

Superior Court
(Commercial Division)

Canada
Province of Québec
District of Montréal
No.: 500-11-058763-208

In the Matter of the *Companies' Creditors Arrangement Act* of:

Groupe Dynamite Inc.
GRG USA Holdings Inc.
GRG USA LLC

Debtors

-and-

Deloitte Restructuring Inc.

Monitor

Joint Plan of Compromise and Arrangement of Groupe Dynamite Inc., GRG USA Holdings Inc. and GRG USA LLC dated September 2, 2021

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ARTICLE 1 INTERPRETATION

1.1 Definitions

In the Plan, unless otherwise stated or unless the subject matter or context otherwise requires:

“**Affected Claims**” means all Claims, except the Unaffected Claims;

“**Affected Creditors**” means all Persons having an Affected Claim;

“**Aggregate Amount**” means, in respect of the CAD Affected Claims, the sum of the aggregate amount of the CAD Affected Claims which are Proven Claims and the aggregate amount of the CAD Affected Claims which are Undetermined Affected Claims and, in respect of the USD Affected Claims, the sum of the aggregate amount of the USD Affected Claims which are Proven Claim and the aggregate amount of the USD Affected Claims which are Undetermined Affected Claims, in all cases without taking into account any Equity Claim, any Claim against the Directors and Officers or any Employee Priority Claims, except for the purpose of Section 4.1 of the Plan for which Employee Priority Claims shall be taken into account;

“**Assessment**” means any right or claim of Her Majesty the Queen in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction (including, but not limited to, any federal, state, or local taxation authority in the United States of America, any state of the United States of America, or any other political subdivision or other taxing unit thereof) against any of Groupe Dynamite, including, without limitation, amounts which may arise, have arisen under, or would arise under, in connection with, or as a result of any notice of assessment, notice of objection, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority, without regard to whether any audit or investigation has already been conducted;

“**BIA**” means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3;

“**Business Day**” means a day, other than a Saturday or a holiday as defined in paragraph 61(23) of the *Interpretation Act*, CQLR c 1-16;

“**CAD Affected Claims**” means all Affected Claims that are denominated in Canadian dollars, and all Affected Claims in a currency other than the United States dollar or the Canadian dollar, converted to Canadian dollars at the Bank of Canada daily exchange rate on the Filing Date;

“**CAD Distribution Pool**” has the meaning ascribed to it in Section 4.1 of the Plan;

“**CCAA Proceedings**” means the proceedings in respect of Groupe Dynamite before the Court commenced pursuant to the CCAA in court file number 500-11-058763-208;

“**CCAA**” means the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36;

“**Claim**” means any right of any Person against any of Groupe Dynamite, arising in or in connection with any jurisdiction including but not limited to the United States of America and Canada, in connection with any indebtedness, right to payment, or obligation of any kind of Groupe Dynamite, whether or not such right is reduced to judgment, present, future, due or accruing due to such Person and any corresponding interest accrued thereon or costs, damages or equivalents, payable in respect thereof, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, unsecured, known or unknown, including,

inter alia, any Assessment, any Rent, any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured, any executory or non-executory guarantee or surety, and i) the right or ability of any Person to advance a claim for contribution, indemnity or otherwise with respect to any matter, action or cause, which indebtedness, liability or obligation is based in whole or in part on facts existing as at the Filing Date; ii) any Equity Claim; iii) any claim which would constitute a claim under the CCAA as at the Filing Date; iv) any claim which would constitute a "Claim" as defined under section 101(5) of title 11 of chapter 11 of the United States Code as at the Filing Date; and v) any indebtedness or obligation of Groupe Dynamite in connection with the repayment of any tenant inducement. A Claim shall include, without limitation, a) any Unaffected Claim; b) any Claim against the Directors and Officers; and c) any Restructuring Claim, provided however, that in no case shall a Claim include an Excluded Claim;

"Claims Bar Date" has the meaning in the Claims Procedure Order, as modified by subsequent Orders of the Court, as the case may be;

"Claims Procedure Order" means the Order of the Court made on April 19, 2021 approving and implementing the Claims Procedure, as amended, as the case may be;

"Convenience Creditors" means all Default Convenience Creditors and Opt-in Convenience Creditor;

"Charity Threshold Amount" means an amount of \$25,000;

"Court" means the Québec Superior Court (Commercial Division) sitting in the district of Montréal as the designated court in the context of the CCAA Proceedings;

