Court File No.: CV-16-11582-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF OLD PSG WIND-DOWN LTD., OLD BHR WIND-DOWN CORP., OLD BPSU WIND-DOWN CORP., OLD BPSDS WIND-DOWN CORP., OLD EBS WIND-DOWN CORP., OLD PLG WIND-DOWN CORP., OLD PSGI WIND-DOWN CORP., OLD BHR INC., OLD BH INC., OLD BPSU INC., OLD BPSCI INC., OLD BPSUSH INC., OLD EBS INC., OLD PLG INC., AND OLD PSGI INC.

(Applicants)

FOURTEENTH REPORT OF THE MONITOR

June 21, 2018

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(Applicants)

FOURTEENTH REPORT OF THE MONITOR

June 21, 2019

INTRODUCTION AND BACKGROUND

1. On October 31, 2016, Old PSG Wind-down Ltd. (formerly known as Performance Sports Group Ltd.) ("**PSG**") and certain of its subsidiaries and affiliates (collectively, the "**Applicants**")[1] filed for and obtained protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**")[2]. Pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted on the same date (as amended and restated, the "**Initial Order**"), Ernst & Young Inc. was appointed as the Monitor in these proceedings (in such capacity, the "**Monitor**"). Further, the Initial Order provided for a stay of proceedings

[1] The Applicants in the present proceedings are comprised of Old PSG Wind-down Ltd., Old BHR Wind-down Corp., Old BPSU Wind-down Corp., Old BPSDS Wind-down Corp., Old EBS Wind-down Corp., Old PLG Wind-down Corp., Old PSGI Wind-down Corp. (collectively, the "**Canadian Applicants**"), and Old BHR Inc., Old BH Inc., Old BPSU Inc., Old BPSCI Inc., Old BPSUSH Inc., Old EBS Inc., Old PLG Inc. and Old PSGI Inc. (collectively, the "**U.S. Applicants**").

It should be noted that since the inception of the proceedings herein, certain of the Applicants have been amalgamated and each of the Applicants has changed its name. An explanation of the changes and a reference to the former names of the Applicants can be found in the Monitor's Seventh Report, dated April 7, 2017, accessible at www.ey.com/ca/psg.

[2] *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, as amended.

in favour of the Applicants until November 30, 2016 (the "**Stay of Proceedings**"), which has subsequently been extended to June 30, 2019. A copy of the Initial Order is attached here as **Appendix "A"**.

2. Also on October 31, 2016, the Applicants commenced proceedings (the "**Chapter 11 Proceedings**") in the United States ("**U.S.**") under Chapter 11 of Title 11 of the *U.S. Code* (the "**U.S. Bankruptcy Code**")[3] in the Bankruptcy Court for the District of Delaware (the "**U.S. Court**").

3. By Order dated November 30, 2016, the Court approved and authorized the Applicants to carry out a comprehensive stalking horse sale process and enter into an asset purchase agreement with the stalking horse purchaser. The sale process ultimately resulted in the sale of substantially all of the Applicants' assets to the stalking horse purchaser, Peak Achievement Athletics Inc. (f/k/a 9938982 Canada Inc.), an acquisition vehicle co-owned by affiliates of Sagard Holdings Inc. and Fairfax Financial Holdings Limited. The closing of the sale was announced on February 28, 2017.

4. On August 25, 2017, the Applicants filed an amended Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and its affiliated debtors (as further amended, modified or supplemented, the "**Joint Plan**") and an accompanying disclosure statement (the "**Disclosure Statement**"), with the U.S. Court. Further, on September 12, 2017, the Applicants filed a motion to approve the Disclosure Statement and solicitation procedures for soliciting votes on the Joint Plan (the "**Solicitation Procedures**"), which were approved by the U.S. Court on November 1, 2017.

5. Any capitalized terms not otherwise defined herein have the respective meanings attributed to them in the Joint Plan.

6. By order dated September 1, 2017 (the "**Claims Resolution Order**"), a copy of which is attached hereto as **Appendix "B"** (without schedules), the Court:[4]

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[3] 11 U.S.C §§ 101 *et seq*.

[4] Capitalized terms used in this section but not otherwise defined have the meanings attributed to them in the Claims Resolution Order.

a) authorized the Monitor to review all Proofs of Claim filed against the Canadian Applicants (the "**Canadian Claims**") and accept, revise or disallow such Canadian Claims by delivering a Notice of Revision or Disallowance;

b) authorized each Claimant to dispute a Notice of Revision or Disallowance issued by the Monitor by delivering a Notice of Dispute to the Monitor within twenty-one (21) calendar days after receipt of such Notice of Revision or Disallowance;

c) authorized the Monitor to settle any Claim to which a Notice of Dispute was received or refer such claim to either a Claims Officer or the Court for adjudication;

d) authorized the Monitor to appoint a Claims Officer and provided authority to such Claims Officer to adjudicate the Claim;

e) ordered that all Canadian Claims are subject to the statutory limits set forth in the U.S. Bankruptcy Code, including section 502(b)(7) thereof;

f) authorized the Monitor and the Applicants to determine whether a Cross Border Claim shall be treated as a Canadian Claim or U.S. Claim; and

g) granted the U.S. Court sole jurisdiction with respect to all U.S. Claims.

7. Pursuant to the Claims Resolution Order, the Honourable Mr. James Farley was appointed as the Claims Officer (the "**Claims Officer**"), the terms of which were set forth in an engagement letter dated March 19, 2018 between the Claims Officer and Theseus Strategy Group LLC ("**Theseus**") in its capacity as Chief Wind-Down Officer (the "**CWO**").

8. By order dated September 27, 2017, the Court authorized the Applicants to (i) solicit votes in respect of the Joint Plan in accordance with the Solicitation Procedures; and (ii) proceed in the CCAA Proceedings without filing a plan of compromise or arrangement under the CCAA.

9. On December 5, 2017, the Applicants filed a Plan Supplement with the U.S. Court, which contained, among other things, the form of a Liquidation Trust Agreement, the form of a Cost Sharing Agreement, a schedule of deferred share units and restricted share units to be recognized as Parent Equity Interests under the Joint Plan, and the proposed amendments to

PSG's articles to become effective upon the effective date of the Joint Plan (the "**Effective Date**").

10. By order dated December 20, 2017 order (the "**CCAA Approval Order**"), a copy of which is attached hereto as **Appendix "C"** (without schedules), the Court:

    a) approved the Joint Plan;

    b) approved the Global Settlement as described in the Joint Plan;

    c) directed the Applicants, the Monitor, the CWO and the Litigation Representative, among others, to take all steps required to implement the Joint Plan and CCAA Approval Order;

    d) ordered that the Confirmation Order granted by the U.S. Court confirming and approving the Joint Plan be enforceable in Canada and in the CCAA proceedings as if granted by the Canadian Court;

    e) appointed five (5) individuals to the board of directors of the Reorganized Parent Debtor;

    f) appointed of Mark E. Palmer as CWO and Theseus as Litigation Representative of the Applicants and approved the formation of the Liquidation Trust;

    g) approved the Class Settlement as described in the Joint Plan;

    h) reduced the Administration Charge to $5 million and terminated various CCAA charges that were no longer necessary;

    i) authorized the Distribution Agent to complete distributions to Holders of Allowed Priority Claims and Allowed General Unsecured Claims and, upon receipt of applicable Clearance Certificates and following the Initial Cash Distributions, to distribute the Equity Available Cash to Holders of Allowed Parent Equity Claims;

    j) approved the releases, exculpations and injunctions set forth in the Joint Plan; and

    k) extended the Stay of Proceedings to December 31, 2018.

11. The Joint Plan, Global Settlement, Disclosure Statement and CCAA Approval Order were more fully described in the Monitor's Twelfth Report to the Court, dated December 14, 2017

(the "**Twelfth Report**"), a copy of which is located on the Monitor's Website (as defined below).

12. The Applicants formerly designed, developed, manufactured, marketed and sold performance sports equipment, accessories, and related apparel for a variety of sporting activities including ice hockey, lacrosse, baseball and softball, under the brand names of BAUER, EASTON, MISSION, MAVERIK, CASCADE, INARIA and COMBAT.

13. PSG was a reporting issuer in accordance with applicable securities laws and its common shares (the "**Common Shares**") were listed on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "PSG" before trading was suspended by both exchanges on October 31, 2016. The New York Stock Exchange delisted the Common Shares effective November 28, 2016 and the Toronto Stock Exchange delisted the Common Shares effective December 8, 2016.

14. Additional background on the Applicants, including their business operations, causes of insolvency and various other matters were described in more detail in the affidavit of Mark Vendetti sworn on October 31, 2016 in support of the Initial Order.

15. Information regarding the Chapter 11 Proceedings, including copies of all orders entered by the U.S. Court in the Chapter 11 Proceedings, is located on a website managed by the Applicants' claims agent, Prime Clerk LLC, at the following URL: https://cases.primeclerk.com/psg. Information and materials related to the Applicants' proceedings under the CCAA (the "**CCAA Proceedings**" and, together with the Chapter 11 Proceedings, the "**Restructuring Proceedings**"), including orders of the Court, are located on the Monitor's website at the following URL: www.ey.com/ca/psg (the "**Monitor's Website**").

16. As described in this Fourteenth Report of the Monitor (the "**Fourteenth Report**"), the Applicants are seeking an Order extending the Stay of Proceedings to December 31, 2019.

TERMS OF REFERENCE AND DISCLAIMER

17. The Monitor has prepared several reports since the commencement of the Restructuring Proceedings, all of which are accessible on the Monitor's Website. This Fourteenth Report should be read in conjunction with the previous reports.

18. In preparing this Fourteenth Report and making the comments herein, the Monitor has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, company records, management prepared financial information and projections, discussions with the Applicants' advisors, including the CWO, Theseus, and other personnel from Alvarez and Marsal North America, LLC ("**A&M**") and its affiliates (collectively, the "**Information**").

19. The Monitor has assumed the integrity and truthfulness of the Information and explanations provided to the Monitor, within the context in which they were presented. To date, nothing has come to the attention of the Monitor that would cause it to question the reasonableness of this assumption.

20. Finally, the Monitor has requested that the CWO bring to its attention any significant matters that were not otherwise addressed in the course of its specific inquiries. Accordingly, this Fourteenth Report is based solely on the Information (financial or otherwise) provided to the Monitor.

21. Except as described in this Fourteenth Report, the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or generally accepted standards for review engagements and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of the Information.

22. In view of the purpose of this Fourteenth Report, some of the financial information herein may not comply with generally accepted accounting principles.

23. Some of the information referred to in this Fourteenth Report may consist of forecasts and projections that were prepared based on the CWO's current estimates and assumptions. Such estimates and assumptions are, by their nature, not ascertainable and as a consequence, no assurance can be provided regarding any such forecasted or projected results. Actual results will likely vary from the forecasts or projections, even if the estimates and assumptions materialize, and the variations could be significant.

24. The Monitor has prepared this Fourteenth Report in its capacity as the Court-appointed Monitor in the CCAA Proceedings in order to provide additional information to the Court in connection with the CCAA Proceedings to date. This Fourteenth Report is not appropriate for any other purpose and, consequently, it should not be used for any other purpose.

25. Unless otherwise stated, all monetary amounts contained herein are expressed in U.S. dollars.

UPDATE ON THE RESTRUCTURING PROCEEDINGS

26. Since the Thirteenth Report of the Monitor dated November 26, 2018 (the "**Thirteenth Report**"), the Monitor has conducted the following activities:

    a) continued consulting with the Applicants and A&M regarding the reconciliation of the Claims against the Canadian Applicants;

    b) continued discussions with Canada Revenue Agency ("**CRA**") and Quebec Revenue Agency ("**QRA**") with respect to (i) tax amounts owing by the Applicants to the respective revenue agencies and tax credits owing to the Applicants by the respective revenue agencies; and (ii) various corporate tax filings to ultimately enable each of the CRA and QRA to provide a Clearance Certificate to the Applicants and the Monitor;

    c) monitored the ongoing liquidation of BPS Luxembourg S.a.r.l. and the activities of its Liquidator; and

    d) made additional Initial Cash Distributions to holders of Allowed Priority Claims and Allowed General Unsecured Claims totaling approximately $200,000 pursuant to the CCAA Approval Order and Joint Plan.

UPDATE ON THE REVIEW AND PAYMENT OF FILED CLAIMS

27. As mentioned above, the Monitor has reviewed all Canadian Claims (and any Cross-Border Claim treated as a Canadian Claim). A summary report table on the status of all Allowed Priority Claims and General Unsecured Claims against the Applicants (both Canadian Claims and U.S. Claims) is presented below.

OLD PSG WIND-DOWN LTD. and other Applicants Summary claims profile as of May 3, 2019			
		Claim amounts (in US 000's)	
Claims status	# of claims	As filed	Current estimated value
Withdrawn/superseded claims	1,605	7,958,795	2
Resolved & paid claims	136	50,074	11,286
Resolved & unpaid claims (note 1)	23	14,950	180
Held in reserve per Stipulation pending resolution	1	-	1,150
Unresolved	5	4,159	394
	1,770	8,027,978	13,012
Deferred intercompany claims	38	222,034	222,034
note 1: Estate Liability Fixed per Estimation / Consummation Orders			

28. As of the date of this Fourteenth Report, the Applicants and the Monitor, as applicable, have issued Initial Cash Distributions on account of Allowed Priority Claims and Allowed General Unsecured Claims in the aggregate amount of $11.3 million.

