

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-052159-171

SUPERIOR COURT
(Commercial Division)

**IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF:**

BCBG Max Azria Canada Inc.

Debtor / Petitioner

-and-

Deloitte Restructuring Inc.

Trustee

-and-

GBG USA Inc., a corporation governed by the laws of Delaware, having an office at 350 Fifth Avenue, 6th floor, New York City, New York, 10118, United states of America

-and-

GBG Acquisition ULC, a corporation governed by the laws of British Columbia, having an office at 250 Howe Street, 20th floor, Vancouver, British Columbia, V6C 3R8

Mises-en-cause

**APPLICATION FOR APPROVAL OF AN ASSET SALE, ASSIGNMENT OF AN
AGREEMENT, ISSUANCE OF A VESTING ORDER AND FOR EXTENSION
OF TIME TO FILE A PROPOSAL**

**(Sections 50.4(9), 65.13 and 84.1 of the *Bankruptcy and
Insolvency Act*, RSC 1985, c B-3, as amended)**

**TO ONE OF THE HONOURABLE JUDGES OR TO THE REGISTRAR OF THE
SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION IN AND FOR THE
JUDICIAL DISTRICT OF MONTRÉAL, THE PETITIONER RESPECTFULLY SUBMITS
AS FOLLOWS:**

I. BACKGROUND

1. The Debtor/Petitioner BCBG Max Azria Canada Inc. (“**BCBG Canada**”) is a company governed by the *Canada Business Corporations Act*, RSC 1985, c C-44 and an indirect wholly-owned subsidiary of BCBG Max Azria Global Holdings, LLC (“**BCBG Global Holdings**”), a Delaware corporation.
2. BCBG Canada is the Canadian operating entity of the BCBG Max Azria group of companies (the “**BCBG Group**”), a fashion design, wholesale and retail conglomerate founded in 1989 and headquartered in California. The BCBG Group has retail operations across the United States, Europe, Japan and Canada.
3. As of the date of the NOI (as defined below), BCBG Canada operated its retail business from a total of 51 retail and factory stores in Québec, Ontario, British Columbia, Alberta, Manitoba and Nova Scotia (the “**Stores**”). In addition, it operates 17 licensed departments within Hudson’s Bay Company (“**HBC**”) retail locations in Canada (the “**Partner Shops**”).
4. On February 28, 2017 (the “**Chapter 11 Petition Date**”), BCBG Global Holdings and certain of its United States affiliates commenced proceedings under Chapter 11 of the Bankruptcy Code (the “**Chapter 11 Proceedings**”) before the United States Bankruptcy Court for the Southern District of New York.
5. On March 1, 2017, BCBG Canada filed a Notice of intention to make a proposal (“**NOI**”) under the relevant provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (“**BIA**”) and Deloitte Restructuring Inc. was appointed as trustee thereto (the “**Trustee**”), the whole as appears from Court record.
6. On March 3, 2017, at BCBG Canada’s request, the Honourable David R. Collier, JSC, granted the *Order approving a DIP Financing and DIP Charge, an Administration Charge, a D&O Charge, a Consulting Agreement and Sale Guidelines and granting ancillary relief* (the “**First Order**”), as appears from Court record.
7. On March 29, 2017, Registrar Bégin of this Court granted an order extending the time to file a proposal to May 15, 2017, as appears from Court record.
8. On May 12, 2017, Registrar Flamand of this Court granted a second order extending the time to file a proposal to June 29, 2017, as appears from Court record.
9. On June 28, 2017, Registrar Bégin of this Court granted a third order extending the time to file a proposal to August 11, 2017, as appears from Court record.

II. SECURED CREDITORS

10. BCBG Canada and certain other members of the BCBG Group are party to a Second Amended and Restated Loan Agreement (the “**ABL Agreement**”) dated

as of February 5, 2015 with Bank of America, N.A. and other parties thereto (collectively, the “**ABL Lenders**”), pursuant to which the ABL Lenders provide BCBG Canada with a secured asset-based revolving credit line of up to \$15 million (the “**ABL Facility**”).

11. The obligations of BCBG Canada under the ABL Agreement are secured by first-ranking hypothecs and liens on substantially all of the company’s assets.
12. As of February 27, 2017, the outstanding aggregate amount due from BCBG Canada under the ABL Facility totalled C\$13,483,923.88, excluding interest, costs, fees and expenses.
13. As a result of certain events of default that occurred under the ABL Agreement, on February 14, 2017, BCBG Canada, certain other members of the BCBG Group and the ABL Lenders entered into a Forbearance Agreement (the “**First Forbearance Agreement**”). The First Forbearance Agreement was necessary to ensure that the ABL Lenders did not enforce the rights and any remedies available to them under the ABL Agreement. In accordance with its terms, the First Forbearance Agreement expired on February 28, 2017.
14. On March 3, 2017, in accordance with the First Order, BCBG Canada, certain other members of the BCBG Group and the ABL Lenders entered into the Canadian Forbearance Agreement (the “**DIP Agreement**”), in order to provide debtor-in-possession financing to BCBG Canada by way of the ABL Facility (in such capacity, the “**DIP Facility**”).
15. BCBG Canada’s obligations under the DIP Agreement are secured by a Court-ordered priority charge over all of the assets and undertakings of BCBG Canada.
16. Since the date of the DIP Agreement, in accordance with its terms and the First Order, BCBG Canada has been drawing upon and paying down the DIP Facility.
17. As of July 19, 2017, the outstanding aggregate amount due from BCBG Canada under the DIP Facility totalled approximately C\$795,000.
18. The ABL Lenders are supportive of this Application and the conclusions sought herein.

III. LIQUIDATION SALE

19. Following the granting of the First Order, BCBG Canada, with the assistance of its consultant, a joint venture composed of Gordon Brothers Canada ULC and Merchant Retail Solutions, ULC, began the liquidation sale of all of its inventory and furnishings, fixtures and equipment (“**FF&E**”) located at its Stores (the “**Liquidation Sale**”).
20. The Liquidation Sale was completed on or about May 31, 2017. In addition, disclaimers for all Store leases became effective by May 31, 2017.

IV. SALES PROCESS – PARTNER SHOPS

21. In parallel to the Liquidation Sale, BCBG Canada has continued to operate the Partner Shop business in the ordinary course since the date of the NOI.
22. On March 28, 2017, an order was granted in connection with the Chapter 11 Proceedings approving a sale and solicitation process (the “**Sale Process**”) for the assets of the BCBG Group including the Canadian Assets (as defined in paragraph 32 below). The BCBG Group retained the services of Jefferies, LLC to run the Sale Process.
23. As appears from the Disclosure Statement dated June 14, 2017 filed in connection with the Chapter 11 Proceedings, of which relevant excerpts are filed in support hereof as **Exhibit P-1**, the BCBG Group established a data room for purposes Sales Process (the “**Data Room**”) and reached out to more than 130 prospective bidders. More than 65 interested parties ultimately executed non-disclosure agreements for purposes of accessing the Data Room. Each of these parties were also provided “teaser” materials and a process letter.
24. The deadline for submitting final bids in connection with the Sale Process was May 19, 2017, by which date several bids were received.
25. Further to negotiations, and subject to the approval of this Court in respect of BCBG Canada, on June 9, 2017, certain debtors in the Chapter 11 Proceedings, BCBG Canada and certain of their affiliates (collectively, the “**Sellers**”), entered into an asset purchase agreement (the “**Asset Purchase Agreement**”) with GBG USA Inc. (the “**Purchaser**”) with respect to the sale and purchase of certain of the Acquired Assets (as defined below) (the “**Sale Transaction**”). A copy of the Asset Purchase Agreement is filed in support hereof as **Exhibit P-2**.
26. Also on June 9, 2017, certain Sellers (other than BCBG Canada) entered into a second asset purchase agreement with respect to the sale of certain intellectual property assets of the BCBG Group to a third-party purchaser (the “**IP Transaction**”).
27. On June 23, 2017, an order was granted in connection with the Chapter 11 Proceedings authorizing the Chapter 11 debtors to enter into a plan support agreement (the “**Plan Support Agreement**”) with, *inter alia*, the Purchaser. Pursuant to the Plan Support Agreement, the Purchaser undertakes to use commercially reasonable efforts to support and cooperate with the BCBG Group in its restructuring efforts, including to take all commercially reasonable actions necessary or appropriate to consummate the Sale Transaction.
28. On July 12, 2017, a Notice of Filing of Plan Supplement was filed under the Chapter 11 Proceedings (the “**FPS Notice**”), which included a schedule of assumed executory contracts containing, amongst others, the HBC Agreement (as defined below).

29. The deadline for submitting objections in connection with the FPS Notice was July 17, 2017, by which date no objection was received.

V. SALE TRANSACTION

30. Unless otherwise defined herein, all capitalized terms in this Section V have the meaning ascribed to them in the Asset Purchase Agreement.
31. The Asset Purchase Agreement provides for the sale by the Sellers to the Purchaser of certain assets, including inventory, contracts, and other assets related to the BCBG Group's wholesale, e-commerce, partnership and retail businesses, the whole as further set out in the Asset Purchase Agreement (collectively, the "**Acquired Assets**").
32. Those Acquired Assets being the property of BCBG Canada (the "**Canadian Assets**") include the inventory located in the Partner Shops (the "**Inventory**") and the Licensed Department Agreement dated as of October 1, 2012 between BCBG Canada and HBC (as amended from time to time, the "**HBC Agreement**"). The FF&E associated with the Partner Shops does not belong to BCBG Canada, but rather HBC.
33. Subject to authorization of the Court, in order to fully document the Sale Transaction as it regards the Canadian Assets, BCBG Canada, the Purchaser and BCBG Acquisition ULC (the "**CA Buyer**"), shall enter into a Transfer, Assignment and Assumption Agreement (the "**Transfer Agreement**") substantially in the form of the document filed in support hereof as **Exhibit P-3**.
34. As appears from the Asset Purchase Agreement, the aggregate cash purchase price for the Acquired Assets is US\$23,000,000 (the "**Purchase Price**"). As appears from the Transfer Agreement, that portion of the Purchase Price which is payable to BCBG Canada in consideration for the Canadian Assets is US\$500,000 (the "**Canadian Purchase Price**") which represents, as of the date hereof, approximately C\$630,000.
35. As more fully appears from the Transfer Agreement, the CA Buyer will be offering continued employment to all remaining employees of the Partner Shop operations of BCBG Canada and BCBG Canada may be providing certain limited transitional services to the CA Buyer, the whole in accordance with the terms set forth in the Transfer Agreement.
36. Other material terms of the Sale Transaction include:
- (a) the assumption by the Purchaser of the obligations and liabilities of BCBG Canada under the HBC Agreement, as and from the closing of the Sale Transaction; and

- (b) the Acquired Assets are being sold and purchased on an “as is, where is” basis and free and clear of all liens and other encumbrances, other than the “Permitted Liens” as described in the Asset Purchase Agreement.
37. It is anticipated that the Sale Transaction will close on or about July 31, 2017, subject to the satisfaction of the closing conditions set forth in the Asset Purchase Agreement, including:
- (a) the issuance of the relevant orders and approvals to be obtained in connection with the Chapter 11 Proceedings;
 - (b) the issuance of the approval and vesting order sought herein; and
 - (c) the closing of the IP Transaction;
38. In connection with the Sale Transaction, BCBG Canada retained the services of Hilco Valuation Services, LLC (“**Hilco**”) to provide an appraisal of the net orderly liquidation value (“**NOLV**”) of the Inventory.
39. As appears from Hilco’s report filed in support hereof as **Exhibit P-4**, the NOLV of the Inventory is estimated to be approximately C\$517,000.
40. In light of the foregoing, it is submitted that the Sale Transaction represents the best offer available in the circumstances in respect of the Canadian Assets, given that:
- (a) the Sale Transaction results from a *bona fide* offer by the Purchaser to purchase the Acquired Assets following a lengthy and thorough Sales Process by the BCBG Group;
 - (b) the Canadian Assets were bundled into the Acquired Assets in order to maximize their value and attract the highest bids from the largest numbers of potentially interested parties;
 - (c) the Canadian Purchase Price is greater than the NOLV of the Inventory, which would have been the best possible return otherwise available; and
 - (d) the employees of the Partner Shops operations of BCBG Canada will have the opportunity for continued employment with the CA Buyer.
41. BCBG Canada respectfully requests that this Court order the assignment of the HBC Agreement to the CA Buyer. As of the date hereof, there are no monetary defaults of BCBG Canada under the HBC Agreement. The CA Buyer is undertaking to assume all obligations of BCBG Canada thereunder. Further, the CA Buyer has advised BCBG Canada that HBC does not object to this Court ordering the assignment of the HBC Agreement.

42. As appears from the Trustee's report (the "**Trustee's Report**") filed in support of this Application on or about the date hereof, the Trustee is also of the view that the Sale Transaction in respect of the Canadian Assets provides the greatest benefit to BCBG Canada stakeholders.

VI. EXTENSION OF TIME

43. BCBG Canada continues to work with its stakeholders to determine whether it will be able to formulate a proposal to its unsecured creditors.
44. It is expected that the Sale Transaction, including as it regards the Canadian Assets, will close on July 28, 2017. BCBG Canada anticipates that it will require additional time to complete the Sale Transaction, deal with any post-closing issues and determine whether it will be able to formulate an acceptable proposal.
45. BCBG Canada has continued to pay suppliers, employees and other creditors for sums due from the date of the NOI in the ordinary course of business and intends to continue doing so.
46. Accordingly, BCBG Canada hereby respectfully requests that this Court extend the time period to make a proposal to August 31, 2017 (the "**Extension Date**"), pursuant to subsection 50.4(9) of the BIA.
47. BCBG Canada's cash flow is sufficient to continue operations up to and until the Extension Date, as appears from the Trustee's Report to be filed with the Court on or about the date hereof.
48. In BCBG Canada's opinion, no creditor will be materially prejudiced by an extension.

VII. CONCLUSION

49. To summarize, BCBG Canada hereby respectfully requests that this Honourable Court:
- (a) approve and ratify, as applicable, the execution of the Asset Purchase Agreement and the Transfer Agreement;
 - (b) authorize BCBG Canada to complete the sale of the Canadian Assets and to proceed with the closing of the Sale Transaction and vesting in and to the CA Buyer of all of the right, title and interest in and to the Canadian Assets in accordance with the terms and conditions of the Asset Purchase Agreement;
 - (c) order the assignment of the HBC Agreement to the CA Buyer in accordance with the terms and conditions of the Asset Purchase Agreement and the Transfer Agreement;

- (d) extend the stay of proceedings until the Extension Date; and
 - (e) render such other orders sought from this Court so as to allow for the closing of the Sale Transaction.
50. BCBG Canada is also seeking the authorization of this Court to remit to the ABL Lenders, from the Canadian Purchase Price (net of any applicable deductions or adjustments), an amount up to the aggregate amount outstanding under the DIP Agreement.
51. As stated above, the ABL Lenders are supportive of this Application and the conclusions sought herein.
52. The Trustee is also supportive of this Application and the conclusions sought herein.
53. BCBG Canada has acted and continues to act in good faith and with due diligence.

FOR THESE REASONS, MAY IT PLEASE THIS HONOURABLE COURT TO:

1. **GRANT** the present Application for approval of an asset sale, assignment of an agreement, issuance of a vesting order and for extension of time to file a proposal (the "**Application**");
2. **ISSUE** an order substantially in the form of the draft Approval, Vesting, Assignment and Extension Order filed in support hereof as **Exhibit P-5**;

THE WHOLE WITHOUT COSTS, save in the event of contestation.

MONTRÉAL, July 20, 2017

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP

Attorneys for the Debtor / Petitioner

AFFIDAVIT

I the undersigned, Naveed Z. Manzoor, domiciled for the purpose hereof at 6 Adelaide Street East, Suite 220, Toronto, Ontario, M5C 1H6, solemnly declare the following:

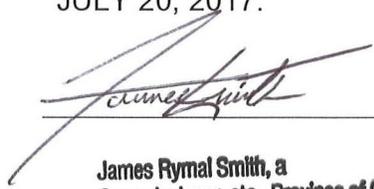
1. I am the Chief Canadian Restructuring Advisor of the Debtor/Petitioner BCBG Max Azria Canada Inc. and a duly authorized representative of the Debtor/Petitioner for the purposes hereof;
2. I have taken cognizance of the attached Application for approval of an asset sale, assignment of an agreement, issuance of a vesting order and for extension of time to file a proposal (the "**Application**");
3. The facts alleged in the Application are true or, where I rely on information received from others, I verily believe the facts alleged in the Application to be true.

AND I HAVE SIGNED:



Naveed Z. Manzoor

Mississauga
SOLEMNLY DECLARED BEFORE
ME IN TORONTO, ONTARIO, ON
JULY 20, 2017.



**James Rymal Smith, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires March 28, 2020.**

NOTICE OF PRESENTATION

TO: **SERVICE LIST**

TAKE NOTICE that the Application for approval of an asset sale, assignment of an agreement, issuance of a vesting order and for extension of time to file a proposal will be presented for hearing and allowance in the Superior Court (Commercial Division), in room 16.10 of the Montréal Courthouse, 1 Notre-Dame Street East, Montréal, Québec, H2Y 1B6, on July 25, 2017, at 8:45 a.m., or so soon thereafter as counsel may be heard.

MONTRÉAL, July 20, 2017

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP
Attorneys for the Debtor / Petitioner

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-052159-171

SUPERIOR COURT
(Commercial Division)

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF:

BCBG Max Azria Canada Inc.

Debtor / Petitioner

-and-

Deloitte Restructuring Inc.

Trustee

-and-

GBG USA Inc.

-and-

GBG Acquisition ULC

Mises-en-cause

LIST OF EXHIBITS

- P-1 Excerpts from the Disclosure Statement dated June 14, 2017 filed in connection with the Chapter 11 Proceedings
- P-2 Asset Purchase Agreement
- P-3 Transfer, Assignment and Assumption Agreement
- P-4 Report by Hilco Valuation Services, LLC
- P-5 Draft Approval, Vesting, Assignment and Extension Order

MONTRÉAL, July 20, 2017

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP
Attorneys for the Debtor / Petitioner

EXHIBIT P-1

**Excerpts from the Disclosure Statement dated June 14, 2017 filed in connection
with the Chapter 11 Proceedings**

(Please see attached.)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	
BCBG MAX AZRIA GLOBAL HOLDINGS, LLC,)	Case No. 17-10466 (SCC)
<i>et al.</i> , ¹)	
)	
Debtors.)	(Jointly Administered)

**DISCLOSURE STATEMENT RELATING
TO THE AMENDED JOINT PLAN OF REORGANIZATION OF
BCBG MAX AZRIA GLOBAL HOLDINGS, LLC AND ITS DEBTOR
AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

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Counsel to the Debtors and Debtors in Possession

Dated: June 14, 2017

THIS IS NOT A SOLICITATION OF AN ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE COURT. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO CHANGE. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: BCBG Max Azria Global Holdings, LLC (6857); BCBG Max Azria Group, LLC (5942); BCBG Max Azria Intermediate Holdings, LLC (3673); Max Rave, LLC (9200); and MLA Multibrand Holdings, LLC (3854). The location of the Debtors' service address is: 2761 Fruitland Avenue, Vernon, California 90058.

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION.....	1
II. PRELIMINARY STATEMENT.....	1
III. QUESTIONS AND ANSWERS REGARDING THIS DISCLOSURE STATEMENT AND THE PLAN	4
A. What is chapter 11?.....	4
B. Why are the Debtors sending me this Disclosure Statement?.....	4
C. Am I entitled to vote on the Plan?.....	4
D. What will I receive from the Debtors if the Plan is consummated?.....	5
E. What happens to my recovery if the Plan is not confirmed or does not go effective?.....	8
F. If the Plan provides that I get a distribution, do I get it upon Confirmation or when the Plan goes effective, and what is meant by “Confirmation,” “Effective Date,” and “Consummation?”.....	8
G. What are the sources of Cash and other consideration required to fund the Plan?.....	8
H. Are there risks to owning the Reorganized Global Holdings Interests upon emergence from chapter 11?.....	8
I. Who are the Purchasers?.....	8
J. Is there potential litigation related to Confirmation of the Plan?.....	9
K. Will the final amount of Allowed Unsecured Claims affect the recovery of holders of Allowed Unsecured Claims under the Plan?.....	9
L. Will there be releases and exculpation granted to parties in interest as part of the Plan?.....	10
M. What is the deadline to vote on the Plan?.....	10
N. How do I vote for or against the Plan?.....	10
O. Why is the Bankruptcy Court holding a Confirmation Hearing?.....	10
P. When is the Confirmation Hearing set to occur?.....	11
Q. What is the purpose of the Confirmation Hearing?.....	11
R. Who do I contact if I have additional questions with respect to this Disclosure Statement or the Plan?.....	11
S. Do the Debtors recommend voting in favor of the Plan?.....	12
IV. THE DEBTORS’ PLAN.....	12
A. The Plan.....	12
V. THE DEBTORS’ CORPORATE HISTORY, STRUCTURE, AND BUSINESS OVERVIEW.....	17
A. BCBG’s Corporate History.....	17
B. The Debtors’ Business Operations.....	17
C. The Debtors’ Cost Structure.....	18
(i) Supply Chain.....	18
(ii) Employee Compensation and Benefits.....	19
(iii) Real Estate Obligations.....	19
D. The Debtors’ Prepetition Capital Structure.....	20
VI. EVENTS LEADING TO THE CHAPTER 11 FILINGS	22
A. Challenging Operating Environment and Operational Right-Sizing.....	22
B. Supply Chain and Borrowing Base Challenges.....	22
C. Board Exploration of Strategic Alternatives and Independent Investigation.....	23
D. Operational Right-Sizing Initiatives and ABL Forbearance.....	23

VII.	MATERIAL DEVELOPMENTS AND ANTICIPATED EVENTS OF THE CHAPTER 11 CASES.....	24
A.	First Day Relief.....	24
B.	Other Procedural and Administrative Motions	24
C.	Final Approval of Debtor-in-Possession Financing	24
D.	Schedules and Statements	25
E.	Appointment of Official Committee	25
F.	Litigation Matters.....	25
G.	Rejection and Assumption of Executory Contracts and Unexpired Leases	25
H.	Independent Investigation	26
I.	Marketing Process.....	26
J.	Sale Transaction, the Post-Effective Date Debtors, and Wind Down	27
K.	Chubb Insurance Obligations.....	28
VIII.	RISK FACTORS.....	29
A.	Bankruptcy Law Considerations	29
B.	Risks Related to the Debtors’ Businesses	34
IX.	SOLICITATION AND VOTING PROCEDURES	35
A.	Holders of Claims Entitled to Vote on the Plan	35
B.	Voting Record Date	36
C.	Voting on the Plan.....	36
D.	Ballots Not Counted.....	37
X.	CONFIRMATION OF THE PLAN.....	37
A.	Requirements for Confirmation of the Plan	37
B.	Best Interests of Creditors/Liquidation Analysis	37
C.	Feasibility.....	38
D.	Acceptance by Impaired Classes.....	38
E.	Confirmation without Acceptance by All Impaired Classes	38
XI.	CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN.....	39
A.	Introduction.....	39
B.	Certain U.S. Federal Income Tax Consequences of the Plan to the Debtors and Holders of Allowed Class [8] Interests.	41
C.	Certain U.S. Federal Income Tax Consequences of the Plan to Holders of Allowed Class 4 Term Loan New Tranche A Claims and Allowed Class 6 Unsecured Claims.	42
D.	Certain U.S. Federal Income Tax Consequences of the Plan to Holders of Allowed Class 5 Term Loan Tranche B Claims.	43
E.	Character of Gain or Loss.	44
F.	Accrued Interest.	44
G.	Market Discount.....	44
H.	Ownership and Disposition of the Reorganized Global Holdings Interests	45
I.	Information Reporting and Backup Withholding.....	48
XII.	RECOMMENDATION	49

EXHIBITS

EXHIBIT A Plan of Reorganization

EXHIBIT B Liquidation Analysis

I. INTRODUCTION

BCBG Max Azria Global Holdings, LLC and its debtor affiliates, as debtors and debtors in possession (collectively, the “Debtors”), submit this disclosure statement (this “Disclosure Statement”), pursuant to section 1125 of the Bankruptcy Code, to holders of Claims against and Interests in the Debtors in connection with the solicitation of votes for acceptance of the *Amended Joint Plan of Reorganization of BCBG Max Azria Global Holdings, LLC and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. •], dated June 14, 2017 (as amended, supplemented, or modified from time to time, the “Plan”).¹ A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference. The Plan constitutes a separate chapter 11 plan for each of the other Debtors. The rules of interpretation set forth in Article I.B of the Plan govern the interpretation of this Disclosure Statement.