"Creditor" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person. A Creditor shall not, however, include an Excluded Creditor in respect of that Person's claim resulting from an Excluded Claim;

"Crown Priority Claims" means any Claims of Her Majesty the Queen in right of Canada or in right of any province as described in Subsection 6(3) or Subsection 38(2) of the CCAA. For greater certainty, any Claim of Her Majesty the Queen in right of Canada or in right of any Province other than Crown Priority Claims shall be an Affected Claim hereunder;

"Default Convenience Creditor" means an Affected Creditor holding an Affected Claim, other than an Equity Claim or a Claim against the Directors and Officers, of an amount lower or equal to CAD 2,500.00, if it is a CAD Affected Claim, or to USD 1,895.25,¹ if it is an USD Affected Claim;

"Directors and Officers" means any of the present or former, *de jure* or *de facto*, directors or officers of any of Groupe Dynamite as well as any other individuals legally entitled to administer the affairs of any of Groupe Dynamite;

"Distribution Pools" means the CAD Distribution Pool and the USD Distribution Pool;

¹ CAD 2,500.00 converted into USD at the Bank of Canada daily exchange rate on the Filing Date.

“Employee Priority Claim” means all unpaid amounts, if any, provided for in Section 6(5)(a) of the CCAA;

“Equity Claim” has the meaning ascribed to it in the definition contained in the BIA and the CCAA;

“Excluded Claim” means any right or claim that would otherwise be a Claim that is: (i) listed in subsection 5.1(2) of the CCAA, to the extent it is ordered by the Court to be treated as an Excluded Claim; and (ii) listed in subsection 19(2) of the CCAA to the extent such right or claim is held by any Creditors who have not voted in favour of the Plan;

“Excluded Creditor” means a Person having an Excluded Claim but only in respect of such Excluded Claim and to the extent that the Plan does not otherwise affect such Claim;

“Filing Date” means September 8, 2020;

“Final Distribution Date” means the date on which the Final Distribution occurs;

“Final Distribution” means the distribution made pursuant to Section 4.4 of the Plan;

“Gift Cards Claims” means any right or claim against Groupe Dynamite in connection with any customer deposits, pre-payments, gift cards, store credits, loyalty program and any similar programs offered by Groupe Dynamite;

“Groupe Dynamite” means Groupe Dynamite Inc., GRG USA Holdings Inc. and GRG USA LLC;

“Implementation Certificate of the Monitor” means the certificate to be appended in draft form to the Sanction Order to be filed with the Court declaring that all of the Conditions Precedent mentioned at Section 5.3 hereof have been satisfied or waived in accordance with the Sanction Order;

“Initial Distribution” means the distribution made pursuant to Section 4.2 of the Plan;

“Initial Order” means the order of the Court rendered on September 8, 2020 as amended and restated on September 17, 2020 and on May 18, 2020, as may be further amended;

“Interim Distribution” the distribution made pursuant to Section 4.3 of the Plan;

“Meeting Order” means an order of the Court directing the calling and holding of the Meeting;

“Meeting” means a meeting or meetings of the Creditors to consider and vote on the Plan held pursuant to the Meeting Order and includes any meeting or meetings resulting from the adjournment thereof requested or agreed upon by Groupe Dynamite;

“Monitor” means Deloitte Restructuring Inc., acting in its capacity as monitor of Groupe Dynamite pursuant to the Initial Order and not in any other capacity;

“Opt-in Convenience Creditor” means an Affected Creditor holding an Affected Claim, other than an Equity Claim or a Claim against the Directors and Officers, of an amount higher than CAD 2,500.00 if it is a CAD Affected Claim, or than USD 1,895.25 if it is an USD Affected Claim, which has elected, prior to the beginning of the Meeting, to (a) receive CAD 2,500.00 in full and final satisfaction of its CAD Affected Claim or USD 1,895.25 in full and final satisfaction of its USD Affected Claim, as the case may be; and (b) vote its Voting Claim in favour of the Plan;

“Order” means any final order of the Court in the CCAA Proceedings, the implementation, operation or effect of which shall not have been stayed, varied, vacated or subject to pending appeal and as to which any appeal periods relating thereto shall have expired;

“Person” means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization without legal personality, joint venture, governmental body or agency, or any other entity;

“Plan Contribution Amount” means an amount of CAD 8,000,000;