29. As mentioned in the Thirteenth Report, the Monitor consensually resolved the Canadian Claims to which a Notice of Dispute was received in response to an issued Notice of Revision or Disallowance, except for one (1) disputed Claim that was referred to the Claims Officer for adjudication. Such Claim has since been paid in full in the amount determined by the Claims Officer.

30. The five (5) unresolved Claims mentioned in the table above include four (4) Claims filed on behalf of Canada Border Services Agency ("**CBSA**") totalling $4.1 million (collectively, the "**CBSA Claims**"), which have been and continue to be the subject of extensive and ongoing negotiations between the Monitor, CBSA and Justice Canada. The other claim relates to a trade claim. It is expected that the aggregate Allowed amounts under the five (5) unresolved claims will be less than $400,000.

31. The Monitor, in consultation with the Applicants' tax advisors, have provided all requested information to CBSA in respect of the CBSA Claims and believe they have arrived at a

mutually agreeable claim amount for the CBSA Claims. The Monitor is awaiting formal correspondence from CBSA confirming same. The Monitor has been following up regularly with CBSA in an effort to finalize the resolution of the CBSA Claims.

32. Pursuant to the Joint Plan, the Applicants require Clearance Certificates before distributions to Holders of Allowed Parent Equity Interests can be made. Once the Applicants receive the applicable Clearance Certificates, they will distribute all residual cash on hand (subject to any remaining reserves) pursuant to the Joint Plan. Therefore, there would be no remaining cash to distribute to the CRA or QRA if a tax liability was subsequently identified. Accordingly, CRA and QRA are reviewing internal records to ensure that all tax filings have been made and all tax liabilities have been paid, prior to issuing any Clearance Certificates. This is complicated by the number of Applicants and related multiple government accounts for sales taxes, payroll deductions and customs. Further, the Monitor understands that the Clearance Certificates cannot be issued until the CBSA Claims are finally resolved.

33. The Applicants' tax advisors recently met with CRA to discuss the issuance of the Clearance Certificates. However, at the date of this Fourteenth Report, the Applicants have not yet received the required Clearance Certificates.

34. Pending the definitive settlement of the CBSA Claims, CRA has retained certain post-filing tax and customs refunds owing to the Applicants. Accordingly, while the estimated final claim amount remains similar to the amounts disclosed in the Thirteenth Report, it is expected that upon final resolution of the CBSA Claims, the net cash impact to the Applicants for all five residual claims will be a net cash inflow (the amount of which has not yet been ascertained).

35. Further, the Applicants and the Monitor continue to hold reserves in the aggregate amount of $1.15 million on account of one claim represented by the Class Settlement Cash Consideration in the amount of $1.15 million to be paid once all Allowed General Unsecured Claims have been paid and all applicable Clearance Certificates have been received. The Monitor continues to hold additional cash reserves in accordance with the Joint Plan and CCAA Approval Order.

36. Since the Thirteenth Report, the current estimated value of all claims against the Applicants have declined by $745,000 to a revised estimate of $13.012 million.

37. Based on the above, it is currently estimated that payment of both the residual General Unsecured Claims and the Class Settlement Cash Consideration will be approximately $1.8 million.

UPDATE ON THE RECEIPTS AND DISBURSEMENTS OF THE REORGANIZED DEBTORS

38. Since the Effective Date, the Liquidation Trustee and CWO took effective control of the Reorganized Debtors and initiated its own administration and distinct accounting thereof.

39. A summary report outlining related receipts and disbursements for the period of December 21, 2017 (the Effective Date) to May 31, 2019 is presented below, as well as comparative data presented in the Thirteenth Report as of October 31, 2018.

OLD PSG WIND-DOWN LTD. and other Applicants
Cumulative Receipts & Disbursements
For the post effective Plan period of December 21, 2017 onward

		at May 31, 2019		at Oct. 31, 2018
Receipts			**TOTAL**	**TOTAL**
Interest and foreign exchange			610,341	306,805
Tax & Customs Recoveries (Net of Contingency Fees Paid)			4,230,928	1,363,314
Bank & Credit Card and Bank Reserves Received			1,137,958	1,002,666
Total Receipts			**5,979,227**	**2,672,785**
	Pre-December 21, 2017 costs disbursed	Post-December 20, 2017 costs disbursed	Total disbursements as of May 31, 2019	Total disbursements as of October 31,
Administrative Disbursements				
Accounting & Tax	350,898	1,755,534	2,106,431	1,639,597
Consultants & Advisors	1,227,252	135,729	1,362,982	1,359,592
Information Technology & Data	292,985	742,981	1,035,966	881,094
Legal	1,713,127	2,289,429	4,002,557	3,175,595
CCAA Monitor & legal counsel	248,433	801,685	1,050,118	867,814
LuxCo Liquidation related disbursements	73,598	8,461	82,059	73,598
Directors & Trustee's Fees and insurance	0	854,822	854,822	437,284
Fraud related expenses, net of recoveries	0	53,257	53,257	0
Taxes, reimbursements and transfers	132,991	26,091	159,082	138,101
Total Administrative Disbursements	**4,039,284**	**6,667,991**	**10,707,275**	**8,572,674**
Payment of Claims			**11,604,844**	**11,332,771**
Total Change in Cash Funds			**(16,332,892)**	**(17,232,660)**
Non-Cash Disbursements (ie. Paid from Retainers)			**35,650**	**128,544**
Net Change in Cash			**(16,297,242)**	**(17,104,116)**
OPENING CASH BALANCE - December 2017			**46,231,091**	**46,231,091**
CLOSING CASH BALANCE -May 2019			**29,933,849**	**29,126,975**

40. Based on the Applicants' cash position as of May 31, 2019 of more than $29.9 million and the currently projected unpaid residual claims amount of $1.8 million, all Allowed General Unsecured Claims will be paid in full, as was estimated in the Joint Plan and Disclosure Statement.

41. It should be noted that the amount reported as having been paid to satisfy claims in the Claims analysis section of this report totalling $11.286 million is lower than the actual amount reported in the receipts and disbursements report of $11.604 million above by approximately $318,000 as the Claims report uses a fixed foreign exchange rate in estimating claim amounts payable while receipts and disbursement reported herein use actual foreign exchange rates on Canadian currency denominated claims. In addition, U.S. employment related claim payments require the payer to incur the employer's share of source deductions and benefits, which serves to increase the employee payment to an amount greater than the amount of such Allowed Claim.

42. As mentioned above, pursuant to the Joint Plan and the CCAA Approval Order, interim distributions to Holders of Allowed Parent Equity Interests may be made after all Allowed General Unsecured Claims are paid in full, following the receipt of applicable Clearance Certificates. At the date of this Fourteenth Report, the Applicants have not received the required Clearance Certificates and five (5) General Unsecured Claims remain unresolved and unpaid. The Monitor, along with the Applicants' tax advisors, is working diligently on resolving these claims.

EXTENSION OF THE STAY OF PROCEEDINGS

43. As mentioned above, the Stay of Proceedings is set to expire on June 30, 2019. The Applicants are seeking an extension to the Stay of Proceedings to December 31, 2019.

44. The Monitor supports extending the Stay of Proceedings to December 31, 2019 for the following reasons:

    (a) extending the Stay of Proceedings is required to enable the Applicants to (i) resolve unresolved Claims, including the CBSA Claims and complete all Initial Cash Distributions to Holders of Allowed General Unsecured Claims; (ii) provide tax authorities additional information they may require to enable them to issue the applicable Clearance Certificates; and (iii) make distributions to Holders of Allowed Parent Equity Interests;

(b) the liquidation of BPS Luxembourg S.a.r.l. and the related activities of its Liquidator will likely be completed within the proposed stay extension;

(c) no creditor would be materially prejudiced by the extension of the Stay of Proceedings; and

(d) the Applicants have acted in good faith and with due diligence in these CCAA Proceedings since the Initial Order.

45. For the reasons set out in this Fourteenth Report, the Monitor is of the view that extension of the Stay of Proceedings to December 31, 2019 is reasonable and respectfully recommends that the Court grant the relief sought by the Applicants.

All of which is respectfully submitted this 21st day of June, 2019.

ERNST & YOUNG INC.
Licensed Insolvency Trustee
In its capacity as the Monitor
in the matter of a proposed plan of compromise or
arrangement of Performance Sports Group Ltd. *et al.*

Per: Brian Denega

Brian M. Denega, CPA, CA, CIRP, LIT
Jean-Daniel Breton, CPA, CA, FCIRP, LIT
Martin Daigneault, CPA, CA, CIRP, LIT
Senior Vice-Presidents

APPENDIX “A”

Court File No. CV-16-11582-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	MONDAY, THE 31ST
	)	
JUSTICE NEWBOULD	)	DAY OF OCTOBER, 2016

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERFORMANCE SPORTS GROUP LTD., BAUER HOCKEY CORP., BAUER HOCKEY RETAIL CORP., BAUER PERFORMANCE SPORTS UNIFORMS CORP., BPS CANADA INTERMEDIATE CORP., BPS DIAMOND SPORTS CORP., EASTON BASEBALL/SOFTBALL CORP., KBAU HOLDINGS CANADA, INC., PERFORMANCE LACROSSE GROUP CORP., PSG INNOVATION CORP., BAUER HOCKEY RETAIL INC., BAUER HOCKEY, INC., BAUER PERFORMANCE SPORTS UNIFORMS INC., BPS DIAMOND SPORTS INC., BPS US HOLDINGS INC., EASTON BASEBALL/SOFTBALL INC., PERFORMANCE LACROSSE GROUP INC., PSG INNOVATION INC.

(Applicants)

SECOND AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Mark Vendetti sworn October 31, 2016 (the "**Vendetti Affidavit**") and the Exhibits thereto, the affidavit of Brian J. Fox sworn November 13, 2016 and the Exhibits thereto, the affidavit of Brian J. Fox sworn November 21, 2016, the prefiling report of Ernst & Young Inc. ("**EY**") in its capacity as proposed monitor (the "**Monitor**") to the Applicants dated October 31, 2016, and the first report of the Monitor dated November 28, 2016 and on hearing the submissions of counsel for the Applicants, the Monitor, the ABL DIP Lenders (as defined below), Sagard Capital Ltd. ("**Sagard**"), Fairfax Financial Holdings Limited ("**Fairfax**"), the ad hoc committee of certain Pre-Filing Term Lenders (as defined below) (the "**Ad Hoc Committee of Pre-Filing Term Lenders**"), the directors of Performance Sports Group Ltd. ("**PSG**"), the Official Committee of Unsecured Creditors (the "**UCC**"), the ad hoc committee of certain equityholders of PSG (the "**Ad Hoc Committee of Equityholders**"), Q30 Sports, LLC and Q30 Sports Science, LLC and MIPS AB, no one appearing for any other party although duly served as appears from the affidavits of service, filed, and on reading the consent of EY to act as the Monitor:

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated including all proceeds thereof (the

"**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Vendetti Affidavit or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as defined below) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that, subject to the terms of the ABL DIP Agreement (as defined below) and the Term Loan DIP Credit Agreement (as defined below) and the Budget (as defined in the ABL DIP Agreement), the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges;

(c) amounts owing for goods and services actually supplied to the Applicants, or to obtain the release of goods contracted for prior to the date of this Order:

(i) by common carriers, dedicated carriers, freight-forwarders, ocean and lake carriers, parcel carriers, consolidators, brokers and customs agents, with the prior consent of the Monitor for any amounts in excess of $5,000 per transaction, if, in the opinion of the Applicants, it is necessary to prevent the possibility of possessory liens being asserted against any raw materials or finished products ("**Merchandise**") and to continue their business uninterrupted;

(ii) by third-party warehousers, distributors and logistics providers, based at various locations, with the prior consent of the Monitor for any amounts in excess of $5,000, if, in the opinion of the Applicants, it is necessary to prevent the possibility of possessory liens being asserted against any Merchandise and to continue their business uninterrupted;

(iii) by third parties such as contractors, builders, and repairers, who may potentially assert liens under applicable law against the Applicants, with the prior consent of the Monitor and in the aggregate maximum amount of USD $4,000,000, if, in the opinion of the Applicants, it is necessary to prevent the possibility of liens, whether possessory or non-possessory, being asserted against any Property and to continue their business uninterrupted;

(iv) by non-United States or Canadian suppliers from which the Applicants source their manufacturing operations who the Applicants have determined to be critical to the continued operations of the their business, with the prior consent of the Monitor for any amounts in excess of $10,000;

(v) with the prior consent of the Monitor for amounts in excess of $5,000, by any suppliers who delivered goods to the U.S. PSG Entities (as defined in the Vendetti Affidavit) in the twenty days before their filing date in the United States, provided that such suppliers are entitled to be paid pursuant to section 503(9) of Chapter 11 of Title 11 of the United States Code ("**U.S. Code**");

(vi) by any other suppliers, with the prior consent of the Monitor for any amounts in excess of $10,000, if, in the opinion of the Applicants, the supplier is critical to the business and ongoing operations of the Applicants;

(d) any amounts owing in connection with the Applicants' customer programs, which include gift cards, loyalty programs, discounts, warranties allowing refunds and exchanges, and other offers or accommodations the Applicants, in their business judgment, provide to their wholesale customers and/or directly to retail customers;

(e) any province, state or federal taxes or fees up to an individual amount of $1,000 and up to $15,000 in the aggregate; and

(f) amounts owing to employees or former employees of the Applicants on account of termination or severance obligations in connection with the termination of such employees' employment with Applicants, up to the amount of USD $12,850.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sale Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. **THIS COURT ORDERS** that until a real property lease in respect of property located in Canada is disclaimed or resiliated in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in accordance with the terms of the lease, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court:

(a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date, provided however that the Applicants are hereby authorized and directed to make: (i) all such payments under the ABL DIP Agreement (as defined below), including amounts under the pre-filing asset-based revolving credit facility and interest thereon; and (ii) all payments authorized under the Term Loan DIP Credit Agreement (as defined below), including the payments necessary to complete the Refinancing (as defined in the Term Loan DIP Credit Agreement) and (iii) all payments of interest (at the applicable default rate), fees, costs, expenses (including professional advisor fees and expenses) indemnities and other amounts owing under the term loan credit agreement dated April 15, 2014 (as amended, restated and otherwise modified, the

"**Term Loan Agreement**") between PSG, as borrower, and a syndicate of lenders, as lenders, (the "**Pre-Filing Term Lenders**"); provided that the lenders ("**Pre-Filing ABL Lenders**") under the Applicants' revolving ABL credit facility dated as of April 15, 2014 (the "**Pre-Filing ABL Facility**") shall be entitled to apply receipts and deposits (not including any deposits on account of any advances made under any DIP facility) made to the Applicants' bank accounts against the indebtedness of the Applicants pursuant to their pre-filing ABL credit agreement, whether such indebtedness arose before or after the date of this Order;

(b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property other than as may be contemplated by the U.S. Court (as defined below) in respect of the Applicants' proceedings under Chapter 11 of the U.S. Code; and

(c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the ABL DIP Definitive Documents or Term Loan DIP Definitive Documents (as defined below), have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding $250,000 in any one transaction or $1,000,000 in the aggregate;

(b) terminate the employment of such of their employees or temporarily lay off such of its employees as it deems appropriate; and

(c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

12. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises in Canada at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the Canadian leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim or resiliate the lease governing such Canadian leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

13. **THIS COURT ORDERS** that if a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such

landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. **THIS COURT ORDERS** that until and including November 30, 2016, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**" and collectively "**Proceedings**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of

this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of USD $7.5 million, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 57 and 60 herein.

22. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or

claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPROVAL OF ENGAGEMENT OF CHIEF RESTRUCTURING OFFICER

23. **THIS COURT ORDERS** that the agreement dated as of October 24, 2016 (the "**CRO Engagement Letter**") pursuant to which the Applicants have engaged the services of Brian J. Fox to act as the chief restructuring officer of the Applicants (the "**CRO**"), is hereby approved as of the date of the CRO Engagement Letter, including, without limitation, the payment of fees and expenses contemplated thereby, and the Applicants are authorized to continue the engagement of the CRO on the terms set out in the CRO Engagement Letter.

24. **THIS COURT ORDERS** that the CRO shall be entitled to the benefit of the Administration Charge (as defined below) in respect of any obligations of the Applicants under the CRO Engagement Letter, whether for payment of compensation, fees, expenses, indemnities or otherwise.

25. **THIS COURT ORDERS** that any claims of the CRO under the CRO Engagement Letter shall be treated as unaffected and may not be compromised in any Plan or proposal filed under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**") in respect of the Applicants.

26. **THIS COURT ORDERS** that the CRO shall incur no liability or obligations as a result of its engagement or the carrying out of its mandate under the CRO Engagement Letter, save and except for gross negligence or willful misconduct on its part.

APPROVAL OF CLAIMS AND NOTICING AGENT

27. **THIS COURT ORDERS** that the agreement dated as of September 29, 2016 (the "**Prime Clerk Engagement Letter**"), pursuant to which the Applicants have engaged Prime Clerk LLC to act claims and noticing agent in the United States (the "**Claims and Noticing Agent**") is hereby approved as of the date of the Prime Clerk Engagement Letter, including without limitation, the payment of fees and expenses contemplated thereby, and the Applicants are authorized to continue the engagement of the Claims and Noticing Agent on the terms set out in the Prime Clerk Engagement Letter.

BID PROTECTION CHARGE

28. **THIS COURT ORDERS** that 9938982 Canada Inc. shall be entitled to the benefits of and are hereby granted a charge on the Property for the Break Fee and the expense reimbursement payable under the Stalking Horse Agreement as those terms are defined and referred to in paragraph 161 of the Vendetti Affidavit (the "**Bid Protection Charge**"), which charge shall not exceed USD $20.75 million in respect of all the Property. The Bid Protection Charge shall have the priority set out in paragraphs 57 and 60 herein.

ABL ESCROW

29. **THIS COURT ORDERS** that the Applicants shall pay to the Pre-Filing ABL Lenders the sum of USD $250,000 to be held in segregated account to secure contingent indemnification obligations arising under or related to the Pre-Filing ABL Facility (the "**ABL Escrow**"), which shall be released to the Applicants promptly following the expiration of the Challenge Period (as that term is defined in paragraph 53 herein).

APPOINTMENT OF MONITOR

30. **THIS COURT ORDERS** that EY is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the

Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

31. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicants' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the ABL DIP Lenders, the Term Loan DIP Lenders, the Pre-Filing ABL Lenders, the Pre-Filing Term Lenders (until the Refinancing been completed), the UCC and Ad Hoc Committee of Equityholders and their respective counsel, financial and other information as agreed to between the Applicants and the ABL DIP Lenders, the Term Loan DIP Lenders, the Pre-Filing ABL Lenders, and the Pre-Filing Term Lenders (until the Refinancing has been completed) which may be used in these proceedings including reporting on a basis to be agreed with the ABL DIP Lenders, the Term Loan DIP Lenders, and the Pre-Filing ABL Lenders and the UCC;

(d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the ABL DIP Lenders and the Term Loan DIP Lenders, which information shall be reviewed with the Monitor and delivered to the ABL DIP Lenders, the Term Loan DIP Lenders, the Pre-Filing ABL Lenders, the UCC and the Ad Hoc Committee of Equityholders and their respective counsel;

(e) advise the Applicants in their development of the Plan and any amendments to the Plan;

(f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform their duties arising under this Order;

(h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(i) monitor and have full access to and transparent and timely information regarding the sale process of the Applicants; and

(j) perform such other duties as are required by this Order or by this Court from time to time.

32. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

33. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or

other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

34. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants, including the Pre-Filing ABL Lenders, the Pre-Filing Term Lenders, the ABL DIP Lenders and the Term Loan DIP Lenders, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

35. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

36. **THIS COURT ORDERS** that the Monitor, United States and Canadian counsel to the Monitor, United States and Canadian counsel to the Applicants, and counsel to the directors of PSG (the "**Case Professionals**") shall be paid their reasonable fees and disbursements in respect of work done in relation to these CCAA proceedings, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Case Professionals on a weekly basis and, in addition, the Applicants are hereby authorized to pay to the Case Professionals retainers in amounts of CAD $100,000 for each Canadian counsel and for the Monitor and USD $100,000 for each United States counsel, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

37. **THIS COURT ORDERS** that the Monitor and its United States and Canadian counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its United States and Canadian counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

38. **THIS COURT ORDERS** that the Case Professionals and the CRO shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed USD $3.75 million in respect of the Fixed Asset (Term) Priority Collateral (as defined in the Vendetti Affidavit), USD $3.75 million in respect of the ABL Priority Collateral (as defined in the Vendetti Affidavit) for an aggregate amount of USD $7.5 million on all Property (including the Fixed Asset (Term) Priority Collateral and the ABL Priority Collateral), in each case plus all accrued and unpaid fees, disbursements, costs and expenses incurred by the Case Professionals and the CRO as at the date on which notice is delivered in the Chapter 11 Proceedings (as defined in the Vendetti Affidavit) requiring the Applicants to fund the Carve-Out, as security for their professional fees and disbursements incurred at the standard rates and charges of the Case Professionals and the CRO. The Administration Charge shall have the priority set out in paragraphs 57 and 60 herein. For greater

certainty, the Administration Charge includes the funds in the Carve-Out and may be satisfied, in whole or in part, from such funds.

ABL DIP FINANCING

39. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility (the "**ABL DIP Facility**") from the lenders party to the ABL DIP Agreement (as defined below) (collectively, the "**ABL DIP Lenders**") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed USD $200 million unless permitted by further Order of this Court.

40. **THIS COURT ORDERS** that the ABL DIP Facility shall be on the terms and subject to the conditions set forth in the Superpriority Debtor-In-Possession ABL Credit Agreement dated as of October 31, 2016 between the Applicants and the ABL DIP Lenders (the "**ABL DIP Agreement**") as modified by the US Final DIP Order (defined below).

41. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**ABL DIP Definitive Documents**"), as are contemplated by the ABL DIP Agreement or as may be reasonably required by the ABL DIP Lenders pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the ABL DIP Lenders under and pursuant to the ABL DIP Agreement and the ABL DIP Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

42. **THIS COURT ORDERS** that the ABL DIP Lenders shall be entitled to the benefit of and are hereby granted a charge (the "**ABL DIP Charge**") on the Property, which ABL DIP Charge shall not secure an obligation that exists before the date of this Order. The ABL DIP Charge shall have the priority set out in paragraphs 57 and 60 herein.

43. **THIS COURT ORDERS** that, subject to the ABL/Term Intercreditor Agreement dated as of October 31, 2016 (the "**Post-Filing ICA**"), notwithstanding any other provision of this Order:

(a) the ABL DIP Lenders may take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the ABL DIP Charge or any of the ABL DIP Definitive Documents;

(b) upon the occurrence of an event of default under the ABL DIP Definitive Documents or the ABL DIP Charge, the ABL DIP Lenders, upon 7 days' notice to the Applicants the Monitor and the UCC, may , unless this Court orders otherwise, exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the ABL DIP Agreement, ABL DIP Definitive Documents and the ABL DIP Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the ABL DIP Lenders to the Applicants against the obligations of the Applicants to the ABL DIP Lenders under the ABL DIP Agreement, the ABL DIP Definitive Documents or the ABL DIP Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

(c) the foregoing rights and remedies of the ABL DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

44. **THIS COURT ORDERS AND DECLARES** that the ABL DIP Lenders shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the BIA, with respect to any advances made under the ABL DIP Agreement and the ABL DIP Definitive Documents.

TERM LOAN DIP FINANCING

45. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility (the "**Term Loan DIP Facility**") from 9938982 Canada Inc. and the other lenders party to the Term Loan DIP Credit Agreement (as defined below) (collectively, the "**Term Loan DIP Lenders**") in order to complete the Refinancing (as defined below) and to finance the Business and general corporate purposes and capital expenditures of the Applicants, provided that (a) the Applicants shall not be permitted to borrow under any Delayed Draw Term Loans (as defined in the Term Loan DIP Credit Agreement) until the Refinancing has been completed; and (b) borrowing under such credit facility shall not exceed USD $361.3 million unless permitted by further order of this Court.

46. **THIS COURT ORDERS** that the Term Loan DIP Facility shall be on the terms and subject to the conditions set forth in the Superpriority Debtor-In-Possession Term Loan Credit Agreement dated as of October 31, 2016 between the Applicants and the Term Loan DIP Lenders (the "**Term Loan DIP Credit Agreement**") as modified by the U.S. Final DIP order.

47. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees, amendments and other definitive documents (collectively, the "**Term Loan DIP Definitive Documents**"), as are contemplated by the Term Loan DIP Credit Agreement or as may be reasonably required by the Term Loan DIP Lenders pursuant to the terms thereof, and the

Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the Term Loan DIP Lenders under and pursuant to the Term Loan DIP Credit Agreement and the Term Loan DIP Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

48. **THIS COURT ORDERS** that the Term Loan DIP Lenders shall be entitled to the benefit of and are hereby granted a charge (the "**Term Loan DIP Charge**") on the Property, which Term Loan DIP Charge shall not secure an obligation that existed before the date of this Order. The Term Loan DIP Charge shall have the priority set out in paragraphs 57 and 60 herein.

49. **THIS COURT ORDERS** that, subject to the Post-Filing ICA, notwithstanding any other provision of this Order:

(a) the Term Loan DIP Lenders may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect or any of the Term Loan DIP Definitive Documents;

(b) upon the occurrence of an event of default under the Term Loan DIP Definitive Documents or the Term Loan DIP Charge, Term Loan DIP Lenders, upon 7 days' notice to the Applicants, the Monitor and the UCC, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Term Loan DIP Credit Agreement and Term Loan DIP Definitive Documents or the Term Loan DIP Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the Term Loan DIP Lenders to the Applicants against the obligations of the Applicants to the Term Loan DIP Lenders under the Term Loan DIP Credit Agreement, the Term Loan DIP Definitive Documents or the Term Loan DIP Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

(c) the foregoing rights and remedies of the Term Loan DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

50. **THIS COURT ORDERS AND DECLARES** that the Term Loan DIP Lenders shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the BIA, with respect to any advances made under the Term Loan DIP Credit Agreement and the Term Loan DIP Definitive Documents.

51. **THE COURT ORDERS** that the Company in consummating the transactions contemplated by the Term Loan DIP Agreement, which is a "related party transaction" for purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and subject to a court order under applicable bankruptcy or insolvency laws, is not required to comply with both the formal valuation and minority approval requirements under Sections 5.4 and 5.6, respectively, of MI 61-101.

REFINANCING

52. **THIS COURT ORDERS** that the Refinancing is hereby approved and the Applicants are authorized and directed to carry out the Refinancing in accordance with the terms of the Term Loan DIP Credit Agreement and are further authorized and empowered to complete all transactions and take all actions necessary or desirable to complete the Refinancing.