THE DEBTORS BELIEVE THAT THE COMPROMISES CONTEMPLATED IN THE PLAN ARE FAIR AND EQUITABLE, MAXIMIZE THE VALUE OF THE DEBTORS’ ESTATES, AND PROVIDE THE BEST RECOVERY TO STAKEHOLDERS UNDER THE CIRCUMSTANCES. THE DEBTORS BELIEVE THE PLAN REPRESENTS THE BEST AVAILABLE OPTION FOR COMPLETING THE CHAPTER 11 CASES. THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

II. PRELIMINARY STATEMENT

BCBG—an acronym for the French phrase “*bon chic, bon genre*,” meaning “good style, good attitude”—was founded by Max Azria in Los Angeles, California in 1989. Over the course of the next three decades, BCBG grew to well over 550 stores spread across the United States, Canada, Europe, and Japan, becoming a well-known and respected name in high-end women’s apparel and accessories. Unfortunately, like many other apparel and retail companies, BCBG has fallen victim in recent years to adverse macro-trends, including a general shift away from brick-and-mortar to online retail channels, a shift in consumer demographics away from branded apparel, and expensive leases. And as operating conditions in the apparel industry became more challenging generally, certain of BCBG’s operational issues came into sharper focus, including a cost structure misaligned with market realities, a lagging online presence, an overextended physical store footprint, an unexploited intellectual property portfolio, and an under-developed wholesaling division. These factors directly affected BCBG’s sales and operations, with consolidated net sales declining over 20 percent since fiscal year 2014 from \$785 million to approximately \$615 million in the most recent fiscal year.

Before the commencement of their chapter 11 cases, the Debtors commenced a marketing process. The Bankruptcy Court subsequently approved procedures and a process for the Debtors to market and potentially sell equity interests or assets pursuant to a chapter 11 plan. As part of this process, the Debtors reached out to more than 130 potentially interested parties. The Debtors received several non-binding indications of interest in April 2017. Final bids were received (and due) on May 19, 2017, the bid deadline. The Debtors did not receive bids to acquire their equity interests, as contemplated in the bidding procedures, but instead received bids from potential acquirers of intellectual property and certain inventory.

After reviewing the bids and engaging in further conversations with certain bidders, the Debtors determined to engage with Marquee Brands, LLC (the IPCo Purchaser) and GBG USA Inc. (the OpCo Purchaser) to document a series of Restructuring Transactions that could be implemented through the

¹ Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meaning ascribed to such terms in the Plan.

Plan. While engaging in these negotiations, the Debtors received a series of non-binding indications of interest from other interested parties. After reaching agreement on the terms of a comprehensive Restructuring Transaction with the IPCo Purchaser and OpCo Purchaser, the Debtors' board of managers authorized entry into the Asset Purchase Agreements on June 9, 2017. In connection with entry into the Asset Purchase Agreements, the Debtors, the IPCo Purchaser, the OpCo Purchaser, and Allerton Funding, LLC ("Allerton Funding"), the Holder of 100 percent of the Term Loan New Tranche A Claims, entered into a Plan Support Agreement.

Subject to rights of termination, including in connection with the Debtors' exercise of their fiduciary obligations, the Plan Support Agreement provides the foundation for the Plan and implementation of the Sale Transaction. The Plan Support Agreement provides for an expense reimbursement of up to \$345,000 and a breakup fee of \$3.18 million (less any amounts paid pursuant to the expense reimbursement), and the Debtors agreed not to solicit, facilitate, or enter into an alternative transaction to the Sale Transaction. Following entry of an order approving the Disclosure Statement, the Plan Support Agreement contemplates that Allerton Funding will vote in favor of the Plan and will vote against any alternative plan unless such plan provides Allerton Funding with at least \$30 million in cash on the effective date and a greater overall recovery. Notably, after entry of an order approving the Disclosure Statement, except in limited circumstances, the termination of the Plan Support Agreement by one party will not terminate the agreement as to the other parties.

The Sale Transaction embodied in the Plan includes three main components: (i) the IPCo Purchaser will purchase the Debtors' intellectual property and certain other assets pursuant to the IPCo Purchase Agreement; (ii) the OpCo Purchaser will purchase certain businesses and related assets, including up to 22 of the Debtors' existing retail store locations, up to all of the Debtors' existing partnerships, including certain Canadian operating locations, the Debtors' existing wholesale business, the Debtors' existing ecommerce business, and inventory and purchase orders corresponding with the foregoing pursuant to the OpCo Purchase Agreement; and (iii) the Debtors or Post-Effective Date Debtors, as applicable, will liquidate and wind down the stores and assets not purchased by the OpCo Purchaser, including the Store Closing Sales with the assistance of the Store Closing Agent. In addition, the IPCo Purchaser and the OpCo Purchaser have entered into or will enter into separate agreements, which the Debtors are not and will not be a party to, pursuant to which the Debtors understand that the IPCo Purchaser will license the acquired intellectual property assets to the OpCo Purchaser for use in the operation of the go-forward business, and that the IPCo Purchaser will receive a royalty payment in exchange.

The core terms of the sale transaction are as follows:

- A cash purchase price of \$106 million paid by the IPCo Purchaser in exchange for the Debtors' intellectual property, including certain related contracts and certain specified assets, plus the payment of certain cure amounts related to assumed contracts.
- A cash purchase price of \$23 million paid by the OpCo Purchaser in exchange for certain inventory, contracts, and other assets related to the Debtors' wholesale, e-commerce, partnership, and retail business (including up to 22 standalone retail store locations), plus the assumption of certain liabilities and payment of certain cure amounts related to assumed contracts.
- An agreement from the IPCo Purchaser to provide Allerton Funding a junior royalty share interest in cash flow from the IPCo Purchaser's use of the purchased intellectual property, the terms of which are set forth in a Royalty Sharing Agreement.

VII. MATERIAL DEVELOPMENTS AND ANTICIPATED EVENTS OF THE CHAPTER 11 CASES

A. First Day Relief

On the Petition Date, along with their voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the “Petitions”), the Debtors filed several motions (the “First Day Motions”) designed to facilitate the administration of the Chapter 11 Cases and minimize disruption to the Debtors’ operations, by, among other things, easing the strain on the Debtors’ relationships with employees, vendors, and customers following the commencement of the Chapter 11 Cases. A brief description of each of the First Day Motions and the evidence in support thereof is set forth in the *Declaration of Holly Felder Etlin, Chief Restructuring Officer of BCBG Max Azria Global Holding, LLC (I) in Support of Debtors’ Chapter 11 Petitions and First Day Motions and (II) Pursuant to Local Bankruptcy Rule 1007-2* [Docket No. 3], filed on March 1, 2017.

The First Day Motions, the First Day Declaration, and all orders for relief granted in the Chapter 11 Cases, can be viewed free of charge at <https://www.donlinrecano.com/bcbg>.

B. Other Procedural and Administrative Motions

The Debtors also filed several other motions subsequent to the Petition Date to further facilitate the smooth and efficient administration of the Chapter 11 Cases and reduce the administrative burdens associated therewith, including:

- Ordinary Course Professionals Motion. On March 14, 2017, the Debtors filed the Motion of BCBG Max Azria Global Holdings, LLC, et al., for Entry of an Order Authorizing the Retention and Compensation of Certain Professionals Utilized in the Ordinary Course of Business [Docket No. 145] (the “OCP Motion”). The OCP Motion seeks to establish procedures for the retention and compensation of certain professionals utilized by the Debtors in the ordinary course operation of their businesses. On March 28, 2017, the Bankruptcy Court entered an order granting the OCP Motion [Docket No. 236].
- Retention Applications. On March 14, 2017, the Debtors filed a number of applications seeking to retain certain professionals postpetition pursuant to sections 327 and 328 of the Bankruptcy Code, including Kirkland & Ellis, LLP, Jefferies LLC as financial advisor, AlixPartners, LLP as restructuring advisor, and A&G Realty Partners, LLC as real estate consultant (collectively, the “Retention Applications”). On March 28, 2017, the Bankruptcy Court approved each of the Retention Applications. The foregoing professionals are, in part, responsible for the administration of the Chapter 11 Cases. The postpetition compensation of all of the Debtors’ professionals retained pursuant to sections 327 and 328 of the Bankruptcy Code is subject to the approval of the Bankruptcy Court.

C. Final Approval of Debtor-in-Possession Financing

On March 28, 2017, the Bankruptcy Court entered an order approving the Debtors’ proposed debtor-in-possession financing (the “DIP Financing”) on a final basis [Docket No. 228]. The Debtors resolved all formal and informal objections before the hearing to consider approval of the DIP Financing on a final basis. Under the term loan component of the the DIP Financing, the Tranche A lenders and the Tranche B lenders funded an \$80 million junior debtor-in-possession facility, which includes \$45 million in new money commitments. The Tranche A lenders funded \$4.8 million of new money financing, while

their \$35 million in outstanding Tranche A loans were converted to DIP Claims. The Tranche B lenders funded the remaining \$40.2 million of the new money financing. As part of the DIP Financing, the ABL Lenders also agreed to continue to lend money on terms similar to those under the ABL Facility, while prepetition claims under the ABL Facility were converted to DIP Claims.

The Debtors anticipate that as of the Effective Date, the aggregate outstanding Allowed DIP Claims will total approximately \$125 million, including approximately \$82.2 million under the DIP Term Loan Credit Agreement (including exit fees) and \$42.4 million under the DIP ABL Credit Agreement. Under the Plan, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed DIP Claim, each such holder of an Allowed DIP Claim shall receive payment in full in Cash of such holder's Allowed DIP Claim or such other treatment as agreed by such holder in such holder's sole discretion.

D. Schedules and Statements

On April 13, 2017, the Debtors filed their Schedules of Assets and Liabilities and Statement of Financial Affairs [Docket Nos. 296–306].

E. Appointment of Official Committee

On March 9, 2017, the U.S. Trustee filed the *Notice of Appointment of Official Committee of Unsecured Creditors* [Docket No. 103], notifying parties in interest that the U.S. Trustee had appointed a statutory committee of unsecured creditors (the "Committee") in the Chapter 11 Cases. The Committee is currently composed of the following members: Silverreed (Hong Kong) Ltd., Dada Trading Co. Ltd., Cuddy Global Ltd., Pepperjam, LLC, Simon Property Group Inc., GGP Limited Partnership, and Gardenia Zuniga-Haro. The Committee has retained Pachulski Stang Ziehl & Jones LLP as its legal counsel and Zolfo Cooper, LLP as its financial advisor.

F. Litigation Matters

In the ordinary course of business, the Debtors are parties to certain lawsuits, legal proceedings, collection proceedings, and claims arising out of their business operations. The Debtors cannot predict with certainty the outcome of these lawsuits, legal proceedings, and claims.

With certain exceptions, the filing of the Chapter 11 Cases operates as a stay with respect to the commencement or continuation of litigation against the Debtors that was or could have been commenced before the commencement of the Chapter 11 Cases. In addition, the Debtors' liability with respect to litigation stayed by the commencement of the Chapter 11 Cases generally is subject to discharge, settlement, and release upon confirmation of a plan under chapter 11, with certain exceptions. Therefore, certain litigation Claims against the Debtors may be subject to discharge in connection with the Chapter 11 Cases.

G. Rejection and Assumption of Executory Contracts and Unexpired Leases

Prior to the Petition Date and in the ordinary course of business, the Debtors entered into over one thousand Executory Contracts and Unexpired Leases. The Debtors, with the assistance of their advisors, have reviewed and will continue to review the Executory Contracts and Unexpired Leases to identify contracts and leases to either assume or reject pursuant to sections 365 or 1123 of the Bankruptcy Code. The Debtors intend to include information in the Plan Supplement regarding the assumption or rejection of the remainder of their Executory Contracts and Unexpired Leases, but may also elect to assume or reject various of the Debtors' Executory Contracts and Unexpired Leases before such time. Indeed, on March 28, 2017, the Bankruptcy Court entered an order approving procedures for the assumption or

rejection of Executory Contracts and Unexpired Leases [Docket No. 243]. Pursuant to the approved procedures, the Debtors have rejected approximately 125 Executory Contracts and Unexpired Leases as of the date hereof.

Additionally, on March 14, 2017, the Debtors filed a motion seeking, among other things, authority to reject the employment agreement by and between Debtor BCBG Max Azria Group, LLC and Lubov Azria [Docket No. 137]. Mrs. Azria (together with her husband Max Azria) subsequently filed an objection to the motion and a separate adversary complaint seeking a declaration that her employment agreement forms part of a single, integrated contract along with certain other documents related to a February 2015 restructuring transaction consummated between the Debtors, certain of their secured lenders, and certain related parties. On April 25, 2017, the Bankruptcy Court entered summary judgment in favor of the Debtors, authorizing them to reject Mrs. Azria's employment agreement. Mr. and Mrs. Azria subsequently appealed the Bankruptcy Court's ruling, which appeal remains outstanding.

Although their analysis is ongoing, the Debtors currently estimate that the aggregate amount of Claims on account of rejection of Executory Contracts and Unexpired Leases may be significant.

H. Independent Investigation

Beginning prepetition and continuing postpetition, the Independent Managers are conducting an independent investigation into all claims and causes of action held by the Debtors' estates. In connection with this investigation and the review of claims or causes of action, if any, against the Debtors' secured lenders, Kirkland & Ellis, LLP, at the direction of the Independent Managers, reviewed over 100,000 pages of documents and conducted interviews with eight individuals, including the members of the Debtors' senior management team and certain individuals associated with the Debtors' secured lenders. The Independent Managers ultimately determined that no colorable claims or causes of action exist against the Debtors' secured lenders and agreed to approve the Debtors' stipulations included in the DIP Order as to the extent and validity of the Debtors' secured lenders' prepetition claims and liens. The Independent Managers' investigation into estate claims and causes of action against parties (other than the Debtors' secured lenders) remains ongoing.

The definition of "Released Parties" under the Plan does not include Max Azria or Lubov Azria, or any entity directly or indirectly owned or controlled by Max Azria or Lubov Azria, in any capacity, including as direct or indirect holders of Global Holdings Interests. Those Claims will be controlled by the Post-Effective Date Debtors, through the Plan Administrator. On the Effective Date, any Causes of Action the Debtors or their estates may have against the Azria Parties will vest in the Post-Effective Date Debtors and will be subject to administration by the Plan Administrator.

I. Marketing Process

As described above, the Debtors conducted a marketing process for some or all of their assets or the equity interests in Reorganized Global Holdings. The Debtors, working with their legal and financial advisors in consultation with representatives of the Committee and their secured lenders, contacted more than 100 potentially interested parties, including both financial and strategic counterparties. More than 65 such interested parties ultimately executed non-disclosure agreements for purposes of accessing a data room established in connection with the marketing and Auction process. Each of these parties were also provided "teaser" materials and a process letter.

Under the Bidding Procedures approved by the Bankruptcy Court, the deadline for interested parties to submit non-binding indications of interest was April 7, 2017. The Debtors received a number of non-binding indications of interest. The deadline for interested parties to submit Qualified Bids to participate in the auction was May 19, 2017. The Debtors' marketing efforts were ultimately successful,

resulting in several proposals from interested parties. For several weeks after the May 19, 2017 bid deadline, the Debtors engaged in near-continuous negotiations regarding a potential transaction that would preserve the Debtors' business as a going concern. In addition, and in accordance with the terms of the Bidding Procedures Order, the Debtors agreed to provide two different potentially interested parties with "work fees" to facilitate the competitive process and attempt to reach definitive agreements. After significant back and forth and deliberation by the Debtors' board, including a review and consideration of two different indications of interest received on June 6 and June 7, the Debtors reached agreements with the IPCo Purchaser, the OpCo Purchaser, and the holder of the Term Loan New Tranche A Claims on the terms of a comprehensive restructuring of the Debtors' business, including the Sale Transaction and the terms of the Plan.

J. Sale Transaction, the Post-Effective Date Debtors, and Wind Down

The Sale Transaction is comprised of three main components: (i) the IPCo Purchaser will purchase the Debtors' intellectual property and certain other assets; (ii) the OpCo Purchaser will purchase certain operations-related assets, including assuming up to 22 of the Debtors' existing retail store locations, up to all of the Debtors' existing partnerships, the Debtors' existing wholesale business, the Debtors' existing ecommerce business, and inventory and certain related assets corresponding with each of the foregoing; and (iii) the Debtors or Post-Effective Date Debtors, as applicable, will liquidate the remaining inventory, and certain other remaining assets, and close the stores that are not being assumed by OpCo Purchaser.

The implied value of these transactions is approximately \$165 million (excluding the contingent consideration to be provided to Allerton Funding, as described below). More specifically, the major components of the Debtors' restructuring include the following:

- A cash purchase price of \$106 million paid by the IPCo Purchaser in exchange for the Debtors' intellectual property, including certain related contracts and certain specified assets plus payment of certain cure amounts related to assumed contracts.
- A cash purchase price of \$23 million paid by the OpCo Purchaser in exchange for certain inventory, contracts, and other assets related to the Debtors' wholesale, e-commerce, partnership, and retail business (including up to 22 standalone retail store locations) plus the assumption of certain liabilities and payment of certain cure amounts related to assumed contracts. The OpCo Purchaser has not agreed to assume gift card-related liability. Any such Claims, which are unsecured claims subject to the Bar Date, will be afforded treatment contemplated under the Plan to the extent such claims were properly and timely filed.
- An agreement from the IPCo Purchaser to provide the holder of the Term Loan New Tranche A Claims a junior royalty share interest in proceeds from the IPCo Purchaser's use of the purchased intellectual property, the terms of which are set forth in a Royalty Sharing Agreement.

In connection with entering into the Asset Purchase Agreements, the the Debtors, the Purchasers, and Allerton Funding also entered into that certain Plan Support Agreement, dated as of June 9, 2017, whereby the parties, including the Debtors, agreed to support the Plan and abide by certain terms and conditions set forth therein. Importantly, the Debtors' obligations are qualified in their entirety by paragraph 13 of the Plan Support Agreement, which provides:

Notwithstanding anything to the contrary herein, nothing in this Agreement shall require any [Debtor] or the board of directors, board of

managers, directors, managers, or officers or any other fiduciary of any [Debtor] to take any action, or to refrain from taking any action, to the extent inconsistent with its or their fiduciary obligations under applicable law.

Further, paragraph 9(d) of the Plan Support Agreement provides that the Debtors may terminate the Plan Support Agreement in “the exercise by any [Debtor] of its fiduciary obligations.” The Plan Support Agreement and the accompanying asset purchase agreements are the direct result of a competitive marketing process and arm’s-length negotiations, and the Debtors believe that entry into the Plan Support Agreement and consummation of the Sale Transaction through the Plan is the best alternative presently available to the Debtors and their estates.

The Debtors will continue in existence after the Effective Date as the Post-Effective Date Debtors for purposes of (1) winding down the Debtors’ businesses and affairs as expeditiously as reasonably possible and liquidating any assets held by the Post-Effective Date Debtors after the Effective Date and after consummation of the Sale Transaction, (2) consummation of the Store Closing Sales, (3) resolving any Disputed Claims, (4) paying Allowed Claims, (5) enforcing and prosecuting claims, interests, rights, and privileges under any Causes of Action not previously settled, released, discharged, enjoined or exculpated under the Plan in an efficacious manner and only to the extent the benefits of such enforcement or prosecution are reasonably believed to outweigh the costs associated therewith, (6) filing appropriate tax returns, and (7) administering the Plan in an efficacious manner. A Plan Administrator will be appointed to implement the Plan and wind down the businesses and affairs of the Debtors and the Post-Effective Date Debtors, as applicable.

The Sale Transaction Cash Proceeds are equal to \$129 million (less the Canadian Sale Transaction Proceeds) plus up to \$2.5 million in cash to satisfy certain cure amounts for contracts assumed by the Purchasers. Additionally the Debtors will have Cash on hand as of the effective date other than the Sale Transaction Cash Proceeds. Specifically, the Debtors project that they will realize approximately \$14 million on accounts receivable collected before or as soon as is reasonably practicable after the Effective Date and approximately \$15 million on account of the Store Closing Sales. The Debtors’ ability to satisfy administrative and priority claims in accordance with the Plan depends on the Debtors’ ability to realize the anticipated proceeds from accounts receivable within the Debtors’ anticipated timing for doing so. Such realization and timing is uncertain, and the Debtors’ inability to meet such anticipated collection could materially impact the Debtors’ ability to satisfy such administrative and priority claims. Notwithstanding the collection risk associated with the AR, the Debtors believe the Debtors believe that the Sale Transaction Cash Proceeds together with the other cash proceeds and other Cash on hand will be sufficient to pay all administration and priority claims outstanding as of the Effective Date in full in cash in accordance with the Plan, including all DIP Claims. Therefore, the Debtors believe that the Plan is confirmable.

K. Chubb Insurance Obligations

Federal Insurance Company (including its division Chubb & Sons) believes that the Plan and this Disclosure Statement should clarify that notwithstanding anything to the contrary in the Disclosure Statement, the Plan, the Plan Supplement, the Confirmation Order, the New ABL Documents, any bar date notice or claim objection, any other document related to any of the foregoing or any other order of the Bankruptcy Court (including, without limitation, any other provision that purports to be preemptory or supervening, grants an injunction or release, confers Bankruptcy Court jurisdiction, or requires a party to opt out of any releases): (a) each of the Insurance Contracts is treated as an Executory Contract under the Plan; (b) on the Effective Date the Post-Effective Date Debtors jointly and severally shall be deemed to have assumed the Insurance Contracts in their entirety pursuant to sections 105 and 365 of the Bankruptcy Code; (c) on the Effective Date, such Insurance Contracts shall revert in the Post-Effective Date Debtors;

EXHIBIT P-2

Asset Purchase Agreement

(Please see attached.)

ASSET PURCHASE AGREEMENT

BY AND AMONG

BCBG MAX AZRIA GLOBAL HOLDINGS, LLC,

THE OTHER SELLER PARTIES HEREUNDER,

AND

GBG USA INC.