“Plan Implementation Date” means the date of the Implementation Certificate of the Monitor;

“Plan” means this Joint Plan of Compromise and Arrangement filed by Groupe Dynamite under and pursuant to the CCAA, as such Plan may be amended, varied or supplemented from time to time in accordance with the terms hereof and of the Meeting Order;

“Post-Filing Claim” means (i) any right or claim of any Person against any of Groupe Dynamite in connection with any non-payment by any of Groupe Dynamite to such Person for goods or services supplied to Groupe Dynamite on or after the Filing Date;

“Proof of Claim” means a proof of claim filed with the Monitor prior to the Claims Bar Date in accordance with the Claims Procedure Order, as amended with the consent of Groupe Dynamite and the Monitor, as the case may be;

“Pro-Rata Share” means, in respect of the CAD Affected Claims, the proportionate share of an Affected Creditor having a CAD Affected Claim to the Aggregate Amount of the CAD Affected Claims, and, in respect of the USD Affected Claims, the proportionate share of an Affected Creditor having an USD Affected Claim to the Aggregate Amount of the USD Affected Claims;

“Proven Claim” means a Claim finally determined for voting and distribution purposes in accordance with the provisions of the Claims Procedure Order, this Plan and any subsequent Order of the Court, as the case may be, and a **“Proven Claim”** means any one of them;

“Rent” means all recurring and non-recurring charges payable by tenant under any real property or immovable lease, including minimum or basic rent, operating costs, common area maintenance charges, utilities, realty taxes, marketing or promotion fund contributions and any other amounts payable to the landlord under its lease;

“Required Majority” has the meaning ascribed to it in Section 3.4 of the Plan;

“Restructuring Claim” means any right of any Person against any of Groupe Dynamite in connection with any indebtedness or obligation of any kind owed to such Person arising out of the restructuring, repudiation, or termination of any contract, lease, employment agreement, collective agreement or other agreement, whether written or oral, after the Filing Date, including any right of any Person who receives a notice of disclaimer, repudiation or termination from any of Groupe Dynamite; provided however, that a Restructuring Claim does not include an Excluded Claim;

“Sanction Hearing” means the hearing of the application at which Groupe Dynamite will seek approval of the Sanction Order;

“Sanction Order” means an Order made by the Court under the CCAA, among other things, to sanction, authorize and approve the Plan;

“Secured Lenders’ Claims” means all secured Claims of National Bank of Canada, Bank of Montreal, The Toronto-Dominion Bank and Fédération des caisses Desjardins du Québec against Groupe Dynamite;

“Tax Statutes” means section 159 of the Income Tax Act (Canada), section 270 of the Excise Tax Act (Canada), section 14 of the Tax Administration Act (Québec), or any other similar, federal, provincial or territorial tax legislation or tax legislation in any foreign jurisdiction (including any federal, state, or local taxation authority in the United States of America, any state of the United States of America, or any other political subdivision or other taxing unit thereof);

“Tax” means all taxes in Canada, in the United States of America or in any other foreign jurisdiction, including all income, sales, use, goods and services, harmonized sales, value added, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer, health, excise, franchise, real property, and personal property taxes and other taxes, customs, duties, fees, levies, imposts and other assessments or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance payments and workers' compensation premiums, together with any instalments with respect thereto, and any interest, penalties, fines, fees, other charges and additions with respect thereto;

“Unaffected Claim” has the meaning ascribed to it in Section 2.2 of the Plan;

“Unaffected Creditor” means a Person with an Unaffected Claim;

“Undetermined Affected Claim” means an Affected Claim, which at the relevant time, in whole or in part: (a) has not been finally determined for distribution purposes in accordance with the Claims Procedure Order or (b) is validly disputed and/or remains subject to review in accordance with the Claims Procedure Order;

“US Bankruptcy Code” means Title 11 of the United States Code (U.S.C.);

“US Bankruptcy Court” means the United States Bankruptcy Court for the District of Delaware;

“US Bankruptcy Proceedings” means the proceedings commenced by Groupe Dynamite Inc., as foreign representative for Groupe Dynamite, pursuant to Chapter 15 of the US Bankruptcy Code before the US Bankruptcy Court;

“USD Affected Claims” means all Affected Claims denominated in United States dollars;

“USD Distribution Pool” has the meaning ascribed to it in Section 3.1;