53. **THIS COURT ORDERS** that, subject to the terms of the Term Loan DIP Credit Agreement and paragraph 54 hereof, the Applicants shall (a) repay in full the obligations outstanding under the Term Loan Agreement (the "**Pre-Filing Term Loan**

Obligations") by distributing the proceeds of the applicable refinancing loans advanced under the Term Loan DIP Facility pursuant to the Term Loan DIP Credit Agreement to the administrative agent under the Term Loan Agreement (the "**Pre-Filing Term Loan Agent**"), and (b) pay in full all of the reasonable and documented fees and expenses of the Pre-Filing Term Loan Agent and of the professional advisors retained by the Ad Hoc Committee of Pre-Filing Term Lenders or the Pre-Filing Term Loan Agent, and (c) upon receipt of the Applicants' payment in satisfaction of the Pre-Filing Term Loan Obligations contemplated in subparagraph (a) above, the Pre-Filing Term Loan Agent shall be authorized and directed to make distributions to the Pre-Filing Term Lenders in accordance with the Term Loan Agreement.

54. **THIS COURT ORDERS** that notwithstanding:

(a) the pendency of these proceedings

(b) any assignment in bankruptcy or any petition for a bankruptcy order now or hereafter issued pursuant to the BIA and any order issued pursuant to any such petition;

(c) any application for a receivership order; or

(d) any provisions of any federal or provincial legislation;

the payments, distributions, and disbursements to or for the account of the Pre-Filing Term Lenders, the Pre-Filing Term Loan Agent and the professionals retained by the Ad Hoc Committee of Pre-Filing Term Lenders or the Pre-Filing Term Loan Agent in connection with the Refinancing, shall be made indefeasibly, free and clear of any Encumbrances (as defined below), including the Charges, shall be binding on any trustee in bankruptcy, interim receiver or receiver that may be appointed in respect of any of the Applicants, 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 Applicants, the Monitor, the Term Loan DIP Lenders and the Pre-Filing Term Lenders and shall not constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation; provided, however, that nothing in this paragraph 54 shall derogate from any rights which a Challenge Party may have to commence a Challenge during the Challenge Period (as such terms are defined in the *Final Order (I) Authorizing the Debtors to Obtain Post-Petition Secured Financing Pursuant to 11 U.S.C. § 364, (II) Authorizing the Debtors' Use of Cash Collateral Pursuant to 11 U.S.C. § 363; (III) Granting Adequate Protection to Prepetition Secured Creditors Pursuant to 11 U.S.C. § § 361, 362, 363 and 364; and (IV) Granting Related Relief, issued by the U.S. Court dated November 30, 2016* (the "**U.S. Final DIP Order**")), but strictly and solely pursuant to paragraph 31 of the U.S. Final DIP Order, or from the ability of this Court or the U.S. Court to fashion an appropriate remedy in respect of a successful Challenge, and provided further that nothing herein or in the U.S. Final DIP Order shall derogate from the rights of the Pre-Filing Term Lenders and the Pre-Filing Term Loan Agent in response to any such Challenge and the Pre-Filing Term Loan Agent and the Pre-Filing Term Lenders reserve all such rights. Any stakeholder may also reserve its rights with respect to the allocation of any property of the Applicants between jurisdictions.

55. **THIS COURT ORDERS** that, upon completion of the Refinancing, the Pre-Filing Term Loan Agent and the Pre-Filing Term Lenders shall be entitled to and are hereby granted a charge (the "**Pre-Filing Term Loan Charge**") on the Property, which Pre-Filing Term Loan Charge shall secure any indemnification or other obligations (including as to the payment of reasonable and documented legal fees) which may arise under the Term Loan Agreement in the period from and after the Refinancing and throughout the Challenge Period and any related Challenge proceedings, and which Pre-Filing Term Loan Charge shall have the priority set out in paragraphs 57 and 60 herein.

INTERCOMPANY FINANCING

56. **THIS COURT ORDERS** that to the extent that any one or more of the Applicants (the "**Lending Applicant**") after the date of this Order, makes any payment or incurs or discharges any obligation that is a payment or obligation of any one or more of the other Applicants or otherwise transfers value to or for the benefit of one or more of the other Applicants, each of the Lending Applicants are hereby granted a charge (the "**Intercompany Charge**") on all of the Property in the amount of such payment or obligation or transfer. The Intercompany Charge shall have the priority set out in paragraphs 57 and 60 herein.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

57. **THIS COURT ORDERS** that, until further Order of this Court and subject to paragraph 58 of this Order, the priorities of the Directors' Charge, the Administration Charge, the ABL DIP Charge, Term Loan DIP Charge, the Bid Protection Charge, the Pre-Filing Term Loan Charge, and the Intercompany Charge, as among them and certain existing encumbrances, shall be, with respect to the type of collateral at issue, as follows:

(a) With respect to the Fixed Asset (Term) Priority Collateral:

First – the Administration Charge (to the maximum amount of USD $3.75 million plus all accrued and unpaid fees, disbursements, costs and expenses incurred by the Case Professionals and the CRO as at the date on which notice is delivered in the Chapter 11 Proceedings requiring the Applicants to fund the Carve-Out in respect of the Property specifically in respect of the Fixed Asset (Term) Priority Collateral);

Second – the Term Loan DIP Charge;

Third– the Pre-Filing Term Loan Facility Security (as defined in the Vendetti Affidavit) prior to the completion of the Refinancing, and the Pre-Filing Term Loan Charge from and after the completion of the Refinancing;

Fourth – the ABL DIP Charge;

Fifth – the Pre-Filing ABL Facility Security (as defined in the Vendetti Affidavit);

Sixth – the Bid Protection Charge;

Seventh – the Directors' Charge; and

Eighth – the Intercompany Charge.

(b) With respect to the ABL Priority Collateral:

First – the Administration Charge (to the maximum amount of USD $3.75 million plus all accrued and unpaid fees, disbursements, costs and expenses incurred by the Case Professionals and the CRO as at the date on which notice is delivered in the Chapter 11 Proceedings requiring the Applicants to fund the Carve-Out in respect of the Property specifically in respect of the ABL Priority Collateral);

Second – the ABL DIP Charge;

Third – the Pre-Filing ABL Facility Security;

Fourth – the Pre-Filing Term Loan Facility Security (prior to the Refinancing);

Fifth – the Term Loan DIP Charge;

Sixth – the Bid Protection Charge;

Seventh – the Directors' Charge; and

Eighth – the Intercompany Charge.

(c) With respect to the assets, property and undertakings of PSG Innovation Corp. and PSG Innovation Inc. (the "**PSG Innovation Collateral**"):

First – the Administration Charge;

Second – the Term Loan DIP Charge;

Third – the ABL DIP Charge;

Fourth – the Bid Protection Charge;

Fifth – the Directors' Charge; and

Sixth – the Intercompany Charge.

(d) With respect to all other Property that is not Fixed Asset (Term) Priority Collateral or ABL Priority Collateral or PSG Innovation Collateral:

First – the Administration Charge;

Second – the Term Loan DIP Charge;

Third – the ABL DIP Charge;

Fourth – the Bid Protection Charge;

Fifth – the Directors' Charge; and

Sixth – the Intercompany Charge.

provided, however, that (i) as between the Pre-Filing ABL Lenders, the ABL DIP Lenders and the Term Loan DIP Lenders, nothing in this Order shall derogate from the priorities agreed to by them in the Post-Filing ICA; and (ii) to the extent the PSG Innovation Collateral or the Property described in Paragraph 57(d) above would otherwise constitute ABL Priority Collateral, it shall be treated as such (and otherwise shall be treated as Fixed Asset (Term) Priority Collateral as reflected above).

58. **THIS COURT ORDERS** that, upon completion of the Refinancing, until further Order of this Court, the priorities of the Directors' Charge, the Administration Charge, the ABL DIP Charge, Term Loan DIP Charge the Bid Protection Charge, the Pre-Filing Term Loan Charge, and the Intercompany Charge, as among them and certain existing encumbrances, shall be, with respect to the ABL Priority Collateral:

First – the Administration Charge (to the maximum amount of USD $3.75 million specifically in respect of the ABL Priority Collateral);

Second – the ABL DIP Charge;

Third – the Pre-Filing ABL Facility Security;

Fourth – the Term Loan DIP Charge;

Fifth – the Directors' Charge (to the maximum amount of USD $7.5 million);

Sixth – the Intercompany Charge;

Seventh – the Pre-Filing Term Loan Charge; and

Eighth – the Bid Protection Charge.

59. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge, the ABL DIP Charge, the Term Loan DIP Charge, the Bid

Protection Charge, the Pre-Filing Term Loan Charge, the Intercompany Charge or the Director's Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

60. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person except as specifically as set out in paragraph 57.

61. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the Applicants also obtain the prior written consent of the Monitor, the ABL DIP Lenders, the Term Loan DIP Lenders and the beneficiaries of the Intercompany Charge, the Directors' Charge and the Administration Charge, or further order of this Court.

62. **THIS COURT ORDERS** that the Directors' Charge, the Administration Charge, the Term Loan DIP Credit Agreement, the Term Loan DIP Definitive Documents, the Term Loan DIP Charge, the ABL DIP Agreement, the ABL DIP Definitive Documents and the ABL DIP Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the ABL DIP Lenders and the Term Loan DIP Lenders thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors

made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the ABL DIP Agreement, the ABL DIP Definitive Documents, the Term Loan DIP Credit Agreement and Term Loan DIP Definitive Documents, shall create or be deemed to constitute a breach by the Applicants of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants' execution, delivery or performance of the ABL DIP Agreement, the Term Loan DIP Credit Agreement, the creation of the Charges, or the execution, delivery or performance of the ABL DIP Definitive Documents or the Term Loan DIP Definitive Documents; and

(c) the payments made by the Applicants pursuant to this Order, ABL DIP Agreement, the ABL DIP Definitive Documents, the Term Loan DIP Credit Agreement and the Term Loan DIP Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law subject to paragraph 54 hereof.

63. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

CROSS BORDER PROTOCOL

64. **THIS COURT ORDERS** that the cross border protocol, in the form attached as Schedule "1" hereto, is hereby approved and shall become effective upon its approval by the U.S. Court and the parties to these proceedings and any other Person shall be governed by it and shall comply with same.

MARSHALLING

65. **THIS COURT ORDERS THAT** none of the Term Loan DIP Lenders, the ABL DIP Lenders, Pre-Filing Term Lenders or the Pre-Filing ABL Lenders shall be subject to the equitable doctrine of "marshaling" or any other similar doctrine; provided, however, that, notwithstanding the foregoing, (i) at any time, upon the occurrence or continuation of an Event of Default under either DIP Facility, any stakeholder retains the right to argue, and the Court retains the right to so order, that the proceeds of assets, property and undertakings which are not Fixed Asset (Term) Priority Collateral or ABL Priority Collateral (the "**Unencumbered Assets**") should only be used to satisfy the obligations under the ABL DIP Facility or Term Loan DIP Facility to the extent such obligations cannot be satisfied in full first from other collateral and/or to argue that such Unencumbered Assets should be sold separately and no earlier than the sale, transfer, foreclosure or other disposition of such other collateral; and (ii) the Applicants, Term Loan DIP Lenders, the ABL DIP Lenders, the Pre-Filing Term Lenders and the Pre-Filing ABL Lenders each reserve their rights to oppose such arguments.

SERVICE AND NOTICE

66. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the national edition of *The Globe and Mail*, the *Wall Street Journal* and *Le Devoir* a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor

who has a claim against the Applicants of more than $5,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that, for the purposes of this list, the Monitor shall not make the names and addresses of creditors who are individuals publicly available.

67. **THIS COURT ORDERS** that the Applicants shall create, maintain and update as necessary a list of all Persons appearing in person or by counsel in this proceeding (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the Case Website (as defined below) as part of the public materials to be recorded thereon in relation to this proceeding. Notwithstanding the foregoing, the Monitor shall have no liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

68. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a case website (the "**Case Website**") shall be established in accordance with the Protocol with the following URL: www.ey.com/ca/psg.

69. **THIS COURT ORDERS** that the Claims and Noticing Agent is entitled to serve and distribute all motion materials and other notices in these proceedings on behalf of

the Applicants and the Monitor (when and if so instructed by the Applicants or the Monitor) by electronic service in accordance with the Protocol.

70. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants, the Monitor and the Claims and Noticing Agent are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

71. **THIS COURT ORDERS** that, except with respect to urgent motions, all motions in this proceeding are to be brought on not less than seven (7) days' notice to all persons on the Service List and shall specify a date and time for the hearing of the motion.

GENERAL

72. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

73. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

74. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals,

regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

75. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor 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 Canada.

76. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

77. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

DEC 19 2016

PER / PAR:

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

Court File No. CV-16-11582-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PERFORMANCE SPORTS GROUP LTD ET. AL.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

SECOND AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicants

APPENDIX “B”

Court File No. CV-16-11582-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	FRIDAY, THE 1ST
	)	
JUSTICE HAINEY	)	DAY OF SEPTEMBER, 2017

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF OLD PSG WIND-DOWN LTD., OLD BHR WIND-DOWN CORP., OLD BPSU WIND-DOWN CORP., OLD BPSDS WIND-DOWN CORP., OLD EBS WIND-DOWN CORP., OLD PLG WIND-DOWN CORP., OLD PSGI WIND-DOWN CORP., OLD BHR INC., OLD BH INC., OLD BPSU INC., OLD BPSCI INC., OLD BPSUSH INC., OLD EBS INC., OLD PLG INC., AND OLD PSGI INC.