JUNE 9, 2017

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I CLOSING; PURCHASE PRICE.....	1
Section 1.1 Purchase and Sale of Acquired Assets.....	1
Section 1.2 Assumption of Liabilities.....	2
Section 1.3 Excluded Assets and Excluded Liabilities.....	3
Section 1.4 Post-Closing Liabilities.....	3
Section 1.5 Assignment and Assumption at Closing.....	3
Section 1.6 Further Conveyances and Assumptions.....	4
Section 1.7 Closing.....	4
Section 1.8 Purchase Price.....	5
Section 1.9 Closing Deliveries.....	5
Section 1.10 Allocation of Purchase Price.....	6
ARTICLE II REPRESENTATIONS AND WARRANTIES OF THE SELLER PARTIES AND THE COMPANY	6
Section 2.1 Corporate Status.....	6
Section 2.2 Power and Authority.....	7
Section 2.3 Enforceability.....	7
Section 2.4 No Conflict; Consents and Approvals	7
Section 2.5 Arm's-Length	7
Section 2.6 Financial Statements; Liabilities.....	8
Section 2.7 Absence of Certain Changes.....	8
Section 2.8 Compliance with Laws	8
Section 2.9 Legal Proceedings.....	8
Section 2.10 Labor and Employment Matters	8
Section 2.11 Employees and Employee Benefit Plans	9
Section 2.12 Title to Real and Personal Property.	9
Section 2.13 Affiliated Transactions	10
Section 2.14 Inventory.....	10
Section 2.15 Licenses and Permits	10
Section 2.16 Environmental.....	10
Section 2.17 Material Contracts.....	11
Section 2.18 No Broker's Fees.....	11
Section 2.19 Insurance.....	11
Section 2.20 Condition and Sufficiency of the Acquired Assets.....	11

Section 2.21	No Additional Representations or Warranties	12
ARTICLE III REPRESENTATIONS AND WARRANTIES OF BUYER		12
Section 3.1	Corporate Status.....	12
Section 3.2	Power and Authority.....	12
Section 3.3	Enforceability.....	13
Section 3.4	No Conflict; Consents and Approvals	13
Section 3.5	Legal Proceedings.....	13
Section 3.6	Sophistication; Investigation.....	13
Section 3.7	No Broker's Fees.....	13
Section 3.8	Arm's-Length	13
Section 3.9	Financial Capability.....	14
Section 3.10	No Knowledge of Termination Event.....	14
Section 3.11	No Additional Representations or Warranties	14
ARTICLE IV COVENANTS		14
Section 4.1	Bankruptcy Actions	14
Section 4.2	Reasonable Best Efforts.....	15
Section 4.3	Regulatory and Other Authorizations; Notices and Consents	16
Section 4.4	Conduct of Business.....	18
Section 4.5	Transfer Taxes	19
Section 4.6	Letters of Credit.....	19
Section 4.7	Notice of Events.....	20
Section 4.8	Access to Information; Confidentiality.....	20
Section 4.9	Use of Proceeds	21
ARTICLE V CONDITIONS TO THE CLOSING		21
Section 5.1	Conditions to Each Party's Obligations	21
Section 5.2	Conditions to the Obligation of Buyer.....	22
Section 5.3	Conditions to the Obligation of the Company	23
Section 5.4	Frustration of Closing Conditions.....	23
Section 5.5	Waiver of Conditions.....	23
ARTICLE VI TERMINATION.....		23
Section 6.1	Termination Rights	23
Section 6.2	Effect of Termination.....	26
ARTICLE VII DEFINITIONS		26
Section 7.1	Definitions	26
Section 7.2	Construction.....	33

ARTICLE VIII GENERAL PROVISIONS.....	35
Section 8.1 Fiduciary Duties.....	35
Section 8.2 No Survival.....	35
Section 8.3 No Outside Reliance.....	35
Section 8.4 Notices.....	35
Section 8.5 Assignment; Third Party Beneficiaries.....	36
Section 8.6 Prior Negotiations; Entire Agreement.....	36
Section 8.7 Governing Law; Venue.....	37
Section 8.8 Waiver of Jury Trial.....	38
Section 8.9 Counterparts and PDF.....	38
Section 8.10 Amendment and Waiver.....	38
Section 8.11 Construction; Headings.....	38
Section 8.12 Specific Performance.....	38
Section 8.13 Publicity.....	39
Section 8.14 Severability.....	39
Section 8.15 Representation by Counsel.....	39
Section 8.16 Joint Drafting.....	39
Section 8.17 No Solicitation.....	40
Section 8.18 Non-Recourse.....	40

INDEX OF DEFINED TERMS

<u>Defined Term</u>	<u>Page</u>	<u>Defined Term</u>	<u>Page</u>
Acquired Assets	1	Disclosure Statement	29
Acquired Books and Records	26	Effective Date	29
Acquired Inventory	26	Electronic Delivery	38
Acquired Pre-Paid Fabrics	26	Employees	9
Acquired Purchase Orders	27	Environmental Laws	29
Acquired Retail Store Assets	27	Equity Interests	18
Acquired Retail Stores	27	Event	29
Affiliate	27	Excluded Assets	3
Agreement	1	Excluded Liabilities	3
Alternative Transaction	27	Final Order	29
Anti-Corruption Laws	27	Financial Statements	8
Antitrust Authorities	27	Foreign Antitrust Laws	30
Antitrust Laws	28	GAAP	30
Assignment and Assumption Agreement		Government Official	30
	5	Governmental Entity	30
Assumed Contracts	28	Hazardous Materials	30
Assumed Liabilities	2	HSR Act	30
Bankruptcy and Equity Exceptions	7	Insurance Policies	11
Bankruptcy Code	1	Interim Financial Statements	8
Bankruptcy Court	1	IP APA	23
Bankruptcy Rules	28	IT Contracts	30
BIA	1	Knowledge	30
Bidding Procedures	28	Latest Balance Sheet	8
Bidding Procedures Order	28	Law	30
Bill of Sale	5	Legal Proceedings	8
Books and Records	28	Liability	30
Business	28	Lien	30
Business Days	28	Material Adverse Effect	30
Buyer	1	Material Contract	11
Buyer Group	28	Order	31
CA Case	1	Outside Date	24
CA Court	1	Party	1
CA Order	28	Permitted Liens	31
CA Seller	1	Person	31
Chapter 11 Cases	1	Petition Date	1
Claim	28	Plan	31
Claims and Noticing Agent	5	Plan Solicitation Motion	32
Closing	4	Plan Solicitation Order	32
Closing Date	4	Power of Attorney	32
Code	28	Pre-Closing Period	14
Company	1	Purchase Price	5
Company Disclosure Schedule	29	Real Property Leases	32
Company Plans	9	Representatives	32
Confirmation Order	29	Safety Requirements	10
Contract	29	Securities Act	32
Counterparty	29	Seller Parties	32
Cure Cost	29	Subsidiary	32
Debtors	1	Taxes	33
DIP Credit Agreement	29	Termination Date	26

Transaction Documents	33	Workers' Compensation Liabilities	33
Transactions	33	Year-End Financial Statements	8
Transfer Taxes	19		

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of June 9, 2017, by and among BCBG Max Azria Global Holdings, LLC, a Delaware limited liability company (the "Company"), the other Seller Parties, and GBG USA Inc., a Delaware corporation ("Buyer"). The Company, the other Seller Parties and Buyer are referred to herein collectively as the "Parties" and, individually, as a "Party."

RECITALS

WHEREAS, on February 28, 2017 (the "Petition Date"), the Company and certain of its debtor affiliates (collectively, the "Debtors" and, each, individually, a "Debtor") commenced voluntary reorganization cases (jointly administered proceedings under the caption *In re: BCBG Max Azria Global Holdings, LLC, et al.*, Case No. 17-10466 (SCC) (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court");

WHEREAS, BCBG Max Azria Canada Inc. (the "CA Seller") is party to insolvency proceedings under the Bankruptcy and Insolvency Act, RSC 1985, c. B-3 (the "BIA") under the caption *In the matter of the Notice of Intention to Make a Proposal of BCBG Max Azria Canada Inc.* (the "CA Case") before the Superior Court of Quebec (Case No. 500-11-052159-171) (the "CA Court").

WHEREAS, subject to the terms and conditions set forth in this Agreement and the Plan, Buyer desires to purchase from the Seller Parties and, subject to the entry of the Confirmation Order and consummation of the Plan, the Seller Parties desire to sell to Buyer, the Acquired Assets.

NOW, THEREFORE, in consideration of the mutual promises, agreements, representations, warranties and covenants contained herein, and intending to be legally bound hereby, each of the Parties hereby agrees as follows.

ARTICLE I

CLOSING; PURCHASE PRICE

Section 1.1 Purchase and Sale of Acquired Assets. Upon the terms and subject to the conditions set forth in this Agreement, the Confirmation Order and the CA Order, at the Closing, the Seller Parties shall, sell, transfer, assign, convey and deliver to Buyer, and Buyer shall purchase, acquire, assume, and accept from Seller Parties all of Seller Parties' right, title and interest in, to and under, as of the Closing (in each case, free and clear of any and all Liens other than Permitted Liens), all of the following assets, properties and rights, whether tangible or intangible, real, personal or mixed, whether now owned or hereafter acquired by Seller Parties (collectively, the "Acquired Assets"):

- (a) Acquired Inventory;

(b) Acquired Purchase Orders;

(c) subject to Section 1.5, to the extent that they may be assumed and assigned pursuant to Sections 363 and 365 of the Bankruptcy Code (or, in the case of the CA Seller, the BIA), Assumed Contracts;

(d) Acquired Pre-Paid Fabrics;

(e) Acquired Retail Store Assets;

(f) Acquired Books and Records; and

(g) all express or implied guarantees, warranties, representations, covenants, indemnities, rights, claims, counterclaims, defenses, credits, causes of action or rights to set off and subrogation against third parties related to the Acquired Assets (including, for the avoidance of doubt, those arising under, or otherwise related to the Assumed Contracts) or Assumed Liabilities, including rights under vendors' and manufacturers' warranties, indemnities, guaranties and causes of action under applicable Law, if any, with respect to the Acquired Assets that are possessed by Seller Parties.

Section 1.2 Assumption of Liabilities. On the terms and subject to the conditions set forth in this Agreement, the Confirmation Order and the CA Order, effective as of the Closing, Buyer shall assume from Seller Parties (and pay, perform, discharge or otherwise satisfy in accordance with their respective terms), and Seller Parties shall irrevocably convey, transfer and assign to Buyer, the following Liabilities (and only the following Liabilities) (collectively, the "Assumed Liabilities"):

(a) all Liabilities of Seller Parties arising from the ownership of the Acquired Assets arising after the Closing Date;

(b) all Liabilities under the Assumed Contracts but only to the extent that such Liabilities thereunder are required to be performed after the Closing Date and do not relate to any action or failure to perform, improper performance, warranty or other breach, default or violation by any Seller Party on or prior to the Closing;

(c) all Liabilities under Acquired Purchase Orders;

(d) 50% of the first \$2,000,000 of Cure Costs with respect to the assumption and assignment to Buyer of any Assumed Contracts (excluding Real Property Leases, for which Buyer is not assuming any Cure Costs, and, for the avoidance of doubt, Buyer's obligations under this Section 1.2(d) shall not exceed \$1,000,000);

(e) all Transfer Taxes incurred as a result of the transactions contemplated by this Agreement.

The assumption by Buyer of the Assumed Liabilities shall not, in any way, enlarge the rights of any third parties relating thereto.

Section 1.3 Excluded Assets and Excluded Liabilities.

(a) Notwithstanding anything to the contrary in this Agreement, in no event shall Seller Parties be deemed to sell, transfer, assign or convey, and in no event shall Buyer be deemed to purchase, acquire or accept any right, title or interest in any assets, properties or rights, whether tangible or intangible, real, personal or mixed, other than the Acquired Assets (collectively, the "Excluded Assets").

(b) Notwithstanding any provision in this Agreement to the contrary, Buyer is assuming only the Assumed Liabilities and is not assuming, and shall not be deemed to have assumed, any other Liabilities of Seller Parties of whatever nature (whether arising prior to, at the time of, or subsequent to Closing), whether absolute, accrued, contingent or otherwise, whether due or to become due and whether known or unknown, currently existing or hereafter arising, matured or unmatured, or direct or indirect, and Seller Parties shall be solely and exclusively liable for any and all such Liabilities, including those Liabilities, other than the Assumed Liabilities, related to, arising out of or in connection with the operation of the Business or the Acquired Assets (including the use and ownership thereof) at any time prior to the Closing Date (collectively, the "Excluded Liabilities").

Section 1.4 Post-Closing Liabilities. Except as provided in Section 1.3, Buyer agrees and acknowledges that Buyer shall be solely responsible for all Liabilities and obligations related to Buyer's ownership or use of, or right to use, the Acquired Assets and the Assumed Liabilities arising after the Closing Date, including Taxes arising out of or related to the Acquired Assets acquired pursuant to this Agreement for all Tax periods, or portions thereof, beginning on the day after the Closing Date.

Section 1.5 Assignment and Assumption at Closing.

(a) Schedule 1.5(a) sets forth a list of all executory Contracts to which, to Seller Parties' Knowledge, Seller Parties are a party and which are to be included in the Assumed Contracts. From and after the date hereof up to the Closing, Seller Parties shall make such additions or deletions to Schedule 1.5(a) as Buyer shall, in its sole discretion, request in writing; provided that (i) any additions to Schedule 1.5(a) shall not include any contracts that are Assigned Contracts (as defined in the IP APA) under the IP APA or any Contract that is not an IT Contract, (ii) any deletions from Schedule 1.5(a) with respect to any Real Property Leases or any "store-within-a-store" partnership executory Contracts must be notified to the Company by no later than June 23, 2017 and (iii) the corporate headquarters and distribution center Real Property Leases (listed as items 1 and 2 on Part B of Schedule 2.17) may not be deleted from Schedule 1.5(a). Any deleted Contract shall be deemed to no longer be an Assumed Contract. All Contracts of Seller Parties that are not listed on Schedule 1.5(a) shall not be considered an Assumed Contract or Acquired Asset. Buyer and Seller Parties acknowledge and agree that there shall be no reduction in the Purchase Price if Buyer elects to delete from or add to the Contracts listed on Schedule 1.5(a).

(b) Seller Parties shall take all actions required to assume and assign the Assumed Contracts to Buyer (subject to provision by Buyer of adequate assurance of future performance as may be required under Section 365 of the Bankruptcy Code). Seller Parties shall

use commercially reasonable efforts to facilitate any negotiations with the counterparties to such Assumed Contracts and to obtain an Order containing a finding that the proposed assumption and assignment of the Assumed Contracts to Buyer satisfies all applicable requirements of Section 365 of the Bankruptcy Code. Seller Parties shall have no obligation to Buyer to provide adequate assurances of future performance under any Assumed Contract in connection with the assignment and assumption thereof by Seller Parties.

(c) If any Contract is added to the list of Assumed Contracts, then the Seller Parties shall take such steps as are reasonably necessary to cause such Contract to be assumed and assigned to Buyer as promptly as possible at or following the Closing, and Buyer shall take such steps as are reasonably necessary to cause such Contract to be assumed and assigned to Buyer as promptly as possible at or following the Closing.

(d) At Closing, (i) Seller Parties shall, pursuant to the Confirmation Order, the CA Order and the Assignment and Assumption Agreement, assign to Buyer (the consideration for which is included in the Purchase Price) each of the Assumed Contracts that is capable of being assumed and assigned under applicable Law and (ii) Buyer shall assume and discharge the Assumed Liabilities (if any) under the Assumed Contracts, pursuant to the Assignment and Assumption Agreement.

(e) For all purposes of this Agreement (including all representations and warranties of Seller Parties contained herein), Seller Parties shall be deemed to have obtained the required consents in respect of the assignment of any Assumed Contract if, and to the extent that, pursuant to the Confirmation Order or other Order, Seller Parties are authorized to assume and assign to Buyer, and Buyer is authorized to accept, such Assumed Contracts pursuant to Section 365 of the Bankruptcy Code.

Section 1.6 Further Conveyances and Assumptions. From time to time following the Closing, Seller Parties and Buyer will, and will cause their respective Affiliates to, execute, acknowledge and deliver all such further conveyances, notices, assumptions, assignments, releases and other instruments, and will take such further actions, as may be reasonably necessary, and reasonably requested by any Party, to consummate more effectively the conveyance, transfer and delivery to Buyer and its respective successors or assigns, of all of the Seller Parties' rights and titles to and interests in the Acquired Assets, and the assumption by Buyer of the Assumed Liabilities and to otherwise make effective the transactions contemplated by this Agreement, except that nothing in this Section 1.6 will require Buyer or any of its Affiliates to assume any Liabilities or require any Seller Party to incur any cost or expense.

Section 1.7 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place by electronic exchange of documents (or, if the Parties agree to hold a physical closing, at the offices of Kirkland & Ellis LLP, located at 601 Lexington Avenue, New York, NY 10022) at 10:00 a.m. New York Time on the second (2nd) Business Day following full satisfaction or due waiver (by the Party entitled to the benefit of such condition) of the closing conditions set forth in ARTICLE V (other than conditions that by their terms or nature are to be satisfied at the Closing, but subject to such conditions being satisfied or waived (by the Party having the benefit thereof) at the Closing). The date the Closing actually occurs is referred to herein as the "Closing Date."

Section 1.8 Purchase Price. In consideration of the acquisition of the Acquired Assets and subject to the terms and conditions of this Agreement, at the Closing Buyer shall pay to the Company an aggregate cash purchase price (the "Purchase Price") of \$23,000,000 in immediately available funds, by wire transfer to an account or accounts designated by the Company, a portion of which shall be paid to or at the direction of the CA Seller in respect of the Acquired Assets being sold by the CA Seller in an amount to be agreed upon between the Parties prior to the date of the hearing before the CA Court with respect to the CA Order.

Section 1.9 Closing Deliveries.

(a) Deliveries by the Company. At or prior to the Closing, the Company shall deliver, or cause to be delivered, to Buyer:

(i) a bill of sale for the Acquired Assets in form and substance reasonably satisfactory to the Parties (the "Bill of Sale");

(ii) an assignment and assumption agreement in a form reasonably satisfactory to the Parties (the "Assignment and Assumption Agreement") duly executed by the Seller Parties;

(iii) a duly executed certificate of Seller Parties, in the form prescribed under Treasury Regulation Section 1.1445-2(b)(2)(iv);

(iv) such other bills of sale, deeds, endorsements, assignments and other good and sufficient instruments of conveyance and transfer, in form reasonably satisfactory to the Parties, as Buyer may reasonably request to vest in Buyer all of Seller Parties' right, title and interest in, to or under any or all of the Acquired Assets;

(v) a Power of Attorney for each Seller Party;

(vi) an updated Schedule Section 7.1(i), Schedule Section 7.1(ii), and Schedule Section 7.1(iii), in each case, at a reasonably practicable time prior to the Closing;

(vii) a certified copy of the Confirmation Order and the CA Order;

(viii) a certificate, dated as of the Closing Date, of an officer of the Company confirming that the conditions set forth in Section 5.1 and Section 5.2 have been satisfied; and

(ix) one or more affidavits of Donlin, Recano & Company, Inc., the Claims and Noticing Agent appointed by the Bankruptcy Court pursuant to Section 156(c) of title 28 of the United States Code, Section 105(a) of the Bankruptcy Code and Local Rule 5075-1 of the United States Bankruptcy Court for the Southern District of New York, or any successor thereto appointed by the Bankruptcy Court (in either case, the "Claims and Noticing Agent") certifying the name and address of each Person to whom the Claims and Noticing Agent sent, together with the date on which was sent, each of the following:

- (1) notice of the proposed sale contemplated by this Agreement, together with a copy of such notice;
- (2) notice of the time fixed for filing objections to, and the hearing to consider approval of, the Disclosure Statement, together with a copy of such notice; and
- (3) notice of the time fixed for filing objections to, and the hearing to consider confirmation of, the Plan, together with a copy of such notice.

(b) Deliveries by Buyer. At the Closing, Buyer shall deliver, or cause to be delivered, to the Company the following:

- (i) the Purchase Price in accordance with the provisions of Section 1.8;
- (ii) the Bill of Sale duly executed by Buyer;
- (iii) the Assignment and Assumption Agreement duly executed by Buyer; and
- (iv) a certificate, dated as of the Closing Date, of an officer of Buyer confirming that the conditions set forth in Section 5.1 and Section 5.3 have been satisfied.

Section 1.10 Allocation of Purchase Price. The Purchase Price shall be allocated as mutually agreed between the Parties within thirty (30) days of the Closing, and all Tax returns filed by Seller Parties, if applicable, and Buyer with respect to the Transactions shall be consistent with such allocation.

ARTICLE II REPRESENTATIONS AND WARRANTIES OF THE SELLER PARTIES AND THE COMPANY

Except (a) as set forth in the Company Disclosure Schedule and (b) as results from the filing and commencement of the Chapter 11 Cases or the CA Case, each of the Seller Parties hereby represents and warrants to Buyer as set forth below; provided that if a representation refers to only one Party then such representation shall be deemed to have come only from such Party; provided further that the representations and warranties with respect to the CA Seller set forth in Section 2.6, Section 2.7, Section 2.8, the last two sentences of Section 2.10, the last sentence of Section 2.14 and Section 2.16 are made by the Company and are not made by the CA Seller.

Section 2.1 Corporate Status. Such Seller Party is duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation. Such Seller Party has all requisite power and authority to own or lease its properties and assets and to carry on its business as now being conducted. Such Seller Party is legally qualified to transact business as a foreign company in all jurisdictions where the nature of its properties and the conduct of its

business as now conducted require such qualification, except where the failure to be so qualified would not have a Material Adverse Effect.

Section 2.2 Power and Authority. Subject to the entry of the Confirmation Order and the CA Order, (a) each Seller Party has all limited liability company power and authority necessary to execute and deliver this Agreement and the other Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder and to consummate the Transactions and (b) each Seller Party has taken all organizational action required by its organizational documents to authorize the execution and delivery of this Agreement and the other Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder and to consummate the Transactions.

Section 2.3 Enforceability. Subject to the entry of the Confirmation Order and the CA Order, this Agreement has been duly authorized, executed and delivered by each Seller Party and, assuming the due and valid authorization, execution and delivery of this Agreement by the other parties hereto, this Agreement constitutes the legal, valid and binding obligation of such Seller Party, enforceable against it in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting or relating to creditors' rights generally and general equitable principles (the "Bankruptcy and Equity Exceptions").

Section 2.4 No Conflict; Consents and Approvals. Other than with respect to any limitations arising from the Debtors having commenced and continuing to prosecute the Chapter 11 Cases or the CA Case, assuming entry of the Confirmation Order and the CA Order, and except as set forth on Schedule 2.4, the execution and delivery of this Agreement by each Seller Party and the consummation by it of the Transactions will not (a) violate any provision of the organizational documents of such Seller Party, (b) violate any material Law or Order applicable to, binding upon or enforceable against such Seller Party, (c) result in any material breach of, or constitute a material default (or an event which would, with the passage of time or the giving of notice or both, constitute a material default) under, or give rise to a right of payment under or the right to terminate, any Assumed Contract, (d) result in the creation or imposition of any Lien (other than any Permitted Lien) upon any of the Acquired Assets or (e) require any material consent or approval of any Governmental Authority, except (i) for compliance with any applicable requirements of the HSR Act, (ii) for those that may be required solely by reason of Buyer's (as opposed to any other third party's) participation in the Transactions and (iii) in each of the cases described in clause (b), (c), (d) or (e), any such items that, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 2.5 Arm's-Length. The Company acknowledges and agrees that (a) Buyer is acting solely in the capacity of an arm's-length contractual counterparty to the Company with respect to the transactions contemplated hereby and not as a financial advisor or a fiduciary to, or an agent of, the Company or any of its Subsidiaries and (b) Buyer is not advising the Company or any of its Subsidiaries as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction.

Section 2.6 Financial Statements; Liabilities. Attached as Schedule 2.6 are copies of (i) the unaudited combined balance sheet of the Company and its Subsidiaries as of January 28, 2017 and the related statements of income and cash flows for the fiscal year ended January 28, 2017 (the "Year-End Financial Statements") and (b) the unaudited combined balance sheet of the Company and its Subsidiaries as of April 1, 2017 (the "Latest Balance Sheet") and the related statements of income and cash flows for the two (2) month period ended April 1, 2017 (collectively, with the Latest Balance Sheet, the "Interim Financial Statements" and collectively with the Year-End Financial Statements, the "Financial Statements"). The Financial Statements (i) fairly present, in all material respects, the combined financial position and results of operations of the Company and its Subsidiaries, taken as a whole, as of the dates and for the periods referred to therein, in each case in accordance with GAAP and (ii) have been prepared in accordance with GAAP, except that the Financial Statements do not reflect year-end adjustments and do not contain footnote disclosures and other presentation items.

Section 2.7 Absence of Certain Changes. Since the date of the Latest Balance Sheet, (a) there has been no Material Adverse Effect and (b) neither the Company nor any of its Subsidiaries have undertaken any of the actions that would require the consent of Buyer pursuant to Section 4.4(b) if undertaken after the date hereof.

Section 2.8 Compliance with Laws.

(a) Neither the Company nor any of its Subsidiaries is or has been at any time in the past two (2) years in material violation of any Law or Order, except as would not reasonably be expected to have a Material Adverse Effect.

(b) For the past two (2) years, the Company, each of its Subsidiaries and, to the Knowledge of the Company, each of their respective directors, officers, employees, agents and other Persons acting on their behalf: (i) have complied in all material respects with Anti-Corruption Laws; and (ii) have not unlawfully offered, promised or made payments of money or anything of value, whether directly or indirectly, to any Government Official to (A) influence any official act or decision of a Government Official, (B) induce a Government Official to do or omit to do any act in violation of a lawful duty, (C) secure any improper business advantage or (D) obtain or retain business for, or otherwise direct business to, the Company or any of its Subsidiaries or affiliated companies.

Section 2.9 Legal Proceedings. Other than the Chapter 11 Cases and the CA Case, any adversary proceedings or contested motions commenced in connection therewith and as set forth on Schedule 2.9, there are no material legal, governmental, administrative, judicial or regulatory audits, actions, suits, claims, arbitrations, claims or proceedings ("Legal Proceedings") pending or, to the Knowledge of the Company, expressly threatened in writing to which the Company or any of its Subsidiaries is a party or to which any property of the Company or any of its Subsidiaries is the subject which in any manner draws into question the validity or enforceability of this Agreement, the Plan or the Transaction Documents.