“Voting Claim” means, in respect of an Affected Creditor, the amount of such Affected Creditor's Affected Claim which has been accepted for voting purposes in accordance with the provisions of the Plan, the Claims Procedure Order, the Meeting Order and the CCAA; provided however that an Equity Claim and Claim against the Directors and Officers shall not constitute a Voting Claim;

“Voting Creditors” means the Creditors having Voting Claims, including for greater certainty the Convenience Creditors;

1.2 Certain Rules of Interpretation

For the purposes of the Plan:

- (a) any reference in the Plan to an Order or an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented;
- (b) unless otherwise specified, all references to currency and to "\$" are to Canadian dollars;
- (c) the division of the Plan into "Articles" and "Sections" and the insertion of a Table of Contents are for convenience of reference only and do not affect the construction or interpretation of the Plan, nor are the descriptive headings of "Articles" and "Sections" or otherwise intended as complete or accurate descriptions of the content thereof;
- (d) references in the Plan to "Articles", "Sections", "Subsections" and "Schedules" are references to Articles, Sections, Subsections and Schedules of or to the Plan;
- (e) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of the Plan or a Schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (f) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (g) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (h) the terms "the Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to the Plan and not to any particular "article", "section" or other portion of the Plan and include any documents supplemental hereto; and
- (i) the word "or" is not exclusive.

1.3 Time

For purposes of the Plan, unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean prevailing local time in Montréal, Québec, Canada, unless otherwise stipulated.

1.4 Date and Time for any Action

For purposes of the Plan:

- (a) In the event that any date on which any action is required to be taken under the Plan by any Person is not a Business Day, that action shall be required to be taken on the next succeeding day which is a Business Day, and any reference to an

event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and

- (b) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day.

1.5 Successors and Assigns

The Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, liquidators, receivers and trustees in bankruptcy, successors and assigns of any Person or party named or referred to in the Plan.

1.6 Governing Law

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

1.7 Governing Language

In the event of any conflict, inconsistency, ambiguity or difference between the English version of the Plan and any translations thereof, the English version shall govern and be paramount, and the applicable provision in the translation thereof shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

ARTICLE 2 EFFECT OF THE PLAN

2.1 Persons Affected

The Plan provides for a compromise of all Affected Claims, including, for greater certainty, the Affected Claims evidenced by Proofs of Claim filed pursuant to the Claims Procedure Order. This Plan will become effective on, and be binding on and after, the Plan Implementation Date on all Persons named or referred to in, or subject to, this Plan and their respective heirs, executors, administrators, legal representatives, successors and assigns in accordance with its terms. For greater certainty, the Plan does not affect the Unaffected Creditors with respect to and to the extent of their Unaffected Claims.

2.2 Unaffected Claims

Notwithstanding anything to the contrary herein, this Plan does not release, discharge, cancel, bar or otherwise affect the following Claims, which shall be designated as "**Unaffected Claims**":

- (a) all Claims secured by the Administration Charge (as defined in the Initial Order) and the Interim Lender Charge (as defined in the Initial Order);
- (b) the Crown Priority Claims;
- (c) the Gift Cards Claims;

- (d) the Post-Filing Claims; and
- (e) the Secured Lenders' Claims.

ARTICLE 3 CLASSIFICATION, VOTING AND RELATED MATTERS

3.1 Class of Creditors

The Persons having Affected Claims shall constitute a single class for the purposes of considering and voting on this Plan.

3.2 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under this Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA and this Plan. Without limitation, any Person having a Claim that is not a Proven Claim is bound by the Claims Procedure Order, the Meeting Order and this Plan.

The Monitor, in consultation with Groupe Dynamite, shall have finally determined the Claims before the Final Distribution Date.

3.3 Meeting

The Meeting shall be convened on the meeting date, as set out in the Meeting Order, and held in accordance with the CCAA, the Meeting Order and the Plan.

3.4 Voting Rights and Approval of the Plan

Each Voting Creditor shall be entitled to one vote, which vote shall have a value equal to the dollar value of its Voting Claim.

Each Convenience Creditor shall be conclusively deemed to vote in favour of the Plan for the full amount of their Affected Claim.

In order to be approved, the Plan must receive an affirmative vote of a majority in number of the Voting Creditors representing at least two-thirds in value of the Voting Claims of such Voting Creditors who actually vote on the Resolution (in person or by proxy) at the Creditors' Meeting or who were deemed to vote in accordance with the Plan and the Meeting Order (the "**Required Majority**").

