

LEASE SALE AND SOLICITATION PROCESS TERMS

Introduction

On March 1, 2017, BCBG Max Azria Canada Inc. (“**BCBG Canada**” or the “**Company**”) filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (“**BIA**”). Deloitte Restructuring Inc. has been appointed as Proposal Trustee (the “**Proposal Trustee**”) of BCBG Canada and FAAN Advisors Group Inc. has been appointed as the Chief Canadian Restructuring Advisor (the “**CCRA**”) of BCBG Canada.

As part of its proceedings under the BIA and with the assistance of A&G Realty Partners, LLC (“**A&G**”), BCBG Canada intends to market certain of its real property leasehold interests (the “**Leases**”) for sale and/or assignment under the supervision of the Proposal Trustee and the CCRA (the “**Lease Sale and Solicitation Process**”).

The Purpose of this Lease Sale and Solicitation Process is to seek Sale Proposals from Qualified Bidders (each as defined below) and to implement one or a combination of Sale Proposals in respect of the Leases, which implementation may include sales, dispositions, assumptions, assignments, disclaimers, terminations or other transaction form.

The Lease Sale and Solicitation Process describes, among other things:

- a) the Leases available for sale and/or assignment;
- b) the manner in which prospective bidders may gain access to due diligence materials in respect of the Leases;
- c) the manner in which bidding for the Leases shall take place and be submitted;
- d) the receipt, evaluation and negotiation of bids received;
- e) the ultimate selection of one or more Successful Bids (as defined below); and
- f) the process for obtaining such approvals (including the approval of the Superior Court of Quebec (the “**Court**”)) as may be necessary or appropriate in respect a Successful Bid.

STEP 1 – COMMENCEMENT OF LEASE SALE AND SOLICITATION PROCESS AND IDENTIFICATION OF BIDDERS

1. The Company, with the assistance of the CCRA and A&G, and with the oversight of the Proposal Trustee, will immediately:
 - a. prepare a list identifying potential purchasers (“**Potential Bidders**”);
 - b. prepare a document summarizing the opportunity and Leases (the “**Teaser Letter**”) and thereafter deliver the Teaser Letter to Potential Bidders; and
 - c. assemble information and documents in respect of the Leases (the “**Information**”).

2. The Teaser Letter and other information pertaining to the Lease Sale and Solicitation Process will be posted on the Proposal Trustee's website:
<http://www.insolvencies.deloitte.ca/en-ca/pages/BCBG-Max-Azria-Canada-Inc.aspx?searchpage=Search-Insolvencies.aspx>
3. Upon execution of a satisfactory confidentiality agreement, A&G will provide parties who have expressed interest in the Leases ("**Interested Parties**") with such Information as requested by the Interested Parties, and, as required, will facilitate meetings between the Company and such Interested Parties.

STEP 2 – SUBMISSION OF FINAL BIDS

4. An Interested Party (a "**Bidder**") that desires to make a bid in respect of the sale and/or assignment of any one or more of the Leases (a "**Sale Proposal**") shall deliver its bid (the "**Final Bid**") to the Proposal Trustee and the Company no later than 5 p.m. (Eastern Time) on April 5, 2017 (the "**Final Bid Deadline**").
5. A Final Bid shall:
 - a. include a refundable cash deposit in the form of a wire transfer (to a bank account specified by the Proposal Trustee) or such other form of deposit as is acceptable to the Proposal Trustee, payable to the Order of the Proposal Trustee, in trust, in an amount equal to 10% (the "**Deposit**") of the purchase price. The Deposit will either be: (i) applied to satisfy the purchase price; (ii) forfeited to the Company in the event that a Successful Bidder (as defined below) breaches its obligations pursuant to the Accepted Bid (as defined below); or (iii) returned to the Bidder if the Bidder is not determined to be the Successful Bidder;
 - b. disclose the identity of each entity (including its ultimate shareholder(s) and/or sponsors) that will be bidding for the Leases or otherwise participating in a Final Bid and the complete terms of any such participation;
 - c. not be subject to further due diligence and include an acknowledgment and representation that the Bidder has had an opportunity to conduct any and all required due diligence prior to making its bid;
 - d. not be subject to any conditions precedent except those that are customary in a transaction of this nature;
 - e. not be conditioned upon approval by the Court of any bid protection, such as a break-up fee, termination fee, expense reimbursement or similar type of payment;
 - f. contain full details in respect of the Leases the Bidder intends acquire and the purpose for which such Leases are being acquired;
 - g. include evidence, in form and in substance reasonably satisfactory to the Company and the Proposal Trustee, of authorization and approval from the Bidder's board of directors (or comparable governing body) with respect to the submissions, execution, delivery and closing of the Final Bid;