Section 2.10 Labor and Employment Matters. Neither the Company nor any of its Subsidiaries is a party to or bound by any collective bargaining agreement. To the Company's Knowledge, as of the date hereof, there is currently no organized effort by any labor union to

organize any employees of the Company and its Subsidiaries into one or more collective bargaining units. As of the date hereof, neither the Company nor any of its Subsidiaries has experienced any strike or material grievance, unfair labor practice charge or complaint, or other material collective bargaining dispute during the past two (2) years and none are pending or, to the Company's Knowledge, expressly threatened in writing. Neither the Company nor any of its Subsidiaries has committed any material unfair labor practice during the past two (2) years.

Section 2.11 Employees and Employee Benefit Plans.

(a) Schedule 2.11(a) sets forth a true and correct list of all of the officers and full-time and part-time employees of the Business (or at the distribution center, the corporate headquarters or the partnership stores) in the United States and Canada (the "Employees") as of May 28, 2017 (or June 8, 2017, in the case of Canada), listed by their employee ID number (on a no-name basis), and indicates, as of May 28, 2017 (or June 8, 2017, in the case of Canada), the service date, whether the Employee is salary or hourly, the hourly base compensation rate, vacation accrual rate (in the case of full-time Employees only), the vacation accrual balance as of May 28, 2017 (or June 8, 2017, in the case of Canada) (in the case of full-time Employees only) and the location of employment. As of the date hereof, all compensation, including wages, commissions, and bonuses that are due and payable as of the date hereof to all Employees for services performed on or prior to the date hereof have been or will be paid in accordance with the Company's ordinary course payroll practices and, except as set forth in Schedule 2.11(a), there are no outstanding Contracts between any Seller Party and any Employee with respect to any compensation, commissions, or bonuses.

(b) Schedule 2.11(b) sets forth a list of all material employee benefit, bonus, pension, profit sharing, executive compensation, deferred compensation, incentive compensation, health or other medical, dental, life, disability or other insurance plan, program, agreement or arrangement sponsored, maintained or contributed to or required to be contributed to by the Company and its Subsidiaries for the benefit of their Employees or former employees in the United States and their dependents or beneficiaries, other than plans established pursuant to statute (collectively, the "Company Plans").

Section 2.12 Title to Real and Personal Property.

(a) Real Property. Neither the Company nor any of its Subsidiaries owns any real property. Neither the Company nor its Subsidiaries is a party to any agreement or option to purchase any real property or interest therein.

(b) Leased Real Property. Subject to entry of the Confirmation Order and assumption of the same by the applicable Debtor in accordance with applicable Law (including satisfaction of any applicable Cure Costs), all material Real Property Leases necessary for the operation of the business are valid, binding and enforceable by and against the Company or its relevant Subsidiary, and, to the Knowledge of the Company, the other parties thereto, subject to the Bankruptcy and Equity Exceptions, and no written notice to terminate, in whole or part, any of such leases has been delivered to the Company or any of its Subsidiaries (nor, to the Knowledge of the Company, has there been any indication that any such notice of termination will be served), except for any motions, notice or objections, to the assumption or rejection of

any Real Property Lease or otherwise, in the Chapter 11 Cases. Other than as a result of the filing of the Chapter 11 Cases and except for Cure Costs, neither the Company nor any of its Subsidiaries nor, to the Knowledge of the Company, any other party to any material Real Property Lease necessary for the operation of the business is in material default or breach under the terms thereof.

(c) Personal Property. The Company or one of its Subsidiaries has good title or, in the case of leased assets, a valid leasehold interest, to all of the material tangible personal property and assets reflected on the balance sheet included in the Financial Statements as of the Latest Balance Sheet Date, free and clear of all Liens, except for (i) Liens that are described in (A) the Plan or (B) the Disclosure Statement or (ii) Permitted Liens.

Section 2.13 Affiliated Transactions. Except as set forth on Schedule 2.13, to the Company's Knowledge, no officer, director or equityholder of the Company or any of its Subsidiaries, or any Affiliate of any such officer, director or equityholder, (a) is a party to any agreement or transaction with the Company or its Subsidiaries having an actual value or actual liability exceeding \$250,000, other than (i) loans and other extensions of credit to directors and officers of the Company and its Subsidiaries for travel, business or relocation expenses or other employment-related purposes in the ordinary course of business, (ii) customary employment arrangements in the ordinary course of business, (iii) the Company Plans and (iv) equity arrangements with the Company or (b) has any material interest or right in any Acquired Asset.

Section 2.14 Inventory. To the Seller Parties' Knowledge, the Acquired Inventory is in compliance is all material respects with all applicable Law, including the United States Consumer Product Safety Act, all regulations and policies of the United States Consumer Product Safety Commission and the United States Food and Drug Administration and other Governmental Entities (all such Laws being referred to collectively as "Safety Requirements"). To the Seller Parties' Knowledge, to the extent required by any Laws, the Acquired Inventory has been tested for safety pursuant to, and in accordance in all material respects with, all Safety Requirements. All of the Acquired Inventory consists of a quality, quantity and price usable and/or saleable in the ordinary course of business and none of the Acquired Inventory is obsolete, damaged, defective or slow-moving, except for items that have been written off or written down or for which adequate reserves have been established.

Section 2.15 Licenses and Permits. The Company and its Subsidiaries possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate Governmental Entities that are necessary for the ownership or lease of their respective properties and the conduct of the business, in each case, except as would not reasonably be expected to have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries (a) has received notice of any revocation or modification of any such license, certificate, permit or authorization or (b) has any reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course, except in each case of (a) and (b) as would not reasonably be expected to have a Material Adverse Effect.

Section 2.16 Environmental. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (a) the Company and its

Subsidiaries are in compliance with all applicable Environmental Laws, (b) neither the Company nor any of its Subsidiaries has, within the past two (2) years, received any written notice of a violation of Environmental Laws or any liability arising under Environmental Laws, relating to the Company, its Subsidiaries or their facilities, the subject of which is unresolved, (c) there is no Legal Proceeding pending or, to the Company's Knowledge, expressly threatened in writing against the Company or its Subsidiaries pursuant to Environmental Laws and (d) the Company and its Subsidiaries have not released any Hazardous Materials at any real property under any Real Property Leases in violation of any Environmental Law and that would require remediation by the Company or its Subsidiaries under Environmental Laws.

Section 2.17 Material Contracts. Schedule 2.17 sets forth Material Contracts to which the Company or any of its Subsidiaries is a party as of the date hereof. Subject to entry of the Confirmation Order and the CA Order and assumption of the same by the applicable Debtor in accordance with applicable Law (including satisfaction of any applicable Cure Costs), all such Material Contracts are valid, binding and enforceable by and against the Company or its relevant Subsidiary, subject to the Bankruptcy and Equity Exceptions, and no written notice to terminate, in whole or part, any such Material Contract has been delivered to the Company or any of its Subsidiaries, except for any motions, notice or objections, to the assumption or rejection of any Real Property Lease or otherwise, in the Chapter 11 Cases or the CA Case. Other than as a result of the filing of the Chapter 11 Cases or the CA Case and except for Cure Costs, neither the Company nor any of its Subsidiaries nor, to the Knowledge of the Company, any other party to any such Material Contract, is in material default or breach under the terms thereof. The Company has provided or made available to Buyer true, correct and complete copies of each such Material Contract. For purposes of this Agreement, "Material Contract" means (a) the Contracts that are Assumed Contracts, (b) any Contract to which the Company or any of its Subsidiaries is a party that is material to the conduct and operations of the Business, taken as a whole and (c) IT Contracts.

Section 2.18 No Broker's Fees. Except with respect to the broker representing the Company in this transaction, Jefferies, LLC, neither the Company nor any of its Subsidiaries has incurred any obligation for any finder's or broker's or agent's fees or commissions or similar compensation in connection with the Transactions.

Section 2.19 Insurance. Schedule 2.19 lists (i) each material insurance policy, including workers' compensation, currently in effect that is maintained by the Company and its Subsidiaries, including the name of the insurer and policy number (each an "Insurance Policy" and collectively, the "Insurance Policies") and (ii) all claims filed with respect to the workers' compensation Insurance Policy within the last 24 months. The Insurance Policies are in full force and effect, all premiums due thereon has been paid, and, other than as a result of the filing of the Chapter 11 Cases or the CA Case, to the Company's Knowledge, neither the Company nor any of its Subsidiaries is in material breach or material default thereunder. Except as set forth on Schedule 2.19, neither the Company nor its Subsidiaries has any self-insurance or co-insurance programs.

Section 2.20 Condition and Sufficiency of the Acquired Assets. The Acquired Retail Assets are in operating condition and repair that is adequate for the uses to which they are being put, and none of such Acquired Retail Assets is in need of maintenance or repairs except

for ordinary, routine maintenance and repairs. Other than assets and services related to employees, Company Plans, corporate-wide or enterprise-wide services, the "Purchased Assets" as defined in and under the IP APA, any IT Contracts that are not Assumed Contracts, any Real Property Leases or "store-within-a-store" partnership Contracts that Buyer deletes from Schedule 1.5(a) and any Employees (or employees of the CA Seller) that the Buyer does not employ, the Acquired Assets represent all of the material rights, property and assets necessary for the continued conduct of the Acquired Retail Stores after the Closing in the same manner in all material respects as conducted prior to the Closing.

Section 2.21 No Additional Representations or Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE II (AS QUALIFIED BY THE DISCLOSURE SCHEDULES AND IN ACCORDANCE WITH THE EXPRESS TERMS AND CONDITIONS (INCLUDING LIMITATIONS AND EXCLUSIONS) OF THIS AGREEMENT), BUYER ACKNOWLEDGES AND AGREES, ON ITS OWN BEHALF AND ON BEHALF OF THE BUYER GROUP, THAT NEITHER THE COMPANY, ANY SELLER PARTY NOR ANY OTHER PERSON ON BEHALF OF THE COMPANY OR ANY SELLER PARTY MAKES, AND NEITHER BUYER NOR ANY MEMBER OF THE BUYER GROUP IS NOT RELYING ON, ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND OR NATURE, EXPRESS OR IMPLIED (INCLUDING AS TO THE FUTURE OR HISTORICAL FINANCIAL CONDITION, VALUE OR QUALITY OF THE COMPANY AND ITS SUBSIDIARIES OR ANY SELLER PARTY OR ANY OF THEIR ASSETS, LIABILITIES OR RESULTS OF OPERATIONS OR TO ANY ENVIRONMENTAL, HEALTH OR SAFETY MATTERS), WITH RESPECT TO THE COMPANY OR ANY OF ITS SUBSIDIARIES OR ANY SELLER PARTY WITH RESPECT TO ANY OTHER INFORMATION PROVIDED TO BUYER, AND, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS ARTICLE II (AS QUALIFIED BY THE DISCLOSURE SCHEDULES AND IN ACCORDANCE WITH THE EXPRESS TERMS AND CONDITIONS (INCLUDING LIMITATIONS AND EXCLUSIONS) OF THIS AGREEMENT), THE COMPANY, ITS SUBSIDIARIES AND THE SELLER PARTIES SPECIFICALLY DISCLAIM ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THEIR ASSETS, ANY PART THEREOF, THE WORKMANSHIP THEREOF, AND THE ABSENCE OF ANY DEFECTS THEREIN, WHETHER LATENT OR PATENT, IT BEING UNDERSTOOD THAT SUCH SUBJECT ASSETS ARE BEING ACQUIRED "AS IS, WHERE IS" ON THE DATE HEREOF, AND IN THEIR PRESENT CONDITION.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to the Company as set forth below.

Section 3.1 Corporate Status. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware.

Section 3.2 Power and Authority. Buyer has all corporate power and authority necessary to execute and deliver this Agreement and the other Transaction Documents to which

it is a party, to perform its obligations hereunder and thereunder and to consummate the Transactions and Buyer has taken all organizational action required by its organizational documents to authorize the execution and delivery of this Agreement and the other Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder and to consummate the Transactions.

Section 3.3 Enforceability. This Agreement has been duly authorized, executed and delivered by Buyer and, assuming the due and valid authorization, execution and delivery of this Agreement by the other parties hereto, this Agreement constitutes the legal, valid and binding obligation of Buyer, enforceable against it in accordance with its terms, except as the same may be limited by the Bankruptcy and Equity Exceptions.

Section 3.4 No Conflict; Consents and Approvals. The execution and delivery of this Agreement by Buyer and the consummation by it of the Transactions will not (a) violate any provision of the organizational documents of Buyer, (b) violate any material Law or Order applicable to, binding upon or enforceable against Buyer, (c) result in any material breach of, or constitute a material default (or an event which would, with the passage of time or the giving of notice or both, constitute a material default) under, or give rise to a right of payment under or the right to terminate, any material Contract to which Buyer is a party or by which Buyer is bound, (d) result in the creation or imposition of any Lien upon any of the material property or material assets of Buyer or (e) require any material consent or approval of any Governmental Authority, except for compliance with any applicable requirements of the HSR Act and except, in each of the cases described in clause (b), (c), (d) or (e), any such items that, individually or in the aggregate, would not reasonably be expected to prohibit, materially delay or materially and adversely impact Buyer's performance of its obligations under this Agreement.

Section 3.5 Legal Proceedings. There are no material Legal Proceedings pending or, to the knowledge of Buyer, expressly threatened in writing to which Buyer or any of its Affiliates is a party or to which any property of Buyer or any of its Affiliates is the subject which in any manner draws into question the validity or enforceability of this Agreement or the Transaction Documents or that, if adversely determined, would reasonably be expected, individually or in the aggregate, to prohibit, materially delay or materially and adversely impact Buyer's performance of its obligations under this Agreement.

Section 3.6 Sophistication; Investigation. Buyer has conducted and relied on its own independent investigation of, and judgment with respect to, the Company and its Subsidiaries and the advice of its own legal, tax, economic, and other advisors.

Section 3.7 No Broker's Fees. Buyer has not incurred any obligation for any finder's or broker's or agent's fees or commissions or similar compensation in connection with the Acquired Assets or the Transactions for which the Company, any of its Subsidiaries or any Seller Party may be liable.

Section 3.8 Arm's-Length. Buyer acknowledges and agrees that (a) each of the Debtors is acting solely in the capacity of an arm's-length contractual counterparty to Buyer with respect to the transactions contemplated hereby and not as a financial advisor or a fiduciary to, or an agent of, Buyer or any of its Affiliates and (b) the Company and the Seller Parties are not

advising Buyer or any of its Affiliates as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. Buyer is considering alternative transactions in the event the Transactions contemplated by this Agreement do not get approved. Nevertheless, Buyer has not engaged in any collusion with respect to the Transactions, the Bidding Procedures or the process, preparation, negotiation or other actions preceding the execution of this Agreement.

Section 3.9 Financial Capability. Buyer has, and will have at the Closing, sufficient immediately available funds to pay the aggregate Purchase Price for the Acquired Assets and to make all other payments required to be made by Buyer under this Agreement, to pay all related fees and expenses in connection with this Agreement and the transactions contemplated hereby and to otherwise consummate the transactions contemplated hereby in accordance with the terms hereof.

Section 3.10 No Knowledge of Termination Event. Buyer has no knowledge that the representations and warranties of the Company and the Seller Parties in this Agreement are not true and correct or of any other Event, in each case, individually in the aggregate, that currently give rise to or would reasonably be expected to result in a right of Buyer to terminate this Agreement.

Section 3.11 No Additional Representations or Warranties. Except for the representations and warranties contained in this ARTICLE III, neither Buyer nor any other Person on behalf of Buyer makes any other express or implied representation or warranty with respect to Buyer.

ARTICLE IV

COVENANTS

Section 4.1 Bankruptcy Actions

(a) From the date hereof until the earlier of the Termination Date and the Closing Date (the "Pre-Closing Period"), the Company shall use reasonable best efforts to obtain entry by the Bankruptcy Court of the Confirmation Order and entry by the CA Court of the CA Order.

(b) The Company shall use reasonable best efforts to (i) obtain entry by the Bankruptcy Court of the Plan Solicitation Order, (ii) commence solicitation of the Plan, and (iii) (A) facilitate the solicitation, confirmation and consummation of the Plan and the transactions contemplated hereby and by the Transaction Documents, (B) obtain entry of the Confirmation Order and (C) consummate the Plan.

(c) Buyer shall promptly take all actions as are reasonably requested by the Company to assist in obtaining the Bankruptcy Court's entry of the Plan Solicitation Order, the Confirmation Order and any other Order (including entry by the CA Court of the CA Order) reasonably necessary in connection with the transactions contemplated by this Agreement and by the Transaction Documents as promptly as practicable, including furnishing affidavits, financial information or other documents or information for filing with the Bankruptcy Court or the CA Court and making such employees and representatives of Buyer and its Affiliates available to

testify before the Bankruptcy Court or the CA Court for the purposes of, among other things providing necessary assurances of performance by Buyer under this Agreement and demonstrating that Buyer is a "good faith" purchaser under Section 363(m) of the Bankruptcy Code, as well as demonstrating Buyer's ability to pay and perform or otherwise satisfy any assumed liabilities following the Closing.

(d) Each of the Company and Buyer shall (i) appear formally or informally in the Bankruptcy Court or CA Court if reasonably requested by the other party or required by the Bankruptcy Court or CA Court in connection with the transactions contemplated by this Agreement or the Plan and (ii) keep the other reasonably apprised of the status of material matters related to the Plan (solely as the Plan relates to the transactions contemplated by this Agreement), including, upon reasonable request promptly furnishing the other with copies of notices or other communications received by any Debtor from the Bankruptcy Court, the CA Court or any third party and/or any Governmental Entity with respect to the transactions contemplated by this Agreement or the Plan.

(e) The Company's obligations under this Agreement and the Transaction Documents and in connection with the transactions contemplated hereby and thereby are subject to entry of and, to the extent entered, the Confirmation Order and the CA Order. Nothing in this Agreement shall require the Company or any of its Representatives to give testimony to or submit a motion to the Bankruptcy Court or CA Court that is untruthful or to violate any duty of candor or other fiduciary duty to the Bankruptcy Court, the CA Court or its stakeholders.

Section 4.2 Reasonable Best Efforts.

(a) Without in any way limiting any other obligation of the Company or Buyer in this Agreement, during the Pre-Closing Period, the Company and Buyer shall use (and shall cause their Subsidiaries and Affiliates to use), reasonable best efforts to (i) take or cause to be taken all actions, and do or cause to be done all things, reasonably necessary, proper or advisable in order to consummate and make effective the transactions contemplated by this Agreement and the Plan and (ii) cause the fulfillment at the earliest practicable date of all of the conditions to their respective obligations to consummate the transactions contemplated by this Agreement.

(b) Without in any way limiting any other respective obligation of the Company or Buyer in this Agreement, during the Pre-Closing Period, the Company shall use (and shall cause its Subsidiaries to use), and Buyer shall use (and shall cause its Affiliates to use), reasonable best efforts in:

(i) timely preparing and filing all documentation reasonably necessary to effect all necessary notices, reports and other filings of such Party and to obtain as promptly as practicable all consents, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any third party or Governmental Entity;

(ii) providing as promptly as practicable such information to any Governmental Entity as such Governmental Entity may request in connection herewith;

(iii) working together in good faith in promptly seeking to obtain all such consent, registrations, approvals, permits and authorizations and to finalize all Transaction Documents and all other documents relating thereto for timely inclusion in the Plan and filing with the Bankruptcy Court or the CA Court; and

(iv) defending any Legal Proceedings in any way challenging (A) this Agreement, the Plan or any other Transaction Document, (B) the Plan Solicitation Order, Confirmation Order or the CA Order, or (C) the consummation of the transactions contemplated hereby and thereby, including seeking to have any stay or temporary restraining Order entered by any Governmental Entity vacated or reversed.

(c) Subject to applicable Laws relating to the exchange of information and appropriate assurance of confidential treatment (and any confidentiality agreements heretofore executed among any of the Parties), Buyer and the Company shall have the right, during the Pre-Closing Period, to review in advance, and to the extent practicable each will consult with the other on all of the information relating to Buyer or the Company, respectively, and any of their respective Subsidiaries, that appears in any filing made with, or written materials submitted to, any third party and/or any Governmental Entity in connection with the transactions contemplated by this Agreement or the Plan; provided, however, that neither the Company nor Buyer are required to provide for review in advance declarations or other evidence submitted in connection with any filing with the Bankruptcy Court or the CA Court.

(d) Nothing in this Agreement shall limit the ability of Buyer to consult with the Debtors, to appear and be heard, or to file objections, concerning any matter arising in the Chapter 11 Cases or the CA Case to the extent not inconsistent with this Agreement and the Plan.

Section 4.3 Regulatory and Other Authorizations; Notices and Consents.

(a) In furtherance of Section 4.2, each Party, as applicable, agrees to file promptly (but in no event later than ten (10) Business Days after the date of this Agreement) any Notification and Report Forms (as defined in the HSR Act) and related material required to be filed with the Antitrust Authorities under the HSR Act with respect to the transactions contemplated by this Agreement and to use reasonable best efforts to obtain an early termination of the applicable waiting period, and to supply as promptly as practicable to the appropriate Governmental Entities any additional information and documentary material that may be requested pursuant to the HSR Act. Each Party, as applicable, agrees to make as promptly as practicable (but in any event, no later than ten (10) Business Days after the date of this Agreement) its respective filings and notifications, if any, under any foreign Antitrust Law and to supply as promptly as practicable to the appropriate Governmental Entities any additional information and documentary material that may be requested pursuant to such foreign Antitrust Law. No Party may, without the consent of the other Parties, (x) cause any such filing or submission applicable to it to be withdrawn or refiled for any reason, including to provide the applicable Governmental Entity with additional time to review any of the transactions contemplated by this Agreement, or (y) consent to any voluntary extension of any statutory deadline or waiting period or to any voluntary delay of the consummation of the transactions contemplated by this Agreement. Buyer will pay all fees or make other payments to any Governmental Entity in order to obtain any such authorizations, consents, orders or approvals.

(b) Without limiting the generality of Buyer's undertaking pursuant to Section 4.2 and Section 4.3(a), Buyer agrees to use its reasonable best efforts and to take any and all steps necessary or advisable to avoid or eliminate each and every impediment under any Antitrust Law that may be asserted by any Antitrust Authority or any other Person so as to enable the Parties to close the transactions contemplated hereby as promptly as practicable, and in any event prior to the Outside Date, including proposing, negotiating, committing to and effecting, by consent decree, hold separate orders, or otherwise, the sale, license, divestiture or disposition of such of its assets, properties or businesses or of the assets, properties or businesses to be acquired by it pursuant hereto, and the entrance into such other arrangements, as are necessary or advisable in order to avoid the entry of, and the commencement of litigation seeking the entry of, or to effect the dissolution of, any injunction, temporary restraining order or other order in any suit or proceeding, which would otherwise have the effect of materially delaying or preventing the consummation of the transactions contemplated hereby. In addition, Buyer shall use its reasonable best efforts to defend through litigation on the merits any claim asserted in court by any Person in order to avoid entry of, or to have vacated or terminated, any decree, order or judgment (whether temporary, preliminary or permanent) that would prevent the Closing prior to the Outside Date; provided, however, that such litigation in no way limits the obligation of Buyer to use its reasonable best efforts, and to take any and all steps necessary to eliminate each and every impediment under any Antitrust Law to close the transactions contemplated hereby prior to the Outside Date.

(c) Each Party shall promptly notify the other of any communication it or any of its affiliates receives from any Antitrust Authority relating to the matters that are the subject of this Agreement. No Party shall agree to participate in any meeting with any Antitrust Authority in respect of any filings, investigation (including any settlement of the investigation), litigation or other inquiry unless it consults with the other in advance and, to the extent permitted by such Antitrust Authority, gives the other the opportunity to attend and participate at such meeting. Each Party will coordinate and cooperate fully with the other in exchanging such information and providing such assistance as the other may reasonably request in connection with the foregoing and in seeking early termination of any applicable waiting periods, including under the HSR Act. Each Party will provide the other with copies of all correspondence, filings or communications between them or any of their Representatives, on the one hand, and any Antitrust Authority or members of its staff, on the other hand, with respect to this Agreement or the Transactions; provided that such materials may be redacted (i) as necessary to comply with contractual arrangements, and (z) as necessary to address reasonable attorney-client or other privilege, work product protection or confidentiality concerns, to the extent that that such attorney-client or other privilege, work product protection or confidentiality concerns are not governed by a common interest privilege or doctrine.