3.5 Interest

Interest shall not accrue or be paid on any Claim from and after the Filing Date.

ARTICLE 4 ESTABLISHMENT AND DISTRIBUTION OF THE DISTRIBUTION POOLS

4.1 Establishment of the Distribution Pools

Within 5 Business Days of the issuance of the Sanction Order, Groupe Dynamite shall remit the Plan Contribution Amount to the Monitor, which shall be allocated between the "**CAD Distribution Pool**" and the "**USD Distribution Pool**" as follows:

- a) The amount of the CAD Distribution Pool shall equal the Plan Contribution Amount multiplied by the Aggregate Amount of the CAD Affected Claims divided by the sum of the Aggregate Amount of the CAD Affected Claims and the Aggregate Amount of the USD Affected Claims converted into Canadian dollars as of the current date.
- b) The amount of the USD Distribution Pool shall equal the Plan Contribution Amount multiplied by the Aggregate Amount of the USD Affected Claims converted into Canadian dollars as of the current date divided by the sum of the Aggregate Amount of the CAD Affected Claims and the Aggregate Amount of the USD Affected Claims converted into Canadian dollars as of the current date, which total shall be converted into United States dollars as of the current date.

4.2 Initial Distribution

Within 30 days of the issuance of the Sanction Order, the Monitor, on behalf of Groupe Dynamite, shall distribute, subject to Section 4.6, the CAD Distribution Pool to the CAD Affected Creditors and the USD Distribution Pool to the USD Affected Creditors to pay:

- a) first, the Employee Priority Claims;
- b) second, to each Default Convenience Creditor, the amount of its Affected Claim, and, to each Opt-in Convenience Creditor, CAD 2,500.00 in full and final satisfaction of its CAD Affected Claim or USD 1,895.25 in full and final satisfaction of its USD Affected Claim, as the case may be; and
- c) third, the Pro-Rata Share to each Affected Creditor to pay its Affected Claim.

4.3 Interim Distributions

From time to time after the Initial Distribution, the Monitor, on behalf of Groupe Dynamite, may distribute, subject to Section 4.6, the CAD Distribution Pool and the USD Distribution Pool to, respectively, each of the CAD Affected Creditors and the USD Affected Creditors to pay its Pro-Rata Share, less any amount already received.

4.4 Final Distribution

Within 30 days of the date on which there are no longer any Undetermined Affected Claims, the Monitor, on behalf of Groupe Dynamite, shall distribute the CAD Distribution Pool and the USD Distribution Pool:

- a) if the sum of the amount of the CAD Distribution Pool and the amount of the USD Distribution Pool converted into Canadian dollars as of the date on which there are no longer any Undetermined Affected Claims is more than, or equal to, the Charity Threshold Amount, to, respectively, each of the CAD Affected Creditors and the USD Affected Creditors to pay its Pro-Rate Share, less any amount already received; and
- b) if the sum of the amount of the CAD Distribution Pool and the amount of the USD Distribution Pool converted into Canadian dollars as of the date on which there are no longer any Undetermined Affected Claims is less than Charity Threshold Amount, to Centraide of Greater Montréal.

4.5 CAD-USD Osmosis

Immediately prior to the Final Distribution or to any Interim Distribution, if any, the Monitor, on behalf of Groupe Dynamite, shall convert and transfer from the CAD Distribution Pool to the USD Distribution Pool, or vice-versa, an amount such that the CAD Affected Creditors and the USD Affected Creditors entitled to such distribution receive by such distribution an equal proportion of their remaining Affected Claims.

4.6 Distribution to Creditors having Undetermined Affected Claims

Notwithstanding anything else to the contrary, at the time any distribution is made from the Distribution Pools, the Monitor shall keep and set aside from the Distribution Pools any distribution in respect of an Undetermined Affected Claim.

If and when such Undetermined Affected Claim becomes a Proven Claim, the Creditor shall receive the portion of the amount kept and set aside by the Monitor which corresponds to the ratio between the quantum of the Proven Claim and the amount as asserted in the Proof of Claim, up to a maximum ratio of 1:1, and the Monitor shall remit the balance, if any, to the corresponding Distribution Pool.

If and when it is finally determined that an Undetermined Affected Claim is not a Proven Claim, the Monitor shall remit the amount kept and set aside for such Undetermined Affected Claim to the corresponding Distribution Pool.