(Applicants)

CLAIMS RESOLUTION ORDER

THIS MOTION, made by Old PSG Wind-down Ltd. ("**PSG**"), Old BHR Wind-down Corp., Old BPSU Wind-down Corp., Old BPSDS Wind-down Corp., Old EBS Wind-down Corp., Old EBS Wind-down Corp., Old PLG Wind-down Corp., Old PSGI Wind-down Corp., Old BHR Inc., Old BH Inc., Old BPSU Inc., Old BPSCI Inc., Old BPSCI Inc., Old BPSUSH Inc., Old EBS Inc., Old PLG Inc., and Old PSGI Inc. (together, the "**Applicants**") for an order for the procedure to resolve and dispute claims against the Applicants was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Brian J. Fox sworn August 28, 2017, and the Tenth Report of Ernst & Young Inc. dated August 31, 2017 in its capacity as Monitor of the Applicants (the "**Monitor**") and on hearing the submissions of counsel for the Applicants, the Monitor and those other parties present, no one appearing for any other party although duly served as appears from the affidavit of service of Lee Nicholson, filed.

SERVICE

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

DEFINITIONS

2. **THIS COURT ORDERS** that for purposes of this Claims Resolution Order any capitalized terms not otherwise defined herein shall have the meanings attributed to them in the Claims Procedure Orders, copies of which are attached hereto as Schedule "A", and the following terms shall have the following meanings:

(a) "**Canadian Applicants**" means those Applicants which are incorporated under the laws of Canada or one of its Provinces, namely, Old PSG Wind-down Ltd., Old BHR Wind-down Corp., Old BPSU Wind-down Corp., Old BPSDS Wind-down Corp., Old EBS Wind-down Corp., Old PLG Wind-down Corp., Old PSGI Wind-down Corp.;

(b) "**Bar Date**" means the applicable bar date in respect of a Claim as provided for in the Claims Procedure Orders, including the Claims Bar Date, Government Claims Bar Date, Employee Claims Bar Date or Restructuring Claims Bar Date or a bar date established by further order of the Court;

(c) "**Canadian Claim**" means any Claim or Restructuring Claim, except for Securities Law Claims and the SEC Claim, against any one of the Canadian Applicants for which a Claimant has delivered a Proof of Claim by the applicable Bar Date or was listed in the Schedules as a Known Claimant of a Canadian Applicant;

(d) "**Claims Procedure Orders**" means, collectively, the Claims Procedure Order of this Court dated December 19, 2016 and the Employee Claims Procedure Order of this Court dated April 10, 2017;

(e) "**Claims Officer**" means any Person appointed as the Claims Officer by the Monitor in accordance with this Claims Resolution Order;

(f) "**Creditors Committee**" means the Applicants' Official Committee of Unsecured Creditors appointed in the Chapter 11 Proceedings, if then existing;

(g) "**Cross Border Claims**" means one or more Canadian Claims and one or more U.S. Claims held by the same Claimant which all arise from similar facts, events, circumstances, agreements or invoices;

(h) "**Disputed Canadian Claim**" means any Canadian Claim in respect of which the Monitor has issued a Notice of Revision or Disallowance;

(i) "**Dispute Objection Deadline**" has the meaning ascribed to it in paragraph 6 of this Claims Resolution Order;

(j) "**Effective Date**" means the effective date of the Joint Plan;

(k) "**Equity Committee**" means the Applicants' Official Committee of Equity Security Holders appointed in the Chapter 11 Proceedings;

(l) "**Joint Plan**" means the proposed Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and its affiliated debtors, filed with the U.S. Bankruptcy Court on August 25, 2017, or any subsequently revised, modified, amended or restated version thereof;

(m) "**Liquidation Trustee**" means the Liquidation Trustee as defined in the Joint Plan appointed pursuant to the Joint Plan after the Effective Date;

(n) "**Notice of Dispute**" means a notice, in substantially the form attached as Schedule "C" hereto, giving notice to the Monitor and the Applicants that the Claimant disputes the Notice of Revision or Disallowance and the reasons for such dispute;

(o) "**Notice of Revision or Disallowance**" means a notice, in substantially the form attached as Schedule "B" hereto, advising the Claimant that the Monitor, with the consent of the Applicants, has revised or disallowed all or part of the Disputed Canadian Claim as set out in such Claimant's Proof of Claim;

(p) **"Request for Information"** has the meaning ascribed to it in paragraph 14 of this Claims Resolution Order;

(q) **"SEC Claim"** means the Proof of Claim[s] filed by the United States Securities and Exchange Commission against Old PSG Wind-Down Ltd.;

(r) **"Securities Law Claims"** means any Claim, whether or not the subject of an existing lawsuit, that is subject to mandatory subordination pursuant to section 510(b) of the U.S. Bankruptcy Code or comparable principles of Canadian law;

(s) **"Statutory Limits"** has the meaning ascribed to it in paragraph 20 of this Claims Resolution Order;

(t) **"U.S. Applicants"** means those Applicants which are incorporated under the laws of the United States, namely, Old BHR Inc., Old BH Inc., Old BPSU Inc., Old BPSCI Inc., Old BPSUSH Inc., Old EBS Inc., Old PLG Inc. and Old PSGI Inc.; and

(u) **"U.S. Claim"** means any Claim against the U.S. Applicants for which a Claimant has delivered a Proof of Claim by the applicable Bar Date or was listed in the Schedules as a Known Claimant of a U.S. Applicant.

ADJUDICATION OF CANADIAN CLAIMS

3. **THIS COURT ORDERS** that the Monitor shall review all Proofs of Claim in respect of Canadian Claims filed in accordance with the Claims Procedure Orders, in consultation with the Applicants (and following the Effective Date, the Liquidation Trustee) and shall accept, revise or disallow the amount of each Canadian Claim, unless the Monitor declines to accept, revise or disallow the Canadian Claim pursuant to paragraph 21 of this Claims Resolution Order.

4. **THIS COURT ORDERS** that for any Canadian Claim that the Monitor revises or disallows, the Monitor shall notify the Claimant that the Canadian Claim has been revised or disallowed and the reasons therefor, by sending a Notice of Revision or Disallowance to the Claimant at the Claimant's address identified on their Proof of Claim. The Monitor shall provide a copy of all Notices of Revision or Disallowance to the Creditors' Committee, if

applicable and the Equity Committee (and following the Effective Date, the Liquidation Trustee) within five (5) calendar days of it being sent to the Claimant.

5. **THIS COURT ORDERS** that in revising or disallowing any Canadian Claim, the Monitor may take account of and determine the presence and amount, if any, of any set-off or counterclaim or Statutory Limits relating to such Canadian Claim.

6. **THIS COURT ORDERS** that a Claimant that intends to dispute a Notice of Revision or Disallowance shall deliver a Notice of Dispute, including the reasons for the dispute, to the Monitor, with a copy to the Applicants, within twenty-one (21) calendar days after the date on which the Claimant is deemed to receive the Notice of Revision or Disallowance, or such other date as may be agreed to by the Monitor in writing (the "**Dispute Objection Deadline**"). In the event that a dispute raised in a Notice of Dispute is not settled within a time period or in a manner satisfactory to the Monitor, in consultation with the Applicants (and following the Effective Date, the Liquidation Trustee), the Monitor shall refer the dispute raised in the Notice of Dispute to a Claims Officer or the Court for adjudication. The Monitor or the Applicants shall inform the Creditors' Committee and Equity Committee or the Liquidation Trustee, as applicable, of any Canadian Claims referred to a Claims Officer or the Court for adjudication.

7. **THIS COURT ORDERS** that the Monitor shall provide copies of any filed Notice of Dispute to the Creditors' Committee and the Equity Committee or Liquidation Trustee, as applicable, within five (5) calendar days of such Notice of Dispute being filed. Without imposing any obligation, within ten (10) calendar days of receipt of any filed Notice of Dispute, the Creditors' Committee and Equity Committee or Liquidation Trustee, as applicable, shall deliver documents or other information to the Monitor that the Creditors' Committee, Equity Committee or Liquidation Trustee, as applicable, believe are relevant to the filed Notice of Dispute not otherwise addressed in the applicable Notice of Revision or Disallowance. The Monitor shall confer with the party submitting such information or documents and may consider such documents and information as the Monitor deems appropriate. The Monitor, in its sole discretion, may consider documents or other information delivered to the Monitor after the time period provided for in this paragraph.

8. **THIS COURT ORDERS** that, in the event that a Claimant does not file a Notice of Dispute by the Dispute Objection Deadline, such Claimant's Canadian Claim shall be revised to the amount set out in the Notice of Revision or Disallowance and such Claimant shall have no further right to dispute, contest or otherwise appeal the Notice of Revision or Disallowance or the amount of their Canadian Claim, including, for greater certainty, in the Chapter 11 Proceedings.

9. **THIS COURT ORDERS** that the Monitor, in consultation with the Applicants (and following the Effective Date, the Liquidation Trustee), is authorized to and may attempt to consensually resolve and settle the amount of any Disputed Canadian Claim and any Canadian Claim for which the Monitor intends to issue a Notice of Revision or Disallowance prior to sending the notice and/or after sending the Notice of Revision or Disallowance but prior to a determination by the Claims Officer.

10. **THIS COURT ORDERS** that the Monitor shall consult with the Equity Committee, in connection with any Canadian Claim in excess of US$250,000 that the Monitor proposes to allow, admit, settle, resolve, value or revise in whole or in part (including by Notice of Revision or Disallowance) prior to allowing, admitting, settling, resolving, valuing or revising in whole or in part such Canadian Claim and shall only distribute on account of such Canadian Claim on ten (10) calendar days' notice to the Equity Committee.

11. **THIS COURT ORDERS** that the Monitor shall consult with the Creditors' Committee in connection with any Canadian Claim in excess of US$250,000 that the Monitor proposes to revise or disallow in whole or in part prior to issuing a Notice of Revision or Disallowance in respect of such Canadian Claim.

12. **THIS COURT ORDERS** that the Monitor shall provide notice to and consult with each of the Creditors' Committee and the Equity Committee with respect to any Disputed Canadian Claims in excess of US$250,000 that is referred to a Claims Officer or the Court for adjudication.

13. **THIS COURT ORDERS** that the Applicants, in consultation with the Monitor and with the consent of the Equity Committee or the Liquidation Trustee, as applicable, may determine whether the Securities Law Claims will be adjudicated pursuant to this Claims

Resolution Order in the CCAA Proceedings or in the Chapter 11 Proceedings, or jointly by this Court and the U.S. Bankruptcy Court. For the avoidance of doubt, nothing in this Claims Resolution Order shall limit, impair, or affect in any way the right of the Equity Committee, the Liquidation Trustee, or any other party in interest to independently object to the Securities Law Claims pursuant to section 502(a) of the U.S. Bankruptcy Code or any other applicable U.S. or Canadian law.

14. **THIS COURT ORDERS** that the Monitor or the Applicants (and following the Effective Date, the Liquidation Trustee) at any time, may request additional information (a "**Request for Information**"), on notice to the Claimant, from any Person who, in the Monitor's or the Applicants' determination, possesses or has knowledge of information that the Monitor, the Applicants or, following the Effective Date, the Liquidation Trustee determine is relevant to its assessment of a Canadian Claim or any part thereof that is accepted by the Monitor, in consultation with the Applicants (and following the Effective Date, the Liquidation Trustee) for distribution and/or voting purposes. For greater certainty, it is solely the Claimant's continuing responsibility to prove its claim to the satisfaction of the Monitor, the Claims Officer or the Court, as applicable and this section does not impose any obligation on the Monitor or the Applicants (or, following the Effective Date, the Liquidation Trustee) to issue a Request for Information.

CLAIMS OFFICER

15. **THIS COURT ORDERS** that, if necessary, the Monitor, in consultation with the Applicants, the Creditors' Committee and the Equity Committee or the Liquidation Trustee, as applicable, may appoint a Claims Officer to determine the validity or quantum of any Disputed Canadian Claim and resolve any dispute arising from a Notice of Dispute.

16. **THIS COURT ORDERS** that the Applicants or their estates shall be entitled to pay the Claims Officer appointed by the Monitor reasonable compensation for the performance of his/her obligations set out in this Claims Resolution Order, or any further Order of the Court, on the terms set out in a retention agreement between the Claims Officer and the Applicants or the Liquidation Trustee, as applicable.

17. **THIS COURT ORDERS** that a Claims Officer, once so appointed, shall schedule and conduct a hearing, in writing or orally, as soon as reasonably practicable, with notice to the Claimant holding the Disputed Canadian Claim, the Monitor and the Applicants (and following the Effective Date, the Liquidation Trustee) (and the Monitor shall subsequently deliver such notice to the Equity Committee) to determine the validity and quantum of the Disputed Canadian Claim for distribution and/or voting purposes, as the case may be. A Claims Officer shall determine all procedural matters which may arise in respect of his or her determination of these matters, including the manner in which any evidence may be adduced and whether the hearing in respect of the Disputed Canadian Claim shall be in writing or heard orally. A Claims Officer may make any award of costs as the Claims Officer deems appropriate in the circumstances. For greater certainty, unless otherwise consented to by the Monitor and the Claims Officer, only the Claimant holding the Disputed Canadian Claim, the Monitor and the Applicants (and following the Effective Date, the Liquidation Trustee) may attend and participate at the hearing of the Claims Officer.

18. **THIS COURT ORDERS** that the Claims Officer shall notify the Monitor, the Claimant holding the Disputed Canadian Claim, the Applicants, and following the Effective Date, the Liquidation Trustee in writing of his or her determination. The Claims Officer shall provide reasons in writing for his or her determination to the Monitor, the Applicants, the Liquidation Trustee when applicable, and the Claimant holding the Disputed Canadian Claim, but such reasons may be provided after the Claims Officer has made his or her determination. Prior to the Effective Date, the Applicants or the Monitor shall provide the reasons of any decision by the Claims Officer to the Equity Committee and Creditors' Committee within five (5) calendar days of receiving the reasons.

19. **THIS COURT ORDER** that the Monitor, the Claimant holding the Disputed Canadian Claim, the Applicants or the Equity Committee (and following the Effective Date, the Liquidation Trustee) may appeal the Claims Officer's determination by serving upon the others and filing with this Court, within ten (10) calendar days of receipt of the Claims Officer's reasons, a motion to appeal the Claims Officer's determination returnable on a date to be fixed by the Court. If a motion to appeal the Claims Officer's determination is not filed within such period, then the Claims Officer's determination shall be deemed to be final and

binding and shall fix the quantum of such Claimant's Disputed Canadian Claim for distribution and/or voting purposes.

STATUTORY LIMITS

20. **THIS COURT ORDERS** that, with respect to all Canadian Claims, if any statutory provision of the U.S. Bankruptcy Code (including, without limitation, sections 502(b)(6), 502(b)(7), and 503(c) of the U.S. Bankruptcy Code) limits the distribution on account of such Canadian Claim to less than is permitted under the CCAA, such Canadian Claim shall be limited to the lower amount (the "**Statutory Limits**") and the Monitor is hereby directed to revise any Canadian Claim accordingly pursuant to this Claims Resolution Order.

CROSS BORDER CLAIMS

21. **THIS COURT ORDERS** that the Monitor, with the agreement and consent of the Applicants and the Equity Committee (and following the Effective Date, the Liquidation Trustee) and, in consultation with the Creditors' Committee, may (i) accept, revise or disallow any Cross Border Claims (including the U.S. Claims) in accordance with the procedures established by this Claims Resolution Order as if the Cross Border Claims (including the U.S. Claims) were Canadian Claims; or (ii) decline to accept, revise or disallow any Cross Border Claims (including the Canadian Claims) and such Cross Border Claims (including the Canadian Claims) shall be determined in the manner provided for in the Chapter 11 Proceedings and under the U.S. Bankruptcy Code.

22. **THIS COURT ORDERS** that in the event the Monitor, the Applicants, and the Equity Committee, and following the Effective Date, the Liquidation Trustee, cannot agree on whether Cross Border Claims shall be determined in the CCAA Proceedings pursuant to this Claims Resolution Order or in the Chapter 11 Proceedings under the U.S. Bankruptcy Code, this Court and the U.S. Bankruptcy Court shall decide on the process by which such Cross Border Claims shall be resolved.

23. **THIS COURT ORDERS** that the procedure for determining Employee Claims that are Cross Border Claims shall not be decided by the Applicants and the Monitor in

accordance with paragraph 21 of this Claims Resolution Order prior to the Effective Date without consent of the Equity Committee and Creditors' Committee.

24. **THIS COURT ORDERS** that in making a determination under paragraph 21 of this Claims Resolution Order on whether Cross Border Claims shall be determined in the CCAA Proceedings pursuant to this Claims Resolution Order or in the Chapter 11 Proceedings under the U.S. Bankruptcy Code, the Monitor, the Applicants, the Equity Committee (and following the Effective Date, the Liquidation Trustee) may consider the location of the Claimant, the nexus of the Cross Border Claims to Canada or the United States, the jurisdiction whose laws are principally implicated by the Cross Border Claim, and any governing law clause in any agreement to which the Cross Border Claims relate, among other factors.

25. **THIS COURT ORDERS** that a determination made in the Chapter 11 Proceedings in respect of any U.S. Claim and any Canadian Claim which the Monitor declines to accept, revise or disallow in accordance with the terms of this Claims Resolution Order, shall be final and binding for purposes of the CCAA Proceedings and the Claimant shall have no further right to dispute, contest or appeal the decision determining the Claim pursuant to this Claims Resolution Order.

26. **THIS COURT ORDERS** that the U.S. Bankruptcy Court shall retain sole jurisdiction for any disputes with respect to all U.S. Claims and this Claims Resolution Order shall not affect in any way the determination of U.S. Claims, except as provided for in paragraph 21 hereof. For the avoidance of doubt, nothing in this Claims Resolution Order shall limit, impair, or affect in any way the right of the Equity Committee or Liquidation Trustee, as applicable, or any other party in interest to independently object to any U.S. Claims that are not Cross Border Claims, any Cross Border Claims that are to be decided in the Chapter 11 Proceedings or the SEC Claim pursuant to section 502(a) of the U.S. Bankruptcy Code or any other applicable U.S. or Canadian law.

SERVICE AND NOTICES

27. **THIS COURT ORDERS** that any notice or other communication to be given under this Claims Resolution Order to the Monitor shall be in writing in substantially the form, if

any, provided for in this Claims Resolution Order and will be sufficiently given only if delivered by courier, by personal delivery, email or facsimile transmission addressed to:

Ernst & Young Inc.,
in its capacity as the Court-appointed Monitor of Old PSG Wind-Down Ltd. et. al.
800 René Lévesque West, suite 1900
Montreal, Quebec
Canada H3B 1X9

Attention: Jonathan Cohen-Domanus
Email: jonathan.cohen-domanus@ca.ey.com
Telephone: (514) 879-8051
Fax: (514) 879-3999

with a copy to:

Thornton Grout Finnigan LLP, Counsel to the Monitor
100 Wellington St. W., Suite 3200
Toronto, ON
Canada M5K 1K7

Attention:	Robert Thornton and Rachel Bengino
Email:	rthornton@tgf.ca / rbengino@tgf.ca
Telephone:	(416) 304-1616
Fax:	(416) 304-1313

28. **THIS COURT ORDERS** that any notice or other communication to be given under this Claims Resolution Order to the Applicants shall be in writing in substantially the form, if any, provided for in this Claims Resolution Order and will be sufficiently given only if delivered by courier, by personal delivery, email or facsimile transmission addressed to:

Stikeman Elliot LLP
199 Bay Street, Suite 5300
Toronto, ON
Canada M5L 1B9

Attention:	Peter Howard / Lee Nicholson
Email:	phoward@stikeman.com / leenicholson@stikeman.com
Telephone:	(416) 869-5500
Fax:	(416) 947-0866

29. **THIS COURT ORDERS** that any notice or other communication to be given under this Claims Resolution Order to the Equity Committee or Liquidation Trustee shall be in

writing in substantially the form, if any, provided for in this Claims Resolution Order and will be sufficiently given only if delivered by courier, by personal delivery, email or facsimile transmission addressed to:

McMillan LLP
Brookfield Place, Suite 4400
181 Bay Street
Toronto, ON
Canada M5J 2T3

Attention:	Andrew Kent / Caitlin Fell
Email:	andrew.kent@mcmillan.ca / caitlin.fell@mcmillan.ca
Telephone:	(416) 865 7841
Fax:	(416) 865 7048

with a copy to:

Brown Rudnick LLP
Seven Times Square
New York, NY 10036

Attention:	Robert J. Stark / Steven B. Levine / Andrew M. Carty
Email:	rstark@brownrudnick.com / slevine@brownrudnick.com / acarty@brownrudnick.com
Telephone:	(212) 209 4800
Fax:	(212) 209 4801

30. **THIS COURT ORDERS** that any notice or other communication to be given under this Claims Resolution Order to the Creditors' Committee shall be in writing in substantially the form, if any, provided for in this Claims Resolution Order and will be sufficiently given only if delivered by courier, by personal delivery, email or facsimile transmission addressed to:

Cassels Brock LLP
Suite 2100, Scotia Plaza
40 King Street West
Toronto, ON
Canada M5H 3C2

Attention:	Monique Sassi
Email:	msassi@casselsbrock.com
Telephone:	(416) 860 6886
Fax:	(416) 640 3005

with a copy to:

Blank Rome LLP
One Logan Square
130 North 18th Street
Philadelphia, PA 19103-6998

Attention:	Josef W. Mintz
Email:	Mintz@BlankRome.com
Telephone:	(215) 569 5528
Fax:	(215) 832 5528

31. **THIS COURT ORDERS** that from and after the Effective Date any notice to the Applicants pursuant to paragraph 28 of this Claims Resolution Order shall be addressed to the Chief-Wind Down Officer (as defined by the Joint Plan), the contact details of which shall be posted on the website of the Monitor.

32. **THIS COURT ORDERS** that any notice or other communication (including a Notice of Revision or Disallowance, a Notice of Dispute or a Request for Information) to be given under this Claims Resolution Order to a Claimant by the Applicants or the Monitor shall be deemed to be received by the Claimant on (i) two (2) business days after the date such notice is sent by registered mail if sent to the Claimant, or to the Person designated as its duly authorized representative on the Proof of Claim; or (ii) on the same date such notice is issued by courier or personal delivery to the address provided by the Claimant in its Proof of Claim, by email to the email address provided by the Claimant in its Proof of Claim or by facsimile transmission to the facsimile number provided by the Claimant in its Proof of Claim.

33. **THIS COURT ORDERS** that if the date on which a notice shall be issued or filed occurs on a day that is not a business day, then such notice or filing may be done on the next succeeding business day.

GENERAL

34. **THIS COURT ORDERS** that the forms in Schedules "B" and "C" attached hereto are approved in their entirety.

35. **THIS COURT ORDERS** that nothing in this Claims Resolution Order shall affect the rights, as they may exist, of the Equity Committee and Creditors' Committee to seek

directions or a determination from this Court or other relief with respect to a determination by the Monitor to accept, revise or disallow a Canadian Claim.

36. **THIS COURT ORDERS** that (i) in carrying out the terms of this Claims Resolution Order, the Monitor shall have all of the protections given to it by the CCAA, the Second Amended and Restated Initial Order granted by this Court on October 31, 2016, this Claims Resolution Order, and as an officer of the Court, including the stay of proceedings in its favour, (ii) the Monitor and the Claims Officer shall incur no liability or obligation as a result of carrying out the provisions of this Claims Resolution Order, (iii) the Monitor shall be entitled to rely on information provided by the Applicants and/or a Claimant, all without independent investigation, (iv) except by leave of the Court, no action lies against the Claims Officer with respect to any action taken pursuant to this Claims Resolution Order; and (v) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in information provided by the Applicants or by any Claimant.

37. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Claims Resolution Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Claims Resolution Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Claims Resolution Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Claims Resolution Order.

Hainey J.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

SEP 0 1 2017

PER / PAR:

Court File No: CV-16-11582-00CL

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF OLD PSG WIND-DOWN LTD. ET AL.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

CLAIMS RESOLUTION ORDER

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5300 Commerce Court West
199 Bay Street
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Fax: (416) 947-0866

Lawyers for the Applicants

APPENDIX “C”

Court File No. CV-16-11582-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	) WEDNESDAY, THE 20th DAY
	)
JUSTICE HAINEY	) OF DECEMBER, 2017

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF OLD PSG WIND-DOWN LTD., OLD BHR WIND-DOWN CORP., OLD BPSU WIND-DOWN CORP., OLD BPSDS WIND-DOWN CORP., OLD EBS WIND-DOWN CORP., OLD PLG WIND-DOWN CORP., OLD PSGI WIND-DOWN CORP., OLD BHR INC., OLD BH INC., OLD BPSU INC., OLD BPSCI INC., OLD BPSUSH INC., OLD EBS INC., OLD PLG INC., AND OLD PSGI INC.

(Applicants)

CCAA APPROVAL ORDER

THIS MOTION, made by Old PSG Wind-down Ltd. ("**Parent Debtor**"), Old BHR Wind-down Corp., Old BPSU Wind-down Corp., Old BPSDS Wind-down Corp., Old EBS Wind-down Corp., Old EBS Wind-down Corp., Old PLG Wind-down Corp., Old PSGI Wind-down Corp., Old BHR Inc., Old BH Inc., Old BPSU Inc., Old BPSCI Inc., Old BPSCI Inc., Old BPSUSH Inc., Old EBS Inc., Old PLG Inc., and Old PSGI Inc. (collectively, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, (the "**CCAA**") for an order (the "**CCAA Approval Order**"), *inter alia*, (a) approving distributions to the Applicants' stakeholders; (b) approving certain transactions in respect of the Applicants; and (c) granting certain ancillary relief in respect of the First Amended Joint Chapter 11 Plan of Liquidation of Old BPSUSH Inc. and its affiliated debtors filed in the U.S. Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") on October 31, 2017 and attached hereto as Schedule "A", and the plan supplement documents substantially in the form attached hereto as Schedule "B" and "C" (the "**Plan Supplement**") (collectively, as further amended, restated, modified and supplemented, from time to time, including pursuant to the Confirmation Order, the "**Joint Plan**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Brian Fox sworn December 7, 2017 and the Exhibits thereto, Declaration of Christina Pullo dated December 15, 2017, and the Twelfth Report of Ernst

& Young Inc. in its capacity as monitor (the "**Monitor**") to the Applicants dated December 14, 2017, and on hearing the submissions of counsel for the Applicants, the Monitor, the Creditors' Committee and the Equity Committee, no one appearing for any other party although duly served as appears from the affidavit of service of Lee Nicholson, filed.

DEFINITIONS

1. THIS COURT ORDERS that all capitalized terms not otherwise defined in this CCAA Approval Order shall have the respective meanings ascribed to them in the Joint Plan.

JOINT PLAN

2. THIS COURT ORDERS that the Joint Plan is hereby approved.

3. THIS COURT ORDERS that upon the Effective Date, the Joint Plan including, without limitation, the distributions, transactions, releases, exculpations and injunctions provided for therein, shall be in full force and effect in Canada and binding on the Applicants, the Equity Committee, the Creditors' Committee, Holders of Claims, Holders of Equity Interests, the Lead Plaintiff, all members of the Putative Class and Holders of Securities Claims, and all other Persons, including their respective heirs, administrators, executors, legal personal representatives, successors and assigns.

4. THIS COURT ORDERS that the Global Settlement, as described in the Joint Plan, is hereby approved and, on the Effective Date, shall become effective and binding on the Applicants, the Equity Committee, the Creditors' Committee, Holders of Claims and Holders of Equity Interests in accordance with the Joint Plan and this CCAA Approval Order.

5. THIS COURT ORDERS that the Applicants, the Distribution Agent, the Monitor, the Chief Wind-Down Officer, the Litigation Representative, the Claims and Solicitation Agent, the Liquidation Trust and the Liquidation Trustee, as the case may be, are hereby authorized and directed to take all steps and actions necessary or appropriate to implement the Joint Plan and this CCAA Approval Order, including the Plan Transactions, and enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, deliveries, allocations, instruments and agreements contemplated by the Joint Plan or this CCAA Approval Order, and all such steps and actions are hereby authorized, ratified and approved. Neither the Applicants, including their directors, officers, employees and agents, the Chief Wind-Down Officer, the Litigation Representative, the Liquidation Trust Advisory Board, the Liquidation

Trustee nor the Monitor nor any professionals employed by any of the foregoing, shall incur any liability as a result of acting in accordance with, and in furtherance of, the terms of the Joint Plan and this CCAA Approval Order.

6. THIS COURT ORDERS that, on the Effective Date, any contingent or unexercised option, warrant, or right, contractual or otherwise, to acquire or be awarded any interest in an Applicant, including but not limited to unvested restricted share units, or other such forms of interest, including those held by former officers, employees or directors of the Applicants as a form of compensation, except for restricted share units and deferred share units identified in Exhibit "E" of the Plan Supplement, shall be cancelled without the exchange of any similar interest or other form of consideration.

7. THIS COURT ORDERS that, notwithstanding:

(a) the pendency of the CCAA Proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act (Canada)* in respect of any of the Applicants and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of any of the Applicants;

the transactions, distributions, deliveries, allocations, instruments and agreements contemplated by the Joint Plan shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act (Canada)* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. THIS COURT ORDERS that the Confirmation Order is enforceable in Canada and the CCAA Proceedings as if it was an Order granted by this Canadian Court.

GOVERNANCE

9. THIS COURT ORDERS that upon the Effective Date, all of the then serving officers and directors of each Applicant shall be deemed to resign and the five (5) duly qualified nominees identified in Exhibit "A" of the Plan Supplement shall be appointed to the board of directors of the Reorganized Parent Debtor. The board of directors of the Reorganized Parent Debtor shall appoint directors to serve on the board of directors of each Subsidiary Debtor pending the Subsidiary Debtors' anticipated dissolution.

10. THIS COURT ORDERS that upon the Effective Date, the Chief Wind-Down Officer identified in the Plan Supplement shall be validly and duly appointed and shall be authorized and empowered to carry out its obligation set forth in the Joint Plan, including, among other things, winding-up the Applicants' estates.

11. THIS COURT ORDERS that the amended articles of the Parent Debtor, substantially in the form attached as Exhibit "F" of the Plan Supplement, are hereby approved and shall be effective upon the Effective Date.

12. THIS COURT ORDERS that, during the pendency of the CCAA Proceedings, the Applicants and the Liquidation Trust, to the extent applicable, shall not be required to comply with any applicable reporting or disclosure requirements or the obligations requiring, among other things, the holding of shareholders' meetings under applicable corporate law governing the Applicants, namely the *Business Corporations Act* (British Columbia) (the "***BCBCA***") in respect of the Parent Debtor, the *Securities Act* (Ontario) and the applicable securities laws of each of the other provinces and territories of Canada, the regulations and rules made and forms prescribed thereunder or any applicable published rules, instruments, policy statements and blanket orders and rulings of Canadian securities regulatory authorities and in so doing none of the Applicants, the Monitor, the Chief Wind-Down Officer, the Litigation Representative, the Liquidation Trust, the Liquidation Trustee or any of their respective directors, officers, employees or agents shall be liable for any such non-compliance.

13. THIS COURT ORDERS that, on and following the Effective Date, the Applicants shall be entitled to proceed with the implementation of the Joint Plan on the basis that the Applicants are deemed to be in compliance with the corporate law under *BCBCA*.

CLASS SETTLEMENT

14. THIS COURT ORDERS that the Class Settlement, as described in the Joint Plan and Class Plaintiff Stipulation, is hereby approved and, on the Effective Date, shall become effective and binding on the Applicants, the Liquidation Trust, the Equity Committee, the Lead Plaintiff , each member of the Putative Class, Holders of Securities Claims, Holders of Claims and Holders of Parent Equity Interests and all other Persons, including, their respective heirs, administrators, executors, legal representatives, successors and assigns. The Joint Plan shall not be modified or amended in any manner that alters or otherwise impacts the terms of the Class Settlement or the treatment of the Securities Claims under the Joint Plan, without the consent of the Lead Plaintiff.

15. THIS COURT ORDERS that the distribution protocol for individual members of the Putative Class with respect to the Class Settlement Cash Consideration and any Class Settlement Litigation Proceeds shall be addressed by the District Court and an order of the District Court entered in the Securities Litigation (or, if necessary, the Bankruptcy Court, pursuant to and in accordance with the Joint Plan), and such distribution protocol shall not require any further Order of the Canadian Court. The Applicants, the Chief Wind-Down Officer, the Monitor, the Liquidation Trust, the Liquidation Trustee, and the Liquidation Trust Advisory Board shall have no responsibility or liability for any distributions or payments of the Class Settlement Cash Consideration or any Class Settlement Litigation Proceeds to the individual members of the Putative Class.

CCAA CHARGES

16. THIS COURT ORDERS that the Term Loan DIP Charge, ABL DIP Charge, Bid Protection Charge, Intercompany Charge, and Key Employee Charge, each as defined in the CCAA Initial Order or the Order of the Canadian Court dated January 10, 2017, are hereby terminated, released and discharged on the Effective Date and the Administration Charge and the Directors' Charge as defined in the CCAA Initial Order, shall continue and attach against the Applicants' Cash, including the Sale Proceeds, from and after the Effective Date, as hereafter amended.

17. THIS COURT ORDERS that on the Effective Date, the Administration Charge shall be reduced to US$5,000,000 and, in addition to the obligations presently secured thereby, shall also on and after Effective Date secure all obligations of the Applicants to pay or indemnify the

Chief Wind-Down Officer or the Litigation Representative for fees, expenses or liabilities, and the Director's Charge on and after the Effective Date shall secure only the claims of directors serving after the Effective Date.

18. THIS COURT ORDERS that notwithstanding paragraph 10 of the CCAA Initial Order, the Litigation Representative, on behalf of the Applicants and the Liquidation Trust, may enter into third-party funding arrangements as contemplated by Article V.E.2 of the Joint Plan, and the Directors' Charge may be subordinated or postponed to any Encumbrances, including any future security interests or mortgages in respect of the Applicants' or Liquidation Trust's current and future assets, undertakings and properties, by written agreement of the Board of Directors of the Reorganized Parent Debtor, without any further Order of the Canadian Court.

FEE AND PRIORITY TAX CLAIMS

19. THIS COURT ORDERS that the Applicants or the Monitor, as applicable, shall pay or cause to be paid, as applicable, on the Effective Date, to the extent not already paid:

(a) the Canadian Fee Claims in Cash in the ordinary course as such Canadian Fee Claims become due and payable;

(b) to the Holder of an Allowed CCAA Charge Claim, an amount equal to such Allowed Claim in Cash each pursuant to, and in accordance with, the Joint Plan; and

(c) to the Holder of an Allowed Priority Tax Claim, the amount equal to such Allowed Claim either in Cash or by deferred cash payments, each pursuant to and in accordance with the Joint Plan.

20. THIS COURT ORDERS that any Claim or demand for fines or penalties related to a Priority Tax Claim assessed after October 31, 2016 shall be disallowed and the Holder of an Allowed Priority Tax Claim shall not assess or attempt to collect any such fine or penalty.

FUNDING OF RESERVES

21. THIS COURT ORDERS that the Liquidation Trust Expense Reserve and the Holdback Amount Reserve are hereby approved and, on the Effective Date, the Distribution Agent shall fund the Reserves with Cash in the manner and amounts specified in the Joint Plan, which

Reserves shall be held by Reorganized Parent Debtor until (a) the issuance of applicable Clearance Certificates (except in the case of the Holdback Amount Reserve); or (b) the decision of the Board of Directors of the Reorganized Parent Debtor to disburse such Reserves that are held by the Reorganized Parent Debtor.

22. THIS COURT ORDERS that notwithstanding paragraph 16 of this CCAA Approval Order, on the Effective Date, the Applicants are hereby directed to cause at least US$100,000 of the Liquidation Expense Trust Reserve to be funded into the Liquidation Trust pursuant to and in accordance with the Joint Plan and this CCAA Approval Order within sixty (60) days following the Effective Date, unless the Board of Directors of the Reorganized Parent Debtor, with the consent of the Liquidation Trustee, which consent shall not be unreasonably withheld, reasonably determines that such funding should not be made.

LIQUIDATION TRUST AND LIQUIDATION TRUSTEE

23. THIS COURT ORDERS that the formation of the Liquidation Trust pursuant to and in accordance with the Joint Plan and the Liquidation Trust Agreement is hereby approved.

24. THIS COURT ORDERS that upon the Effective Date, the Liquidation Trustee and the members of the Liquidation Trust Advisory Board, identified in Exhibit "C" of the Plan Supplement, respectively, shall be validly and duly appointed and shall be authorized and empowered to carry out its obligation set forth in the Joint Plan and Liquidation Trust Agreement.

25. THIS COURT ORDERS that the Liquidation Trust Agreement and the Cost Sharing Agreement, substantially in the forms attached as Exhibits "D" and "G" of the Plan Supplement, respectively, are hereby approved, and the Reorganized Parent Debtor and the Liquidation Trust are hereby authorized to enter into and carry out their obligations set forth in the the Liquidation Trust Agreement and the Cost Sharing Agreement.

26. THIS COURT ORDERS that the Theseus Strategy Group LLC is hereby appointed as Litigation Representative of the Applicants under the Joint Plan and shall have the sole power and authority on behalf of the Applicants to investigate, prosecute and abandon, settle, liquidate or otherwise resolve the Retained Causes of Action and to exercise all powers, rights and privileges pursuant to, and in accordance with, the Joint Plan without further Order of the Canadian Court.

27. THIS COURT ORDERS that, as soon as reasonably practicable after the Effective Date, the Parent Equity Interests of those Holders of Allowed Parent Equity Interests who elect Option 1 in accordance with the Joint Plan shall be deemed to be mandatorily purchased and cancelled in exchange for the property, assets, distributions and rights to be received by such Holders under, and in accordance with, the Joint Plan.

28. THIS COURT ORDERS that, as soon as reasonably practicable after the Effective Date, the Liquidation Trust Assets shall vest in the Liquidation Trust in accordance with the Joint Plan, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise including, without limiting the generality of the foregoing: (i) any of the CCAA Charges, and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**"), except as expressly provided to the contrary in the Joint Plan, including, but not limited to, the obligation to pay any Class Settlement Litigation Proceeds to the Lead Plaintiff as provided in the Plan and the Class Settlement Stipulation.

29. THIS COURT ORDERS that the Liquidation Trustee, the Chief Wind-Down Officer and the Litigation Representative shall not take possession of the Applicants' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**") and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the business or the Property, or any part thereof. Without limiting the foregoing, the Liquidation Trustee, the Chief Wind-Down Officer and the Litigation Representative shall not, as a result of this CCAA Approval Order or anything done pursuant to its duties and powers pursuant to this CCAA Approval Order or the Joint Plan, be deemed to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, or the

Ontario *Occupational Health and Safety Act* and regulations thereunder; provided however, if the Liquidation Trustee, the Chief Wind-Down Officer or the Litigation Representative is nevertheless later found to be in possession of any Property, then the Liquidation Trustee, the Chief Wind-Down Officer and the Litigation Representative shall be deemed to be Persons who has been lawfully appointed to take, or has lawfully taken, possession or control of such Property for the purposes of section 14.06(1.1)(c) of the *Bankruptcy and Insolvency Act* (the "**BIA**") and shall be entitled to the benefits and protections in relation to the Applicants or the Liquidation Trust and such Property as provided by section 14.06(2) of the BIA to a "trustee" in relation to an insolvent Person and its property.

30. THIS COURT ORDERS that the Liquidation Trustee, the Chief Wind-Down Officer and the Litigation Representative shall not incur any liability or obligation as a result of their appointment or the carrying out of the provisions of this CCAA Approval Order or the Joint Plan and the Liquidation Trustee, the Chief Wind-Down Officer and the Litigation Representative shall not have any liability with respect to any losses, claims, damages or liabilities, of any nature or kind, to any Person from and after the date of this CCAA Approval Order except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct on the part of the Liquidation Trustee, Chief Wind-Down Officer or Litigation Representative, as applicable.

31. THIS COURT ORDERS that no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the Liquidation Trustee, the Chief Wind-Down Officer or the Litigation Representative and all rights and remedies of any Person against or in respect of the Liquidation Trustee, the Chief Wind-Down Officer and the Litigation Representative are hereby stayed and suspended, except with leave of this Court on notice to the Applicants, the Monitor and the Liquidation Trustee, the Chief Wind-Down Officer or the Litigation Representative, as applicable. Notice of any such motion seeking leave of this Court shall be served upon the Applicants and the Monitor, and the Liquidation Trustee, the Chief Wind-Down Officer or the Litigation Representative, as applicable, at least seven (7) days prior to the return date of any such motion for leave.

32. THIS COURT ORDERS that, without limiting any other provision of this CCAA Approval Order, the Applicants shall indemnify the Chief Wind-Down Officer and the Litigation Representative for obligations and liabilities that it may incur as result of their appointment under the Joint Plan and this CCAA Approval Order, in accordance with the terms of the Joint

Plan, except to the extent that such obligation or liability was incurred as a result of gross negligence or willful misconduct on the part of the Chief Wind-Down Officer and the Litigation Representative, as applicable.

DISTRIBUTIONS

33. THIS COURT ORDERS that, on the Effective Date, the Distribution Agent is hereby authorized and directed to complete distributions to Holders of Allowed Claims and to take any related steps or actions, as the case may be, in accordance with the Joint Plan, and such distributions, steps and actions related thereto, are hereby approved.

34. THIS COURT ORDERS that distributions to Holders of Allowed Claims shall be made free and clear of all Encumbrances, including the CCAA Charges.

35. THIS COURT ORDERS that the aggregate recovery under the Joint Plan and this CCAA Approval Order shall not exceed 100% of the Allowed amount of any Claim for which more than one Applicant is liable, whether on account of a theory of primary or secondary liability, by reason of a guarantee agreement, indemnity agreement, joint and several liability or otherwise, as determined in accordance with the Joint Plan, this CCAA Approval Order or the Claims Resolution Order.

36. THIS COURT ORDERS that, following the Initial Cash Distributions and receipt of applicable Clearance Certificates, the Distribution Agent is hereby authorized and directed to distribute the Equity Available Cash to Holders of Allowed Parent Equity Claims and to take any related steps or actions, as the case may be, in accordance with the Joint Plan, and such distributions and steps and actions related thereto, are hereby approved.

37. THIS COURT ORDERS that, following the Initial Cash Distributions and receipt of applicable Clearance Certificates, the Distribution Agent is hereby authorized and directed to distribute the Class Settlement Cash Consideration and the Class Settlement Litigation Proceeds to the Lead Plaintiff (on behalf of itself and the Putative Class) in accordance with the Joint Plan and Class Plaintiff Stipulation and to take any related steps or actions, as the case may be, in accordance with the Joint Plan and Class Plaintiff Stipulation, and such distributions, steps and actions related thereto, are hereby approved.

38. THIS COURT ORDERS that distributions to Holders of Allowed Parent Equity Interests and the Lead Plaintiff (on behalf of itself and the Putative Class) shall be made free and clear of

all Encumbrances, including the CCAA Charges, provided that the Holders of Allowed Claims have been Paid in Full in Cash and cash reserves have been established for the payment of each Disputed Claim in an amount equal to the amount of such Disputed Claim or such lesser amount as may be agreed by the holder of the applicable Disputed Claim or as determined by the Canadian Court or the Bankruptcy Court, as applicable, subject to any applicable withholding taxes or any other sources deductions required by law to be paid in accordance with paragraph 42 of this CCAA Approval Order, on the date of such distribution.

39. THIS COURT ORDERS that no distribution shall be made with respect to any Disputed Claim until all disputes with respect to such Claim are resolved by the Liquidation Trustee or the Monitor, as applicable and such Disputed Claim becomes an Allowed Claim.

40. THIS COURT ORDERS that distributions to Holders of Allowed Claims and Holders of Allowed Parent Equity Interests shall occur in accordance with Article VII.B of the Joint Plan and at such times contemplated by Article VII.C of the Joint Plan.

41. THIS COURT ORDERS AND DECLARES that:

(a) the directors, officers, employees or agents of the Applicants, the Monitor, the Distribution Agent, the Chief Wind-Down Officer, the Liquidation Trust, the Litigation Representative or the Liquidation Trustee do not hold any Assets of the Applicants or make, authorize, acquiesce or participate in any distributions, payments and/or disbursements under the Joint Plan or this CCAA Approval Order (other than a distribution or payment of Cash to a Holder of Parent Equity Interests), and no provision under the Joint Plan or this CCAA Approval Order shall be construed to have such effect; and

(b) in respect of the payment, distribution and/or disbursement to any Person under the Joint Plan or this CCAA Approval Order (other than a payment, distribution and/or disbursement of Cash to a Holder of Parent Equity Interests), the directors and officers of the Applicants, the Monitor, the Distribution Agent, the Chief Wind-Down Officer, the Liquidation Trust, the Litigation Representative or the Liquidation Trustee shall not be an assignee, liquidator, liquidator of succession, receiver, receiver-manager, curator, receiver of any kind, trustee, trustee in bankruptcy, heir, administrator, executor, liquidator of succession, committee or any other like person, administering, winding-up, controlling or otherwise dealing with the property, business, succession, income or commercial activity of the Applicants.

42. THIS COURT ORDERS that any tax amounts or other source deductions required by law to be withheld from distributions made in accordance with the Joint Plan and this CCAA Approval Order shall be withheld and remitted to the appropriate tax authority in accordance with the Joint Plan and this CCAA Approval Order on a best efforts basis, without any obligation of the Distribution Agent to withhold and remit such funds and that any amounts so withheld and remitted shall be considered to be paid to the Person entitled to receive the distribution in respect of which such withholdings were made. The Applicants, the Chief Wind-Down Officer, the Liquidation Trust, the Litigation Representative or the Liquidation Trustee (and their respective directors and officers) and the Distribution Agent shall have no liability to any party, including any taxing authority, for failure to withhold such amounts or for incorrectly calculating the amounts to be withheld.

MONITOR'S ACTIVITIES

43. THIS COURT ORDERS that the powers granted to the Monitor in the CCAA Initial Order include those as set out in this CCAA Approval Order, including, without limitation, the power to act as Distribution Agent in accordance with this CCAA Approval Order and the Joint Plan.

44. THIS COURT ORDERS that (a) in carrying out the terms of this CCAA Approval Order and the Joint Plan, the Monitor shall have all of the protections given to it by the CCAA, the CCAA Initial Order, the Joint Plan, and as an officer of the Canadian Court, including the stay of proceedings in its favour, and (b) the Monitor shall incur no liability or obligation for any act or omission as a result of carrying out the provisions of this CCAA Approval Order and the Joint Plan, save and except for any gross negligence or wilful misconduct on its part.

RELEASES AND INJUNCTIONS

45. THIS COURT ORDERS AND DECLARES that the compromises, releases, exculpations and injunctions set out in Article X of the Joint Plan are hereby approved and shall be binding and effective as at the Effective Date in accordance with and subject to the Joint Plan. For the avoidance of doubt, consistent with paragraph 10(b) of the Class Plaintiff Stipulation, the releases in Article X.B of the Joint Plan are not intended to, and shall not, release any claims set forth in the Securities Litigation against any non-Applicant defendant.

46. THIS COURT ORDERS that, as of the Effective Date, the Exculpated Parties (which, for greater certainty, includes the Applicants' former directors) shall not have or incur any liability to any Holder of any Claim or Equity Interest, the Applicants' estates or any successor thereto, or any other Person (including any Affiliate of any of the foregoing) for, or be subject to any right of action in respect of, any act or omission on or after the Petition Date and on or before the Effective Date in connection with, related to, or arising out of the Chapter 11 Cases or the CCAA Proceedings, provided that, nothing in the Joint Plan and this CCAA Approval Order shall release the Applicants' directors and former directors from Claims specified in section 5(2) of the CCAA.

47. THIS COURT ORDERS AND DECLARES that, pursuant to section 142 of the *Courts of Justice Act* (Ontario), no Person shall be liable for any act done in good faith in accordance with any Order issued in the CCAA Proceedings, and any Person who takes any action whatsoever in reliance on this CCAA Approval Order prior to the commencement of any appeal hereof or the expiry of any appeal period shall not be prejudiced or harmed in any manner by any such subsequent appeal.

48. THIS COURT ORDERS that the Holder of any Claim for which a proof of Claim has not been filed by the applicable Bar Date, or which was not scheduled on the Applicants' Schedules, shall be and is hereby forever barred from making any Claim and such Claim shall be and is hereby forever barred and extinguished.

49. THIS COURT ORDERS that the Holder of any Administrative Claim, other than (a) a Fee Claim; (b) claims of Alvarez & Marsal North America, LLC, (c) an Administrative Claim that has that has been Allowed on or before the Effective Date; (d) a claim for U.S. Trustee Fees, (e) a Canadian Fee Claim; or (f) any claim of the CRA or any other Canadian or provincial taxing authority for which a post-petition tax return is still required to be filed, must file a proof of Claim with Claims and Solicitation Agent in accordance with the Joint Plan within thirty (30) days after service of the notice of the Effective Date, and any Holder that does not submit such proof of Claim shall be and is hereby forever barred from making any Administrative Claim and such Administrative Claim shall be and is hereby forever barred and extinguished.

50. THIS COURT ORDERS if any Canadian or provincial taxing authority, including CRA, asserts an Administrative Claim for which a post-petition tax return must be filed, the applicable taxing authority shall submit to the Claims and Solicitation Agent or the Monitor a request for

such Administrative Claim in accordance with the Joint Plan within ninety (90) days after the applicable post-petition tax return has been filed by Applicants, and any Canadian or provincial taxing authority that does not submit such proof of Claim shall be and is hereby forever barred from making any Administrative Claim and such Administrative Claim shall be and is hereby forever barred and extinguished.

STIPULATION

51. THIS COURT ORDERS that the Order of the Bankruptcy Court approving the stipulation among the Applicants, Equity Committee, and certain of the Applicants' former directors (the "**Stipulation**"), resolving certain claims filed by the Applicants' former directors, shall be enforceable in Canada and the CCAA Proceedings. The Monitor shall be authorized and directed to take any and all actions necessary or appropriate to enforce such Stipulation and the Order of the Bankruptcy Court approving the same.

MISCELLANEOUS

52. THIS COURT ORDERS that notwithstanding anything to the contrary in the Joint Plan or this CCAA Approval Order, (a) the stay of proceedings in respect of the Applicants contained in the CCAA Initial Order shall be lifted solely to permit the action styled as Milner v. AIG Commercial Insurance Company of Canada (insurer of Mission-ITECH Hockey Ltd. a/k/a/ Mission Roller Hockey, Bauer Hockey Corporation; and Bauer Performance Sports Ltd.); Filochrome Inc. and Acufil, Inc., Case No. 12-6441, pending before the Superior Court of Rhode Island, to proceed to its conclusion solely against AIG Commercial Insurance Company of Canada and any non-Applicants; and (b) to the extent the Claim of William J. Milner (represented by Proof of Claim number 442) is Allowed, such Claim may be entitled to a distribution under the Joint Plan only up to the US$50,000, the self-insured retention that is required under the insurance policy applicable to the Claim.

53. THIS COURT ORDERS that no distributions under Joint Plan shall be made on account of an Allowed Claim, other than the Securities Claims, that is payable pursuant to the Applicants' or the Liquidation Trust's insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy, except as required under any such insurance policy with respect to a deductible or retention.

MONITOR'S CERTIFICATE

54. THIS COURT ORDERS that, as soon as practicable following the Effective Date, the Monitor shall be authorized and directed to serve on the service list in the CCAA Proceedings and post on the website established by the Monitor in respect of the CCAA Proceedings a certificate in the form attached hereto as Schedule "D" (the "**Monitor's Certificate**"), signed by the Monitor, certifying that the Effective Date has occurred. The Monitor shall file the Monitor's Certificate with the Canadian Court as soon as reasonably practicable.

55. THIS COURT ORDERS that, with respect to the delivery of the Monitor's Certificate, the Monitor may rely on written notice from the Applicants, the Creditors' Committee and the Equity Committee, or each of their respective counsel, that the conditions to the occurrence of the Effective Date have been satisfied or waived pursuant to the Joint Plan, and shall incur no liability with respect to delivery of the Monitor's Certificate.

STAY EXTENSION

56. THIS COURT ORDERS that the Stay Period, as defined in the CCAA Initial Order, is hereby further extended to December 31, 2018.

GENERAL

57. THIS COURT ORDERS that this Canadian Court shall continue to have jurisdiction over all matters and issues arising in the CCAA Proceedings, including without limitation such matters as are contemplated by the Joint Plan, and the Liquidation Trust Agreement shall in no way limit or impair this Canadian Court's jurisdiction with respect to this CCAA Approval Order and the CCAA Proceedings.

58. THIS COURT ORDERS that the Applicants, the Monitor, the Chief Wind-Down Officer, the Litigation Representative and the Liquidation Trustee shall each have standing to apply to this Court for advice and directions concerning the implementation and carrying out of the Joint Plan, this CCAA Approval Order and any related matters.

59. THIS COURT ORDERS that this CCAA Approval Order shall have full force and effect in all provinces and territories in Canada and abroad and as against all Persons against whom it may be otherwise enforceable.

60. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal or regulatory or administrative body having jurisdiction in Canada or in the United States, to give

effect to this CCAA Approval Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this CCAA Approval Order. All courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of the Canadian Court, as may be necessary or desirable to give effect to this CCAA Approval Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this CCAA Approval Order.

Hainey J.

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PER / PAR:

Court File No: CV-16-11582-00CL

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF OLD PSG WIND-DOWN LTD. ET AL.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

CCAA APPROVAL ORDER

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
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FOURTEENTH REPORT OF THE MONITOR
JUNE 21, 2019

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