(d) Buyer shall not enter into any transaction, or any Contract or other agreement, whether oral or written, to effect any transaction (including any merger, acquisition or reorganization) that might reasonably be expected to make it more difficult, or to increase the time required, to: (i) obtain the expiration or termination of the waiting period under the HSR Act, or approval under any Antitrust Law, applicable to the transactions contemplated by this Agreement, (ii) avoid the entry of, the commencement of litigation seeking the entry of, or to effect the dissolution of, any injunction, temporary restraining order or other order that would materially delay or prevent the consummation of the transactions contemplated hereby, or

(iii) obtain all authorizations, consents, orders and approvals of Governmental Entities necessary for the consummation of the transactions contemplated by this Agreement.

Section 4.4 Conduct of Business.

(a) Except for matters (i) set forth in this Agreement or Schedule 4.4, (ii) arising from the commencement and prosecution of the Chapter 11 Cases or the CA Case or as provided by the Plan, (iii) required by Law, (iv) as ordered by the Bankruptcy Court or the CA Court or otherwise limited by restrictions or limitations under the Bankruptcy Code on chapter 11 debtors, the BIA or the DIP Credit Agreement or (v) with the prior written consent of Buyer, during the Pre-Closing Period, the Company shall, and shall cause each of its Subsidiaries to (x) use reasonable efforts to carry on the Business in the ordinary course (including with respect to inventory and purchase orders) in all material respects and (y) use commercially reasonable efforts to maintain relationships with suppliers and customers having material business relationships with the Business and in general.

(b) Except for matters (i) set forth in this Agreement or Schedule 4.4, (ii) arising from the commencement and prosecution of the Chapter 11 Cases or the CA Case or as provided by the Plan, (iii) required by Law, (iv) as ordered by the Bankruptcy Court or the CA Court or otherwise limited by restrictions or limitations under the Bankruptcy Code on chapter 11 debtors, the BIA or the DIP Credit Agreement or (v) with the prior written consent of Buyer, during the Pre-Closing Period, the Company shall not, and shall not permit any of its Subsidiaries to, take any of the following actions:

(i) any split, combination or reclassification of any of its respective capital stock, limited liability company interests, partnership interests or other equity, ownership or profits interests, and any options, warrants, conversion privileges or rights of any kind to acquire any capital stock, limited liability company interests, partnership interests or other equity, ownership or profits interests (collectively, "Equity Interests"), or any declaration, set aside or payment of any dividend or other distribution payable in cash, stock, property or otherwise with respect to any of their respective Equity Interests;

(ii) any redemption, purchase or acquisition or any offer to acquire any of the respective Equity Interests;

(iii) any sale (including, but not limited to, any sale leaseback transaction), lease or other transfer of any Acquired Asset (whether material or not) other than sales of Inventory in the ordinary course of business;

(iv) any merger with or into, or consolidation or amalgamation with, any other Person, (in one transaction or a series of transactions and regardless of the survivor or merging party);

(v) the creation of any liens or security interests in or on any Acquired Asset (tangible or intangible), except (A) liens or security interests in existence on the date hereof, (B) Permitted Liens, and (C) Liens or security interests that secure obligations under the DIP Credit Agreement or as otherwise permitted by the DIP Credit Agreement;

(vi) any settlement or agreement to settle or compromise any litigation or other action pending or expressly threatened in writing that would require a party to pay an amount in excess of \$100,000 or that would reasonably be expected to result in any restrictions upon the Business or operations;

(vii) except in the ordinary course of business consistent with past practice, materially amend or terminate any Material Contract or enter into any Contract that would be a Material Contract pursuant to clause (b) of the definition of "Material Contract;" or

(viii) authorize any of the foregoing, enter into an agreement to do any of the foregoing, or agree or enter into any Contract to do any of the foregoing.

(c) Except as otherwise provided in this Agreement, nothing in this Agreement shall give Buyer, directly or indirectly, any right to control or direct the operations of the Company and its Subsidiaries prior to the Closing Date. Prior to the Closing Date, the Company and its Subsidiaries shall exercise, subject to the terms and conditions of this Agreement, complete control and supervision of the business of the Company and its Subsidiaries.

Section 4.5 Transfer Taxes.

(a) Buyer will bear and pay all transfer, documentary, sales (including bulk sales), use, recording, value added, ad valorem, privilege, gross receipts, registration, conveyance, excise, license, stamp or other similar fee or Tax which are not exempt pursuant to Section 1146(a) of the Bankruptcy Code arising out of, in connection with or attributable to the transactions effectuated pursuant to this Agreement (collectively, "Transfer Taxes"), and any penalties or interest with respect to the Transfer Taxes, and Buyer will file all applicable tax returns and other documentation with respect to all such Taxes, fees and charges. The Seller Parties agree to cooperate with Buyer in the filing of any returns with respect to the Transfer Taxes, including by promptly supplying any information in its possession that is reasonably necessary to complete such returns.

(b) All real property taxes, personal property taxes and similar ad valorem obligations levied with respect to the Acquired Assets for any Tax period beginning on or before and ending after the Closing Date shall be apportioned between Seller Parties, on the one hand, and Buyer, on the other hand, based on the number of days of such taxable period included in the portion of such period up to and including the Closing Date (for which proportionate amount of such Taxes the Seller Parties shall be responsible) and the number of days included in the portion of such period from and after the day after the Closing Date (for which proportionate amount of such Taxes Buyer shall be responsible).

Section 4.6 Letters of Credit. At or prior to the Closing, Buyer will replace the Company's existing letters of credit with respect to workers' compensation with new letters of credit; provided that, if Buyer cannot replace such letters of credit by Closing, Buyer will cash collateralize such letters of credit by the Closing.

Section 4.7 Notice of Events. From the date hereof until the Closing, Seller Parties shall promptly notify Buyer in writing of any fact, circumstance, event or action the existence, occurrence or taking of which has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in Section 5.2 to be satisfied.

Section 4.8 Access to Information; Confidentiality.

(a) Subject to applicable Law and appropriate assurance of confidential treatment (including Section 4.8(b) and any confidentiality agreements heretofore executed among any of the Parties), upon reasonable notice during the Pre-Closing Period, the Company shall (and shall cause its Subsidiaries to) afford Buyer and its Representatives upon request reasonable access, during normal business hours and without unreasonable disruption or interference with the Company's and its Subsidiaries' business or operations, to the Company's and its Subsidiaries' employees, properties, books, Contracts and records and, during the Pre-Closing Period, the Company shall (and shall cause its Subsidiaries to) furnish promptly to such parties all reasonable information concerning the Company's and its Subsidiaries' business, properties and personnel as may reasonably be requested by any such party; provided, however, that the foregoing shall not require the Company (i) to breach any fiduciary duty, duty of confidentiality owed to any person (whether such duty arises contractually, statutorily or otherwise), Law or any Contract with any other person, (ii) to waive or jeopardize any privileges, including the attorney-client privilege, or any work product protection (other than documents, communications or information subject to joint defense or common interest privilege), (iii) to share any information which constitutes trade secrets or other sensitive information or (iv) cause significant competitive harm to the Company or its Subsidiaries if the transactions contemplated hereby are not consummated; provided that the Company and its Subsidiaries will use their reasonable best efforts to provide such document, communication or information in a manner that does not violate the foregoing restrictions. All requests for information and access made in accordance with this Section 4.8 shall be directed to the Company's Chief Restructuring Officer, Jefferies, LLC or Kirkland & Ellis LLP or such Person as may be designated by the Company's Chief Restructuring Officer, Jefferies, LLC or Kirkland & Ellis LLP.

(b) Buyer acknowledges that, by virtue of its right of access hereunder, Buyer will become privy to confidential and other information of the Debtors and that such confidential information shall be held confidential by, and not disclosed or used by, Buyer and its Representatives other than to the extent reasonably necessary in connection with the performance of its obligations under and the consummation of the transactions contemplated by the Transaction Documents or except as required by applicable Law.

(c) From and after the Closing Date until (i) the seventh (7th) anniversary of the Closing Date, in the case of the CA Seller and (ii) the second (2nd) anniversary of the Closing Date (or the earlier liquidation or dissolution of the applicable Person), in the case of any other Seller Party, Buyer shall, and shall cause its Subsidiaries and Representatives (including the bankruptcy trustee of the CA Seller) to, provide and grant to the Seller Parties reasonable access, upon reasonable prior notice during normal business hours, to the personnel, books and records, financial records and other information in the possession of such party (and any affiliates, as applicable) related to the Business, the Purchased Assets or the Assumed Liabilities with respect to periods or occurrences prior to the Closing Date that the requesting party

reasonably needs (x) to comply with legal, contractual, regulatory, stock exchange and financial reporting requirements and for any other reasonable business purpose, including in respect of litigation and insurance matters, (y) to satisfy any audit, accounting or similar requirements such other party's or (z) to conduct liquidation, liquidation sales, wind-down, dissolution and similar and related activities.

Section 4.9 Use of Proceeds. The Company shall, and shall cause the other Debtors to, apply the proceeds from the Purchase Price for the purposes identified in the Disclosure Statement and the Plan.

ARTICLE V

CONDITIONS TO THE CLOSING

Section 5.1 Conditions to Each Party's Obligations. The obligations of Buyer and the Company to consummate the Closing shall be subject to the satisfaction (or, to the extent permitted by Law, waiver by Buyer and the Company) at or prior to the Closing of the following conditions.

(a) Governmental Approvals. Any waiting period under the HSR Act or under the Foreign Antitrust Laws set forth in Schedule 5.1(a) shall have expired or been terminated.

(b) No Injunctions or Restraints. No court or other Governmental Entity has issued, enacted, entered, promulgated or enforced any Law or Final Order restraining, enjoining or otherwise prohibiting the transactions contemplated hereby; provided that for the avoidance of doubt, this Section 5.1(b) shall be satisfied with respect to any Debtor upon entry of the Confirmation Order and the CA Order.

(c) Confirmation Order. The Bankruptcy Court shall have entered the Confirmation Order in form and substance reasonably acceptable to Buyer and the Company and such Confirmation Order shall have become a Final Order; provided that a Confirmation Order shall be deemed reasonably satisfactory to the Company and Buyer, respectively, for purposes of this Section 5.1(c), unless such party has provided written notice to the other identifying what aspect of the Confirmation Order is not reasonably satisfactory to such party on or prior to the third (3rd) Business Day after the Confirmation Order is entered. In all events, the Confirmation Order must, (i) approve, pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, (A) the execution, delivery and performance by Seller Parties of this Agreement and the terms of this Agreement in all respects, (B) the sale of the Acquired Assets to Buyer on the terms set forth herein and free and clear of all Claims and Liens (other than included in the Assumed Liabilities and Permitted Liens), and (C) the performance by Seller Parties of their respective obligations under this Agreement; (ii) authorize and empower Seller Parties to assume and assign to Buyer the Assumed Contracts; (iii) enjoin and forever bar any creditors or any other person from bringing any claims or asserting any liens against Buyer or the Acquired Assets other than for Assumed Liabilities; and (iv) find that (A) the consideration provided by Buyer pursuant to this Agreement represents the highest or otherwise best offer for the Acquired Assets and constitutes reasonably equivalent value and fair consideration for the Acquired Assets, (B) as of the Closing,

the transactions contemplated by this Agreement effect a legal, valid, enforceable and effective sale and transfer of the Acquired Assets, (C) Seller Parties gave due and proper notice of the transactions contemplated by this Agreement to each party entitled to such notice, including all state tax Governmental Entities, (D) this Agreement was negotiated and entered into at arms' length and Buyer is a "good faith" buyer within the meaning of Section 363(m) of the Bankruptcy Code and grants Buyer the protections of Section 363(m) of the Bankruptcy Code, (E) the provisions of Section 363(n) of the Bankruptcy Code have not been violated and (F) Buyer is not a successor to any of the Seller Parties.

(d) CA Order. The CA Court shall have entered the CA Order in form and substance reasonably acceptable to Buyer, the CA Seller and the Company and such CA Order shall have become a Final Order.

(e) Effectiveness of Plan. All conditions to the effectiveness of the Plan on the Effective Date shall have been waived or satisfied other than (i) consummation of the transactions contemplated hereby and (ii) conditions within the control of the Company to cause to occur on the Closing Date.

Section 5.2 Conditions to the Obligation of Buyer. The obligation of Buyer to consummate the Closing shall be subject to the satisfaction (or, to the extent permitted by Law, waiver by Buyer) at or prior to the Closing of the following conditions.

(a) Representations and Warranties.

(i) The representations and warranties of the Seller Parties contained in Section 2.1, Section 2.2, Section 2.3, Section 2.4, Section 2.8, Section 2.9, Section 2.17 and Section 2.18 shall be true and correct in all material respects as of the Closing Date after giving effect to the Plan, the Confirmation Order and the CA Order with the same effect as if made at and as of such date after giving effect to the Plan, the Confirmation Order and the CA Order (except for such representations and warranties made as of a specified date, which shall be true and correct in all material respects only as of the specified date).

(ii) The other representations and warranties of the Seller Parties contained in ARTICLE II shall be true and correct (disregarding all materiality or Material Adverse Effect qualifiers) as of the Closing Date with the same effect as if made at and as of such date (except for such representations and warranties made as of a specified date, which shall be true and correct only as of the specified date), except where the failure of such representations and warranties to be true and correct has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(iii) Notwithstanding anything to the contrary contained herein, the representation and warranty set forth in Section 2.7(a) shall be true and correct as of the Closing Date as though such representation and warranty had been made on and as of the Closing Date.

(b) Covenants. The Company shall have performed and complied, in all material respects, with all of its covenants and agreements contained in this Agreement that contemplate, by their terms, performance or compliance prior to the Closing Date.

(c) Marquee Transaction. The transactions set forth in the Asset Purchase Agreement, dated as of the date hereof (the "IP APA"), among Marquee Brands, LLC shall have simultaneously closed with the closing of the transactions contemplated by this Agreement.

(d) Deliverables. Seller Parties shall have delivered to Buyer duly executed counterparts to the Transaction Documents and such other documents and deliveries set forth in Section 1.10.

Section 5.3 Conditions to the Obligation of the Company. The obligation of the Company to consummate the Closing shall be subject to the satisfaction (or, to the extent permitted by Law, waiver by the Company) at or prior to the Closing of the following conditions.

(a) Representations and Warranties. The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects as of the Closing Date with the same effect as if made at and as of such date (except for such representations and warranties made as of a specified date, which shall be true and correct only as of the specified date).

(b) Covenants. Buyer shall have performed and complied, in all material respects, with all of its covenants and agreements contained in this Agreement that contemplate, by their terms, performance or compliance prior to the Closing Date.

(c) Deliverables. Buyer shall have delivered to the Company duly executed counterparts to the Transaction Documents and such other documents and deliveries set forth in Section 1.10.

Section 5.4 Frustration of Closing Conditions. Neither Buyer, on the one hand, nor the Company, on the other hand, may rely on the failure of any condition set forth in this ARTICLE V to be satisfied if such failure was caused by such party's or its respective affiliates' failure to act in good faith or to comply with its agreements set forth herein on the terms and subject to the conditions herein.

Section 5.5 Waiver of Conditions. If the Closing occurs, all closing conditions set forth in this ARTICLE V that have not been fully satisfied as of the Closing shall be deemed to have been fully waived by the Company and Buyer.

ARTICLE VI

TERMINATION

Section 6.1 Termination Rights. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(a) by mutual written consent of the Company and Buyer;

(b) by either the Company or Buyer, if:

(i) consummation of the transactions contemplated hereby would violate Law or any Final Order of any Governmental Entity having competent jurisdiction; provided that the right to terminate this Agreement under this Section 6.1(b)(i) shall not be available to any party whose failure to perform any of its obligations under this Agreement has been the principal cause of the issuance of such Final Order; or

(ii) the Closing does not occur on or prior to July 31, 2017 (the "Outside Date"); provided that (A) the right to terminate this Agreement under this Section 6.1(b)(ii) shall not be available to any party whose failure to perform any of its obligations under this Agreement, including the obligations of Buyer under Section 4.1 and Section 4.2), has been the principal cause of the failure of the Closing not to have occurred on or before the Outside Date (or any extension thereof) and (B) Buyer shall not have the right to terminate this Agreement pursuant to this Section 6.1(b)(ii) (1) during the pendency of any proceeding brought by the Company prior to the Outside Date (or any extension thereof) for specific performance of this Agreement or (2) at any time the Company may terminate this Agreement pursuant to Section 6.1(d)(ii) (without regard to the period specified in clause (C) of Section 6.1(d)(ii));

(c) by Buyer, if:

(i) the Company or any Seller Party shall have breached or failed to perform any of its representations, warranties, covenants or agreements contained in this Agreement, which breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 5.1 or Section 5.2 and (B) cannot be cured by the Company by the earlier of (1) the Outside Date and (2) the thirtieth (30th) day following receipt by the Company of written notice of such breach or failure to perform from Buyer stating Buyer's intention to terminate this Agreement pursuant to this Section 6.1(c) and the basis for such termination, or if capable of being cured, shall not have been cured by the earlier of (1) the thirtieth (30th) day following receipt by the Company of such notice and (2) the Outside Date; provided that Buyer shall not have the right to terminate this Agreement pursuant to this Section 6.1(c) if Buyer is then in breach of any representations, warranties, covenants or other agreements hereunder that would result in the conditions to Closing set forth in Section 5.1 and/or Section 5.3 not being satisfied (other than those conditions that by their terms are to be satisfied at the Closing (but subject to such conditions being capable of being satisfied as of such date));

(ii) if the Chapter 11 Cases are dismissed or converted to cases under chapter 7 of the Bankruptcy Code and neither such dismissal nor conversion expressly contemplates the transactions provided for in this Agreement, or a trustee is appointed for the Debtors and such trustee rejects the transactions contemplated by this Agreement;

(iii) if the Bankruptcy Court shall have entered an Order denying the Plan Solicitation Motion and such Order shall have become a Final Order;

(iv) if the Bankruptcy Court has not entered the Plan Solicitation Order on or prior to August 1, 2017;

(v) if the Plan is modified or amended in a way that materially affects Buyer's economic interest in the Transactions contemplated hereunder;

(vi) if the Bankruptcy Court shall have entered an Order denying entry of the Confirmation Order and such Order shall have become a Final Order; provided, however, such Final Order is entered no later than September 30, 2017;

(vii) if the Bankruptcy Court has not entered the Confirmation Order on or prior to August 15, 2017;

(viii) if the CA Court has not entered the CA Order on or prior to August 15, 2017; or

(ix) (A) the Bankruptcy Court or the CA Court approves or authorizes an Alternative Transaction at the request of any party in interest, or (B) the Company or any of its Subsidiaries consummates an Alternative Transaction;

(d) by the Company, if:

(i) Buyer shall have materially breached or materially failed to perform any of its representations, warranties, covenants or agreements contained in this Agreement, which material breach or material failure to perform (A) would give rise to the failure of a condition set forth in Section 5.1 or Section 5.3 and (B) cannot be cured by Buyer by the earlier of (1) the Outside Date and (2) the thirtieth (30th) day following receipt by Buyer of written notice of such material breach or material failure to perform from the Company stating the Company's intention to terminate this Agreement pursuant to this Section 6.1(d)(i) and the basis for such termination, or if capable of being cured, shall not have been cured by the earlier of (1) the thirtieth (30th) day following receipt by Buyer of such notice and (2) the Outside Date; provided that the Company shall not have the right to terminate this Agreement pursuant to this Section 6.1(d)(i) if the Company is then in breach of any representations, warranties, covenants or other agreements hereunder that would result in the conditions to Closing set forth in Section 5.1 and/or Section 5.2 not being satisfied (other than those conditions that by their terms are to be satisfied at the Closing (but subject to such conditions being capable of being satisfied as of such date));

(ii) (A) Buyer is required to consummate the Closing pursuant to Section 1.7 and Buyer fails to consummate the Closing by the date the Closing is required to have occurred pursuant to Section 1.7, (B) the Company has confirmed by notice to Buyer that all conditions set forth in Section 5.3 have been satisfied or that it is willing to waive any unsatisfied conditions in Section 5.3 and that it is ready, willing and able to consummate the Transactions and (C) the Transactions shall not have been consummated within one (1) Business Day after delivery of such notice; or

(iii) the board of managers of the Company determines in good faith that continued performance under this Agreement would be inconsistent with its fiduciary duties.

Section 6.2 Effect of Termination. Upon termination of this Agreement pursuant to Section 6.1 (such date of termination, the "Termination Date"), this Agreement shall forthwith become void and there shall be no further obligations or liabilities on the part of the Debtors or Buyer; provided that the provisions of this Section 6.2 and ARTICLE VIII shall survive the termination of this Agreement in accordance with their terms. Furthermore, in the event of any breach of this Agreement by the Company, subject to the rights of Buyer pursuant to Section 8.12, the sole and exclusive remedies of Buyer will be, if applicable, to terminate this Agreement pursuant to Section 6.1. In no event will any Party be liable for any monetary damages for any breach of this Agreement.

ARTICLE VII

DEFINITIONS

Section 7.1 Definitions. As used in this Agreement (including any Exhibits and Schedules hereto), the following terms shall have the following meanings.

"Acquired Books and Records" means the Books and Records, but excluding, for the avoidance of doubt (i) corporate minutes, (ii) any books and records relating to any of Sellers' income taxes, and (iii) any books and records relating to the Excluded Assets or Excluded Liabilities.

"Acquired Inventory" means all inventories owned by each Seller Party, including goods in transit, customer returns, finished goods inventory, raw materials and work in progress inventory, packaging and office supplies, listed on Schedule 7.1(i), (a) less any such inventories that are sold in the ordinary course of business prior to the Closing, and (b) together with any such inventories that are acquired or created in the ordinary course of business prior to the Closing and are either wholesale inventories, e-commerce inventories, "store-within-a-store" inventories for the applicable partnership Assumed Contracts or retail inventories for Acquired Stores. At a reasonably practicable time prior to the Closing, the Company shall provide a good faith estimate of the Acquired Inventory as of the Closing in the form of an updated Schedule 7.1(i).

"Acquired Pre-Paid Fabrics" means the materials, samples, fabrics or other similar items relating to the Acquired Assets or the Business listed on Schedule 7.1(ii), (a) less any such materials, samples, fabrics or other similar items that are consumed in the ordinary course of business prior to the Closing, and (b) together with any such materials, samples, fabrics or other similar items that are acquired or purchased in the ordinary course of business prior to the Closing and are either wholesale, e-commerce or retail materials, samples, fabrics or other similar items for Acquired Stores. At a reasonably practicable time prior to the Closing, the Company shall provide a good faith estimate of the Acquired Pre-Paid Fabrics as of the Closing in the form of an updated Schedule 7.1(ii).

"Acquired Purchase Orders" means all outstanding purchase orders with respect to any products of the Business, raw materials, packaging and office supplies, materials, samples, fabrics or other similar items relating to the Acquired Assets or the Business listed on Schedule 7.1(iii), (a) less any such purchase orders that are satisfied in the ordinary course of business prior to the Closing, and (b) together with (i) any such purchase orders that are issued in the ordinary course of business prior to the Closing and (ii) any outstanding orders placed with the e-commerce and/or online retail apparel business of the Company and its Subsidiaries prior to the Closing. At a reasonably practicable time prior to the Closing, the Company shall provide a good faith estimate of the Acquired Purchase Orders as of the Closing in the form of an updated Schedule 7.1(iii).

"Acquired Retail Stores" means the branded retail stores of the Seller Parties identified on Schedule 7.1(iv) less any retail stores the Contracts for which Buyer has deleted from Schedule 1.5(a) in accordance with Section 1.5(a).

"Acquired Retail Store Assets" means any and all tangible assets owned by each Seller Party existing at the Acquired Retail Stores (other than Acquired Inventory), including all ancillary assets associated therewith such as mannequins and display materials existing at the Acquired Retail Stores.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made (including any Affiliated Funds of such Person); provided that for purposes of this Agreement, Buyer shall not be deemed an Affiliate of the Company or any of its Subsidiaries. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of such Person, whether through the ownership of voting securities, by Contract or otherwise.