4.7 Delivery of Distributions to Creditors

Distributions to Creditors from the Distribution Pools shall be made by cheque delivered to the address set forth in the Proof of Claim filed by the Creditor in accordance with the Claims Procedure Order or by electronic transfer (wire transfer).

Any distribution cheques that have not been negotiated within six months of issuance shall be cancelled by the Monitor, and any right or entitlement to such distribution shall be treated as an unclaimed distribution pursuant to Section 4.8 of this Plan.

4.8 Treatment of Undeliverable Distributions

If a Person entitled to a distribution pursuant to this Plan cannot be located on the date of any distribution, or otherwise fails to claim its distribution hereunder, then such monies shall be held by the Monitor on behalf of such Person for the next 30 days. If such Person is located within 30 days of the date of the distribution, such monies shall be distributed to such Person.

If such Person cannot be located within 30 days of the date of the distribution, the Monitor shall remit any such monies to the Distribution Pools, unless the distribution is the Final Distribution, in which case any such monies:

- (a) if they amount in the aggregate (converting for such calculation any such monies in United States dollar into Canadian dollars as of the date of the distribution) to more than the Charity Threshold Amount, shall be distributed to other Affected Creditors having Affected Claims based on their Pro-Rata Share calculated excluding the Affected Claims of the Persons that failed to claim their distribution hereunder; or

- (b) if they amount in the aggregate (converting for such calculation any such monies in United States dollar into Canadian dollars as of the date of the distribution) to or less than the Charity Threshold Amount, as the case may be, or less, shall be paid to Centraide of Greater Montréal.

In such event, the Persons shall be deemed to have released their Claims to and any interest in such monies and the Persons' Proven Claim shall be discharged and forever barred. Nothing contained in this Plan shall require the Monitor to attempt to locate such Persons.

4.9 Treatment of Equity Claims and Claims against the Directors and Officers

Notwithstanding Sections 4.2 to 4.4 and 4.8, Persons having Equity Claims shall not be entitled to any distribution in respect of their Equity Claims, and Persons having Claims against the Directors and Officers shall not be entitled to any distribution in respect of their Claims against the Directors and Officers.

ARTICLE 5 CONDITIONS OF PLAN IMPLEMENTATION

5.1 Application for Sanction Order

If the Plan has been approved by the Creditors, an application shall be brought by Groupe Dynamite seeking the Sanction Order. The Sanction Hearing will be scheduled to be heard by the Court in accordance with the Meeting Order or as soon as reasonably practicable after the Meeting.

5.2 Sanction Order

The Sanction Order shall, among other things:

- (a) confirm that the Meeting was duly called and held in accordance with the Meeting Order;
- (b) declare that (i) the Plan has been approved by the Required Majority in conformity with the CCAA, (ii) Groupe Dynamite has complied with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceedings in all respects, (iii) the Court is satisfied that Groupe Dynamite has not done or purported to do anything that is not authorized by the CCAA, and (iv) the Plan is fair and reasonable;
- (c) declare that the Plan and all associated steps, compromises, transactions, arrangements, and releases effected thereby are approved, binding and effective upon Groupe Dynamite, the Directors and Officers, the Creditors, and all other Persons affected by the Plan;
- (d) authorize the Monitor to perform its duties and functions and fulfil its obligations under the Plan;
- (e) authorize and direct the Monitor, in consultation with Groupe Dynamite, to administer and finally determine the Undetermined Affected Claims;
- (f) declare that any Claim against Groupe Dynamite for which a Proof of Claim has not been filed by the Claims Bar Date in accordance with the Claims Procedure

Order shall be forever barred and extinguished, unless otherwise provided by any Order of the Court;

- (g) declare that the Monitor shall not incur any liability, under the Tax Statutes or otherwise, in respect of its making any payments, ordered or permitted under the Sanction Order and is thereby forever released, remised and discharged from any claims against it under the Tax Statutes or otherwise, arising in respect of payments made under the Plan and the Sanction Order and any claims of such nature are thereby forever barred;
- (h) declare that in no circumstances will the Monitor have any liability for Groupe Dynamite's Tax liabilities regardless of how or when such liability may have arisen; and
- (i) declare that Groupe Dynamite or the Monitor may apply to the Court from time to time for advice and direction in respect of any matters arising from, in connection with or under the Plan, including regarding the distribution mechanics thereunder and under the Plan.

