, the Agent and FCC, shall have been issued by the Court;
  - (b) the Meeting Order, in form and substance satisfactory to the Applicants, Monitor, the Agent and FCC, shall have been issued by the Court;
  - (c) the Plan shall have been approved by the Required Majority of the Affected Creditors of the Applicants;
  - (d) the Sanction Order shall have been issued by the Court, consistent with the terms of Section 9.1 and shall be a Final Order; and
  - (e) all relevant Persons will have executed, delivered and filed all documents and other instruments that, in the opinion of the Applicants and the Monitor, are necessary to implement the provisions of the Plan or the Sanction Order.

**10.2 Plan Implementation Date**

Upon satisfaction of the Plan Implementation Conditions, the Applicants will proceed to implement the Plan. In consultation with the Monitor, the Applicants will designate the Plan Implementation Date and will implement the Plan on that date in accordance with the terms and conditions hereof.

**10.3 Monitor’s Certificate – Plan Implementation**

As soon as practicable after of the Effective Time, the Monitor will serve on the service list in the CCAA Proceedings and post on the Monitor’s Website a certificate confirming that the Plan Implementation Date has occurred (the “**Plan Implementation Certificate**”) and will file such certificate with the Court as soon as practicable after it has been delivered.

**ARTICLE 11**  
**GENERAL**

**11.1 Deeming Provisions**

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

**11.2 Modification of the Plan**

- (1) The Applicants reserve the right, at any time and from time to time, to amend, restate, modify and/or supplement the Plan (including to address or further address the treatment of Claims subject to the Claims Process Order), provided that any such amendment, restatement, modification or supplement is on terms satisfactory to the Monitor and must be contained in a written document which is filed with the Court and (i) if made prior to or at the Meeting, consented to by the Agent and communicated to the Affected Creditors in the manner contemplated by the Meeting Order; and (ii) if made following the Meeting, approved by the Court and following notice to the Affected Creditors.
- (2) Notwithstanding this Section 11.2, after the Meeting, the Applicants may amend, restate, modify and/or supplement the Plan with the consent of the Monitor, without the consent of the Affected Creditors or approval of the Court, provided that any such amendment, restatement, modification and/or supplement (i) is filed with the Court, (ii) is posted on the website maintained by the Monitor and notice thereof is provided to the Affected Creditors, (iii) does not materially decrease the anticipated recovery of Affected Creditors under the Plan and is otherwise not materially adverse to the legal, financial or economic interests of Affected Creditors, in each case as determined by the Monitor, and (iv) does not amend the Plan Implementation Conditions (including any provision of the Plan that is the subject of such conditions) without the consent of the party or parties for whose benefit the conditions exist.
- (3) Notwithstanding this Section 11.2, any amendment, restatement, modification or supplement to the Plan may be made by the Applicants at any time and from time to time, provided that it is made with the consent of the Monitor and: (i) concerns a matter which is of an administrative nature required to better give effect to the implementation of the Plan; or (ii) is to cure any errors, omissions or ambiguities, and in either case is not materially adverse to the legal, financial or economic interests of the Affected Creditors.
- (4) Any amended, restated, modified or supplementary Plan or Plans filed with the Court and, if required by this Section 11.2, approved by the Court, will for all purposes be and be deemed to be a part of and incorporated in the Plan.

**11.3 Paramountcy**

From and after the Effective Time, any conflict between:

- (a) the Plan or the Sanction Order; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or

supplements thereto existing between one or more of the Affected Creditors and the Applicants as at the moment before the Effective Time,

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

#### **11.4 Severability of Plan Provisions**

If, prior to the Plan Implementation Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicants and with the consent of the Monitor and the Agent, will have the power to either:

- (a) sever such term or provision from the balance of the Plan and provide the Applicants with the option to proceed with the implementation of the balance of the Plan; or
- (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as so altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Applicants proceed with the implementation of the Plan, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

#### **11.5 Protections of the Monitor**

The Monitor is acting and will continue to act in all respects in its capacity as Monitor in the CCAA Proceedings with respect to the Applicants (and not in its personal capacity). The Monitor will not be responsible or liable for any obligations of the Applicants. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, and any other Order made in the CCAA Proceedings. The Monitor will incur no personal liability whatsoever whether on its own part or in respect of any failure on the part of the Applicants to observe, perform or comply with any of its obligations under the Plan. Any release, discharge or other benefit conferred upon the Monitor pursuant to the Plan will enure to the benefit of the Monitor. The Monitor will be a third party beneficiary to the Plan entitled to enforce such releases, discharges and benefits in accordance with the terms of the Plan.

#### **11.6 Different Capacities**

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

#### **11.7 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 e-mail addressed to the respective parties as follows:

If to the Applicants:

**BLANEY MCMURTRY LLP**

2 Queen Street East  
Suite 1500  
Toronto, Ontario, M5C 3G5

Attention: David Ullmann  
e-mail: [dullmann@blaney.com](mailto:dullmann@blaney.com); [sgaudreau@blaney.com](mailto:sgaudreau@blaney.com)

If to an Affected Creditor:

To the mailing address, or email address provided on such Affected Creditor's Proof of Claim or such more recent address particulars of an Affected Creditor as noted in the files of the Applicants or the Monitor.

If to the Monitor:

**DELOITTE RESTRUCTURING INC.,  
MONITOR OF NAFA FUR AUCTIONS INC.,  
ET AL**

8 Adelaide Street West, Suite 200  
Toronto, Ontario, M5H 0A9

Attention: Todd Ambachtsheer and Jorden Sleeth  
e-mail: [tambachtsheer@deloitte.ca](mailto:tambachtsheer@deloitte.ca); [jsleeth@deloitte.ca](mailto:jsleeth@deloitte.ca)

With copies to (which will not constitute notice):

**MILLER THOMSON LLP**

Scotia Plaza  
40 King Street West, Suite 5800  
P.O. Box 1011  
Toronto, Ontario, M5H 3S1

Attention: Kyla Mahar and Gina Rhodes  
e-mail: [kmahar@millerthomson.com](mailto:kmahar@millerthomson.com); [grhodes@millerthomson.com](mailto:grhodes@millerthomson.com)

or to such other address as any party may from time to time notify the others in accordance with this section, or, in the case of an address change for the Applicants or the Monitor, by posting notice of such address change on the Monitor's website ([www.ey.com/ca/agmedica](http://www.ey.com/ca/agmedica)). Any such communication so given or made will be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of 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, or sent before 4:00 p.m. (Toronto time) on such day. Otherwise, such communication will be deemed to have been given and made and to have been received on the next following Business Day.

### **11.8 Further Assurances**

Each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan or any other events or transactions contemplated herein, notwithstanding any provision of the Plan that deems any event or transaction to occur without further formality.

### **11.9 Language**

The Plan, as well as any notices, Schedules or other documents related thereto has been and will be prepared in the English language only.

### **11.10 Acts to Occur on Next Business Day**

If any distribution, payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such distribution, payment or the performance of such act may be completed on the next succeeding Business Day, but will be deemed to have been completed as of the required date.

### **11.11 Non-Consummation of the Plan**

If the Plan is revoked at any time prior to the Effective Time, it will be null and void in all respects. Nothing contained in the Plan and no act taken in preparation for the implementation of the Plan will (a) constitute or be deemed to constitute a waiver or release of any Claims by or against the Applicants or any other Person; (b) prejudice the rights of the Applicants or any other Person in any further proceeding involving the Applicants; or (c) constitute an admission of any sort by the Applicants or any Person.

**DATED** as of the 11<sup>th</sup> day of January, 2024.

**SCHEDULE "A"****SECURED CREDITOR CLAIMS AS AT THE DATE OF THE PLAN****PROVEN CLAIMS OF SECURED SHAREHOLDERS**

<b><u>Secured Shareholder</u></b>	<b><u>Amount of Proven Claim</u></b>
AMC:	USD\$630,626
CMBA:	USD\$1,182,423
WFSC:	USD\$788,282
CFBA:	USD\$307,430

**PROVEN CLAIMS OF SYNDICATED LENDERS**

<b>Affected Secured Syndicate Claim</b>	
<b><u>Syndicated Lender</u></b>	<b><u>Amount of Proven Claim</u></b>
Canadian Imperial Bank of Commerce	USD \$1,368,000.00
HSBC Bank Canada	USD \$792,000.00
Export Development Canada	USD \$240,000.00
<b>Total</b>	<b>USD \$2,400,000.00</b>

<b>Unaffected Secured Syndicate Claim</b>	
Amount of Proven Claim	USD \$1,260,772.68

**PROVEN CLAIM OF FCC**

<b><u>Amount of Proven Claim</u></b>
USD \$1,631,586

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED  
 AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NORTH AMERICAN FUR PRODUCERS INC.,  
 NAFA PROPERTIES INC., 3306319 NOVA SCOTIA LIMITED, NORTH AMERICAN FUR AUCTIONS INC., NAFA PROPERTIES (US)  
 INC., NAFA PROPERTIES STOUGHTON LLC, NORTH AMERICAN FUR AUCTIONS (US) INC., NAFPRO LLC (WISCONSIN LLC),  
 NAFA EUROPE CO-OPERATIEF UA, NAFA EUROPE B.V., DAIKOKU SP.Z OO and NAFA POLSKA SP. Z OO

(the “Applicants”)

**ONTARIO  
 SUPERIOR COURT OF JUSTICE  
 COMMERCIAL LIST**

Proceeding commenced at Toronto

**PLAN OF COMPROMISE AND ARRANGEMENT  
 pursuant to the *Companies' Creditors Arrangement Act*  
 affecting and involving the Applicants**

**BLANEY MCMURTRY LLP**  
 Barristers & Solicitors  
 2 Queen Street East, Suite 1500  
 Toronto, ON, M5C 3G5

**David T. Ullmann (LSO # 423571)**  
 Tel: (416) 596-4289  
 Email: [DUllmann@blaney.com](mailto:DUllmann@blaney.com)

**Stephen Gaudreau (LSO #65895M)**  
 Tel: (416) 596-4285  
 Email: [SGaudreau@blaney.com](mailto:SGaudreau@blaney.com)

Counsel for the Applicants



**SCHEDULE “B”**

Court File No. CV-19-00630241-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES’ CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF NORTH AMERICAN FUR  
PRODUCERS INC., NAFA PROPERTIES INC., 3306319  
NOVA SCOTIA LIMITED, NORTH AMERICAN FUR  
AUCTIONS INC., NAFA PROPERTIES (US) INC., NAFA  
PROPERTIES STOUGHTON LLC, NORTH AMERICAN FUR  
AUCTIONS (US) INC., NAFPRO LLC (WISCONSIN LLC),  
NAFA EUROPE CO-OPERATIEF UA, NAFA EUROPE B.V.,  
DAIKOKU SP.Z OO and NAFA POLSKA SP. Z OO

(the “**Applicants**”)**AFFECTED CREDITOR CLASS PROXY**

Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Meeting Order made in these proceedings January 17, 2024.

In accordance with the Meeting Order, the Applicants have been authorized to convene a Meeting of their Affected Creditors to consider and vote whether to accept the plan of compromise and arrangement dated January 11, 2024 made under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) among the Applicants and their Affected Creditors (as may be amended from time to time, the “**Plan**”).

**Before completing this proxy, please read carefully the “Instructions for Completion of Proxy” included herewith.**

In accordance with the terms of the Meeting Order and the Plan, this proxy may only be filed by Affected Creditors.

If any person is to attend the Meeting (or any adjournment thereof) on behalf of an Affected Creditor and vote on the Plan, or if the Affected Creditor wishes to appoint the representative designated by the Monitor to act as the Affected Creditor's proxy, this proxy form must be completed and signed by the Affected Creditor and either: (i) received by the Monitor, Deloitte Restructuring Inc., by no later than 5:00 p.m. (Toronto time) on February 16, 2024 in

accordance with the Meeting Order; or (ii) deposited with the Chair of the Meeting prior to the start of the Meeting.

THE UNDERSIGNED AFFECTED CREDITOR hereby revokes all proxies previously given and nominates, \_\_\_\_\_ constitutes, \_\_\_\_\_ and \_\_\_\_\_ appoints

\_\_\_\_\_, or, if nobody is specified, nominates **Jorden Sleeth** of Deloitte Restructuring Inc., in its capacity as Monitor of the Applicants, or such person as he may designate as nominee of the Affected Creditor, with power of substitution, to attend on behalf of and act for the undersigned Affected Creditor at the Meeting to be held in order to consider and, if thought advisable, vote in respect of the resolution to approve the Plan and at any and all adjournments of the Meeting, and to vote the Affected Creditor's Voting Claim as follows:

A. \_\_\_\_\_ (mark only one):

\_\_\_\_\_ VOTE FOR approval of the Plan; or

\_\_\_\_\_ VOTE AGAINST approval of the Plan; and

B. \_\_\_\_\_ if neither of the options noted above is selected, to vote at the nominee's discretion and otherwise act for and on behalf of the Affected Creditor in respect of any amendments or variations to the Plan or in respect of any other matters that may come before the Meeting, or any adjournment thereof.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

**Signature:** \_\_\_\_\_ **Name:** \_\_\_\_\_

(if Affected Creditor is an individual)

(print name of Affected Creditor as it appears on the Proof of Claim form)

**Signature:** \_\_\_\_\_

(if Affected Creditor is a corporation)

this section must be completed by a duly authorized officer or attorney of the corporation)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

(print name and title of signatory)

**Phone Number of Affected Creditor:** \_\_\_\_\_

**Email address of Affected Creditor:** \_\_\_\_\_

## SCHEDULE “C”

### INSTRUCTIONS FOR COMPLETION OF PROXY

1. This proxy should be read conjunction with the Plan and the Meeting Order, copies of which are included in the Meeting Materials delivered to you and are available on the Monitor's Website at: <https://www.insolvencies.deloitte.ca/en-ca/Pages/NorthAmericanFurAuctionInc.aspx>.
2. Each Affected Creditor who has a right to vote at the Meeting has the right to appoint a person (who does not need to be an Affected Creditor) to attend, act and vote for and on their behalf at the Meeting, or any adjournments thereof, and such right may be exercised by inserting in the space provided therefor the name of the person to be appointed.
3. If no name has been inserted in the space provided, **Jorden Sleeth** of Deloitte Restructuring Inc., in its capacity as Monitor, or such other representative of the Monitor as they may designate, shall be deemed to be appointed as proxy holder for the Affected Creditor, with the power of substitution.
4. If an officer of Deloitte Restructuring Inc., in its capacity as Monitor, is appointed or is deemed to be appointed as proxy holder, or if the Affected Creditor nominated a proxy holder, and in either scenario the Affected Creditor fails to indicate a vote for or against the approval of the Plan on this proxy, this proxy will be voted **FOR** approval of the Plan.
5. If the proxy is not dated in the space provided therefor, it shall be deemed to bear the date on which it is received by the Monitor.
6. This proxy must be signed by the Affected Creditor or by his or her attorney duly authorized in writing or, where the Affected Creditor is a corporation, by a duly authorized officer or attorney of the corporation with an indication of the title of such officer or attorney.
7. Valid proxies bearing or deemed to be bearing a later date shall revoke this proxy. In the event that more than one valid proxy for the same Affected Creditor and bearing or deemed to be bearing the same date is received with conflicting instructions, such proxies will be treated as disputed proxies and shall not be counted for the purposes of the vote.
8. This proxy must be received by the Monitor by delivery, email or facsimile by no later than 5:00 pm (Toronto Time) on **February 16, 2024**, at the following address:

Deloitte Restructuring Inc.  
Court Appointed Monitor of North American Fur Auctions Inc.  
Bay Adelaide East  
8 Adelaide Street West, Suite 200  
Toronto, ON M5H 0A9  
Attention: **Todd Ambachtsheer**  
Email: **nafa@deloitte.ca**

This proxy may also be deposited with the Chair of the Meeting prior to commencement of the Meeting and no proxy will be accepted by the Chair of the Meeting after commencement of the Meeting.

**SCHEDULE “D”**

Court File No. CV-19-00630241-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE COMMERCIAL LIST**IN THE MATTER OF THE *COMPANIES’ CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NORTH AMERICAN FUR PRODUCERS INC., NAFA PROPERTIES INC., 3306319 NOVA SCOTIA LIMITED, NORTH AMERICAN FUR AUCTIONS INC., NAFA PROPERTIES (US) INC., NAFA PROPERTIES STOUGHTON LLC, NORTH AMERICAN FUR AUCTIONS (US) INC., NAFPRO LLC (WISCONSIN LLC), NAFA EUROPE CO-OPERATIEF UA, NAFA EUROPE B.V., DAIKOKU SP.Z OO and NAFA POLSKA SP. Z OO

(the “**Applicants**”)**NOTICE OF MEETING TO AFFECTED CREDITORS**

**NOTICE IS HEREBY GIVEN** that the Applicants have filed with the Superior Court of Justice, Toronto Commercial List (the “**Court**”) a plan of compromise and arrangement dated January 11, 2024 (as may be amended from time to time, the “**Plan**”) pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan and the Meeting Order dated January 17, 2024.

All documents relating to the Plan including the Plan, Meeting Order, Sixteenth Report and proxy and instruction letter can all be found on the Monitor’s Website at <https://www.insolvencies.deloitte.ca/en-ca/Pages/NorthAmericanFurAuctionInc.aspx>.

The Plan contemplates the compromise of rights and claims of certain of the Applicants’ creditors (as defined in the Plan, the “**Affected Creditors**”). There is one class of Affected Creditors under the Plan, being the Affected Creditors Class. The Plan also provides for comprehensive releases for a number of parties.

**NOTICE IS ALSO HEREBY GIVEN** that a meeting of the Affected Creditors (the “**Meeting**”) will be held at the office of Deloitte Restructuring Inc. located at 8 Adelaide Street West, Suite 200, Toronto, ON M5H 0A9, on **February 21, 2024** beginning at 10:00 a.m. (Toronto time), and virtually by videoconference at the following URL: \*\*\* for the purpose of considering and, if thought advisable by the Affected Creditors, voting in favour of a resolution (the “**Resolution**”) to approve the Plan and to transact such other business as may properly come before the Meeting or any adjournment thereof.

Affected Creditors may vote in person or by proxy at the Meeting. Any Affected Creditor who is entitled and wishes to vote at the Meeting but is unable to attend the Meeting is required to date, sign and return a proxy by mail, courier, e-mail or fax. In order to be valid and voted at the Meeting, a proxy must be either (i) received by the Monitor by **5:00 p.m. (Toronto Time) on February 16, 2024;** or (ii) deposited with the chair of the Meeting (or any adjournment, postponement or other rescheduling thereof) before the beginning of the Meeting.

**NOTICE IS ALSO HEREBY GIVEN** that, if the Plan is passed by the Required Majority, then the application for the Sanction Order will be brought by the Applicants on **March 1, 2024** or such later date as may be determined (the “**Sanction Order Application**”).

The Monitor's address for the purpose of filing forms of proxy and for obtaining any additional information or materials related to the Meeting is:

Deloitte Restructuring Inc.  
Court Appointed Monitor of North American Fur Auctions Inc.  
Bay Adelaide East, 8 Adelaide Street West, Suite 200  
Toronto, ON M5H 0A9  
Attention: **Todd Ambachtsheer**  
Email: **nafa@deloitte.ca**  
Website: <https://www.insolvencies.deloitte.ca/en-ca/Pages/NorthAmericanFurAuctionInc.aspx>.

**IT IS IMPORTANT THAT AFFECTED CREDITORS NOTE THE FOLLOWING:** Only those Affected Creditors that are on the Service List will be provided with further notice of the Sanction Order Application, the materials filed in support of the Sanction Order Application (including the Monitor's Report to Court reporting on the results of vote of the Meeting) and any adjournment of the Sanction Order Application. The materials in connection of the Plan and the Sanction Order, and any notice of adjournment of the Meeting will be posted on the Monitor's Website.

This notice is given by the Applicants pursuant to the Meeting Order and is dated this \_\_\_\_ day of January 2024.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NORTH AMERICAN FUR PRODUCERS INC.,  
NAFA PROPERTIES INC., 3306319 NOVA SCOTIA LIMITED, NORTH AMERICAN FUR AUCTIONS INC., NAFA PROPERTIES (US)  
INC., NAFA PROPERTIES STOUGHTON LLC, NORTH AMERICAN FUR AUCTIONS (US) INC., NAFFRO LLC (WISCONSIN LLC),  
NAFA EUROPE CO-OPERATIEF UA, NAFA EUROPE B.V., DAIKOKU SP.Z OO and NAFA POLSKA SP. Z OO

(the “Applicants”)

**Email of the recipients:** See the Service List

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**COMMERCIAL LIST**  
Proceeding commenced at Toronto

**ORDER**  
**Dated January 17, 2024**  
**(Re: Meeting Order, Stay Extension, and Sealing Order)**

**BLANEY MCMURTRY LLP**  
Barristers & Solicitors  
2 Queen Street East, Suite 1500  
Toronto, ON, M5C 3G5

**David T. Ullmann (LSO # 423571)**  
Tel: (416) 596-4289  
Email: [DUllmann@blaney.com](mailto:DUllmann@blaney.com)

**Stephen Gaudreau (LSO #65895M)**  
Tel: (416) 596-4285  
Email: [SGaudreau@blaney.com](mailto:SGaudreau@blaney.com)

Counsel for the Applicants