"Alternative Transaction" means any of the following transactions: (a) a plan of reorganization or other financial and/or corporate restructuring of any Debtor, (b) the issuance, sale, transfer, exchange or other disposition by any Debtor of any Equity Interests, or all or a material portion of its assets or property or (c) a merger, consolidation, business combination, recapitalization or refinancing of any Debtor (in one or a series of related transactions), in each case other than the Transactions; provided that no merger, consolidation or business combination consisting only of one Debtor into another Debtor shall be deemed an Alternative Transaction.

"Anti-Corruption Laws" means all applicable Laws relating to the prevention of corruption and bribery, including the U.S. Foreign Corrupt Practices Act of 1977.

"Antitrust Authorities" means the United States Federal Trade Commission, the Antitrust Division of the United States Department of Justice, the attorneys general of the several states of the United States and any other Governmental Entity having jurisdiction pursuant to the Antitrust Laws.

"Antitrust Laws" mean the Sherman Act, the Clayton Act, the HSR Act, the Federal Trade Commission Act, and any other Law governing agreements in restraint of trade, monopolization, pre-merger notification, the lessening of competition through merger or acquisition or anti-competitive conduct.

"Assumed Contracts" means the contracts and agreements relating to or in connection with the Business of each Seller Party listed on Schedule Section 7.1(v), as such schedule may be amended in accordance with Section 1.5; provided that the Assumed Contracts and the Acquired Assets will not include any right, title or interest in any accrued accounts receivable under such Assumed Contracts arising for the period prior to Closing but will include any amounts due and owing under such Assumed Contracts for periods arising after the Closing Date.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure and the local rules and general orders of the Bankruptcy Court, as in effect on the Petition Date, together with all amendments and modifications thereto subsequently made applicable to the Chapter 11 Cases.

"Bidding Procedures" has the meaning set forth in the Bidding Procedures Order.

"Bidding Procedures Order" means the Order (a) Approving the Bidding Procedures, (b) Scheduling the Bid Deadlines and the Auction, (c) Approving the Form and Manner of Notice Thereof, and (d) Granting Related Relief [Docket No. 244].

"Books and Records" means with respect to the Acquired Assets in whatever form, files and, supplier lists and records, price lists, purchasing materials and records, manufacturing, maintenance and quality control records and procedures, warranty and service records, and confidential or proprietary information.

"Buyer Group" means Buyer, any Affiliate of Buyer and each of their respective former, current or future Affiliates, Representatives, successors or permitted assigns.

"Business" means the business of the Seller Parties as conducted at the Acquired Retail Stores for the twelve-month period preceding the date hereof, which includes designing, sourcing, selling, and distributing women's apparel.

"Business Day" means any day, other than a Saturday, Sunday or legal holiday, as defined in Bankruptcy Rule 9006(a) or any other day on which commercial banks in Chicago, Illinois or New York, New York are not, or are not required to be, open for business.

"CA Order" means an Approval and Vesting Order entered by the CA Court in the CA Case approving the sale by the CA Seller of its interests in the Acquired Assets pursuant to the terms hereof.

"Claim" shall have the meaning given that term in Section 101(5) of the Bankruptcy Code.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company Disclosure Schedule" means the disclosure schedules delivered by the Company to Buyer on the date hereof.

"Confirmation Order" means an order of the Bankruptcy Court in a form satisfactory to the Parties: (a) pursuant to Section 1129 of the Bankruptcy Code confirming the Plan in a form mutually satisfactory to the Buyer and the Company, as may have been amended, supplemented or otherwise modified with the consent of Buyer; (b) approving this Agreement and (c) authorizing the Debtors to undertake the transactions contemplated hereunder, including pursuant to Sections 363, 365, 1123(a)(5)(B), and 1123(a)(5)(D) of the Bankruptcy Code.

"Contract" means any contract or other legally binding agreement (whether written or oral), but excluding the Plan.

"Counterparty" means, with respect to any Material Contract or Real Property Lease, any party other than a Debtor.

"Cure Cost" means the total amount determined by either (i) written agreement entered into with a Counterparty, or (ii) a Final Order of the Bankruptcy Court, of the amounts required to be paid to a Counterparty pursuant to Section 365(b) of the Bankruptcy Code as a condition to the assumption of any Assumed Contract.

"DIP Credit Agreement" means, collectively (a) that certain Senior Secured, Super-Priority Debtor-In-Possession Loan Agreement, dated as of March 3, 2017, by and among the Debtors, the DIP Lenders party thereto and Bank of America, N.A., as may be amended, restated, supplemented, or otherwise modified from time to time and (b) that certain Debtor-In-Possession Term Loan Credit and Guaranty Agreement, dated as of March 3, 2017, by and among the Debtors, the DIP Lenders party thereto and Guggenheim Corporate Funding, LLC, as may be amended, restated, supplemented, or otherwise modified from time to time.

"Disclosure Statement" means the Disclosure Statement for the Plan approved by the Bankruptcy Court pursuant to the Plan Solicitation Order (including all exhibits and schedules thereto).

"Effective Date" means the effective date under and as defined in the Plan.

"Environmental Laws" means all applicable Laws concerning pollution or protection of the environment.

"Event" means any event, development, occurrence, circumstance, effect, condition, result, state of facts or change.

"Final Order" means an Order as to which the time to file an appeal, a motion for rehearing or reconsideration or a petition for writ of certiorari has expired and no such appeal, motion or petition is pending or, if an appeal, motion or petition is pending, for which Order no stay shall have been entered by the Bankruptcy Court or the CA Court or such other court of competent jurisdiction; provided that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or any comparable rule of the Bankruptcy Rules may be filed relating to such Order shall not cause such Order to not be a Final Order.

"Foreign Antitrust Laws" means any Antitrust Laws of any Governmental Entity outside the United States.

"GAAP" means United States generally accepted accounting principles.

"Government Official" means any officer or employee of a Governmental Entity, including state-owned entities, or of a public organization or any Person acting in an official capacity for or on behalf of any Governmental Entity or public organization.

"Governmental Entity" means any national, foreign, federal, state, local, municipal, or other governmental authority of any nature (including any division, department, agency, commission, or other regulatory body thereof) and any court or arbitral tribunal.

"Hazardous Materials" means any substance, material or waste that is defined as "toxic" or "hazardous" under applicable Environmental Laws.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

"IT Contracts" means the material Contracts to which the Seller Parties are party relating primarily to (a) the e-commerce and/or online retail apparel business of the Company and its Subsidiaries or (b) information technology of the Seller Parties used in the Business (other than the Contracts in clause(a)).

"Knowledge" means, when referring to the "knowledge" of the Company, any of its Subsidiaries, or any Seller Party, or any similar phrase or qualification based on knowledge of such Persons, the actual knowledge, after making reasonable inquiry of such Person's direct reports in the ordinary course of business consistent with past practice, of the Chief Executive Officer, Marty Staff and Erica Alterwitz Meierhans.

"Law" means any law, rule, regulation, Order of any Governmental Entity, in effect on or prior to the date of this Agreement, including common law.

"Liability" means any debt, loss, damage, adverse claim, fine, penalty, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, matured or unmatured, determined or determinable, disputed or undisputed, liquidated or unliquidated, or due or to become due, and whether in contract, tort, strict liability or otherwise), and including all costs and expenses relating thereto (including all fees, disbursements and expenses of legal counsel, experts, engineers and consultants and costs of investigation).

"Lien" means any lien (statutory or otherwise), mortgage, deed of trust, pledge, security interest, hypothecation, easement, judicial lien as defined in Sections 101(36) and (37) of the Bankruptcy Code or other material encumbrance, but excluding restrictions on transfer generally arising under federal and state securities Laws and licenses to Intellectual Property.

"Material Adverse Effect" means any Event, which, individually or together with all other Events, has had or would reasonably be expected to have a material and adverse effect on the business, assets, liabilities, finances, properties, results of operations or financial condition

of the Company and its Subsidiaries, taken as a whole; provided that none of the following, either alone or taken together with other Events, shall constitute or be taken into account in determining whether there has been a Material Adverse Effect: (i) any change in global, national or regional political or social conditions (including acts of terrorism or acts or escalations of war) or in the general business, market and economic conditions generally or affecting the industries and regions in which the Company and its Subsidiaries operate; (ii) any changes in financial, banking, commodities or securities markets, (iii) any changes in applicable Law or GAAP; (iv) the execution, announcement or performance of, or compliance with, this Agreement or the transactions contemplated hereby; (v) changes in the market price or trading volume of the Claims or securities of the Company (but not the underlying facts giving rise to such changes); (vi) the departure of officers or directors of the Company (but not the underlying facts giving rise to such departure); (vii) (A) the filing of the Chapter 11 Cases or the CA Case and any adversary proceedings or contested motions commenced in connection therewith, (B) any objection to the Transactions, the Plan (or the transactions contemplated thereby), any disclosure statement related thereto or the DIP Credit Agreement and financing contemplated thereby, (C) any objections to the assumption or rejection of any Contract or (D) any Order of the Bankruptcy Court or the CA Court or any actions or omissions of the Debtors in compliance therewith; (viii) any matter set forth in the Company Disclosure Schedules; or (ix) any action taken by the Debtors at the request of, or with the consent of, Buyer; provided, however, that the exceptions set forth in clauses (i) and (ii) shall not apply to the extent that such Event is disproportionately adverse to the Company and any of its Subsidiaries, taken as a whole, as compared to other companies in the industries in which the Company and its Subsidiaries operate.

"Order" means any judgment, order, injunction, ruling, writ, license or decree of any Governmental Entity or arbitrator of applicable jurisdiction.

"Permitted Liens" means (a) Liens for Taxes that (i) are not yet due and payable or (ii) are being contested in good faith by appropriate proceedings and for which adequate reserves have been made with respect thereto; (b) mechanics Liens and similar Liens for labor, materials or supplies in the ordinary course of business consistent with past practice; (c) zoning, building codes and other land use Laws regulating the use or occupancy of any real property or the activities conducted thereon that are imposed by any Governmental Entity having jurisdiction over such real property and that do not prohibit the current use or occupancy of such real property; (d) easements, covenants, conditions, restrictions and other similar matters affecting title to any real property and other title defects that do not or would not reasonably be expected to materially impair the use or occupancy of such real property in the current operation of the Company's or any of its Subsidiaries' business; and (e) Liens that, pursuant to the Confirmation Order or the CA Order, will not survive beyond the Effective Date.

"Person" means an individual, firm, corporation, partnership, limited liability company, joint venture, association, trust, Governmental Entity or other entity or organization.

"Plan" means the Debtors' Joint Plan of Reorganization (including any schedules and exhibits attached thereto) substantially in a form mutually satisfactory to Buyer and the Company, as may be amended, supplemented to reflect changes necessary for the approval and consummation of the Transactions contemplated hereby and otherwise modified from time to time pursuant to the terms of this Agreement.

"Plan Solicitation Motion" means the Debtors' Motion for an Order, in form and substance mutually satisfactory to Buyer and the Company and among other things, (a) approving the Disclosure Statement (including approving the Disclosure Statement as containing "adequate information" (as that term is used by Section 1125 of the Bankruptcy Code)); (b) establishing a voting record date for the Plan; (c) approving solicitation packages and procedures for the distribution thereof; (d) approving the forms of ballots; (e) establishing procedures for voting on the Plan; (f) establishing notice and objection procedures for the confirmation of the Plan; and (g) establishing procedures for the assumption and/or assignment of executory Contracts and unexpired leases under the Plan.

"Plan Solicitation Order" means an Order entered by the Bankruptcy Court, substantially in the form attached to the Plan Solicitation Motion, which Order (a) shall, among other things, approve the relief sought in the Plan Solicitation Motion, including (i) the Disclosure Statement; and (ii) the commencement of a solicitation of votes to accept or reject the Plan, and (b) shall be in form and substance mutually satisfactory to Buyer and the Company.

"Power of Attorney " means a document (in form and substance satisfactory to the Parties) executed by a Seller Party appointing Buyer as its attorney in fact to act in Seller Party's name, place, and stead for (a) the completion of the endorsements of the Acquired Assets and any transfer documents related thereto, (b) the recordation of any assignments relating to the Acquired Assets, including executing country-specific trademark assignments and powers of attorney to foreign law firms to record such assignments, (c) the enforcement of Seller Party's rights against third parties under the Acquired Assets purchased by Buyer pursuant to this Agreement, and (d) the taking of other steps as may be necessary or desirable to enforce Buyer's rights, title, and interests against third parties in, to, and under the Acquired Assets, in each case of (a) through (d), in accordance with the terms and conditions of this Agreement, the Plan, the Confirmation Order and the CA Order.

"Real Property Leases" means the leases, subleases, licenses, concessions and other Contracts pursuant to which the Company or one of its Subsidiaries holds a leasehold or subleasehold estate in, or is granted the right to use or occupy, any land, buildings, structures, improvements, fixtures or other interest in real property used in the Company's or its Subsidiaries' business.

"Representatives" means, with respect to any Person, such Person's directors, officers, members, partners, managers, employees, agents, investment bankers, attorneys, accountants, advisors and other representatives.

"Securities Act" means the Securities Act of 1933.

"Seller Parties" means, collectively, the Company, the CA Seller, MLA Multibrand Holdings, LLC, BCBG Max Azria Group, LLC, BCBG Max Azria Intermediate Holdings, LLC and Max Rave, LLC.

"Subsidiary" means, with respect to any Person, any corporation, partnership, joint venture or other legal entity as to which such Person (either alone or through or together with any other Subsidiary), owns, directly or indirectly, more than fifty percent (50%) of the

stock or other equity interests or has the power to elect a majority of the board of directors or similar governing body.

"Taxes" means all taxes, assessments, duties, levies or other mandatory governmental charges paid to a Governmental Entity, including all federal, provincial, state, local, foreign and other income, franchise, profits, gross receipts, capital gains, capital stock, transfer, property, sales, use, value-added, occupation, excise, severance, windfall profits, stamp, payroll, social security, withholding, goods and services and harmonized sales and other taxes, assessments, duties, levies or other mandatory governmental charges of any kind whatsoever in the nature of a tax paid to a Governmental Entity (whether payable directly or by withholding and whether or not requiring the filing of a Return), all estimated taxes, additions to tax, penalties and interest thereon and shall include any Liability for such amounts as a result of being a member of a combined, consolidated, unitary or affiliated group.

"Transaction Documents" means, collectively, this Agreement (including the Exhibits and Schedules attached hereto), the Plan, the Disclosure Statement, the Bill of Sale, the Assignment and Assumption Agreement.

"Transactions" means the transactions contemplated by this Agreement and the other Transaction Documents.

"Workers' Compensation Liabilities" means the Liabilities of any Seller Party with respect to workers' compensation obligations.

Section 7.2 Construction. In this Agreement, unless the context otherwise requires:

(a) references to Articles, Sections, Exhibits and Schedules are references to the articles and sections or subsections of, and the exhibits and schedules attached to, this Agreement;

(b) the descriptive headings of the Articles and Sections of this Agreement are inserted for convenience only, do not constitute a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement;

(c) references in this Agreement to "writing" or comparable expressions include a reference to a written document transmitted by means of electronic mail in portable document format (pdf), facsimile transmission or comparable means of communication;

(d) words expressed in the singular number shall include the plural and vice versa; words expressed in the masculine shall include the feminine and neuter gender and vice versa;

(e) the words "hereof", "herein", "hereto" and "hereunder", and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, including all Exhibits and Schedules attached to this Agreement, and not to any provision of this Agreement;

(f) the term this "Agreement" shall be construed as a reference to this Agreement, including the Exhibits and Schedules hereto, as the same may have been, or may from time to time be, amended, modified, varied, novated or supplemented in accordance with its terms;

(g) "include", "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words;

(h) where the context permits, the use of the term "or" will be equivalent to the use of the term "and/or";

(i) references to "day" or "days" are to calendar days;

(j) time is of the essence in the performance of the obligations of each of the Parties;

(k) references to "the date hereof" means as of the date of this Agreement;

(l) unless otherwise specified, references to a statute means such statute as amended from time to time and includes any successor legislation thereto and any rules or regulations promulgated thereunder; provided that, for the purposes of the representations and warranties set forth herein, with respect to any violation of or non-compliance with, or alleged violation of or non-compliance with, any Law, the reference to such Law means such Law as in effect at the time of such violation or non-compliance or alleged violation or non-compliance;

(m) references to any Contract (including this Agreement) or organizational document are to the Contract or organizational document as amended, modified, supplemented or replaced from time to time, unless otherwise stated, and any description of any Contract, plan, instrument, document or other item set forth on the Disclosure Schedule is a summary only and is qualified in its entirety by the terms of such Contract, plan, instrument, document or other item;

(n) any disclosure made by a party in any Schedule with reference to any Section or Schedule of this Agreement shall be deemed to be a disclosure with respect to any other Section or Schedule to which such disclosure may apply to the extent the applicability of such additional disclosure is reasonably apparent on its face and any disclosure in the Disclosure Statement will be deemed to qualify a representation or warranty to the extent that the relevance of such disclosure to such representation or warranty reasonably apparent on its face. The information contained in this Agreement, in the Schedule and Exhibits hereto is disclosed solely for purposes of this Agreement, and no information contained herein or therein will be deemed to be an admission by any Party to any Person of any matter whatsoever, including any violation of Law or breach of Contract;

(o) all references to votes or voting in this Agreement include votes or voting on a plan of reorganization under the Bankruptcy Code, including with respect to the Plan; and

(p) references to "U.S. dollars", "dollars" or "\$" are to the legal currency of the United States of America, in United States dollars.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.1 Fiduciary Duties. Nothing in this Agreement or any of the other Transaction Documents will require any Debtor or any of their respective directors, officers or members, in each case, in their capacity as such, to take any action, or to refrain from taking any action, to the extent inconsistent with their fiduciary obligations under applicable Law.

Section 8.2 No Survival. All representations, warranties, covenants and agreements made in this Agreement shall not survive the Closing Date except for covenants and agreements that by their terms are to be satisfied after the Closing Date, which covenants and agreements shall survive until satisfied in accordance with their terms.

Section 8.3 No Outside Reliance. Buyer acknowledges that, in making its determination to proceed with the transactions contemplated by this Agreement, Buyer has relied solely on the results of its own independent investigation and verification, and has not relied on, is not relying on, and will not rely on, the Company, any of its Subsidiaries or any of their Representatives or any information, statements, disclosures, documents, projections, forecasts or other material provided or otherwise made available to Buyer or any of its Affiliates or Representatives, in each case, whether written or oral, or any failure of any of the foregoing to disclose or contain any information, except for the express representations and warranties of the Company set forth in ARTICLE II (as modified by the Company Disclosure Schedules).

Section 8.4 Notices. All notices and other communications in connection with this Agreement shall be in writing and shall be deemed given when delivered personally, when sent via electronic mail (with confirmation), on the day following the day on which the same has been delivered prepaid to a reputable national overnight air courier service or on the third (3rd) Business Day following the day on which the same is sent by certified or registered mail, postage prepaid, in each case, to the Parties at the following addresses (or at such other address for a Party as will be specified by like notice).

- (a) If to the Company (prior to the Closing):

BCBG Max Azria Global Holdings, LLC
2761 Fruitland Avenue
Vernon, California 90058
Attention: Holly Etlin, Chief Restructuring Officer
Email: hetlin@alixpartners.com

with a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP
300 North LaSalle Street
Chicago, Illinois 60654
Attention: Steve Toth
Benjamin Rhode
Email: steve.toth@kirkland.com
benjamin.rhode@kirkland.com

and

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attention: Joshua A. Sussberg, P.C.
Email: joshua.sussberg@kirkland.com

(b) If to Buyer:

GBG USA Inc.
350 Fifth Avenue, 6th Floor
New York, NY 10118
Attention: Robert K. Smits
Email: robertsmits@globalbrandsgroup.com

with a copy (which shall not constitute notice) to:

Reed Smith LLP
599 Lexington Avenue
New York, New York 10022
Attention: Sahra Dalfen
Email: sdalfen@reedsmith.com

Section 8.5 Assignment; Third Party Beneficiaries. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned by any Party (whether by operation of Law or otherwise) without the prior written consent of the Company and Buyer and any purported assignment in violation of this Section 8.5 shall be void *ab initio*; provided, however, that Buyer shall be entitled to assign all of its rights, interests and obligation under this Agreement to an Affiliate of Buyer; provided further, however, that no such assignment will relieve Buyer of any of its obligations or any Liability hereunder. This Agreement (including the documents and instruments referred to in this Agreement) is not intended to and does not confer upon any Person any rights or remedies under this Agreement other than the Parties.

Section 8.6 Prior Negotiations; Entire Agreement.

(a) This Agreement (including the agreements attached as Exhibits to and the documents and instruments referred to in this Agreement) constitutes the entire agreement of the Parties and supersedes all prior agreements, arrangements or understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement, except that the Parties hereto acknowledge that any confidentiality agreements heretofore executed among any of the Parties will continue in full force and effect.

(b) Notwithstanding anything to the contrary in the Plan (including any amendments, supplements or modifications thereto) or the Confirmation Order or the CA Order (and any amendments, supplements or modifications thereto) or an affirmative vote to accept the Plan submitted by Buyer, nothing contained in the Plan (including any amendments, supplements or modifications thereto) or Confirmation Order or the CA Order (including any amendments, supplements or modifications thereto) shall alter, amend or modify the rights of Buyer under this Agreement unless such alteration, amendment or modification has been made in accordance with Section 8.10.

Section 8.7 Governing Law; Venue. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD FOR ANY CONFLICTS OF LAW PRINCIPLES THAT WOULD APPLY THE LAWS OF ANY OTHER JURISDICTION, AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE AND/OR THE BIA. THE PARTIES CONSENT AND AGREE THAT ANY ACTION TO ENFORCE THIS AGREEMENT OR ANY DISPUTE, WHETHER SUCH DISPUTES ARISE IN LAW OR EQUITY, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE AGREEMENTS, INSTRUMENTS AND DOCUMENTS CONTEMPLATED HEREBY SHALL BE BROUGHT EXCLUSIVELY IN THE BANKRUPTCY COURT (OR, SOLELY TO THE EXTENT THE BANKRUPTCY COURT DECLINES JURISDICTION OVER SUCH ACTION OR DISPUTE, IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK OR ANY NEW YORK STATE COURT SITTING IN NEW YORK CITY) OR, IN THE CASE OF THE CA SELLER, THE CA COURT. THE PARTIES CONSENT TO AND AGREE TO SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE BANKRUPTCY COURT (OR, SOLELY TO THE EXTENT THE BANKRUPTCY COURT DECLINES JURISDICTION OVER SUCH ACTION OR DISPUTE, THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK OR ANY NEW YORK STATE COURT SITTING IN NEW YORK CITY) OR, IN THE CASE OF THE CA SELLER, THE CA COURT. EACH OF THE PARTIES HEREBY WAIVES AND AGREES NOT TO ASSERT IN ANY SUCH DISPUTE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM THAT (I) SUCH PARTY IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF THE BANKRUPTCY COURT OR THE CA COURT, (II) SUCH PARTY AND SUCH PARTY'S PROPERTY IS IMMUNE FROM ANY LEGAL PROCESS ISSUED BY THE BANKRUPTCY COURT OR THE CA COURT OR (III) ANY LITIGATION OR OTHER PROCEEDING COMMENCED IN THE BANKRUPTCY COURT OR THE CA COURT IS BROUGHT IN AN INCONVENIENT FORUM. THE PARTIES HEREBY AGREE THAT MAILING OF PROCESS OR OTHER PAPERS IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING IN THE MANNER AND TO AN ADDRESS PROVIDED IN SECTION 8.4, OR IN SUCH OTHER MANNER AS MAY BE PERMITTED BY LAW, SHALL BE VALID AND SUFFICIENT

SERVICE THEREOF AND HEREBY WAIVE ANY OBJECTIONS TO SERVICE ACCOMPLISHED IN THE MANNER HEREIN PROVIDED.

Section 8.8 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY JURISDICTION IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE AMONG THE PARTIES UNDER THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE.

Section 8.9 Counterparts and PDF. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when each party hereto shall have received counterparts hereof signed by each of the other parties hereto. Any such counterpart, to the extent delivered by .pdf, .tif, .gif, .peg or similar attachment to electronic mail (any such delivery, an "Electronic Delivery") shall be treated in all manner and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. Minor variations in the form of the signature page to this Agreement or any agreement or instrument contemplated hereby, including footers from earlier versions of this Agreement or any such other document, will be disregarded in determining the effectiveness of such signature. At the request of any party hereto, each other party hereto shall re-execute the original form of this Agreement and deliver such form to all other parties. No party hereto shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

Section 8.10 Amendment and Waiver. Any provision of this Agreement or the Disclosure Schedules or exhibits hereto may be (a) amended only in a writing signed by Buyer and the Company or (b) waived only in a writing executed by the Person against which enforcement of such waiver is sought. No waiver of any provision hereunder or any breach or default thereof will extend to or affect in any way any other provision or prior or subsequent breach or default. No course of dealing between or among any Persons having any interest in this Agreement will be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement.

Section 8.11 Construction; Headings. The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any Person. The headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and will in no way restrict or otherwise modify any of the terms or provisions hereof.

Section 8.12 Specific Performance; Liquidated Damages. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof, including if any of the Parties fails to take any action required of it hereunder to consummate the transactions contemplated by this Agreement, and that the Parties shall be entitled to an injunction or injunctions without proof of damages or posting a bond or other security to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof, in addition to any other remedy to which they

are entitled at law or in equity. Unless otherwise expressly stated in this Agreement, no right or remedy described or provided in this Agreement is intended to be exclusive or to preclude a Party from pursuing other rights and remedies to the extent available under this Agreement, at law or in equity. The right of specific performance and other equitable relief is an integral part of the transactions contemplated by this Agreement and without that right, neither the Company or any Seller Party nor Buyer would have entered into this Agreement. If, prior to the Outside Date, any Party brings any action to enforce specifically the performance of the terms and provisions hereof by any other Party, the Outside Date will automatically be extended (a) for the period during which such action is pending, plus ten (10) Business Days or (b) by such other time period established by the court presiding over such action, as the case may be. Notwithstanding anything herein to the contrary, in no event will this Section 8.12 be used, alone or together with any other provision of this Agreement, to require the Company to remedy any breach of any representation or warranty of the Company made herein. Nothing in this Section 8.12 shall restrict or otherwise limit the Company's ability to terminate this Agreement pursuant to Section 6.1(d)(iii).

Section 8.13 Publicity. At all times prior to the Closing Date, the Company shall not, and will cause the other Debtors and each of their Subsidiaries to not use the name of Buyer in any press release without Buyer's prior written consent (not to be unreasonably withheld, conditioned or delayed). Notwithstanding the foregoing, Buyer hereby consents to the disclosure by the Company, the other Debtors, and their Subsidiaries in the Transaction Documents or the Plan, as applicable, or as otherwise required by Law or regulation, of the execution, terms and contents of this Agreement. Buyer shall not use the name of the Company, the other Debtors, and their Subsidiaries in any press release without the Company's prior written consent (not to be unreasonably withheld, conditioned or delayed). Nothing contained herein shall be deemed to waive, amend or modify the terms of any confidentiality or non-disclosure agreement between of the Company, the other Debtors, and their Subsidiaries and Buyer.

Section 8.14 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable Law in any jurisdiction, such provision will be ineffective only to the extent of such prohibition or invalidity in such jurisdiction, without invalidating the remainder of such provision or the remaining provisions of this Agreement or in any other jurisdiction.

Section 8.15 Representation by Counsel. Each Party acknowledges that it has had the opportunity to be represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement and the Plan. Accordingly, any rule of law or any legal decision that would provide any Party with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel, shall have no application and is expressly waived.

Section 8.16 Joint Drafting. Each Party has been represented by counsel in the negotiations and preparation of this Agreement; therefore, this Agreement will be deemed to be drafted by each Party hereto, and no rule of construction will be invoked respecting the authorship of this Agreement.

Section 8.17 No Solicitation. This Agreement, the Plan, the Transaction Documents and transactions contemplated herein and therein are the product of negotiations among the Parties, together with their respective Representatives. Notwithstanding anything herein to the contrary, this Agreement is not, and shall not be deemed to be, (a) a solicitation of votes for the acceptance of the Plan or any other plan of reorganization for the purposes of Sections 1125 and 1126 of the Bankruptcy Code or otherwise or (b) an offer for the issuance, purchase, sale, exchange, hypothecation, or other transfer of securities or a solicitation of an offer to purchase or otherwise acquire securities for purposes of the Securities Act or the Exchange Act and none of the Company, the other Debtors, and their Subsidiaries will solicit acceptances of the Plan from any party until such party has been provided with copies of a Disclosure Statement containing adequate information as required by Section 1125 of the Bankruptcy Code.

Section 8.18 Non-Recourse. This Agreement may only be enforced against, and any claim or cause of action based upon, arising out of or related to this Agreement may only be brought against, the Persons that are expressly named as Parties to this Agreement. Except to the extent named as a Party to this Agreement, and then only to the extent of the specific obligations of such parties set forth in this Agreement, no past, present or future shareholder, member, partner, manager, director, officer, employee, Affiliate, agent or representative of any Party or any Subsidiary of the Company will have any liability (whether in contract, tort, equity or otherwise) for any of the representations, warranties, covenants, agreements or other obligations or liabilities of any of the parties to this Agreement or for any claim based upon, arising out of or related to this Agreement. Without limiting the foregoing, no claim will be brought or maintained by any Person or any of its respective successors or permitted assigns against any officer, director, employee (present or former), partner or Affiliate of any Person that is not otherwise expressly identified as a Party, and no recourse will be brought or granted against any of them, by virtue of or based upon any alleged misrepresentation or inaccuracy in or breach or nonperformance of any of the representations, warranties, covenants or agreements of any Party set forth or contained in this Agreement or any exhibit or schedule hereto or any certificate delivered hereunder.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of
the date first above written.

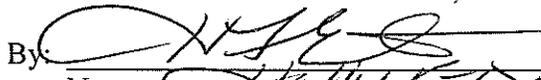
BCBG MAX AZRIA GLOBAL HOLDINGS, LLC

By: 
Name: Holly FELDER ETKIN
Title: CRO

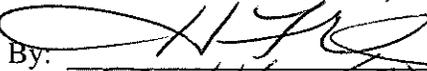
BCBG Max Azria Canada Inc.

By: _____
Name: _____
Title: _____

MLA MULTIBRAND HOLDINGS, LLC

By: 
Name: Holly FELDER ETKIN
Title: CRO

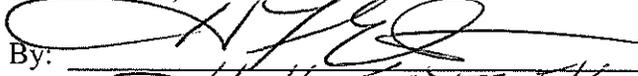
BCBG MAX AZRIA GROUP, LLC

By: 
Name: Holly FELDER ETKIN
Title: CRO

BCBG MAX AZRIA INTERMEDIATE HOLDINGS,
LLC

By: 
Name: Holly FELDER ETKIN
Title: CRO

MAX RAVE, LLC

By: 
Name: Holly FELDER ETKIN
Title: CRO

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of
the date first above written.

BCBG MAX AZRIA GLOBAL HOLDINGS, LLC

By: _____
Name:
Title:

BCBG Max Azria Canada Inc.

By:  _____
Name: Erica Meiermans
Title: Managing Director of BCBG Max Azria B. V., Its
Sole Shareholder

MLA MULTIBRAND HOLDINGS, LLC

By: _____
Name:
Title:

BCBG MAX AZRIA GROUP, LLC

By: _____
Name:
Title:

BCBG MAX AZRIA INTERMEDIATE HOLDINGS,
LLC

By: _____
Name:
Title:

MAX RAVE, LLC

By: _____
Name:
Title:

GBG USA INC.

By: _____
Name: Jason Probin
Title: President

EXHIBIT P-3

Transfer, Assignment and Assumption Agreement

(Please see attached.)

TRANSFER, ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS TRANSFER, ASSIGNMENT AND ASSUMPTION AGREEMENT (the “**Agreement**”), is made as of this [●] day of [●], 2017, by and among GBG USA Inc., a Delaware corporation, GBG Acquisition ULC, a British Columbia unlimited liability company (collectively with GBG USA Inc. referred to as the “**Buyer**”) and BCBG Max Azria Canada Inc., a Canadian corporation (the “**CA Seller**”). Capitalized terms used herein but not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement (as defined below).

WHEREAS on March 1, 2017, the CA Seller filed a Notice of intention to make a proposal (“**NOI**”) under the relevant provisions of the *Bankruptcy and Insolvency Act* (Canada) and Deloitte Restructuring Inc. was appointed as trustee thereto (the “**Proposal Trustee**”)

WHEREAS, BCBG Max Azria Global Holdings, LLC, MLA Multibrand Holdings, LLC, BCBG Max Azria Group, LLC, BCBG Max Azria Intermediate Holdings, LLC and Max Rave, LLC (collectively and together with the CA Seller, the “**Sellers**”), the CA Seller and the Buyer entered into an Asset Purchase Agreement, dated June 9, 2017 (the “**Purchase Agreement**”), providing for, among other things, the sale by the Sellers of the Acquired Assets to the Buyer and the assignment by the Sellers and the assumption by the Buyer of the Assumed Liabilities; and

WHEREAS, in order to consummate the transfer and assignment of the Acquired Assets owned by the CA Seller (hereinafter referred to as the “**Canadian Assets**”) from the CA Seller to the Buyer and the assumption of the Assumed Liabilities of the CA Seller (hereinafter referred to as the “**Canadian Assumed Liabilities**”) by the Buyer, pursuant to the Purchase Agreement, the CA Seller and the Buyer are executing and delivering this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and in the Purchase Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Conveyance of Assets. Effective as of the date hereof, in accordance with and subject to the terms and conditions of the Purchase Agreement and this Agreement, the CA Seller hereby irrevocably grants, sells, conveys, transfers, assigns and delivers unto the Buyer and its successors and assigns, forever, all of their respective rights, title and interest in and to all of the Canadian Assets, free and clear of any Lien (other than Permitted Liens). Notwithstanding anything to the contrary contained herein, the CA Seller shall not be obligated to grant, sell, convey, transfer, assign and deliver, nor does the CA Seller grant, sell, convey, transfer, assign and deliver unto the Buyer pursuant hereto, any of the Excluded Assets, and the CA Seller shall retain all right, title and interest in and to the Excluded Assets.

2. Purchase Price. The Buyer shall pay to the CA Seller the total amount of US\$500,000 for the Canadian Assets, at Closing by wire transfer of immediately available funds to the account identified in Schedule B to this Agreement or such other account as the CA Seller may designate, and such purchase price shall constitute that portion of the Purchase Price identified in Section 1.8 of the Purchase Agreement allocated to the Canadian Assets.

3. Assumption of Liabilities. Effective as of the date hereof, in accordance with and subject to the terms and conditions of the Purchase Agreement and this Agreement, the Buyer hereby assumes, agrees to be liable for, and agrees to pay, discharge and perform when due the Canadian Assumed Liabilities in accordance with and subject to all of the terms and conditions of the Purchase Agreement. Notwithstanding anything to the contrary contained herein, the Buyer shall not assume or be bound by any Excluded Liabilities, which shall remain the liabilities of and are retained by the CA Seller.

4. Employees. No less than five days prior to the Closing Date and subject to the Closing taking place as herein contemplated, the Buyer shall offer employment, effective as of the Closing Date, to each of the Employees of the CA Seller whose names are set forth in Schedule A of this Agreement (the “**Named Employees**”), on substantially the same terms and conditions as were in effect on the date hereof. Named Employees who accept such offers from the Buyer are hereinafter referred to as the “**Transferred Employees**”.

a) The CA Seller shall be responsible for the payment of all of the accrued vacation pay owing to Named Employees (including, for avoidance of doubt, both Transferred Employees and Terminated Employees, as defined below) up to the day immediately preceding the Closing Date. The CA Seller shall make any such payments to the Named Employees directly from the Purchase Price and shall indemnify the Buyer from any and against any and all claims made by any Named Employees for any vacation accruals up to but excluding the Closing Date.

b) The Buyer shall assume any and all obligations with respect to Transferred Employees arising from and after the Closing Date (including without limitation all liabilities for salary, wages, bonuses, vacation pay, severance pay and notice of termination or payment in lieu thereof) and shall recognize the service of the Transferred Employees for all purposes including, without limitation, employee benefits, as if they had been employed by the Buyer since their most recent dates of hire by the CA Seller.

c) Any Named Employee who is not a Transferred Employee shall be terminated by the CA Seller (each, a “**Terminated Employee**”) concurrently with the Closing and notwithstanding the foregoing, the CA Seller shall not be relieved of any liability including, without limitation, liability for severance and termination costs and for employee benefits in respect of any such Terminated Employees.

5. Transition Services. For a period commencing on the Closing Date and ending on the earlier of (i) seven (7) days after the Closing Date or (ii) August 10, 2017, the CA Seller shall provide such transition services as may be reasonably requested by the Buyer in a written notice (the “**Transition Services**”), provided that the Buyer shall promptly reimburse the CA Seller for all out-of-pocket costs and expenses incurred by the CA Seller in connection with provision of the Transition Services.

6. Privacy. The Buyer acknowledges that, in accordance with the CA Order, the CA Seller and the Proposal Trustee may disclose to the Buyer the personal information set out in Schedule D to the CA Order (the “**Disclosed Information**”). The Buyer acknowledges and agrees that it is solely responsible and will take all such action as may be required (including

providing any required notice to the Transferred Employees and Partner Shop customers) for the lawful disclosure by the CA Seller to the Buyer, and subsequent use by the Buyer, of the Disclosed Information in accordance with the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, and any applicable provincial private-sector privacy legislation (collectively, the “**Applicable Privacy Laws**”). The Buyer shall at all times following receipt of any Disclosed Information: (i) maintain and protect the Disclosed Information with security safeguards appropriate to the Disclosed information and as may otherwise be required by Applicable Privacy Laws, (ii) use and disclose the Disclosed Information for the purposes for which the Disclosed Information was collected by the CA Seller and as may otherwise be permitted by Applicable Privacy Laws, and (iii) give effect to any withdrawals of consent of the individuals to whom the Disclosed Information relates.

7. Tax Matters. The Buyer shall be liable for and shall pay all federal, provincial and harmonized sales taxes, goods and services taxes and all other taxes or other like charges properly payable by a buyer upon and in connection with the conveyance and transfer of the Canadian Assets by the CA Seller to the Buyer. The Buyer and the CA Seller will use commercially reasonable efforts to minimize or eliminate any goods and services, harmonized sales, sales, retail sales, use, consumption, personal property, customs, excise, stamp, transfer, or similar taxes, duties or charges (collectively the “**Sale Taxes**”) as are applicable to the purchase and sale of the Canadian Assets, including any taxes payable under the *Excise Tax Act* (Canada) and *An act respecting the Québec Sales Tax* (Québec) by, among other things, making such elections and taking such steps as may be provided for under those Acts (including making a joint election in a timely manner under Section 167 of Part IX of the *Excise Tax Act* (Canada) and Section 75 and Section 75.1 of *An Act Respecting the Québec Sales Tax* (Québec)). The CA Seller is duly registered under Part IX of the *Excise Tax Act* (Canada) with respect to the goods and services tax and harmonized sales tax and under Division I of Chapter VIII of Title I of *An Act respecting the Québec Sales Tax Act* (Québec) with respect to the Québec sales tax and the registrations numbers are 874314024 RT 0001 and 1022223751 TQ0001, respectively. The Buyer is also registered under Part IX of the *Excise Tax Act* (Canada) with respect to the goods and services tax and harmonized sales tax and under Division I of Chapter VIII of Title I of *An Act respecting the Québec Sales Tax Act* with respect to the Québec sales tax and the registrations numbers are [●] and [●], respectively.

a) ETA Election. On the Closing Date, if requested by the Buyer, the Buyer and the CA Seller shall jointly execute in prescribed form, and the Buyer shall file within the required time, an election under subsection 167(1) of the *Excise Tax Act* (Canada) that no GST be payable pursuant to such Act with respect to the transaction.

b) QST Election. On the Closing Date, if requested by the Buyer, the Buyer and the CA Seller shall jointly execute in prescribed form, and the Buyer shall file within the required time, an election under subsection 75 and 75.1 of the *Act respecting the Québec Sales Tax* that no QST be payable pursuant to such Act with respect to the transaction.

Notwithstanding such elections, in the event that it is finally determined by the Canada Revenue Agency or the applicable provincial tax authorities, as the case may be, that any Sale Taxes are payable in respect of the transaction, the Buyer shall forthwith remit such Sale Taxes, plus all applicable interest and penalties, to the appropriate revenue authority

and shall indemnify and hold harmless the CA Seller, the Proposal Trustee and their respective officers, directors, shareholders and other representatives in respect of such Sale Taxes, interest and penalties.

8. Access to Books and Records. From and after the Closing Date until the seventh (7th) anniversary of the Closing Date, the Buyer shall provide and grant to the CA Seller, the Proposal Trustee and any trustee in bankruptcy of the CA Seller reasonable access, upon reasonable prior notice during normal business hours, to the personnel, books and records, financial records and other information in the possession of the Buyer (and any affiliates, as applicable) related to the Business, the Canadian Assets or the Canadian Assumed Liabilities with respect to periods or occurrences prior to the Closing Date that the requesting party reasonably needs (i) to carry the administration of the NOI proceedings and any subsequent bankruptcy proceedings, (ii) to comply with legal, contractual, regulatory, stock exchange and financial reporting requirements and for any other reasonable business purpose, including in respect of litigation and insurance matters or (iii) to satisfy any audit, accounting, investigation or similar requirements.

9. Collection of Pre-Closing and Post-Closing Amounts. The Buyer recognizes that there may be some amounts due by Hudson's Bay Company ("**HBC**") to the CA Seller ("**Pre-Closing Receivables**"), and, to the extent any such Pre-Closing Receivables are remitted to the Buyer, the Buyer shall hold such Pre-Closing Receivables in trust for the benefit of the CA Seller and shall remit the proceeds thereof to the CA Seller within five (5) business days of collection without any deduction or withholding whatsoever by the Buyer. The CA Seller recognizes that there may be some amounts due by HBC to the Buyer ("**Post-Closing Receivables**"), and, to the extent any such Post-Closing Receivables are remitted to the CA Seller, the CA Seller shall hold such Post-Closing Receivables in trust for the benefit of the Buyer and shall remit the proceeds thereof to the Buyer within five (5) business days of collection without any deduction or withholding whatsoever by the CA Seller.

10. Approval and Vesting Order. For greater certainty, in accordance with the Purchase Agreement, the obligations of the parties herein to consummate the transactions contemplated in this Agreement and the Purchase Agreement are subject to the issuance of the CA Order by the CA Court.

11. Rights Cumulative; Scope of Assignment and Assumption. The rights, duties and obligations of the parties hereunder shall be cumulative and in addition to the rights, duties and obligations of the parties under the Purchase Agreement. Notwithstanding any other provision of this Agreement to the contrary, nothing contained herein shall in any way supersede, amend, rescind, waive, expand, or in any other way affect the provisions, including the representations, warranties, covenants and agreements or the rights and remedies of any of the parties under the Purchase Agreement. To the extent of any conflict between the terms and conditions of this Agreement and the terms and conditions of the Purchase Agreement, the terms and conditions of the Purchase Agreement shall govern, and the provisions of this Agreement will be deemed to be amended to the extent necessary to eliminate such conflict. This Agreement is intended only to effect the transfer of the Canadian Assets and the transfer of the Canadian Assumed Liabilities pursuant to the Purchase Agreement, and shall be governed entirely in accordance with the terms and conditions of the Purchase Agreement.

12. Further Assurances. The parties hereto agree, for themselves and their successors and assigns, to do, execute and deliver, or cause to be done, executed and delivered all such further acts, transfers, assignments, instruments and conveyances, for the better assignment, conveyance and transfer unto the Buyer, its successors and assigns, of the Canadian Assets and the better assumption by the Buyer of the Canadian Assumed Liabilities, as any party hereto, its successors and assigns, shall reasonably request, subject to the terms and conditions of the Purchase Agreement.

13. Governing Law. This Agreement shall be construed in accordance with, and governed by, the Laws of the Province of Québec as applied to contracts made and to be performed entirely in the Province of Québec without regard to principles of conflicts of law. Each of the parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of the Province of Québec, District of Montréal for purposes of any suit, action or other proceeding arising out of this Agreement (and agrees not to commence any action, suit or proceeding relating hereto except in such courts). Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement, which is brought by or against it, in the courts of the Province of Québec and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

14. Execution in Counterparts. For the convenience of the parties hereto and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. In making proof of this Agreement, it shall not be necessary to produce or account for more than one counterpart evidencing execution by each party hereto. Delivery of a facsimile version or electronic PDF copy of one or more signatures to this Agreement shall be deemed adequate delivery for purposes of this Agreement.

15. Notices. All notices and other communications hereunder shall be in writing and shall be made in accordance with Section 8.4 of the Purchase Agreement.

16. Binding Effect; Assignment. This Agreement may not be assigned by any party hereto without the prior written consent of the other party hereto. This Agreement and the respective rights, covenants, conditions and obligations of the parties hereunder and any instrument or agreement executed pursuant hereto shall be binding upon and enforceable by, and shall inure solely to the benefit of, the parties hereto and their respective heirs, successors and permitted assigns and legal representatives.

17. Language. The parties hereto confirm having requested that this Agreement and all notices or other communications relating to them be drawn-up in the English language only. *Les parties aux présentes confirment avoir demandé que cette convention ainsi que tous les contrats, avis et autres communications s'y rapportant soient rédigés en langue anglaise seulement.*

14. Section Titles. The titles of the sections of this Agreement are for convenience only and will not in any way affect the interpretation of any section or of the Agreement itself.

15. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person or Persons any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names by their respective officers duly authorized, as of the date first written above.

BUYER:

CA SELLER:

GBG ACQUISITION ULC

BCBG MAX AZRIA CANADA INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

GBG USA INC.

By: _____

Name:

Title:

EXHIBIT P-4

Report by Hilco Valuation Services, LLC

(Please see attached.)



July 11, 2017

Mr. Naveed Z. Manzoor
Managing Director
FAAN Advisors Group Inc.
6 Adelaide Street East, Unit 220
Toronto, ON M5C 1H6

RE: Inventory Appraisal – BCBG Max Azria Canada Inc. Partner Shops

Dear Mr. Manzoor:

Pursuant to our June 29, 2017, engagement letter, whereby you retained Hilco Valuation Services, LLC (Hilco), the following self-contained report is Hilco's desktop inventory appraisal of BCBG Max Azria Canada Inc. Partner Shops (BCBG or the Company).

The purpose of this appraisal is to provide a perspective on the projected Gross and Net Orderly Liquidation Values (GOLV and NOLV) of BCBG's eligible inventory that could be realized from a Going Out of Business (Sale). Hilco is providing two modeling scenarios:

- Scenario 1 assumes a four-week Sale in Partner Shops with limited signage/promotion and a wholesale solution (bulk sales to liquidators) for remaining inventory; and
- Scenario 2 assumes no store Sale, but a wholesale solution for all eligible inventory.

Hilco based its analysis on the Company's reported eligible inventory values as of July 1, 2017, including data such as sales and gross margin for the 12 months ended May 2017. Expense run rates were calculated based on store-level expenses for the 10 months ended January 2017. Scenario 1 includes License Fees and Marketing Contribution at 20% and 2% of sales, respectively, during the Sale event.

Ineligible locations are as follows:

- 204 – Ecommerce facility, which contains minimal inventory;
- 889 –Hudson Bay Returns, which is a virtual location accounting for BCBG returns to The Bay stores where no Partner Shops exist. This inventory is not in Partner Shops or a central location; and
- 2005 – U.S. Distribution Center, from which transfer to Canada is cost-prohibitive.

ASSUMPTIONS

1. Liquidation of assets would be conducted on a fee basis.
2. Eligible inventory is based on merchandise located in 17 open stores.
3. No administrative or corporate wind-down expenses were considered in the analysis.

4. Inventory at cost reflects the Company's loaded cost or "Valuated Cost" as specified in the Company's inventory reporting.
5. Replenishment of inventory would be performed as in the normal course of business.
6. Scenario 1 assumes the right to run an abbreviated Sale (four weeks) with limited signage and enhanced discounting in host stores.
7. For wholesale solutions in both Scenarios 1 and 2, Hilco assumes no level of de-branding is required or other restrictions.
8. The inventory composition, mix, condition, and age are, in all material respects, consistent with the inventory portrayed in the information the Company supplied, as summarized in this report.
9. The projected NOLV is subject to Hilco's certification and limitations (refer to the Certifications and Limitations on Appraisal sections).
10. The projected NOLV takes into consideration current economic trends, inventory condition, location, and marketability, among other things.
11. The Company's financial condition and inventory costs are integrated into the projected NOLV. A significant deterioration of inventory without adequate replenishment prior to the Sale would materially affect the inventory mix, as fast-moving inventory would be sold. Subsequently, larger discounts would be necessary to stimulate purchase of the remaining inventory, which would adversely affect the projected NOLV.

LIMITATIONS

The appraisal incorporates the following limitations, which, if violated, weaken the validity of the appraisal or render the appraisal void.

1. Scenario 1 (Partner Shops Sale)
 - The Company would have limited ability to sign/discount in stores;
 - Advertising in stores would be limited; and
 - Foot traffic would be dependent on host stores.
2. Scenarios 1 and 2 (Wholesale)
 - While assortments should represent current styles/selections, inventory is shopworn and not in original packaging;
 - Size runs and selection would vary as inventory is actively shopped versus complete selections housed within the distribution center.
 - Scenario 2 assumes adequate time to market inventory; sales and expenses during the event are not reflected in the analysis.

3. No responsibility is assumed for matters of a legal nature, which might affect the property that is the subject of this appraisal. In particular, but without limiting the generality of the foregoing, the annexed appraisal assumes that the property is not subject to any liens, encumbrances, or impediments to its free transferability, and that such property conforms to all statutes, regulations, and codes that might relate to, or affect the use, sale, or other disposition of such property.
4. Hilco's projected recovery values are dependent on a number of key factors, including the proper execution of the disposition strategy outlined in this report. In addition, where Hilco has not appraised all of the Company's significant assets, certain liquidation strategies to maximize the value of those assets could conflict with Hilco's disposition strategy, and adversely affect the projected recovery. Should a liquidation become an appropriate disposition, Hilco recommends the coordination of disposition strategies for all asset classes and detailed collateral monitoring.
5. The appraisal is based on the following:
 - a. The quantities of such assets are based on information that Hilco has been led to believe is accurate.
 - b. These appraisals are based on the value of assets as of the date indicated in this report; subsequent changes, including changes in the market or in the composition, location, or condition of inventory, which could have a significant effect on the projected NOLV, were not considered. Hilco assumes no responsibility for economic or physical factors occurring subsequent to the date of this report.
 - c. Hilco relied on Company reports and management representation and has assumed without independent verification that all such information was accurate and complete in all material respects.
 - d. The opinions, as to value, stated in this report are premised on the specific methods of sale discussed herein and must not be used in conjunction with any other proposed method of disposition.
 - e. The valuation director is not an attorney at law. The reader is advised to consult with an attorney on general rules of law as applicable to the property.
 - f. All opinions, as to value, are presented as the valuation director's considered opinion, based on the facts and data set forth in the report. The values reported herein are an opinion only and are not a warranty or a representation of fact. No responsibility is assumed for any inability to sell the inventory at the values projected herein. Other than stated herein, no representation, warrant, or statement is made as to the value or marketability of the assets.
 - g. The opinions expressed herein are valid only for the express and stated purpose of providing information and assistance to the parties to whom this report is specifically addressed and to their counsel in connection with the proposed financing. The opinions expressed herein are not in any way, implied or expressed, to be construed, used, circulated, quoted, relied on, or otherwise referred to for any other purpose or by any other person or entity without the prior written consent of Hilco.



- h. It is an express condition of this report that the valuation director is not required to give testimony or appear in court regarding this appraisal, unless arrangements were previously made therefore.

If you have any questions/comments, please call me at 781-471-1229.

Sincerely,

A handwritten signature in black ink that reads "Tim C Anderson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Timothy C. Anderson
Senior Vice President

BCBG Max Azria Canada Inc.
Partner Shops
Summary of Net Orderly Liquidation Value
As of July 1, 2017
(\$ in CAD)

Assumptions:	Scenario 1			Scenario 2 (1)
	Partner Shops	Wholesale	Total	Wholesale
Capacity				
# Stores	17	17	17	17
Start Date	7/14/17	8/14/17	7/14/17	7/14/17
End Date	8/13/17	8/16/17	8/16/17	7/16/17
Avg Sale Term (Wks)	4.4	0.4	4.9	0.4
Store Weeks	75.3	7.3	82.6	7.3
Multiplier	1.05			
Sales Trend as of May 2017	13.1%			
Historical Gross Margin % (2)	52.9%			
Inventory				
Cost	\$291,649	\$1,073,428	\$1,365,077	\$1,365,077
Retail	830,824	3,057,890	3,888,714	3,888,714
Historical GM SP	619,345			
Cost Factor	35.1%			
Projected GOLV \$	540,036	504,511	1,044,547	750,792
% Cost	185.2%	47.0%	76.5%	55.0%
% Retail	65.0%			
% Historical GM SP	87.2%			
Liquidation Expenses				
Operating Expenses				
Payroll	124,463	11,524	135,986	11,524
License Fee	108,007	-	108,007	-
Marketing Contribution	10,801	-	10,801	-
Inventory Expense	-	117,094	107,343	148,909
Bank and Credit Card Fees	10,863	-	10,863	-
Other Store Expenses	15,057	-	15,057	-
Subtotal - Operating Expenses	269,190	128,618	388,057	160,432
Liquidator Fees				
Advertising	11,028	3,243	14,271	3,243
Supervision	42,764	4,672	47,436	5,123
Liquidation Fee	16,616	61,158	77,774	77,774
Subtotal - Liquidator Fees	70,408	69,074	139,481	86,140
Total Liquidation Expenses	339,598	197,691	527,538	246,573
% Cost	116.4%	18.4%	38.6%	18.1%
Projected NOLV	\$200,438	\$306,820	\$517,009	\$504,220
% Cost	68.7%	28.6%	37.9%	36.9%

Note(s):

(1) Scenario 2 assumes that Hilco has the appropriate lead time to market inventory. No sales or expenses during that time have been considered in this analysis.

(2) Reflects gross margin over the comparable LY time period for the term of the Sale.

BCBG Max Azria Canada Inc.
Partner Shops
Inventory Composition
As of July 1, 2017
(\$ in CAD)

Category	Inventory On Hand (1)				
	Inventory Units	Inventory at Cost	MSRP	Current Retail	% Total Inv. Cost
Accessories					
Bags	62	\$3,160	\$14,040	\$9,176	0.2%
Jewellery	998	24,490	97,584	64,338	1.8%
Miscellaneous	1,252	31,852	111,937	81,055	2.3%
Subtotal Accessories	2,312	59,502	223,561	154,569	4.4%
City					
Jackets	504	39,577	155,665	139,898	2.9%
Pant	507	23,553	96,871	79,805	1.7%
Subtotal City	1,011	63,130	252,536	219,704	4.6%
Dresses					
Casual	2,008	133,256	544,582	384,039	9.8%
City	1,581	115,792	451,520	322,350	8.5%
Cocktail	1,213	89,279	370,141	249,797	6.5%
Evening	2,305	249,477	989,101	695,239	18.3%
Subtotal Dresses	7,107	587,803	2,355,344	1,651,425	43.1%
Sportswear					
Denim wear	9	378	1,782	441	0.0%
Jackets	686	51,821	222,357	186,280	3.8%
Knit Top	2,023	66,842	266,558	180,713	4.9%
Leather	52	5,941	21,848	7,686	0.4%
Outerwear	339	39,339	125,968	65,387	2.9%
Pant	1,425	71,961	296,353	219,811	5.3%
Skirts	1,961	100,678	399,778	339,717	7.4%
Sweater Top	1,873	118,155	465,708	285,015	8.7%
Woven Top	3,736	199,168	791,980	576,536	14.6%
Subtotal Sportswear	12,104	654,282	2,592,332	1,861,586	47.9%
Swimwear	9	156	1,114	1,114	0.0%
Unclassified	4	203	1,028	316	0.0%
Total	22,547	\$1,365,077	\$5,425,915	\$3,888,714	100.0%

Note(s):

(1) Reflects eligible inventory only.

BCBG Max Azria Canada Inc.
Partner Shops
Inventory and Sales by Location
As of July 1, 2017
(\$ in CAD)

Store #	Host Store	Store Name	Address	City	Province	Postal Code	Inventory On Hand				For the 10 Months Ended Jan 2017			
							Units	Inventory at Cost	MSRP	Current Retail	% Total Inv. Cost	Sales	Gross Margin %	Inventory Turnover
Stores														
875	The Bay	DTN Queen St	176 Yonge St	Toronto	ON	M5C 2L7	1,884	\$111,068	\$445,299	\$383,269	7.7%	\$438,552	51.2%	2.3
876	The Bay	St. Catherine	585 St-Catherine	Montreal	QC	H3B 3Y5	1,588	96,915	388,233	312,946	6.7%	508,738	52.6%	3.0
877	The Bay	Pacific Centre	674 Granville Street	Vancouver	BC	V6C 1Z6	1,734	102,285	401,168	319,457	7.1%	266,743	48.5%	1.6
878	The Bay	Yorkdale	3401 Dufferin Street	North York	ON	M6A 2T9	1,838	115,490	451,709	319,929	8.0%	428,186	52.4%	2.1
879	The Bay	Pointe Claire	6790 Route Transcanada	Pointe-Claire	QC	H9R 1C5	1,634	103,597	408,136	287,312	7.2%	338,493	46.9%	2.1
881	The Bay	Sherway	25 The West Mall	Etobicoke	ON	M9C 1B8	1,763	110,270	433,293	302,604	7.6%	291,993	51.2%	1.5
882	The Bay	Market Mall	3625 Shaganappi	Calgary	AB	T3A 0E2	1,457	93,071	365,205	258,698	6.4%	364,321	48.0%	2.4
883	The Bay	Carrefour Laval	3045 Boul Le Carrefour	Laval	QC	H7T 1C7	1,464	92,882	368,314	237,219	6.4%	447,237	48.5%	3.0
884	The Bay	Oakridge	650 41E Avenue West	Vancouver	BC	V5Z 2M9	1,316	80,726	321,523	228,393	5.6%	227,255	49.0%	1.7
885	The Bay	Chinook	3455 Macloed Trail	Calgary	AB	T2H 0L1	1,209	70,708	279,944	189,630	4.9%	262,150	50.1%	2.2
886	The Bay	Bloor	2 Bloor St W	Toronto	ON	M4W 3H7	1,376	80,268	320,612	205,718	5.6%	275,317	48.2%	2.1
887	The Bay	Rideau	73 Rideau Street	Ottawa	ON	K1N 5W8	835	47,828	190,072	123,748	3.3%	165,019	46.8%	2.2
888	The Bay	Richmond	6060 Minoru Boul	Richmond	BC	V6Y 1Y2	1,227	74,568	294,808	205,943	5.2%	281,659	46.7%	2.4
890	The Bay	Upper Canada	17600 Yonge Street North	New Market	ON	L3Y 4Z1	999	55,858	232,108	133,782	3.9%	169,220	44.6%	2.0
891	The Bay	Waterloo	550 King Street North	Waterloo	ON	N2L 5W6	1,087	64,289	255,153	173,582	4.4%	189,433	51.6%	1.7
892	The Bay	Guildford Town Center	10355 152 Street	Surrey	BC	V3R 7C1	752	40,157	169,129	106,364	2.8%	149,789	41.5%	2.6
893	The Bay	Les Galeries D'Anjou	7895 Boul Galeries D'Anjou	Anjou	QC	H1M 1W6	384	25,100	101,209	100,121	1.7%	203,412	46.4%	5.2
17	Total Stores						22,547	\$1,365,077	\$5,425,915	\$3,888,714	94.5%	\$5,007,514	49.1%	2.2
Other (1)														
204	The Bay	E-commerce	100 Metropolitan Road	Scarborough	ON		123	6,174	21,130	61,203	0.4%			
889	The Bay	Hudson Bay Returns PS					2,525	9,333	706,850	320,317	0.6%			
2005	DC	US Distribution Center					996	64,597	248,066	248,066	4.5%			
3	Total Other						3,644	\$80,104	\$976,046	\$629,586	5.5%			
Grand Total							26,191	\$1,445,181	\$6,401,961	\$4,518,300	100.0%			

Note(s):

(1) Other locations are considered ineligible for purposes of this analysis.

EXHIBIT P-5

Draft Approval, Vesting, Assignment and Extension Order

(Please see attached.)

**SUPERIOR COURT
(Commercial Division)**

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-052159-171

DATE: July 25, 2017

BEFORE _____

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF:

BCBG MAX AZRIA CANADA INC.

Debtor / Petitioner

and

DELOITTE RESTRUCTURING INC.

Trustee

and

GBG USA INC.

and

GBG Acquisition ULC

Mises-en-cause

APPROVAL, VESTING, ASSIGNMENT AND EXTENSION ORDER

- [1] **CONSIDERING** the Application for approval of an asset sale, assignment of an agreement, for the issuance of a vesting order and for extension of time to file a proposal pursuant to sections 50.4(9), 65.13 and 84.1 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (“**BIA**”), as well as the exhibits and the affidavit of Mr. Naveed Z. Manzoor, filed in support thereof (the “**Application**”) by the Debtor / Petitioner BCBG Max Azria Canada Inc. (the “**Petitioner**”);

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[2] **CONSIDERING** the representations of counsel;

[3] **CONSIDERING** the provisions of the BIA;

THE COURT HEREBY:

[4] **GRANTS** the Application.

Definitions

[5] **DECLARES** that, unless otherwise defined, all capitalized terms in this Order shall have the meaning ascribed thereto in the Application.

Service

[6] **ORDERS** that any prior delay for the presentation of the Application is hereby abridged and validated so that the Application is properly presentable and **DISPENSES** with further service thereof.

[7] **PERMITS** service of this Order at any time and place and by any means whatsoever.

Sale Approval

[8] **APPROVES** the Sale Transaction.

[9] **AUTHORIZES** and **RATIFIES** the execution of the Asset Purchase Agreement (**Exhibit R-1** to the Application) and **AUTHORIZES** the execution of the Transfer, Assignment and Assumption Agreement (**Exhibit R-2** to the Application) (together, the "**Sale Agreements**") by the Petitioner, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Trustee.

Execution of Documentation

[10] **AUTHORIZES** the Trustee and the Petitioner to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in each of the Sale Agreements and any other ancillary document which could be required or useful to give full and complete effect thereto.

Authorization

[11] **ORDERS** and **DECLARES** that this Order shall constitute the only authorization required by the Petitioner to proceed with the Sale Transaction with respect to the

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Canadian Assets and that no shareholder or regulatory approval, if applicable, shall be required in connection therewith.

Vesting of Canadian Assets

- [12] **ORDERS** and **DECLARES** that upon the issuance of a Trustee's certificate substantially in the form appended as **Schedule A** hereto (the "**Certificate**"), all rights, title and interest in and to the Canadian Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear of and from any and all claims, liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, mortgages, pledges, deemed trusts, assignments, judgments, executions, writs of seizure or execution, notices of sale, options, adverse claims, levies, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, taxes or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including without limiting the generality of the foregoing all charges, security interests or charges evidenced by registration, publication or filing pursuant to the *Civil Code of Québec*, the *Personal Property Security Act* of the Provinces of Québec, Nova Scotia, Ontario, Manitoba, Alberta and British Columbia, or any other applicable legislation providing for a security interest in personal or movable property, excluding however, the permitted encumbrances, easements and restrictive covenants set out in the Asset Purchase Agreement and reproduced in **Schedule B** hereto (the "**Permitted Encumbrances**").
- [13] For greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Canadian Assets, other than the Permitted Encumbrances, be expunged and discharged as against the Canadian Assets, in each case effective as of the applicable time and date of the Certificate.
- [14] **ORDERS** and **DECLARES** that upon the issuance of the Certificate, the rights and obligations of the Petitioner under the Licensed Department Agreement dated as of October 1, 2012 between the Petitioner and Hudson's Bay Company, as amended from time to time (the "**Assumed Contract**"), are assigned to the Purchaser.
- [15] **ORDERS** the Trustee to notify a copy of this Order to every party to the Assumed Contract.
- [16] **ORDERS** the Trustee to file with the Court a copy of the Certificate, forthwith after issuance thereof.

Net Proceeds

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- [17] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the net proceeds from the sale of the Canadian Assets (the “**Net Proceeds**”) shall stand in the place and stead of the Canadian Assets, and that upon issuance of the Certificate, all Encumbrances except for the Permitted Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Canadian Assets immediately prior to the sale, as if the Canadian Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
- [18] **ORDERS** that the Petitioner shall distribute the Net Proceeds (excluding any reserves determined by the Trustee to be necessary to satisfy obligations secured by Encumbrances ranking in priority to the DIP Charge (as defined in the First Order)) to the ABL Lenders (as defined below) in an amount up to the maximum amount of the ABL Lenders’ secured claim under the Second Amended and Restated Loan Agreement dated as of February 5, 2015 with Bank of America, N.A. and other lenders party thereto (collectively, the “**ABL Lenders**”) and the Canadian Forbearance Agreement dated as of March 3, 2017 (jointly, the “**Loan Documents**”) and **DECLARES** that such distribution shall be free and clear of all Encumbrances other than those in favour of the ABL Lenders, and shall be applied against the indebtedness, liabilities and obligations owing by the Petitioners to the ABL Lenders under the Loan Documents.
- [19] **ORDERS** that, if any Net Proceeds remain after the distribution described in the paragraph immediately above, such amounts shall be distributed by the Trustee in accordance with applicable legislation.

Protection of Personal Information

- [20] **ORDERS** that, pursuant to sub-section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, or any similar provision of any applicable provincial private-sector privacy legislation (collectively, the “**Applicable Privacy Laws**”), the Petitioner and the Trustee are authorized to disclose to the Purchaser the personal information in the custody or control of the Petitioner listed in Schedule C hereto (the “**Disclosed Information**”).
- [21] **ORDERS** that the Purchaser shall:
- (a) maintain and protect the Disclosed Information with security safeguards appropriate to the Disclosed information and as may otherwise be required by Applicable Privacy Laws;
 - (b) use and disclose the Disclosed Information for the purposes for which the Disclosed Information was collected by the Petitioner and as may otherwise be permitted by Applicable Privacy Laws; and

- (c) give effect to any withdrawals of consent of the individuals to whom the Disclosed Information relates.

Validity of the Sale Transaction

[22] **ORDERS** that notwithstanding:

- (a) the pendency of these proceedings;
- (b) any petition for a receiving order now or hereafter issued pursuant to the BIA and any order issued pursuant to any such petition; or
- (c) the provisions of any federal or provincial legislation;

the vesting of the Canadian Assets contemplated in this Order, as well as the execution of the Sale Agreements pursuant to this Order, and the payments, distributions and disbursements made pursuant to this Order are to be binding on any trustee in bankruptcy that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Petitioner, the Purchaser, the ABL Lenders or the Trustee.

Limitation of Liability

[23] **DECLARES** that nothing herein contained shall require the Trustee to occupy or to take control, or to otherwise manage all or any part of the Canadian Assets.

[24] **DECLARES** that no action lies against the Trustee by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the Trustee or belonging to the same group as the Trustee shall benefit from the protection arising under the present paragraph.

Extension of Time

[25] **EXTENDS** the time period within which the Petitioner may file a proposal under the BIA to August 31, 2017.

General

[26] **DECLARES** that the Petitioner or the Trustee may, from time to time, apply to this Court for directions concerning the exercise of their respective powers, duties and rights hereunder or in respect of the proper execution of this Order on notice only to each other and the Purchaser.

- [27] **DECLARES** that the Petitioner and the Trustee shall be entitled to seek leave to vary this Order upon such terms and such notice as this Court deems just.
- [28] **DECLARES** that the Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.
- [29] **REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist, the Petitioner, the Trustee and their respective agents in carrying out the terms of this Order.
- [30] **ORDERS** that each of the Petitioner and the Trustee be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulator or administrative body, wherever located, for the recognition of the Order and for assistance in carrying out the terms of this Order, and that the Trustee is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside of Canada.
- [31] **ORDERS** provisional execution of this Order notwithstanding any appeal and without the necessity of furnishing any security.
- [32] **THE WHOLE** without costs.

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

Hearing date: July 25, 2017

Draft

SCHEDULE A
DRAFT CERTIFICATE OF THE TRUSTEE

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

File No.: 500-11-052159-171

**IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF::**

BCBG MAX AZRIA CANADA INC.
Debtor/Petitioner

-and-

DELOITTE RESTRUCTURING INC.
Trustee

-and-

GBG USA INC.

-and-

GBG Acquisition ULC
Mises-en-cause

CERTIFICATE OF THE TRUSTEE

RECITALS:

WHEREAS on March 1, 2017, BCBG Max Azria Canada Inc. ("**BCBG Canada**") filed a Notice of intention to make a proposal ("**NOI**") under the relevant provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B 3 and Deloitte Restructuring Inc. was appointed as trustee thereto (the "**Trustee**");

WHEREAS on July ●, 2017, the Court issued an Order (the "**Approval and Vesting Order**") thereby authorizing and approving, *inter alia*, the execution by the Petitioner of (i) an asset purchase agreement by and among, *inter alios*, BCBG Canada as vendor (the "**Vendor**") and GBG USA Inc. as purchaser (the "**Purchaser**"), copy of which was filed in the Court record (the "**Asset Purchase Agreement**"); (ii) a transfer, assignment

500-11-052159-171

and assumption agreement by and between the Vendor, the Purchaser and GBG Acquisition ULC (the “**Transfer, Assignment and Assumption Agreement**” and together with the Asset Purchase Agreement, the “**Sale Agreements**”), and into all the transactions contemplated therein (the “**Sale Transaction**”) with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the Trustee.

WHEREAS the Approval and Vesting Order contemplates the issuance of this Certificate of the Trustee once the (a) the Sale Agreements have been executed and delivered; and (b) the Canadian Purchase Price (as defined in the Approval and Vesting Order) has been paid by the Purchaser to the Vendor; and (c) and all the conditions to the closing of the Sale Transaction have been satisfied or waived by the parties thereto.

THE TRUSTEE CERTIFIES THAT IT HAS BEEN ADVISED BY THE VENDOR AND THE PURCHASER AS TO THE FOLLOWING:

- (a) the Asset Purchase Agreement has been executed and delivered;
- (b) the Transfer, Assignment and Assumption Agreement has been executed and delivered;
- (c) the Canadian Purchase Price (as defined in the Approval and Vesting Order) payable upon the closing of the Sale Transaction and all applicable taxes have been paid; and
- (d) all conditions to the closing of the Sale Transaction have been satisfied or waived by the parties thereto.

This Certificate was issued by the Trustee on _____ [DATE].

DELOITTE RESTRUCTURING INC., in its capacity as trustee to the Notice of intention to make a proposal of BCBG Max Azria Canada Inc., and not in its personal capacity.

Per: _____

Name: _____

Title: _____

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SCHEDULE B
PERMITTED ENCUMBRANCES

Per the Asset Purchase Agreement, "Permitted Encumbrances" means:

- a) Encumbrances for taxes that (i) are not yet due and payable or (ii) are being contested in good faith by appropriate proceedings and for which adequate reserves have been made with respect thereto;
- b) mechanics Encumbrances and similar Encumbrances for labor, materials or supplies in the ordinary course of business consistent with past practice;
- c) zoning, building codes and other land use laws regulating the use or occupancy of any real property or the activities conducted thereon that are imposed by any governmental entity having jurisdiction over such real property and that do not prohibit the current use or occupancy of such real property; and
- d) easements, covenants, conditions, restrictions and other similar matters affecting title to any real property and other title defects that do not or would not reasonably be expected to materially impair the use or occupancy of such real property in the current operation of the Petitioner.

SCHEDULE C

DISCLOSED INFORMATION

The following information shall constitute the Disclosed Information for the purposes of this Order:

- a) the human resources and payroll information in the Petitioner's records pertaining to those of the Petitioner's employees employed in the Partner Shop business that have accepted an offer of employment from the Purchaser; and
- b) the name, email, and other contact information of Partner Shop customers.

No.: 500-11-052159-171

**SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTRÉAL**

**IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF:**

BCBG MAX AZRIA CANADA INC.

Debtors/Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Trustee

**APPLICATION FOR APPROVAL OF AN ASSET SALE,
ASSIGNMENT OF AN AGREEMENT, ISSUANCE OF A
VESTING ORDER AND FOR EXTENSION OF TIME TO
FILE A PROPOSAL, AFFIDAVIT, NOTICE OF
PRESENTATION, LIST OF EXHIBITS, EXHIBITS P-1
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