- h. identify the Bidder's principal advisors;
 - i. provide evidence, in form and in substance reasonably satisfactory to the Company and the Proposal Trustee, of financing sufficient to close a transaction within the timelines detailed herein and shall not be subject to confirmation of financing; and
 - j. be irrevocable until 20 days after the date of the Bid Deadline
- (collectively, the "**Final Bid Criteria**").
- 7. The Proposal Trustee and the Company shall determine if a Final Bid meets the Final Bid Criteria. If a Final Bid meets the Final Bid Criteria, such bid will be designated as a qualified bid ("**Qualified Bid**").
 - 8. On or before April 6, 2017, the Proposal Trustee or the Company will advise Bidders if their Bid is a Qualified Bid. If one or more competing Qualified Bids is received for the same Leases, such Qualified Bids shall proceed to an auction to be held on April 7, 2017 (the "**Auction**"), which shall proceed according to the Auction Procedures set out in Schedule "A" hereto to identify one or more "**Successful Bidders**".
 - 9. If no Qualified Bids are received by the Final Bid Deadline, the Auction will not be held.
 - 10. If only one Qualified Bid is received by the Final Bid Deadline or multiple Qualified Bids are received with no overlap of Leases, then the Auction will not be held and such Qualified Bids shall be declared Successful Bids and the Company will enter into a binding purchase and/or assignment agreement with such Successful Bidders.
 - 11. Following identification of one or more Successful Bidders and Company's entry into one or more binding purchase and/or assignment agreements with such Successful Bidders, the Company and the Proposal Trustee shall seek Court approval of such transactions with the Successful Bidders.

GENERAL PROVISIONS

- 12. All Sale Proposals shall be on an "as is, where is" basis without any representation or warranties of any kind, nature or description by the Company, Proposal Trustee, CCRA, A&G or any of their respective directors, officers, partners, employees, agents, advisors or estates. By submitting a Final Bid, each Bidder shall be deemed to acknowledge and represent that it has:
 - a. had an opportunity to conduct any and all due diligence regarding the Leases and the Company prior to submitting its Final Bid;
 - b. relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Leases in making its Final Bid; and
 - c. not relied upon any written or oral statements, representations, warranties or guarantees, express, implied, statutory or otherwise, regarding the Leases or the

completeness of any information provided in connection therewith, except as expressly outlined in this Lease Sale and Solicitation Process.

13. Notwithstanding anything contained in this Lease Sale and Solicitation Process or the Auction Procedures, the Company and the Proposal Trustee, shall in their sole discretion, retain the right to amend, augment or revise the Lease Sale and Solicitation Process and the Auction Procedures at any time.
14. A chart summarizing key deadlines for the Lease Sale and Solicitation Process is set out below, which may only be amended or modified with the consent of the Company and the Proposal Trustee

EVENT	DATE
Final Bid Deadline	April 5, 2017 (5 p.m. Eastern)
Bidders advised if their bid is a "Qualified Bid"	On or before April 6, 2017
Auction (if necessary)	April 7, 2017

AUCTION PROCEDURES

1. On or before April 6, 2017, the Company or the Proposal Trustee shall advise Bidders if their bid is a Qualified Bid and if such Qualified Bid is being advanced to the Auction.
2. Unless otherwise ordered by the Court, only the authorized representatives, professional advisors or agents of Qualified Bidders invited to the auction shall be eligible to attend at the Auction and submit Revised Bids (as defined below) at the Auction.
3. The Auction, if any, shall be conducted by the Proposal Trustee, the Company, and A&G, commencing on April 7, 2017 at 10 a.m. (Eastern Time) at the offices of Osler Hoskin & Harcourt LLP, 1000 de la Gauchetière, 21st floor, Montreal, Quebec, H3B 4W5.
4. At the Auction, all Qualified Bidders shall be permitted to increase the value of their Qualified Bid in accordance with the procedures set forth herein (each a “**Revised Bid**”). All Revised Bids presented during the Auction shall be made and received in one room on an open basis. All participating Qualified Bidders shall be entitled to be present for all bidding with the understanding that the true identity of each participating Qualified Bidder shall be fully disclosed to all other Qualified Bidders and that all material terms of each Revised Bid shall be fully disclosed to all other participating Qualified Bidders throughout the entire Auction.
5. All Qualified Bidders at the Auction must have at least one individual representative with authority to bind such Qualified Bidder present in person at the Auction.
6. At least one (1) day prior to the Auction, the Proposal Trustee will advise all Qualified Bidders which of the Qualified Bids the Proposal Trustee has determined in its reasonable business judgment, after consultation with its advisors and the Company, constitutes the then highest or otherwise best Sale Proposal (a “**Starting Bid**”).
7. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round: (i) at least one Revised Bid is submitted by a Qualified Bidder that improves upon such Qualified Bidder's immediately prior Qualified Bid and meets the overbid requirement set forth in paragraph 9 below.
8. Bidding at the Auction shall be in such increments as determined by the Proposal Trustee and the Company and announced to all Qualified Bidders immediately prior to the commencement of the Auction. Bidding shall continue until such time as the highest and best bid is determined by the Proposal Trustee's reasonable business judgment after consultation with its advisors and the Company. The Proposal Trustee, in its sole discretion, shall have the right to modify the bidding increments throughout the course of the Auction.
9. After the first round of bidding and between each subsequent round of bidding, the Proposal Trustee shall announce the Revised Bid that the Proposal Trustee has determined in its reasonable business judgment, after consultation with its advisors and with the Company, to be the then highest or best bid (the “**Leading Bid**”). A round of

bidding will conclude after each participating Qualified Bidder has had an opportunity to submit a Revised Bid with full knowledge of the Leading Bid.

10. If no Qualified Bidder submits a Revised Bid (as determined by the Proposal Trustee and the Company) after a period of 15 minutes following the Proposal Trustee's acceptance of a Revised Bid as the Leading Bid, and the Proposal Trustee and the Company choose not to adjourn the Auction further, the Company shall enter into a binding agreement of purchase and sale or investment substantially on the same terms as the Leading Bid, with the Qualified Bidder that submitted the highest and best bid as determined by the Proposal Trustee and the Company (the "**Accepted Bid**"), whereupon the Auction will be concluded.
11. At the Auction, the Proposal Trustee, after consultation with its advisors and with the Company, may employ and announce additional procedural rules that are fair and reasonable in the circumstances (e.g., the amount of time allotted to make subsequent bids) for conducting the Auction; provided, however, that such rules are: (a) not significantly inconsistent with the Auction Procedures, the *Bankruptcy and Insolvency Act* or any order of the Court; and (b) disclosed to each Qualified Bidder at the Auction.
12. If the Successful Bidder fails to close a transaction within 14 days after Court approval (or such date that may otherwise be mutually agreed upon between the Company and the Successful Bidder), the Proposal Trustee shall be authorized but not required to deem that: (a) the Successful Bidder has breached its obligations pursuant to the Accepted Bid; (b) the Successful Bidder has forfeited its deposit to the Company; and (c) the Company is authorized to enter into another transaction.