5.3 Conditions Precedent to Implementation of the Plan

The implementation of the Plan shall occur, and be conditional upon, the fulfilment of the following conditions precedent:

- (a) the Plan shall have been approved by the Required Majority;
- (b) the Sanction Order shall have been granted by the Court in form satisfactory to Groupe Dynamite;
- (c) a final order recognizing and enforcing the Sanction Order in the US Bankruptcy Proceedings shall have been granted by the US Bankruptcy Court; and
- (d) Groupe Dynamite shall have remitted the Plan Contribution Amount to the Monitor.

ARTICLE 6 RELEASES

6.1 Release of Groupe Dynamite

On the Plan Implementation Date, each of Groupe Dynamite shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Filing Date, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of Groupe Dynamite, the Plan and the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred, all to the fullest

extent permitted by applicable law, provided that nothing herein shall release or discharge each of Groupe Dynamite from and in respect of any Unaffected Claim or Excluded Claim.

6.2 Releases of other Persons

On the Plan Implementation Date, (i) the Directors and Officers of Groupe Dynamite, (ii) Groupe Dynamite's legal counsel, financial advisors, consultants and agents, (iii) the Monitor, the Monitor's legal counsel, and (iv) each and every present and former shareholder, affiliate, subsidiary, director, officer, partner, employee, consultant and agent of any of the foregoing Persons and of Groupe Dynamite shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Creditor, Affected Creditor, Unaffected Creditor, or any other Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date and the date on which actions are taken to implement the Plan, that constitute or are in any way relating to, arising out of or in connection with any Claims, the business and affairs of Groupe Dynamite, the Plan and the CCAA Proceedings, or any Claim that has been barred or extinguished by the Claims Procedure Order, and all claims arising under such actions or omissions shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred (other than the right to enforce the Monitor's obligations under the Plan), all to the fullest extent permitted by applicable law, provided that nothing herein shall release or discharge any director with respect to matters set out in Section 5.1(2) of the CCAA.

6.3 Injunctions

The Sanction Order will enjoin the prosecution by or on behalf of any Person, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7 GENERAL

7.1 Binding Effect of the Plan

On the Plan Implementation Date:

- (a) the Plan will become effective;
- (b) the treatment of Claims under the Plan shall be final and binding for all purposes and insure to the benefit of Groupe Dynamite, all Creditors and all other Persons named or referred to in, or subject to the Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;
- (c) each Person named or referred to in, or subject to the Plan will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety; and
- (d) each Person named or referred to in, or subject to the Plan, shall be deemed to have executed and delivered to the Monitor all consents, releases, directions,

assignments and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety.

7.2 Deeming Provisions

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

7.3 Modification of the Plan

The Plan may be modified in accordance with the Meeting Order.

7.4 Sections 38 and 95 to 101 BIA

Notwithstanding Section 36.1 of the CCAA, Sections 38 and 95 to 101 of the BIA and any other federal and provincial law or legislation in any foreign jurisdiction (including any State of the United States of America) relating to preferences, fraudulent conveyances, transfers at undervalue or Paulian action shall not apply to the Plan or to any payments or distributions made in connection with transactions entered into by or on behalf of Groupe Dynamite, whether before or after the Filing Date, including to any and all of the payments, distributions and transactions contemplated by and to be implemented pursuant to the Plan.

7.5 Severability of Plan Provisions

If, prior to the date that the Sanction Order is made by the Court, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of Groupe Dynamite, shall have the power to either (a) sever such term or provision from the balance of the Plan and provide the option to proceed with the implementation of the balance of the Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and provided that the Monitor proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

7.6 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceedings with respect to Groupe Dynamite and not in its personal or corporate capacity for all acts, or decisions to not act in the implementation of the Plan, whether same occurs before or after the Plan Implementation Date. The Monitor will not be responsible or liable for any obligations of Groupe Dynamite, including with respect to the making of distributions or the receipt of any distribution by a Creditor pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Claims Procedure Order, the Meeting Order and any other Order made in the CCAA Proceedings.

The Monitor shall not incur any liability whatsoever, including in respect of (a) any amount paid, required to be paid or not paid pursuant to this Plan, or (b) any costs or expenses incurred in connection with, in relation to or as a result of any payment made, required to be made or not made.

7.7 Further Assurances

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

**Groupe Dynamite Inc., GRG USA Holdings
Inc. and GRG USA LLC**

per:
title: